



BUDGET

Comments on Finance Bill 2013-14

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Budget Brief 2013-14

Budget 2013-14 was announced by the newly elected government of Prime Minister Nawaz Sharif on 12th of this month. On going through various proposed amendments, one is left with an immediate impression that things have been done bit hurriedly. The Finance Minister, perhaps was also not provided enough time to ponder upon the suggested changes or vividly appreciating the impact, the proposed measures would have on common man generally and trade and industry in particular. It appears that the government has decided to roll back the tax reform process implemented with painstaking efforts. The budget contains provisions providing powers to tax authorities that if not used sparingly would create extreme unrest.

The memories of freezing of foreign currency account have also been refreshed due to insertion of certain non-abstente clause overriding provisions contained in different statutes providing immunity from furnishing information to tax authorities. The access of tax authority to banks central data base with retroactive application of such provision could play havoc in the mind of tax payers.

One would have imagined that budget would have some good news for manufacturing sector, inadvertently perhaps, that has escaped that attention of honorable minister, as the rates of initial depreciation is reduced from 50% to 25 %. Further withdrawal of withholding tax exemption on profits up to Rs. 150,000 from DSC/SSC would adversely impact savings and investments.

Unfortunately the increase in sales tax rate with additional sales tax on unregistered person would raise the inflation many fold. The budget does not have any concrete proposal to arrest ever deteriorating power crises.

In all the provisions contained in recent budget would add to the miseries of common man, increased cost of doing business, resulting in shutting down of manufacturing units and staff lay off.

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	<p>8. General provisions relating to taxes imposed under sections 5, 6 and 7.— Subject to this Ordinance, the tax imposed under Sections 5, 6 and 7 shall be a final tax on the amount in respect of which the tax is imposed and—</p> <p>(a) such amount shall not be chargeable to tax under any head of income in computing the taxable income of the person who derives it for any tax year;</p> <p>(b) no deduction shall be allowable under this Ordinance for any expenditure incurred in deriving the amount;</p> <p>(c) the amount shall not be reduced by —</p> <p>(i) any deductible allowance; or</p> <p>(ii) the set off of any loss;</p> <p>(d) the tax payable by a person under sections 5, 6 or 7 shall not be reduced by any tax credits allowed under this Ordinance; and</p> <p>(e) the liability of a person under sections 5, 6 or 7 shall be discharged to the extent that —</p> <p>(i) in the case of shipping and air transport income, the tax has been paid in accordance with section 143 or 144, as the case may be; or</p> <p>(ii) in any other case, the tax payable has been deducted at source under Division III of Part V of Chapter X.</p> <p>Provided that the provision of this section shall not apply to dividend received by a company.</p>	<p>The proposed deletion of proviso to section 8 would render taxability of dividend income for company on presumptive basis.</p>
	<p>56. Set off of losses.— (1) Subject to sections 58 and 59, where a person sustains a loss for any tax year under any head of income specified in section 11, the person shall be entitled to have the amount of the loss set off against the person's income, if any, chargeable to tax under any other head of income except income under the head salary for the year.</p> <p>(2) Except as provided in this Part, where a person sustains a loss under a head of income for a tax year that cannot be set off under sub-section (1), the person shall not be permitted to carry the loss forward to the next tax year.</p>	<p>The Finance Bill proposes to withdraw facility of setting off of loss under any head of income against the salary income. Salary income would now be taxed at the rates specified in the first schedule without any adjustment on account of loss under any other head of income.</p>

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	<p>(3) Where, in a tax year, a person sustains a loss under the head “Income from Business” and a loss under another head of income, the loss under the head “Income from Business shall be set off last.</p>	
	<p>59AA. Group taxation.— (1) Holding companies and subsidiary companies of 100% owned group may opt to be taxed as one fiscal unit. In such cases, besides consolidated group accounts as required under the Companies Ordinance, 1984 (XLVII of 1984), computation of income and tax payable shall be made for tax purposes.</p> <p>(2) The companies in the group shall give irrevocable option for taxation under this section as one fiscal unit.</p> <p>(3) The group taxation shall be restricted to companies locally incorporated under the Companies Ordinance, 1984 (XLVII of 1984).</p> <p>(4) The relief under group taxation would not be available to losses prior to the formation of the group.</p> <p>(5) The option of group taxation shall be available to those group companies which comply with such corporate governance requirements and group designation rules or regulations as may be specified by the Securities and Exchange Commission of Pakistan from time to time and are designated as companies entitled to avail group taxation.</p> <p>(6) Group taxation may be regulated through rules as may be made by the Board.</p>	<p>In order to avail benefit of group taxation and group relief by holding and subsidiary companies, the companies have to comply with “group designation rules & regulations” as well.</p>
	<p>59B. Group relief.— (1) Subject to sub-section (2), any company, being a subsidiary of a holding company, may surrender its assessed loss (excluding capital loss) for the tax year (other than brought forward losses and capital losses), in favour of its holding company or its subsidiary or between another subsidiary of the holding company:</p> <p>Provided that where one of the company in the group is a public company listed on a registered stock exchange in Pakistan, the holding company shall directly hold fifty-five percent or more of the share capital of the subsidiary company. Where none of the companies in the group is a listed company, the holding company shall hold directly seventy-five percent or more of the share capital of the subsidiary company.</p> <p>(2) The loss surrendered by the subsidiary company may be claimed by the holding company or a</p>	

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<p>subsidiary company for set off against its income under the head “Income from Business” in the tax year and the following two tax years subject to the following conditions, namely:—</p> <p>(a) there is continued ownership for five years, of share capital of the subsidiary company to the extent of fifty-five percent in the case of a listed company, or seventy-five percent or more, in the case of other companies;</p> <p>(b) a company within the group engaged in the business of trading shall not be entitled to avail group relief;</p> <p>(c) holding company, being a private limited company with seventy-five percent of ownership of share capital gets itself listed within three years from the year in which loss is claimed;</p> <p>(d) the group companies are locally incorporated companies under the Companies Ordinance, 1984 (XLVII of 1984);</p> <p>(e) the loss surrendered and loss claimed under this section shall have approval of the Board of Directors of the respective companies;</p> <p>(f) the subsidiary company continues the same business during the said period of three years;</p> <p>(g) all the companies in the group shall comply with such corporate governance requirements and group designation rules or regulations as may be specified by the Securities and Exchange Commission of Pakistan from time to time, and are designated as companies entitled to avail group relief; and</p> <p>(h) any other condition as may be prescribed.</p> <p>(3) The subsidiary company shall not be allowed to surrender its assessed losses for set off against income of the holding company for more than three tax years.</p> <p>(4) Where the losses surrendered by a subsidiary company are not adjusted against income of the holding company in the said three tax years, the subsidiary company shall carry forward the unadjusted losses in accordance with section 57.</p> <p>(5) If there has been any disposal of shares by the holding company during the aforesaid period of five years to bring the ownership of the holding company to less than fifty-five percent or seventy-five percent, as the case may be, the holding company shall, in the year of disposal, offer the amount of profit on which taxes have not been paid due to set off of losses</p>	<p>In order to avail benefit of group taxation and group relief by holding and subsidiary companies, the companies have to comply with “group designation rules & regulations” as well.</p>	

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	<p>surrendered by the subsidiary company.</p> <p>(6) Loss claiming company shall, with the approval of the Board of Directors, transfer cash to the loss surrendering company equal to the amount of tax payable on the profits to be set off against the acquired loss at the applicable tax rate. The transfer of cash would not be taken as a taxable event in the case of either of the two companies.</p> <p>(7) The transfer of shares between companies and the share holders, in one direction, would not be taken as a taxable event provided the transfer is to acquire share capital for formation of the group and approval of the Security and Exchange Commission of Pakistan or State Bank of Pakistan, as the case may be, has been obtained in this effect. Sale and purchase from third party would be taken as taxable event.</p>	
	<p>80. Person. — (1) The following shall be treated as persons for the purposes of this Ordinance, namely: —</p> <p style="padding-left: 20px;">(a) An individual;</p> <p style="padding-left: 20px;">(b) a company or association of persons incorporated, formed, organised or established in Pakistan or elsewhere;</p> <p style="padding-left: 20px;">(c) the Federal Government, a foreign government, a political sub-division of a foreign government, or public international organisation.</p> <p>(2) For the purposes of this Ordinance —</p> <p style="padding-left: 20px;">(a) “association of persons” includes a firm, a Hindu undivided family, any artificial juridical person and any body of persons formed under a foreign law, but does not include a company;</p> <p style="padding-left: 20px;">(b) “company” means —</p> <p style="padding-left: 40px;">(i) a company as defined in the Companies Ordinance, 1984 (XLVII of 1984);</p> <p style="padding-left: 40px;">(ii) a body corporate formed by or under any law in force in Pakistan;</p> <p style="padding-left: 40px;">(iii) a modaraba;</p> <p style="padding-left: 40px;">(iv) a body incorporated by or under the law of a country outside Pakistan relating to incorporation of companies;</p>	

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	<p>(v) a trust, a co-operative society or a finance society or any other society established or constituted by or under any law for the time being in force;</p> <p>(v) a co-operative society, a finance society or any other society;”;</p> <p>(va) a non-profit organization;</p> <p>(vb) a trust, an entity or a body of persons established or constituted by or under any law for the time being in force</p> <p>(vi) a foreign association, whether incorporated or not, which the Board has, by general or special order, declared to be a company for the purposes of this Ordinance;</p> <p>(vii) a Provincial Government;</p> <p>(viii) a Local Government in Pakistan; or</p> <p>(ix) a Small Company as defined in section 2;</p> <p>(c) “firm” means the relation between persons who have agreed to share the profits of a business carried on by all or any of them acting for all;</p> <p>(d) “trust” means an obligation annexed to the ownership of property and arising out of the confidence reposed in and accepted by the owner, or declared and accepted by the owner for the benefit of another, or of another and the owner, and includes a unit trust; and</p> <p>(e) “unit trust” means any trust under which beneficial interests are divided into units such that the entitlements of the beneficiaries to income or capital are determined by the number of units held.</p>	<p>The Bill proposes to include “Non-profit organization” in the definition of company besides rationalizing the clause relating to “Co-operative society”, “a finance society or any other society” & “a trust”.</p>
	<p>111. Unexplained income or assets. — (1) Where —</p> <p>(a) any amount is credited in a person’s books of account;</p> <p>(b) a person has made any investment or is the owner of any money or valuable article;</p> <p>(c) a person has incurred any expenditure ; or</p> <p>(d) any person has concealed income or furnished inaccurate particulars of income</p>	

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	<p>including —</p> <p>(i) the suppression of any production, sales or any amount chargeable to tax; or</p> <p>(ii) the suppression of any item of receipt liable to tax in whole or in part,</p> <p>and the person offers no explanation about the nature and source of the amount credited or the investment, money, valuable article, or funds from which the expenditure was made suppression of any production, sales, any amount chargeable to tax and of any item of receipt liable to tax or the explanation offered by the person is not, in the Commissioner's opinion, satisfactory, the amount credited, value of the investment, money, value of the article, or amount of expenditure suppressed amount of production, sales or any amount chargeable to tax or of any item of receipt liable to tax shall be included in the person's income chargeable to tax under head "Income from Other Sources" to the extent it is not adequately explained;</p> <p><i>"Provided that where a taxpayer explains the nature and source of the amount credited or the investment made, money or valuable article owned or funds from which the expenditure was made, by way of agricultural income, such explanation shall be accepted to the extent of agricultural income worked back on the basis of agricultural income tax paid under the relevant provincial law.";</i></p> <p>(2) The amount referred to in sub-section (1) shall be included in the person's income chargeable to tax in the tax year to which such amount relates.</p> <p>(3) Where the declared cost of any investment or valuable article or the declared amount of expenditure of a person is less than reasonable cost of the investment or the valuable article, or the reasonable amount of the expenditure, the Commissioner may, having regard to all the circumstances, include the difference in the person's income chargeable to tax under the head "Income from Other Sources" in the tax year to which the investment, valuable article or the expenditure relates.</p> <p>(4) Sub-section (1) does not apply, —</p> <p>(a) to any amount of foreign exchange remitted from outside Pakistan through normal banking channels that is encashed into rupees by a scheduled bank and a certificate from such bank is produced to that effect .</p> <p>(5) The Central Board of Pakistan may make rules under section 237 for the purposes of this section.</p>	<p>The Bill proposes to insert a proviso to section 111(i) whereby explanation offered by tax payer on account unexplained income or asset acquired would be accepted by the taxation authority, if such investment is made or an asset is acquired from agricultural source of income of the tax payer. The extent to which such explanation on account of investment made or asset acquired would be acceptable would depend upon the agriculture income of the tax payer worked back on the basis of agriculture income tax paid under the Provincial laws. So much of the amount as is not supported by agriculture income would fall under the definition of undisclosed income.</p>

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	<p>paid shall be carried forward for adjustment against tax liability under the aforesaid Part of the subsequent tax year:</p> <p>Provided that the amount under this clause shall be carried forward and adjusted against tax liability for five tax years immediately succeeding the tax year for which the amount was paid.</p> <p>(3) "turnover" means,-</p> <p>(a) the gross sales or gross receipts, exclusive of Sales Tax and Federal Excise duty or any trade discounts shown on invoices, or bills, derived from the sale of goods, and also excluding any amount taken as deemed income and is assessed as final discharge of the tax liability for which tax is already paid or payable;</p> <p>(b) (b) the gross fees for the rendering of services for giving benefits including commissions; except covered by final discharge of tax liability for which tax is separately paid or payable;</p> <p>(c) (c) the gross receipts from the execution of contracts; except covered by final discharge of tax liability for which tax is separately paid or payable; and</p> <p>(d) (d) the company's share of the amounts stated above of any association of persons of which the company is a member.</p> <p>113A. Tax on income of certain persons. — (1) Subject to this Ordinance, where a retailer being an individual or an association of persons has turnover upto rupees five million for any tax year, such person may opt for payment of tax as a final tax at the rates specified in Division IA of Part I of the First Schedule.</p> <p>(2) For the purposes of this section, —</p> <p>(a) "retailer" means a person selling goods to general public for the purpose of consumption;</p> <p>(b) "turnover" shall have the same meaning as assigned to it in sub-section (3) of section 113.</p> <p>(3) The tax paid under this section shall be a final tax on the income arising from the turnover as specified in sub-section (1). The retailer shall not be entitled to claim any adjustment of withholding tax collected or deducted under any head during the year.</p>	<p>The proposed substitution of existing section 113A withdraws the basis of taxation of retailers having a turnover of either less than or more than five million on presumptive basis.</p>

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<p>113A. Minimum Tax on Builders:</p> <p>(1) <i>Subject to this Ordinance, where a person derives income from the business of construction and sale of residential, commercial or other buildings, he shall pay minimum tax at the rate of rupees twenty five per square foot as per the construction or site plan approved by the relevant regulatory authority.</i></p> <p>(2) <i>(2)The minimum tax to be paid under this section shall be computed on the basis of total number of square feet sold or booked for sale during the year.</i></p> <p>(3) <i>(3)The tax paid under this section shall be minimum tax on the income of the builder from the sale of such residential, commercial or other building.”;</i></p>	<p>Section 113A is proposed to be substituted whereby minimum tax is imposed on the builders at the rate of rupees twenty five per square foot for the total number of square feet sold or booked by the builder.</p>						
<p>113B. Taxation of income of certain retailers. — Subject to this Ordinance, a retailer being an individual or association of persons,</p> <p style="padding-left: 20px;">(a) whose turnover exceeds five million rupees; and</p> <p style="padding-left: 20px;">(b) who is subject to special procedure for payment of sales tax under Chapter II of the Sales Tax Special Procedures Rules, 2007,</p> <p>shall pay final tax at the following rates which shall form part of single stage sales tax as envisaged in the aforesaid rules ;</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;">S.No.</th> <th style="text-align: left;">Amount of turnover</th> <th style="text-align: left;">Rate of tax</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td>Where turnover exceeds Rs.5,000,000 but does not exceed Rs. 10,000,000</td> <td>Rs.25,000 plus 0.5% of the turnover exceeding Rs.5 ,000,000</td> </tr> </tbody> </table>	S.No.	Amount of turnover	Rate of tax	1.	Where turnover exceeds Rs.5,000,000 but does not exceed Rs. 10,000,000	Rs.25,000 plus 0.5% of the turnover exceeding Rs.5 ,000,000	<p>The proposed substitution of existing section 113B withdraws the basis of taxation of retailers having a turnover of either less than or more than five million on presumptive basis.</p>
S.No.	Amount of turnover	Rate of tax					
1.	Where turnover exceeds Rs.5,000,000 but does not exceed Rs. 10,000,000	Rs.25,000 plus 0.5% of the turnover exceeding Rs.5 ,000,000					

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<p>2. Where turnover Rs. 50,000 plus exceeds 0.75% of the Rs. 10,000,000 turnover exceeding Rs. 10,000,000.</p> <p>(c) The retailer shall not be entitled to claim any adjustment of withholding tax collected or deducted under any head during the year:</p> <p>Provided that turnover chargeable to tax under this section shall not include the sale of goods on which tax is deducted or deductible under clause (a) of sub-section (1) of section 153.</p> <p>“113B. Minimum tax on land developers.-</p> <p>(1) Subject to this Ordinance, where a person derives income from the business of development and sale of residential, commercial or other plots, he shall pay minimum tax at the rate of rupees fifty per square yard as per the lay out or site plan approved by the relevant regulatory authority.</p> <p>(2) The tax computed under sub-section (1) shall be paid on the basis of total number of square yards sold or booked for sale during the year.</p> <p>(3) The tax paid under this section shall be minimum tax on the income of the developer from the sale of such residential, commercial or other plots sold or booked.”;</p>	<p>Section 113B is proposed to be substituted in order to bring land developers into the tax net. Thus a minimum tax of rupees fifty per square yards is proposed to be levied on land developers from the sale or booking for sale aggregate square yards during the year</p>	
<p>114. Return of income. — (1) Subject to this Ordinance, the following persons are required to furnish a return of income for a tax year, namely:—</p> <p>(a) every company;</p> <p>(ab) every person (other than a company) whose taxable income for the year exceeds the maximum amount that is not chargeable to tax under this Ordinance for the year; or</p> <p>(ac) any non-profit organization as defined in clause (36) of section 2;</p> <p>(ad) any welfare institution approved under clause (58) of Part I of the Second Schedule;</p>		

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<p>(b) any person not covered by clause (a), (ab), (ac) or (ad) who,—</p> <p>(i) has been charged to tax in respect of any of the two preceding tax years;</p> <p>(ii) claims a loss carried forward under this Ordinance for a tax year;</p> <p>(iii) owns immovable property with a land area of two hundred and fifty square yards or more or owns any flat located in areas falling within the municipal limits existing immediately before the commencement of Local Government laws in the provinces; or areas in a Cantonment; or the Islamabad Capital Territory ;</p> <p>(iv) owns immovable property with a land area of five hundred square yards or more located in a rating area;</p> <p>(v) owns a flat having covered area of two thousand square feet or more located in a rating area;</p> <p>(vi) owns a motor vehicle having engine capacity above 1000 CC;</p> <p>(vii) has obtained National Tax Number ; or</p> <p>(viii) is the holder of commercial or industrial connection of electricity where the amount of annual bill exceeds rupees one million five hundred thousand ;</p> <p>(ix) <i>is registered with any Chamber of Commerce and Industry or any trade or business association or any market committee or any professional body including Pakistan Engineering Council, Pakistan Medical and Dental Council, Pakistan Bar Council or any Provincial Bar Council, Institute of Chartered Accountants of Pakistan or Institute of Cost and Management Accountants of Pakistan.</i></p> <p>(1A) Every individual whose income under the head 'Income from business' exceeds rupees three hundred thousand but does not exceed rupees three hundred and fifty thousand four hundred thousand in a tax year is required to furnish return of income from the tax year.</p> <p>(2) A return of income -</p> <p>(a) shall be in the prescribed form and shall be accompanied by such annexures, statements or documents as may be prescribed;</p> <p>(b) shall fully state all the relevant particulars or information as specified in the form of</p>	<p>According to the proposed amendments threshold limit for filing of return by industrial and commercial connection holders of electricity is reduce to rupees half a million from rupees one million of electricity bill per annum.</p> <p>Those who are registered with chamber of commerce and industry, trade or business association, market committees or professional bodies are now required to file tax return.</p> <p>Minimum threshold limit for filing of return by individuals earning income from business is increased to rupees four hundred thousand.</p>	

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	<p>return, including a declaration of the records kept by the taxpayer;</p> <p>(c) shall be signed by the person, being an individual, or the person's representative where section 172 applies ;</p> <p>(d) shall be accompanied with evidence of payment of due tax as per return of income; and</p> <p>(e) shall be accompanied with a wealth statement as required under section 116.</p> <p>(2A) A return of income filed electronically on the web or any magnetic media or any other computer readable media as may be specified by the Board shall also be deemed to be a return for the purpose of sub-section (1); and the Board may, by notification in the official Gazette, make rules for determining eligibility of the data of such returns and e-intermediaries who will digitise the data of such returns and transmit the same electronically to the Income Tax Department under their digital signatures and other matters relating to electronic filing of returns, statements or documents, etc.</p> <p>(3) The Commissioner may, by notice in writing, require a person, or a person's representative, as the case may be, to furnish a return of income by the date specified in the notice for a period of less than twelve months, where -</p> <p>(a) the person has died;</p> <p>(b) the person has become bankrupt or gone into liquidation;</p> <p>(c) the person is about to leave Pakistan permanently;</p> <p>(d) the Commissioner otherwise considers it appropriate to require such a return to be furnished.</p> <p>(4) Subject to sub-section (5), the Commissioner may, by notice in writing, require any person who, in the Commissioner's opinion, is required to file a return of income under this section for a tax year or assessment year but who has failed to do so to furnish a return of income for that year within thirty days from the date of service of such notice or such longer or shorter period as may be specified in such notice or as the Commissioner may allow.</p> <p>(5) A notice under sub-section (4) may be issued in respect of one or more of the last five completed tax years or assessment years.</p> <p>(6) Subject to sub-section (6A), any person who, having furnished a return, discovers any omission or wrong statement therein, may file revised return subject to the following</p>	<p>Time period for filing of return may be shortened by the Commissioner</p>

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	<p>conditions, namely: —</p> <p>(a) it is accompanied by the revised accounts or revised audited accounts, as the case may be;</p> <p>(b) the reasons for revision of return, in writing, duly signed, by the taxpayers are filed with the return and</p> <p>(ba) <i>it is accompanied by approval of the Commissioner in writing for revision of return; and</i></p> <p>(c) taxable income declared is not less than and loss declared is not more than income or loss, as the case may be, determined by an order issued under sections 121, 122, 122A, 122C, 129, 132, 133 or 221:</p> <p>Provided that if any of the above conditions is not fulfilled, the return furnished shall be treated as an invalid return as if it had not been furnished.</p> <p>(6A) If a taxpayer files a revised return voluntarily along with deposit of the amount of tax short paid or amount of tax sought to be evaded along with the default surcharge, whenever it comes to his notice, before receipt of notice under sections 177 or sub-section (9) of 122, no penalty shall be recovered from him:</p> <p>Provided that in case the taxpayer deposits the amount of tax as pointed out by the Commissioner during the audit or before the issuance of notice under sub-section (9) of section 122, he shall deposit the amount of tax sought to be evaded, the default surcharge and twenty-five <i>percent</i> of the penalties leviable under the Ordinance along with the revised return:</p> <p>Provided further that in case the taxpayer revises the return after the issuance of a show cause notice under sub-section (9) of section 122, he shall deposit the amount of tax sought to be evaded, default surcharge and fifty <i>percent</i> of the leviable penalties under the Ordinance along with the revised return and thereafter, the show cause notice shall stand abated.</p> <p>(7) Every return purporting to be made or signed by, or on behalf of a person shall be treated as having been duly made by the person or with the person's authority until the person proves the contrary.</p>	<p>The revision of tax return, which up to now is at the discretion of the tax payer, is now proposed to be made after seeking approval of the Commissioner. Thus approval of Commissioner is made mandatory for revising the tax return.</p>

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<p>115. Persons not required to furnish a return of income. — (1) Where the entire income of a taxpayer in a tax year consists of income chargeable under the head “Salary”, Annual Statement of Deduction of Income Tax from Salary, filed by the employer of such taxpayer, in prescribed form, the same shall, for the purposes of this Ordinance, be treated as a return of income furnished by the taxpayer under section 114:</p> <p>Provided that where salary income, for the tax year is five hundred thousand rupees or more, the taxpayer shall file return of income electronically in the prescribed form and it shall be accompanied by the proof of deduction or payment of tax and wealth statement as required under section 116.</p> <p>(3) The following persons shall not be required to furnish a return of income for a tax year solely by reason of sub-clause (iii) of clause (b) of sub-section (1) of section 114 –</p> <p style="margin-left: 20px;">(a) A widow;</p> <p style="margin-left: 20px;">(b) an orphan below the age of twenty-five years;</p> <p style="margin-left: 20px;">(c) a disabled person; or</p> <p style="margin-left: 20px;">(d) in the case of ownership of immovable property, a non-resident person.</p> <p>(4) Any person who is not obliged to furnish a return for a tax year because all the person's income is subject to final taxation under sections 5, 6, 7, 15, 113A, 113B, 148 of section 151, section 152, clauses (a), (c) and (d) of sub-section (3) of section 153, 154, 156, 156A, sub-section (3) of section 233, or sub-section (5) of section 234 or sub-section (3) of section 234A shall furnish to the Commissioner a statement showing such particulars relating to the person's income for the tax year in such form and verified in such manner as may be prescribed.</p> <p>(4) Any person who is not obliged to furnish a return for a tax year because all the person's income is subject to final taxation under sections 5, 6, 7, 15, 148, 151 and 152, sub-section (3) of section 153, sections 154, 156 and 156A, sub-section (3) of section 233, sub-section (5) of section 234 or sub-section (3) of section 234A shall furnish to the Commissioner a statement showing such particulars relating to the person's income for the tax year in such form and verified in such manner as may be prescribed.</p> <p>(4A) Any person who, having furnished a statement, discovers any omission or wrong</p>	<p>According to proposed amendment the salaried individual who were not filing return of total income due to submission of annual statement by employer are now required to file return of total income.</p> <p>The proposed amendment was necessary due to omission of sub section 1 of section 115 and is further necessary due to income support levy proposed to be levied at half present of net moveable wealth.</p> <p>Rationalization with consequential amendments</p>	

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	<p>statement therein, he may, without prejudice to any other liability which he may incur under this Ordinance, furnish a revised statement for that tax year, at any time within five years from the end of the financial year in which the original statement was furnished.</p> <p>(5) Subject to sub-section (6), the Commissioner may, by notice in writing, require any person who, in his opinion, is required to file a prescribed statement under this section for a tax year but who has failed to do so, to furnish a prescribed statement for that year within thirty days from the date of service of such notice or such longer period as may be specified in such notice or as he may, allow.</p> <p>(6) A notice under sub-section (5) may be issued in respect of one or more of the last five completed tax years.</p>	
	<p>116. Wealth statement.— (1) The Commissioner may, by notice in writing, require any person being an individual to furnish, on the date specified in the notice, a statement (hereinafter referred to as the "wealth statement") in the prescribed form and verified in the prescribed manner giving particulars of —</p> <p>(a) the person's total assets and liabilities as on the date or dates specified in such notice;</p> <p>(b) the total assets and liabilities of the person's spouse, minor children, and other dependents as on the date or dates specified in such notice;</p> <p>(c) any assets transferred by the person to any other person during the period or periods specified in such notice and the consideration for the transfer;</p> <p>(d) the total expenditures incurred by the person, and the person's spouse, minor children, and other dependents during the period or periods specified in the notice and the details of such expenditures ; and</p> <p>(e) the reconciliation statement of wealth.</p> <p>(2) Every resident taxpayer being an individual filing a return of income for any tax year whose last declared or assessed income or the declared income for the year, is one million rupees or more shall furnish a wealth statement and wealth reconciliation statement for that year along with such return :</p> <p>Provided that every member of an association of persons whose share from the income of such association of persons, before tax, for the year is one million rupees or more shall also furnish wealth statement and wealth reconciliation statement for the year alongwith return of income of the association.</p>	<p>Section 116 proposes to insert the words "being an individual" thus proposed amendment has also done away with the threshold limits of Rs 1 million for filing of wealth statement by individuals and member of association of person.</p> <p>The proposed amendment has also done away with the threshold limits of Rs 1 million for filing of wealth statement by individuals and member of association of person</p> <p>Same as above</p>

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<p>(2A) Where a person, being an individual or an association of persons, files a return in response to a provisional assessment order under section 122C, such return shall be accompanied by wealth statement alongwith a wealth reconciliation statement and an explanation of source of acquisition of assets specified therein in the case of an individual and wealth statements of all members in the case of an association of persons and such wealth statements shall be accompanied by wealth reconciliation statements and explanation of source of acquisition of assets specified therein.</p> <p>(3) Where a person, who has furnished a wealth statement, discovers any omission or wrong statement therein, he may, without prejudice to any liability incurred by him under any provision of this Ordinance, furnish a revised wealth statement along with the revised wealth reconciliation and the reasons for filing revised wealth statement at any time before an assessment, for the tax year to which it relates, is made under sub-section (1) or sub-section (4) of section 122.</p> <p>(4) Every person (other than a company) or an association of persons filing statement under sub-section (4) of section 115, falling under final tax regime (FTR) and has paid tax amounting to thirty-five thousand rupees or more for the tax year, shall file a wealth statement alongwith reconciliation of wealth statement.</p>	<p>The proposed amendment requires the reasons for filing revised wealth statements.</p> <p>Moreover the threshold limit for person falling under final tax regime is also proposed to be removed.</p>	
<p>118. Method of furnishing returns and other documents. — (1) A return of income under section 114, an employer's certificate under section 115, a statement required under sub-section (4) of section 115 or a wealth statement under section 116 shall be furnished in the prescribed manner.</p> <p>(2) A return of income under section 114 or a statement under sub-section (4) of section 115 of a company shall be furnished —</p> <p>(a) in the case of a company with a tax year ending any time between the first day of January and the thirtieth day of June, on or before the thirty-first day of December next following the end of the tax year to which the return relates; or</p> <p>(b) in any other case, on or before the thirtieth day of September next following the end of the tax year to which the return relates.</p> <p>(2A) Where salary income for the tax year is five hundred thousand rupees or more, the taxpayer shall file return of income electronically in the prescribed form and it shall be accompanied by the proof of deduction or payment of tax and wealth statement</p>	<p>The bill proposes to omit provision relating to filing of employer's certificate. A return of income would therefore be required to be filed by all individuals. Due to deletion of sub section 1 of section 115 relating to falling of return electronically is now proposed to be inserted as sub section 2A to this section.</p>	

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<p>120A. Investment Tax on income. — (1) Subject to this Ordinance, the Board may make a scheme of payment of investment tax in respect of undisclosed income, representing any amount or investment made in movable or immovable assets.</p> <p>(2) Where any person declares undisclosed income under sub-section (1) in accordance with the scheme and the rules, the tax on such income called investment tax shall be charged at such rate as may be prescribed.</p> <p>(3) Where a person has paid tax on his undisclosed income in accordance with the scheme and the rules, he shall—</p> <p style="padding-left: 20px;">(a) be entitled to incorporate in his books of account such undisclosed income in tangible form; and</p> <p style="padding-left: 20px;">(b) not be liable to pay any tax, charge, levy, penalty or prosecution in respect of such income under this Ordinance.</p> <p>(4) For the purposes of this section —</p> <p style="padding-left: 20px;">(i) “undisclosed income” means any income, including any investment to be deemed as income under section 111 or any other deemed income, for any year or years, which was chargeable to tax but was not so charged; and</p> <p style="padding-left: 20px;">(ii) “investment tax” means tax chargeable on the undisclosed income under the scheme under sub-section (1) and shall have the same meaning as given in clause (63) of section 2 of the Income Tax Ordinance, 2001.</p>	<p>The Bill proposes to withdraw the powers vested in the Board to tax undisclosed income tax under scheme and rules to this effort.</p>	
<p>122C. Provisional assessment. — (1) Where in response to a notice under sub-section (3) or sub-section (4) of section 114 a person fails to furnish return of income for any tax year, the Commissioner may, based on any available information or material and to the best of his judgment, make a provisional assessment of the taxable income or income of the person and issue a provisional assessment order specifying the taxable income or income assessed and the tax due thereon.</p> <p style="padding-left: 20px;">(a) Notwithstanding anything contained in this Ordinance, the provisional assessment order completed under sub-section (1) shall be treated as the final assessment order after the expiry of sixty forty-five days from the date of service of order of provisional assessment and the provisions of this Ordinance shall apply accordingly:</p>	<p>Time period for treating provisional assessment order as final assessment is proposed to be reduced to forty five days from</p>	

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	<p>Provided that the provisions of sub-section (2) shall not apply if return of income alongwith wealth statement, wealth reconciliation statement and other documents required under sub-section (2A) of section 116 are filed by the person being an individual or an association of persons for the relevant tax year during the said period of sixty forty-five days :</p> <p>Provided further that the provisions of sub-section (2) shall not apply to a company if return of income tax alongwith audited accounts or final accounts, as the case may be, for the relevant tax year are filed by the company electronically during the said period of sixty forty-five days.</p>	sixty days.
	<p>149. Salary. — (1) Every employer person responsible for paying salary to an employee shall, at the time of payment, deduct tax from the amount paid at the employee's average rate of tax computed at the rates specified in Division I of Part I of the First Schedule on the estimated income of the employee chargeable under the head "Salary" for the tax year in which the payment is made after making adjustment of tax withheld from employee under other heads and tax credit admissible under section 61, 62, 63 and 64 during the tax year after obtaining documentary evidence, as may be necessary, for :</p> <ul style="list-style-type: none"> (i) tax withheld from the employee under this Ordinance during the tax year; (ii) any excess deduction or deficiency arising out of any previous deduction; or (iii) failure to make deduction during the year; <p>(2) The average rate of tax of an employee for a tax year for the purposes of sub-section (1) shall be computed in accordance with the following formula, namely:—</p> <p style="text-align: center;">A/B</p> <p>where –</p> <ul style="list-style-type: none"> A. is the tax that would be payable if the amount referred to in component B of the formula were the employee's taxable income for that year; and B. is the employee's estimated income under the head "Salary" for that year. 	By virtue of amendments proposed in section 149 a person responsible for paying salary would not be allowed any adjustment on account of tax credits available in respect of charitable donations, investment in shares, contribution to an approved person fund and profit or share in rent by scheduled bank or non banking finance institution.

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<p>153. Payments for goods, services and contracts.—</p> <p>(7) In this section, —</p> <ul style="list-style-type: none"> (i) “prescribed person” means— (a) the Federal Government; (b) a company; (c) an association of persons constituted by, or under law; (d) a non-profit organization; (e) a foreign contractor or consultant; (f) a consortium or joint venture; (g) an exporter or an export house for the purpose of sub-section (2); (h) an association of persons, having turnover of fifty million rupees or above in tax year 2007 or in any subsequent tax year; or (i) an individual, having turnover of fifty million rupees or above in the tax year 2009 or in any subsequent year; or (j) a person registered under the Sales Tax Act 1990. 	<p>The bill seeks to amend definition of prescribed person by including “a person registered under the Sales Tax Act 1990 within the meaning of prescribed person.</p>	
<p>155. Income from property. — (1) Every prescribed person making a payment in full or part (including a payment by way of advance) to any person on account of rent of immovable property (including rent of furniture and fixtures, and amounts for services relating to such property) shall deduct tax from the gross amount of rent paid at the rate specified in Division V of Part III of the First Schedule.</p> <p>Explanation.- “gross amount of rent” includes the amount referred to in sub-section (1) or (3) of section 16, if any.</p> <p>(3) In this section, “prescribed person” means –</p>		

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	<ul style="list-style-type: none"> (i) the Federal Government; (ii) a Provincial Government; (iii) Local Government; (iv) a company; (v) a non-profit organization or a charitable institution; (vi) a diplomatic mission of a foreign state; or (via) a private educational institution, a boutique, a beauty parlour, a hospital, a clinic or a maternity home (vib) individuals or association of persons paying gross rent of rupees one and a half million and above in a year; or (vii) any other person notified by the Board for the purpose of this section. 	<p>The Bill proposes to include certain persons within the definition of prescribed person. Thus these people would also be required to withhold tax from the payments of rent on immovable property.</p>
	<p>164. Certificate of collection or deduction of tax.— (1) Every person collecting tax under Division II of this Part or deducting tax from a payment under Division III of this Part or deducting or collecting tax under Chapter XII shall, at the time of collection or deduction of the tax, furnish to the person from whom the tax has been collected or to whom the payment from which tax has been deducted has been made, copies of the challan of payment or any other equivalent document alongwith a certificate setting out the amount of tax collected or deducted and such other particulars as may be prescribed.</p> <p>(2) A person required to furnish a return of taxable income for a tax year shall attach to the return copies of the challan of payment on the basis of which a certificate is provided to the person under this section in respect of tax collected or deducted in that year and such certificate shall be treated as sufficient evidence of the collection or deduction for the purposes of section 168.</p>	<p>Certificate of deduction of tax would no more be considered as evidence of collection or deduction of tax</p>

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<p>165. Statements.- (1) Every person collecting tax under Division II of this Part or Chapter XII or deducting tax from a payment under Division III of this Part or Chapter XII shall, furnish to the Commissioner a monthly statement in the prescribed form setting out—</p> <p><i>Explanation.- For the removal of doubt, it is clarified that this sub-section overrides all conflicting provisions contained in the Protection of Economic Reforms Act, 1992 (XII of 1992), the Banking Companies Ordinance, 1962 (LVII of 1962), the Foreign Exchange Regulation Act, 1947 (VII of 1947) and the regulations made under the State Bank of Pakistan Act, 1956 (XXXIII of 1956) , if any, on the subject, in so far as divulgence of information under section 165 is concerned.</i></p> <p><i>Provided that annual statement shall also be filed where the income exceeds three hundred thousand rupees but does not exceed three hundred and fifty thousand rupees in a tax year.</i></p> <p>165A. Furnishing of information by banks.- (1) Notwithstanding anything contained in any law for the time being in force including but not limited to the Banking Companies Ordinance, 1962 (LVII of 1962), the Protection of Economic Reforms Act, 1992 (XII of 1992), the Foreign Exchange Regulation Act, 1947 (VII of 1947) and the regulations made under the State Bank of Pakistan Act, 1956 (XXXIII of 1956), if any, on the subject, every banking company shall make arrangements to provide to the Board in the prescribed form and manner,-</p> <ul style="list-style-type: none"> <i>(a) online access to its central database containing details of its account holders and all transactions made in their accounts;</i> <i>(b) a list containing particulars of deposits aggregating rupees one million or more made during the preceding calendar month;</i> <i>(c) a list of payments made by any person against bills raised in respect of a credit card issued to that person, aggregating to rupees one hundred thousand or more during the preceding calendar month</i> <i>(d) a consolidated list of loans written off exceeding rupees one million during a calendar year; and</i> <i>(e) a copy of each Currency Transactions Report and Suspicious Transactions Report generated and submitted by it to the Financial Monitoring Unit under the</i> 	<p>An explanation is added to enable tax authorities to obtain information under various statutes that provides immunity in respect of furnishing of information to tax authorities.</p> <p>An explanation is added to enable tax authorities to obtain information under various statutes that provides immunity in respect of furnishing of information to tax authorities. Such information is sought to be required for last twelve months. Thus these changes would apply to last twelve months as well.</p>	

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	<p style="text-align: center;"><i>Anti-Money Laundering Act, 2010 (VII of 2010).</i></p> <p>(2) <i>Each banking company shall also make arrangements to nominate a senior officer at the head office to coordinate with the Board for provision of any information and documents in addition to those listed in sub-section (1), as may be required by the Board.</i></p> <p>(3) <i>The banking companies and their officers shall not be liable to any civil, criminal or disciplinary proceedings against them for furnishing information required under this Ordinance.</i></p> <p>(4) <i>Subject to section 216, all information received under this section shall be used only for tax purposes and kept confidential.</i></p>	
	<p>177. Audit.-----</p> <p>Explanation.- <i>For the removal of doubt, it is declared that the powers of the Commissioner under this section are independent of the powers of the Board under section 214C and nothing contained in section 214C restricts the powers of the Commissioner to call for the record or documents including books of accounts of a taxpayer for audit and to conduct audit under this section.</i></p>	By inserting the proposed explanation the Commissioner is proposed to have powers for audit independent of the power of the board under section 214C
	<p>181. Taxpayer's registration.— (1) Every taxpayer shall apply in the prescribed form and in the prescribed manner for registration.</p> <p>(2) The Commissioner having jurisdiction over a case, where necessitated by the facts of the case, may also register a taxpayer in the prescribed manner.</p> <p>(3) Taxpayers' registration scheme shall be regulated through the rules to be notified by the Board;</p> <p><i>Provided that the Board may in case of individuals allow, in place of National Tax Number use of Computerized National Identity Card issued by the National Database and Registration Authority.,.</i></p>	A proviso is proposed to be inserted whereby the Board may in case of individual allow the use of CNIC issued by NADRA in place of National Tax Number.

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<p>181C. Displaying of National Tax Number.- — Every person deriving income from business chargeable to tax, who has been issued a National Tax Number, shall display his National Tax Number at a conspicuous place at every place of his business.</p>	<p>Requirement for displaying the national tax number made mandatory</p>	
<p>214C. Selection for audit by the Board.— (1) The Board may select persons or classes of persons for audit of Income Tax affairs through computer ballot which may be random or parametric as the Board may deem fit.</p> <p>(1A) Notwithstanding anything contained in this Ordinance or any other law, for the time being in force, the Board shall keep the parameters confidential.</p> <p>2. Audit of Income Tax affairs of persons selected under sub-section (1) shall be conducted as per procedure given in section 177 and all the provisions of the Ordinance, except the first proviso to sub-section (1) of section 177, shall apply accordingly.</p> <p>3. For the removal of doubt it is hereby declared that Board shall be deemed always to have had the power to select any persons or classes of persons for audit of Income Tax affairs.</p> <p>Explanation.- For the removal of doubt, it is declared that the powers of the Commissioner under section 177 are independent of the powers of the Board under this section and nothing contained in this section restricts the powers of the Commissioner to call for the record or documents including books of accounts of a taxpayer for audit and to conduct audit under section 177.</p>	<p>The parameters for selection of tax payers for audit to be kept confidential</p> <p>Discussed above</p>	
<p>233AA. Collection of tax by NCCPL.— NCCPL shall collect advance tax from the members of Stock Exchange registered in Pakistan, in respect of margin financing in share business or providing of any margin financing, margin trading or securities lending under Securities (Leveraged Markets and Pledging) Rules, 2011 in share business at the rate specified in Division IIA IIB of Part IV of First Schedule.</p>	<p>The Bill proposes to authorize NCCPL to collect advance tax at the rate of 10% of profit from margin financiers , trading financiers and lenders for providing any margin financing, margin trading or securities lending under Securities (Leveraged Markets & Pledging) Rules 2011</p>	

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<p>234. Tax on motor vehicles.- (1) Any person at the time of collecting motor vehicle tax shall also collect advance tax at the rates specified in</p> <p>Division III of Part IV of the First Schedule.</p> <p>2. If the motor vehicle tax is collected in installments or lump sum the advance tax may also be collected in installments or lump sum in like manner.</p> <p>(2A) In respect of motor cars used for more than ten years in Pakistan, no advance tax shall be collected after a period of ten years.</p> <p>3. In respect of a passenger transport vehicle with registered seating capacity of ten or more persons, advance tax shall not be collected after a period of ten years from the first day of July of the year of make of the vehicle.</p> <p>4. In respect of a goods transport vehicle with registered laden weight of less than 8120 kilograms, advance tax shall not be collected after a period of ten years from the date of first registration of vehicle in Pakistan.</p> <p>5. Where tax is collected from any person being the owner of goods transport vehicle, the tax so collected shall be the final tax on the income of such person from plying, or hiring out, of such vehicle.</p> <p>(5) Advance tax collected under this section shall be adjustable.</p>	<p> </p> <p>The Bill propose to tax owners of vehicles plying for hire under net income basis</p>									
<p>236D. Advance tax on functions and gatherings.- (1) Every prescribed person shall collect advance tax at the rate specified in Division XI of Part IV of the First Schedule on the total amount of the bill from a person arranging or holding a function in a marriage hall, marquee, hotel, restaurant, commercial lawn, club, a community place or any other place used for such purpose.</p> <p>(2) Where the food, service or any other facility is provided by any other person, the prescribed person shall also collect advance tax on the payment for such food, service or facility at the rate specified in Division XI of Part IV of the First Schedule from the person arranging or holding the function.</p> <p>(3) The advance tax collected under sub-section (1) and sub-section (2) shall be adjustable.</p>	<p>The Bill proposes to collect advance tax from following persons</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse; width: 80%;"> <thead> <tr style="background-color: #d3d3d3;"> <th style="padding: 5px;"></th> <th style="padding: 5px; text-align: center;">Persons subject to payment of advance tax</th> <th style="padding: 5px; text-align: center;">Rate of Tax</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px; vertical-align: top;">1.</td> <td style="padding: 5px;">Person arranging or holding function at designated places.</td> <td style="padding: 5px; text-align: center;">10% of invoice value</td> </tr> <tr> <td style="padding: 5px; vertical-align: top;">2.</td> <td style="padding: 5px;">Food services provided by any other person at</td> <td style="padding: 5px; text-align: center;">10% of invoice value</td> </tr> </tbody> </table>		Persons subject to payment of advance tax	Rate of Tax	1.	Person arranging or holding function at designated places.	10% of invoice value	2.	Food services provided by any other person at	10% of invoice value
	Persons subject to payment of advance tax	Rate of Tax								
1.	Person arranging or holding function at designated places.	10% of invoice value								
2.	Food services provided by any other person at	10% of invoice value								

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<p>(4) In this section,-</p> <p>(a) “function” includes any wedding related event, a seminar, a workshop, a session, an exhibition, a concert, a show, a party or any other gathering held for such purpose; and</p> <p>(b) “prescribed person” includes the owner, a lease-holder, an operator or a manager of a marriage hall, marquee, hotel, restaurant, commercial lawn, club, a community place or any other place used for such purpose.</p>	<p style="text-align: right;"><i>such designated places</i></p> <p>3. Foreign produced film Rs.1,000,000</p> <p>4. Foreign produced TV drama serial Rs.100,000/episode</p> <p>5. Foreign produced TV play single serial Rs.100,000/episode</p> <p>6. Advance tax from Cable operators & electronic media As per license category provided in PEMRA Rules 2009.</p> <p>7. Advance tax from providers of distribution resources Same as Above</p> <p>8. Satellite TV Station Same as Above</p> <p>9. Landing Rights per channel Same as Above</p> <p>10. Advance tax on sale to distributors, dealers or wholesalers Same as Above</p> <p>11. Advance tax on sale to retailers Same as Above</p>	

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<p>236E. Advance tax on foreign-produced films, TV plays and serials.- (1) Any person responsible for censoring or certifying a foreign-produced film, a TV drama serial or a play, for screening and viewing, shall, at the time of censoring or certifying, collect advance tax at the rates specified in Division XII of Part IV of the First Schedule.</p> <p>(2) The advance tax collected under sub-section (1) shall be adjustable.</p>	Discussed above	
<p>236F. Advance tax on cable operators and other electronic media.- (1) Pakistan Electronic Media Regulatory Authority, at the time of issuance of license for distribution services or renewal of the license to a licensee, shall collect advance tax at the rates specified in Division XIII of Part IV of the First Schedule.</p> <p>(2) The tax collected under sub-section (1) shall be adjustable.</p> <p>(3) For the purpose of this section, "cable television operator", "DTH", "Distribution Service", "electronic media", "IPTV", "loop holder", "MMDS", "mobile TV", shall have the same meanings as defined in Pakistan Electronic Media Regulatory Authority Ordinance, 2002 (XIII of 2002) and Pakistan Electronic Media Regulatory Authority Rules, 2009.</p>	Discussed above	
<p>236G. Advance tax on sales to distributors, dealers and wholesalers.- (1) Every manufacturer or commercial importer of electronics, sugar, cement, iron and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector, at the time of sale to distributors, dealers and wholesalers, shall collect advance tax at the rate specified in Division XIV of Part IV of the First Schedule, from the aforesaid person to whom such sales have been made.</p> <p>(2) Credit for the tax collected under sub-section (1) shall be allowed in computing the tax due by the distributor, dealer or wholesaler on the taxable income for the tax year in which the tax was collected.</p>	Discussed above	
<p>236H. Advance tax on sales to retailers.- (1) Every manufacturer, distributor, dealer, wholesaler or commercial importer of electronics, sugar, cement, iron and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector, at the time of sale to retailers, shall collect advance tax at the rate specified in Division XV of Part IV of the First Schedule, from the aforesaid person to whom such sales have been</p>	Discussed above	

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	<p><i>made.</i></p> <p>(2) Credit for the tax collected under sub-section (1) shall be allowed in computing the tax due by the retailer on the taxable income for the tax year in which the tax was collected.</p>	
	<p>236I. Collection of advance tax by educational institutions.- (1) There shall be collected advance tax at the rate specified in Division XVI of Part-IV of the First Schedule on the amount of fee paid to an educational institution.</p> <p>(2) The person preparing fee voucher or challan shall charge advance tax under sub-section (1) in the manner the fee is charged.</p> <p>(3) Advance tax under this section shall not be collected from a person where annual fee does not exceed two hundred thousand rupees.</p> <p>(4) The term “fee” includes, tuition fee and all charges received by the educational institution, by whatever name called, excluding the amount which is refundable.</p> <p>(5) Tax collected under this section shall be adjustable against the tax liability of either of the parents or guardian making payment of the fee.</p>	Discussed above
	<p>236J. Advance tax on dealers, commission agents and arhatis etc.- (1) Every market committee shall collect advance tax from dealers, commission agents or arhatis, etc. at the rates specified in Division XVII of Part-IV of the First Schedule at the time of issuance or renewal of licences.</p> <p>(2) The advance tax collected under sub-section (1) shall be adjustable.</p> <p>(3) In this section “market committee” includes any committee or body formed under any provincial or local law made for the purposes of establishing, regulating or organizing agricultural, livestock and other commodity markets.</p>	Discussed above
	<p>239B. Reference to authorities.— (1) Any reference to the Regional Commissioner of Income Tax, Commissioner of Income Tax, Commissioner of Income Tax (Appeals) and Taxation Officer, wherever occurring, in this Ordinance and the rules made thereunder and in any other law in force at the time of promulgation of this Ordinance and notifications, orders, circulars or clarifications or any instrument issued thereunder shall be construed as reference to the Chief</p>	

	Finance Bill 2013-14 Proposed Amendments in Income Tax Ordinance, 2001	Comments
	Commissioner Inland Revenue, Commissioner Inland Revenue, Commissioner Inland Revenue (Appeals) and officer of Inland Revenue, respectively.	

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<p>THE FIRST SCHEDULE</p> <p>PART I</p> <p>RATES OF TAX</p> <p>Division I</p> <p>Rates of Tax for Individuals and Association of Persons</p> <p>1. Subject to clause (1A), the rates of tax imposed on the taxable income of every individual and Association of Persons except a salaried taxpayer shall be as set out in the following table, namely:—</p> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Taxable Income.</th> <th>Rate of tax.</th> </tr> <tr> <th>(1)</th> <th>(2)</th> <th>(3)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Where taxable income does not exceed Rs.400,000</td> <td>0%</td> </tr> <tr> <td>2.</td> <td>Where the taxable income exceeds Rs.400,000 but does not exceed Rs.750,000</td> <td>10% of the amount exceeding Rs.400,000</td> </tr> <tr> <td>3.</td> <td>Where the taxable income exceeds Rs.750,000 but does not exceed Rs.1,500,000</td> <td>Rs.35,000+15% of the amount exceeding Rs.750,000</td> </tr> <tr> <td>4.</td> <td>Where the taxable income exceeds Rs.1,500,000 but does not exceed Rs.2,500,000</td> <td>Rs.147,500+20% of the amount exceeding Rs.1,500,000.</td> </tr> <tr> <td>5.</td> <td>Where the taxable income exceeds Rs.2,500,000</td> <td>Rs.347,500+25% of the amount exceeding Rs. 2,500,000"</td> </tr> </tbody> </table>		S.No.	Taxable Income.	Rate of tax.	(1)	(2)	(3)	1.	Where taxable income does not exceed Rs.400,000	0%	2.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.750,000	10% of the amount exceeding Rs.400,000	3.	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.1,500,000	Rs.35,000+15% of the amount exceeding Rs.750,000	4.	Where the taxable income exceeds Rs.1,500,000 but does not exceed Rs.2,500,000	Rs.147,500+20% of the amount exceeding Rs.1,500,000.	5.	Where the taxable income exceeds Rs.2,500,000	Rs.347,500+25% of the amount exceeding Rs. 2,500,000"	<table border="1"> <thead> <tr> <th>S.No</th> <th>Taxable Income.</th> <th>Rate of tax.</th> </tr> <tr> <th>(1)</th> <th>(2)</th> <th>(3)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Where the taxable income does not exceed Rs.400,000</td> <td>0%</td> </tr> <tr> <td>2.</td> <td>Where the taxable income exceeds Rs.400,000 but does not exceed Rs.750,000</td> <td>10% of the amount exceeding Rs.400,000</td> </tr> <tr> <td>3.</td> <td>Where the taxable income exceeds Rs.750,000 but does not exceed Rs.1,500,000</td> <td>Rs.35,000+15% of the amount exceeding Rs.750,000</td> </tr> <tr> <td>4.</td> <td>Where the taxable income exceeds Rs.1,500,000 but does not exceed Rs.2,500,000</td> <td>Rs.147,500 + 20% of the amount exceeding Rs.1,500,000</td> </tr> <tr> <td>5.</td> <td>Where the taxable income exceeds Rs.2,500,000 but does not exceed Rs.4,000,000</td> <td>Rs.347,500 + 25% of the amount exceeding Rs.2,500,000</td> </tr> <tr> <td>6.</td> <td>Where the taxable income exceeds Rs.4,000,000 but does not exceed Rs.6,000,000</td> <td>Rs.722,500 + 30% of the amount exceeding Rs.4,000,000</td> </tr> <tr> <td>7.</td> <td>Where the taxable income exceeds Rs.6,000,000</td> <td>Rs. 1,322,500 + 35% of the amount exceeding Rs.6,000,000"; and</td> </tr> </tbody> </table>	S.No	Taxable Income.	Rate of tax.	(1)	(2)	(3)	1.	Where the taxable income does not exceed Rs.400,000	0%	2.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs.750,000	10% of the amount exceeding Rs.400,000	3.	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.1,500,000	Rs.35,000+15% of the amount exceeding Rs.750,000	4.	Where the taxable income exceeds Rs.1,500,000 but does not exceed Rs.2,500,000	Rs.147,500 + 20% of the amount exceeding Rs.1,500,000	5.	Where the taxable income exceeds Rs.2,500,000 but does not exceed Rs.4,000,000	Rs.347,500 + 25% of the amount exceeding Rs.2,500,000	6.	Where the taxable income exceeds Rs.4,000,000 but does not exceed Rs.6,000,000	Rs.722,500 + 30% of the amount exceeding Rs.4,000,000	7.	Where the taxable income exceeds Rs.6,000,000	Rs. 1,322,500 + 35% of the amount exceeding Rs.6,000,000"; and
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<p>(1A) Where the income of an individual chargeable under the head "salary" exceeds fifty percent of his taxable income, the rates of tax to be applied shall be as set out in the following table namely: -</p> <p style="text-align: center;">TABLE</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">S.No.</th> <th style="text-align: center;">Taxable Income in Rupees</th> <th style="text-align: center;">Rate of tax.</th> </tr> <tr> <th style="text-align: center;">(1)</th> <th style="text-align: center;">(2)</th> <th style="text-align: center;">(3)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td style="text-align: center;">0 to Rs.400,000</td> <td style="text-align: center;">0%</td> </tr> <tr> <td style="text-align: center;">2.</td> <td style="text-align: center;">Rs.400,000 to Rs.750,000</td> <td style="text-align: center;">5% of the amount exceeding Rs. 400,000</td> </tr> <tr> <td style="text-align: center;">3.</td> <td style="text-align: center;">Rs.750,000 to Rs.1,500,000</td> <td style="text-align: center;">Rs. 17,500+10% of the amount exceeding Rs.750,000</td> </tr> <tr> <td style="text-align: center;">4.</td> <td style="text-align: center;">Rs.1,500,000 to Rs.2,000,000</td> <td style="text-align: center;">Rs.95,000+15% of the amount exceeding Rs.1,500,000</td> </tr> <tr> <td style="text-align: center;">5.</td> <td style="text-align: center;">Rs. 2,000,000 to Rs.2,500,000.</td> <td style="text-align: center;">Rs. 175,000 + 17.5% of the amount exceeding Rs.2,000,000/-</td> </tr> <tr> <td style="text-align: center;">6.</td> <td style="text-align: center;">Rs.2,500,000 and above</td> <td style="text-align: center;">Rs.4,20,000+ 20% of the amount exceeding Rs. 2,500,000/-</td> </tr> </tbody> </table>		S.No.	Taxable Income in Rupees	Rate of tax.	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	<p>Division II</p> <p>Rates of Tax for Companies</p> <p>(i) The rate of tax imposed on the taxable income of a company for the tax year 2007 and onward shall be 35%.</p> <p><i>Provided that the rate of tax imposed on the taxable income of a company other than a banking company, shall be 34% for the tax year 2014.</i></p> <p>(iii) where the taxpayer is a small company as defined in section 2, tax shall be payable at the rate of 25% :</p>	<p>The rate of tax imposed on taxable income under Normal Tax Regime (NTR) of a company is reduced to 34% for tax year 2014.</p>																								
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Finance Bill 2013-14		Comments												
Proposed Amendments in Income Tax Ordinance, 2001														
	<p>amount of rent exceeding Rs.1,000,000.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%;"></td> <td style="width: 65%;">Where the gross amount of rent exceeds Rs.1,000,000 but does not exceed Rs.2,000,000.</td> <td style="width: 30%;">rent exceeding Rs.1,000,000.</td> </tr> <tr> <td style="text-align: center;">(4)</td> <td>Where the gross amount of rent exceeds Rs.2,000,000 but does not exceed Rs.3,000,000.</td> <td>Rs.165,000 plus 12.5 per cent of the gross amount of rent exceeding Rs.2,000,000.</td> </tr> <tr> <td style="text-align: center;">(5)</td> <td>Where the gross amount of rent exceeds Rs.3,000,000 but does not exceed Rs.4,000,000.</td> <td>Rs.290,000 plus 15 per cent of the gross amount of rent exceeding Rs.3,000,000.</td> </tr> <tr> <td style="text-align: center;">(6)</td> <td>Where the gross amount of rent exceeds Rs.4,000,000.</td> <td>Rs.440,000 plus 17.5 per cent of the gross amount of rent exceeding Rs.4,000,000.</td> </tr> </table>		Where the gross amount of rent exceeds Rs.1,000,000 but does not exceed Rs.2,000,000.	rent exceeding Rs.1,000,000.	(4)	Where the gross amount of rent exceeds Rs.2,000,000 but does not exceed Rs.3,000,000.	Rs.165,000 plus 12.5 per cent of the gross amount of rent exceeding Rs.2,000,000.	(5)	Where the gross amount of rent exceeds Rs.3,000,000 but does not exceed Rs.4,000,000.	Rs.290,000 plus 15 per cent of the gross amount of rent exceeding Rs.3,000,000.	(6)	Where the gross amount of rent exceeds Rs.4,000,000.	Rs.440,000 plus 17.5 per cent of the gross amount of rent exceeding Rs.4,000,000.
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(6)	Where the gross amount of rent exceeds Rs.4,000,000.	Rs.440,000 plus 17.5 per cent of the gross amount of rent exceeding Rs.4,000,000.												
	<p>PART II RATES OF ADVANCE TAX (See Division II of Part V of Chapter X)</p> <p>The rate of advance tax to be collected by the Collector of Customs under section 148 shall be 5% of the value of the goods</p> <p>(a) 5% of the value of goods in the case of industrial undertakings; (b) 5% in all other cases of companies; and</p>	<p>The bill proposes to revise the rate of tax.</p>												

Finance Bill 2013-14		Comments
Proposed Amendments in Income Tax Ordinance, 2001		
	<i>(c) 5.5% in case of all taxpayers other than those covered at (a) and (b) above.</i>	
	<p>Division III</p> <p>Payments for Goods or Services</p> <p>(1) The rate of tax to be deducted from a payment referred to in clause (a) of sub-section (1) of section 153 shall be –</p> <p>(a) in the case of the sale of rice, , cotton seed or edible oils, 1.5% of the gross amount payable; or</p> <p>(b) in the case of the sale of any other goods, 3.5% of the gross amount payable.</p> <p>(b) in the case of sale of goods,-</p> <p style="padding-left: 20px;">(i) 3.5% of the gross amount payable in the case of companies; and</p> <p style="padding-left: 20px;">(ii) 4% of the gross amount payable in the case of other taxpayers.</p> <p>(2) The rate of tax to be deducted from a payment referred to in clause (b) of sub-section (1) of section 153 shall be—</p> <p>(i) in the case of transport services, two percent of the gross amount payable; or</p> <p>(ii) in any other case, six percent of the gross amount payable.</p> <p>(ii) in the case of rendering of or providing of services,-</p> <p style="padding-left: 20px;">(a) 6% of the gross amount payable in the case of companies; and</p> <p style="padding-left: 20px;">(b) 7% of the gross amount payable in the case of other taxpayers.</p> <p>(3) The rate of tax to be deducted from a payment referred to in clause (c) of sub-section (1) of section 153 shall be 6% of the gross amount payable.</p> <p>(i) 6% of the gross amount payable in the case of companies; and</p> <p>(ii) 6.5% of the gross amount payable in the case of other taxpayers.</p>	<p>The bill proposes to revise the rate of tax.</p> <p>The bill proposes to revise the rate of tax.</p>

Finance Bill 2013-14 Proposed Amendments in Income Tax Ordinance, 2001		Comments
Division V Income from Property (a) The rate of tax to be deducted under section 155, in the case of individual and association of persons, shall be—		
S.No.	Gross amount of rent	Rate of tax
(1)	Where the gross amount of rent does not exceed Rs.150,000.	Nil
(2)	Where the gross amount of rent exceeds Rs.150,000 but does not exceed Rs.400,000.	5 percent of the gross amount exceeding Rs.150,000.
(3)	Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000.	Rs.12,500 plus 7.5 percent of the gross amount exceeding Rs.400,000.
(4)	Where the gross amount of rent exceeds Rs.1,000,000.	Rs.57,500 plus 10 percent of the gross amount exceeding Rs.1,000,000.
		Where the gross amount of rent exceeds Rs.1,000,000 but does not exceed Rs.2,000,000.
(5)	Where the gross amount of rent exceeds Rs.2,000,000 but does not exceed Rs.3,000,000.	Rs.157,500 plus 12.5 percent of the gross amount of rent exceeding Rs.2,000,000.
(6)	Where the gross amount of rent exceeds Rs.3,000,000 but does not exceed Rs.4,000,000.	Rs.282,500 plus 15 percent of the gross amount of rent exceeding Rs.3,000,000.
(7)	Where the gross amount of rent exceeds Rs.4,000,000.	Rs.432,500 plus 17.5 percent of the gross amount of rent exceeding Rs.4,000,000.

Finance Bill 2013-14		Comments																																	
Proposed Amendments in Income Tax Ordinance, 2001																																			
<p>(b) The rate of tax to be deducted under section 155, in the case of company, shall be—</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">S.No.</th> <th style="text-align: center;">Gross amount of rent</th> <th style="text-align: center;">Rate of tax</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">(1)</td> <td>Where the gross amount of rent does not exceed Rs.400,000.</td> <td>5 percent of the gross amount of rent.</td> </tr> <tr> <td style="text-align: center;">(2)</td> <td>Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000.</td> <td>Rs.20,000 plus 7.5 percent of the gross amount of rent exceeding Rs.400,000.</td> </tr> <tr> <td style="text-align: center;">(3)</td> <td>Where the gross amount of rent exceeds Rs.1,000,000.</td> <td>Rs.65,000 plus 10 percent of the gross amount of rent exceeding Rs.1,000,000.</td> </tr> </tbody> </table>		S.No.	Gross amount of rent	Rate of tax	(1)	Where the gross amount of rent does not exceed Rs.400,000.	5 percent of the gross amount of rent.	(2)	Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000.	Rs.20,000 plus 7.5 percent of the gross amount of rent exceeding Rs.400,000.	(3)	Where the gross amount of rent exceeds Rs.1,000,000.	Rs.65,000 plus 10 percent of the gross amount of rent exceeding Rs.1,000,000.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">S.No.</th> <th style="text-align: center;">Gross amount of rent</th> <th style="text-align: center;">Rate of tax</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">(1)</td> <td>Where the gross amount of rent does not exceed Rs.400,000.</td> <td>5 percent of the gross amount of rent.</td> </tr> <tr> <td style="text-align: center;">(2)</td> <td>Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000.</td> <td>Rs.20,000 plus 7.5 percent of the gross amount of rent exceeding Rs.400,000.</td> </tr> <tr> <td style="text-align: center;">(3)</td> <td>Where the gross amount of rent exceeds Rs.1,000,000.</td> <td>Rs.65,000 plus 10 percent of the gross amount of rent exceeding Rs.1,000,000.</td> </tr> <tr> <td style="text-align: center;">(4)</td> <td>Where the gross amount of rent exceeds Rs.2,000,000 but does not exceed Rs.3,000,000.</td> <td>Rs.165,000 plus 12.5 per cent of the gross amount of rent exceeding Rs.2,000,000.</td> </tr> <tr> <td style="text-align: center;">(5)</td> <td>Where the gross amount of rent exceeds Rs.3,000,000 but does not exceed Rs.4,000,000.</td> <td>Rs.290,000 plus 15 per cent of the gross amount of rent exceeding Rs.3,000,000.</td> </tr> <tr> <td style="text-align: center;">(6)</td> <td>Where the gross amount of rent exceeds Rs.4,000,000.</td> <td>Rs.440,000 plus 17.5 per cent of the gross amount of rent exceeding Rs.4,000,000.</td> </tr> </tbody> </table>	S.No.	Gross amount of rent	Rate of tax	(1)	Where the gross amount of rent does not exceed Rs.400,000.	5 percent of the gross amount of rent.	(2)	Where the gross amount of rent exceeds Rs.400,000 but does not exceed Rs.1,000,000.	Rs.20,000 plus 7.5 percent of the gross amount of rent exceeding Rs.400,000.	(3)	Where the gross amount of rent exceeds Rs.1,000,000.	Rs.65,000 plus 10 percent of the gross amount of rent exceeding Rs.1,000,000.	(4)	Where the gross amount of rent exceeds Rs.2,000,000 but does not exceed Rs.3,000,000.	Rs.165,000 plus 12.5 per cent of the gross amount of rent exceeding Rs.2,000,000.	(5)	Where the gross amount of rent exceeds Rs.3,000,000 but does not exceed Rs.4,000,000.	Rs.290,000 plus 15 per cent of the gross amount of rent exceeding Rs.3,000,000.	(6)	Where the gross amount of rent exceeds Rs.4,000,000.	Rs.440,000 plus 17.5 per cent of the gross amount of rent exceeding Rs.4,000,000.
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<p>Division VI</p> <p>Prizes and Winnings</p> <p>(1) The rate of tax to be deducted under section 156 on a prize on prize bond or cross-word puzzle shall be 10% 15% of the gross amount paid.</p> <p>(2) The rate of tax to be deducted under section 156 on winnings from a raffle, lottery, prize on</p>		<p>The bill proposes to revise the rate of tax.</p>																																	

Finance Bill 2013-14		Comments						
Proposed Amendments in Income Tax Ordinance, 2001								
	winning a quiz, prize offered by a company for promotion of sale, shall be 20% of the gross amount paid.							
	<p>Division IIB</p> <p>Rates for collection of tax by NCCPL</p> <p><i>The rate of deduction under section 233AA shall be 10% of profit or mark-up or interest earned by the member, margin financier or securities lender.</i></p>	The bill proposes to provide rate of tax on margin financing or securities lender.						
	<p style="text-align: center;">Division III</p> <p style="text-align: center;">Tax on Motor Vehicles</p> <p>Rates of collection of tax under section 234,—</p> <p>(1) in case of goods transport vehicles, tax of five rupees per kilogram of the laden weight shall be charged.</p> <p>(1A) In the case of goods transport vehicles with laden weight of 8120 kilograms or more, advance tax after a period of ten years form the date of first registration of vehicle in Pakistan shall be collected at the rate of twelve hundred rupees per annum;</p> <p>(2) In the case of passenger transport vehicles plying for hire with registered seating capacity of—</p> <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 40px;">(a) Four or more persons but less than ten persons.</td> <td style="padding-left: 40px;">Rs. 25 per seat per annum.</td> </tr> <tr> <td style="padding-left: 40px;">(b) Ten or more persons but less than twenty persons.</td> <td style="padding-left: 40px;">Rs. 60 per seat per annum.</td> </tr> <tr> <td style="padding-left: 40px;">(c) Twenty persons ore more.</td> <td style="padding-left: 40px;">Rs. 500 per seat per annum.</td> </tr> </table>	(a) Four or more persons but less than ten persons.	Rs. 25 per seat per annum.	(b) Ten or more persons but less than twenty persons.	Rs. 60 per seat per annum.	(c) Twenty persons ore more.	Rs. 500 per seat per annum.	
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Finance Bill 2013-14		Comments																							
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<p>(3) Other private motor cars with engine capacity of—</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 40px;">(a) upto 1000cc</td> <td style="text-align: right;">Rs. 750</td> </tr> <tr> <td style="padding-left: 40px;">(b) 1001cc to 1199cc</td> <td style="text-align: right;">Rs. 1250</td> </tr> <tr> <td style="padding-left: 40px;">(c) 1200cc to 1299cc</td> <td style="text-align: right;">Rs. 1750</td> </tr> <tr> <td style="padding-left: 40px;">(d) 1300cc to 1599cc</td> <td style="text-align: right;">Rs. 3000</td> </tr> <tr> <td style="padding-left: 40px;">(e) 1600cc to 1999cc</td> <td style="text-align: right;">Rs. 4000</td> </tr> <tr> <td style="padding-left: 40px;">(f) 2000cc and above</td> <td style="text-align: right;">Rs. 8000</td> </tr> </table> <p>(4) where the motor vehicle tax is collected in lump sum,-</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 40px;">(a) Upto 1000cc</td> <td style="text-align: right;">Rs. 7,500</td> </tr> <tr> <td style="padding-left: 40px;">(b) 1001cc to 1199cc</td> <td style="text-align: right;">Rs. 12,500</td> </tr> <tr> <td style="padding-left: 40px;">(c) 1200cc to 1299cc</td> <td style="text-align: right;">Rs. 17,500</td> </tr> <tr> <td style="padding-left: 40px;">(d) 1300cc to 1599cc</td> <td style="text-align: right;">Rs. 30,000</td> </tr> <tr> <td style="padding-left: 40px;">(e) 1600cc to 1999cc</td> <td style="text-align: right;">Rs. 40,000</td> </tr> <tr> <td style="padding-left: 40px;">(f) 2000cc and above</td> <td style="text-align: right;">Rs. 80,000</td> </tr> </table>	(a) upto 1000cc	Rs. 750	(b) 1001cc to 1199cc	Rs. 1250	(c) 1200cc to 1299cc	Rs. 1750	(d) 1300cc to 1599cc	Rs. 3000	(e) 1600cc to 1999cc	Rs. 4000	(f) 2000cc and above	Rs. 8000	(a) Upto 1000cc	Rs. 7,500	(b) 1001cc to 1199cc	Rs. 12,500	(c) 1200cc to 1299cc	Rs. 17,500	(d) 1300cc to 1599cc	Rs. 30,000	(e) 1600cc to 1999cc	Rs. 40,000	(f) 2000cc and above	Rs. 80,000	<p>The bill proposes to revise the rate of tax.</p>
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<p>DIVISION-VI</p> <p>CASH WITHDRAWAL FROM A BANK</p> <p>The Rate of tax to be deducted under section 231A shall be 0.2% 0.3% of the cash amount withdrawn.</p>		<p>The bill proposes to revise the rate of tax.</p>																							

Finance Bill 2013-14		Comments
Proposed Amendments in Income Tax Ordinance, 2001		
DIVISION VII		
PURCHASE OF MOTOR CARS AND JEEPS		
The rate of payment of tax under section 231B shall be as follows:–		
<i>Engine Capacity</i>	<i>Amount of Tax</i>	The bill proposes to revise the rate of tax.
<i>upto 850cc</i>	<i>Rs.7,500</i>	
<i>851cc to 1000cc</i>	<i>Rs.10,500</i>	
<i>1001cc to 1300cc</i>	<i>Rs.16,875</i>	
<i>1301cc to 1600cc</i>	<i>Rs. 25,000</i>	
<i>1601cc to 1800cc</i>	<i>Rs.22,500</i>	
<i>1801cc to 2000cc</i>	<i>Rs.16,875</i>	
<i>Above 2000cc</i>	<i>Rs.50,000</i>	
<i>Engine capacity</i>	<i>Amount of tax</i>	
<i>upto 850cc</i>	<i>Rs.10,000</i>	
<i>851cc to 1000cc</i>	<i>Rs.20,000</i>	
<i>1001cc to 1300cc</i>	<i>Rs.30,000</i>	
<i>1301cc to 1600cc</i>	<i>Rs.50,000</i>	
<i>1601cc to 1800cc</i>	<i>Rs.75,000</i>	
<i>1801cc to 2000cc</i>	<i>Rs.100,000</i>	

Finance Bill 2013-14 Proposed Amendments in Income Tax Ordinance, 2001			Comments
<i>DIVISION XIII</i>			New withholding division proposed.
The rate of tax to be collected under section 236F in the case of Cable Television Operator shall be as follows:-			
License Category as provided in PEMRA Rules 2009	Tax on License Fee	Tax on Renewal	
H	Rs.7,500	Rs.10,000	
H-1	Rs.10,000	Rs.15,000	
H-II	Rs.25,000	Rs.30,000	
R	Rs.5,000	Rs.30,000	
B	Rs.5,000	Rs.40,000	
B-1	Rs.30,000	Rs.50,000	
B-2	Rs.40,000	Rs.60,000	
B-3	Rs.50,000	Rs.75,000	
B-4	Rs.75,000	Rs.100,000	
B-5	Rs.87,500	Rs.150,000	
B-6	Rs.175,000	Rs.200,000	
B-7	Rs.262,500	Rs.300,000	
B-8	Rs.437,500	Rs.500,000	

Finance Bill 2013-14			Comments
Proposed Amendments in Income Tax Ordinance, 2001			
B-9	Rs.700,000	Rs.800,000	
B-10	Rs.875,500	Rs.900,000	
(2) The rate of tax to be collected under section 236F in the case of other Distribution Services shall be as follows:-			
Type of Channel as provided in PEMRA Rules 2009	Tax on Issuance of license	Tax on Renewal	
IPTV	Rs.100,000	Rs.1,000,000	
FM Radio	Rs.100,000	Rs.100,000	
MMDS	Rs.200,000	Rs.100,000	
Mobile TV	Rs.100,000	Rs.50,000	
Satellite TV station			
News or Current	Rs.1,000,000	Rs.2,000,000	
Sports	Rs.1,000,000	Rs.1,000,000	
Regional Language	Rs.700,000	Rs.700,000	
Health or Agro	Rs.300,000	Rs.300,000	
Education	Rs.300,000	Rs.300,000	

Finance Bill 2013-14			Comments
Proposed Amendments in Income Tax Ordinance, 2001			
Entertainment	Rs.1,000,000	Rs.1,000,000	
Specialized subject station	Rs.500,000	Rs.200,000	
Landing Rights per channel			
News/Current Affairs	Rs.1,000,000	Rs.5,000,000	
Sports	Rs.500,000	Rs.2,500,000	
Educational	Rs.200,000	Rs.1,000,000	
Entertainment	Rs.200,000	Rs.2,000,000	
Children	Rs.350,000	Rs.1,500,000;	
News/Current Affairs	Rs.1,000,000	Rs.5,000,000	
Division XIV			
Advance tax on sale to distributors, dealers or wholesalers			
The rate of collection of tax under section 236G shall be 0.1% of the gross amount of sales.			
Division XV			
Advance tax on sale to retailers			
The rate of collection of tax under section 236H shall be 0.5% of the gross amount of sales.			

Finance Bill 2013-14 Proposed Amendments in Income Tax Ordinance, 2001		Comments										
	<p>Division XVI</p> <p>Collection of advance tax by educational institutions</p> <p>The rate of collection of tax under section 236I shall be 5% of the amount of fee.</p> <p>Division XVII</p> <p>Advance tax on dealers, commission agents and arhatis, etc.</p> <p>The rate of collection of tax under section 236J shall be as follows:-</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Group</th> <th style="text-align: center;">Amount of tax (per annum)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Group or Class A:</td> <td style="text-align: center;">Rs. 10,000</td> </tr> <tr> <td style="text-align: center;">Group or Class B:</td> <td style="text-align: center;">Rs. 7,500</td> </tr> <tr> <td style="text-align: center;">Group or Class C:</td> <td style="text-align: center;">Rs. 5,000</td> </tr> <tr> <td style="text-align: center;">Group or Class D:</td> <td style="text-align: center;">Rs. 5,000.</td> </tr> </tbody> </table>	Group	Amount of tax (per annum)	Group or Class A:	Rs. 10,000	Group or Class B:	Rs. 7,500	Group or Class C:	Rs. 5,000	Group or Class D:	Rs. 5,000.	
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Group or Class C:	Rs. 5,000											
Group or Class D:	Rs. 5,000.											
	<p>THE SECOND SCHEDULE</p> <p>PART I</p> <p>(53A) The following perquisites received by an employee by virtue of his employment, namely:-</p> <p>(i) free or concessional passage provided by transporters including airlines to its employees (including the members of their household and dependents);</p> <p>(ii) free or subsidized food provided by hotels and restaurants to its employees during duty hours;</p> <p>(iii) free or subsidized education provided by an educational institution to the children of its employees;</p> <p>(iv) free or subsidized medical treatment provided by a hospital or a clinic to its employees; and</p> <p>(v) any other perquisite or benefit for which the employer does not have to bear any</p>	<p>Exemption from free concessional passage withdrawn</p>										

Finance Bill 2013-14		Comments
Proposed Amendments in Income Tax Ordinance, 2001		
	marginal cost, as notified by the Central Board of Revenue.	
	(92) Any income of any university or other educational institution established solely for educational purposes and not for purposes of profit.	Exemption to Universities and educational institution withdrawn
	98(a) Any income derived by International Cricket Council Development (International) Limited (IDI), International Cricket Council (ICC), employees, officials, agents and representatives of IDI and ICC official from ICC members, players, coaches, medical doctors and officials and member countries, IDI partners and media representatives, other than persons who are resident of Pakistan, from ICC champions trophy, 2008 posted in Pakistan.	Exemption to ICC withdrawn
	(103B) Any dividend in specie derived in the form of shares in a company, as defined in the Companies Ordinance, 1984 (XLVII of 1984); Provided that when such shares are disposed off by the recipient, the amount representing the dividend in specie shall be taxed in accordance with provisions of section 5 of this Ordinance and the amount, representing the difference between the consideration received and the amount hereinabove, shall be treated in accordance with provisions of section 37 or section 37A, as the case may be.	Exemption to dividend in the form specie withdrawn
	(126E) Corporate income tax holiday for a period of five years for projects from the date of start of commercial operations, and for developers of the Zone for a period of ten years from the date of start of developmental activity in the Special Economic Zones as announced by the Federal Government. (126E) income derived by a zone enterprise as defined in Special Economic Zones Act, 2012 (XX of 2012) for a period of ten years starting from the date the developer certifies that the zone enterprise has commenced commercial operation and for a period of ten years to a developer of zone starting from the date of signing of the development agreement in the special economic zone as announced by the Federal Government.	Tax holiday for Special industrial zone extended to ten years

Finance Bill 2013-14 Proposed Amendments in Income Tax Ordinance, 2001		Comments							
<p>PART II</p> <p>REDUCTION IN TAX RATES</p> <p>(28) The rate of tax under section 148 on import of hybrid cars shall be reduced as below:-</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Engine capacity</th> <th style="text-align: left;">Rate of reduction</th> </tr> </thead> <tbody> <tr> <td>Up to 1200 cc</td> <td>100%</td> </tr> <tr> <td>1201 to 1800 cc</td> <td>50%</td> </tr> <tr> <td>1801 to 2500 cc</td> <td>25 %</td> </tr> </tbody> </table>	Engine capacity	Rate of reduction	Up to 1200 cc	100%	1201 to 1800 cc	50%	1801 to 2500 cc	25 %	<p>Concession on account of import of hybrid car</p>
Engine capacity	Rate of reduction								
Up to 1200 cc	100%								
1201 to 1800 cc	50%								
1801 to 2500 cc	25 %								
<p>PART III</p> <p>REDUCTION IN TAX LIABILITY</p> <p>(1) Any amount received as-</p> <p>(a) flying allowance by pilots, flight engineers, navigators of Pakistan Armed Forces, Pakistani Airlines or Civil Aviation Authority, Junior Commissioned Officers or other ranks of Pakistan Armed Forces; and</p> <p>(b) submarine allowance by the officers of the Pakistan Navy, shall be taxed @ 2.5% as a separate block of income.</p>	<p>Reduction in tax liability withdrawn.</p>								
<p>(2) The tax payable by a full time teacher or a researcher, employed in a non profit education or research institution duly recognized by Higher Education Commission, a Board of Education or a University recognized by the Higher Education Commission, including government training and research institution, shall be reduced by an amount equal to 75% of tax payable on his income from salary.</p>	<p>Reduction in tax liability withdrawn</p>								
<p>PART IV</p> <p>EXEMPTION FROM SPECIFIC PROVISIONS</p> <p>(56A) The provisions of sub-section (7) of section 148 and clause (a) of sub-section (1) of section 169 shall not apply to a person who is liable to withholding tax under section 236E.</p>	<p>Exemption from the provision of final tax liability to foreign produced films and TV serials granted</p>								

Finance Bill 2013-14		Comments
Proposed Amendments in Income Tax Ordinance, 2001		
<p>(59) The provisions of section 151, regarding withholding tax on profit on debt, shall not apply—</p> <ul style="list-style-type: none"> (i) in respect of profit or interest paid on a Term Finance Certificate held by a company which has been issued on, or after, the first day of July, 1999; (ii) to any payment made by way profit or interest to any person on Term Finance Certificates being the instruments of redeemable capital under the Companies Ordinance, 1984 (XLVII of 1984), issued by Prime Minister's Housing Development Company (Pvt) Limited (PHDCL); (iii) to Pak rupee accounts or certificates referred to in clause (83) of Part-I of this Schedule; and (iv) in the case of any resident individual, no tax shall be deducted from income or profits paid on,- <ul style="list-style-type: none"> (a) Defence Savings Certificates, Special Savings Certificates, Savings Accounts or Post Office Savings Accounts, or Term Finance Certificates (TFCs), where such deposit does not exceed one hundred and fifty thousand rupees; and (b) Investment in monthly income Savings Accounts Scheme of Directorate of National Savings, where monthly installment in an account does not exceed one thousand rupees. 	<p>Exemption from withholding on DSC, SSC upto Rs 150,000 withdrawn</p>	
<p>(72A) <i>The provisions of clause (l) of section 21, sections 113 and 152 shall not apply in case of a Hajj Group Operator in respect of Hajj operations provided that the tax has been paid at the rate of Rs.3,500 per Hajji for the tax year 2013 and Rs.5,000 per Hajji for the tax year 2014 in respect of income from Hajj operations.</i></p>	<p>Exemption to Hajj operators from provision of payment through cross cheque, minimum tax and withholding on payment to nonresident on payment of fixed tax.</p>	
<p>(72B) <i>the provisions of section 148 shall not apply to an industrial undertaking if the tax liability for the current tax year, on the basis of determined tax liability for any of the preceding two tax years, whichever is the higher, has been paid and a certificate to this effect is issued by the concerned Commissioner.</i></p>	<p>Exemption to industrial undertaking from payment of tax on account of import of goods in case where current tax or tax liability of preceding two years, whichever is higher, has been paid</p>	

Finance Bill 2013-14 Proposed Amendments in Income Tax Ordinance, 2001		Comments
<p>THE THIRD SCHEDULE</p> <p>PART II</p> <p>INITIAL ALLOWANCE AND FIRST YEAR ALLOWANCE</p> <p>(1) The rate of initial allowance under section 23 shall be 50 25% for plant and machinery and 25% for buildings.</p>	<p>Initial depreciation reduce to 25 percent</p>	
<p style="text-align: center;">THE SEVENTH SCHEDULE</p> <p>(6) Tax on income computed — Income computed under this Schedule shall be chargeable to tax under the head “Income from Business” and tax payable thereon shall be computed at the rate applicable in Division II of Part I of the First Schedule. The income under the head “Dividend” and “Capital Gains” on sale of shares of listed companies” shall be taxed at the rate of ten percent:</p> <p>Provided that where the shares of listed companies are disposed of within one year of the date of acquisition, the gain shall be taxed at the rate provided in Division II of Part I of the First Schedule :</p> <p>Provided further that the “Dividend” received by a banking company from its asset management company shall be taxed at the rate of 20% :</p> <p>Provided also that the dividend received from Money Market Funds and Income Funds shall be taxed at the rate of 25% for tax year 2013 and at the rate of 35% for tax years 2014 and onwards.</p>	<p>Rate of dividend for banking from money market funds and income fund shall continue to be taxable at the rate of 25 percent.</p>	

Finance Bill 2013-14		Comments
Proposed Amendments in Sales Tax Act, 1990.		
<p>Section 3. Scope of tax.— Subject to the provisions of this Act, there shall be charged, levied and paid a tax known as sales tax at the rate of sixteen seventeen per cent of the value of—</p> <p>(a) taxable supplies made by a registered person in the course or furtherance of any taxable activity carried on by him; and</p> <p>(b) goods imported into Pakistan.</p> <p>(1A) Subject to the provision of sub-section (6) of section 8 or any notification issued there under, where taxable supplies are made to a person who has not obtained registration number, there shall be charged, levied and paid a further tax at the rate of two per cent of the value in addition to the rate specified in sub-sections (1), (1B), (2), (5) and (6) of this section:</p> <p>Provided that the Federal Government may, by notification in the official Gazette, specify the taxable supplies in respect of which the further tax shall not be charged, levied and paid.</p> <p>(1B) The Board may, by notification in the official Gazette, in lieu of levying and collecting tax under sub-section (1) on taxable supplies, levy and collect tax---</p> <p>(a) on the production capacity of plants, machinery, undertaking, establishments or installations producing or manufacturing such goods; or</p> <p>(b) on fixed basis, as it may deem fit, from any person who is in a position to collect such tax due to the nature of the business.”; and</p> <p>(2) Notwithstanding the provisions of sub-section (1):--</p> <p>(a) taxable supplies specified in the Third Schedule shall be charged to tax at the rate of sixteen seventeen per cent of the retail price which along with the amount of sales tax shall be legibly, prominently and indelibly printed or embossed by the manufacturer on each article, packet, container, package, cover or label, as the case may be:</p> <p>Provided that the Federal Government, may, by notification in the official Gazette, exclude any taxable supply from the said Schedule or include any taxable supply therein; and</p> <p>(b) the Federal Government may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, declare that in respect of any goods or class of goods imported into or produced or any taxable supplies made by a registered person or a class of registered persons, the tax shall be charged, collected and paid in</p>	<p>The Federal Government has increased the rate of Sales tax from 16 percent to 17 percent effective from 13 June 2013. Further the concept of extra tax on unregistered person is reintroduced. Extra tax of 2 percent will be charged in case of supply to unregistered person. This extra tax will be levied in addition to normal tax, tax on the basis of production capacity, retail tax and special tax rate. The levy of extra tax is also effective from 13 June 2013.</p>	

Finance Bill 2013-14		Comments
Proposed Amendments in Sales Tax Act, 1990.		
	<p>such manner and at such higher or lower rate or rates as may be specified in the said notification.</p> <p>(3) The liability to pay the tax shall be,--</p> <p style="padding-left: 20px;">(a) in the case of supply of goods, of the person making the supply, and</p> <p style="padding-left: 20px;">(b) in the case of goods imported into Pakistan, of the person importing the goods.</p> <p>(4) Omitted</p> <p>(5) The Federal Government may, in addition to the tax levied under sub-section (1), sub-section (2) and sub-section (4), levy and collect such extra amount of tax tax at such extra rate or amount not exceeding sixteen seventeen per cent of the value of such goods or class of goods and on such persons or class of persons, in such mode, manner and at time, and subject to such conditions and limitations as it may, by rules, prescribe.</p> <p>(6) The Federal Government may, by notification in the official Gazette, specify any person or class of persons as withholding agent for the purpose of deduction and deposit of tax at the specified rate in such manner and subject to such conditions or restrictions as the Federal Government may prescribe in this behalf.</p> <p>(7) The Federal Government may, by notification in the official Gazette, specify any person or class of persons as withholding agent for the purpose of deduction and deposit of tax at the specified rate in such manner and subject to such conditions or restrictions as the Federal Government may prescribe in this behalf.</p>	

Finance Bill 2013-14		Comments
Proposed Amendments in Sales Tax Act, 1990.		
<p>Section 8. Tax credit not allowed.— (1) Notwithstanding anything contained in this Act, a registered person shall not be entitled to reclaim or deduct input tax paid on --</p> <ul style="list-style-type: none"> (a) the goods or services used or to be used for any purpose other than for taxable supplies made or to be made by him; (b) any other goods or services which the Federal Government may, by a notification in the official Gazette, specify; (c) the goods under sub-section (5) of section 3: <ul style="list-style-type: none"> (ca) the goods or services in respect of which sales tax has not been deposited in the Government treasury by the respective supplier; (caa) purchases, in respect of which a discrepancy is indicated by CREST or input tax of which is not verifiable in the supply chain; (d) fake invoices; and (e) purchases made by such registered person, in case he fails to furnish the information required by the Board through a notification issued under sub-section (5) of section 26. (2) If a registered person deals in taxable and non-taxable supplies, he can reclaim only such proportion of the input tax as is attributable to taxable supplies in such manner as may be specified by the Board. (3) No person other than a registered person shall make any deduction or reclaim input tax in respect of taxable supplies made or to be made by him. (4) Omitted (5) Notwithstanding anything contained in any other law for the time being in force or any decision of any Court, for the purposes of this section, no input tax credit shall be allowed to the persons who paid fixed tax under any provisions of this Act as it existed at any time prior to the first day of December, 1998. (6) Notwithstanding anything contained in any other law for the time being in force or any provision of this Act, the Federal Government may, by notification in the official Gazette, specify any goods or class of goods which a registered person cannot supply to any person who is not registered under this Act. 	<p>Section 8 of the Sales Tax Act restricts the claim of input tax in certain cases. Through amendment which is effective from 13th July purchases in respect of which discrepancy is indicated by CREST or unverifiable input in the supply chain is included in the list of inadmissible input tax. Accordingly definition of CREST and Supply Chain are also included in Section 2 of the Act.</p>	

Finance Bill 2013-14		Comments
Proposed Amendments in Sales Tax Act, 1990.		
<p>Section 22. Records. — (1) A registered person making taxable supplies shall maintain and keep at his business premises or registered office in English or Urdu language the following records of goods purchased, imported and supplies (including zero-rated and exempt supplies) made by him or by his agent acting on his behalf in such form and manner as would permit ready ascertainment of his tax liability during a tax period -</p> <ul style="list-style-type: none"> (a) records of supplies made shall indicate the description, quantity and value of goods, name and address of the person to whom supplies were made and the amount of the tax charged; (b) records of goods purchased shall show the description, quantity and value of goods, name, address and registration number of the supplier and the amount of the tax on purchases; (c) records of goods imported shall show the description, quantity and value of goods and the amount of tax paid on imports; (d) records of zero-rated and exempt supplies; (da) double entry sales tax accounts; (e) invoices, credit notes, debit notes, bank statements, banking instruments in terms of section 73, inventory records, utility bills, salary and labour bills, rental agreements, sale purchase agreements and lease agreements;and (ea) record relating to gate passes, inward or outward, and transport receipt.; (f) such other records as may be specified by the Board: <p>Provided that the persons paying retail tax shall keep such record as may be specified by the Board.</p> <p>(1A) Notwithstanding anything in any other law for the time being in force, the Board may require, by notification in the official Gazette, a registered person or class of registered persons to declare and use only as many number of business bank accounts as may be specified by the Board in such notification to make or receive payments on account of purchase and sale transactions for the purpose of this Act or rules made there under and to make payment of due tax from such accounts only.</p> <p>(2) The Board may, by notification in the official Gazette, specify for any class of taxable</p>	<p>Section 22 of the Act requires that the taxpayer shall keep various records at the business premises. The taxpayer with effect from 13 June 2013 shall also keep records of gate passes, inward and outward and transport receipt. It appears that the section would apply retrospectively.</p>	

Finance Bill 2013-14		Comments
Proposed Amendments in Sales Tax Act, 1990.		
	<p>persons or any other person registered under this Act to keep such other records for the purposes of this Act.</p> <p>(2A) The Board may, by notification in the Official Gazette, specify for any class of taxable persons registered under this Act to use such electronic fiscal cash registers as are approved by the Board in the manner as may be prescribed.</p> <p>(3) The Board may, by notification in the official gazette, prescribe the procedure or software for electronically maintenance of records, filing of sales tax returns or refunds and for any other matter or approve any software for electronic maintenance of records and filing of returns or refunds by a person or class of such persons.</p> <p>(4) The registered persons, whose accounts are subject to audit under the Companies Ordinance, 1984, shall be required to submit a copy of the annual audited accounts, along with a certificate by the auditors certifying the payment of due tax by the registered person.</p>	
	<p>Section 25. Access to record, documents, etc.- (1) A person who is required to maintain any record or documents under this Act or any other law shall, as and when required by an Commissioner, produce record or documents which are in his possession or control or in the possession or control of his agent; and where such record or documents have been kept on electronic data, he shall allow access to such officer of Inland Revenue authorized by the Commissioner and use of any machine on which such data is kept.</p> <p>(2) The officer of Inland Revenue authorized by the Commissioner, on the basis of the record, obtained under sub-section may, once in a year, conduct audit:</p> <p>Provided that in case the Commissioner has information or sufficient evidence showing that such registered person is involved in tax fraud or evasion of tax, he may authorize an officer of Inland Revenue, not below the rank of Assistant Commissioner, to conduct an inquiry or investigation under section 38:</p> <p>Provided further that nothing in this sub-section shall bar the Inland Revenue officer from conducting audit of the records of the registered person if the same were earlier audited by the office of the Auditor-General of Pakistan;</p> <p>(3) After completion of the audit under this section or any other provision of this Act, the officer of Inland Revenue may, after obtaining the registered person's explanation on all the issues raised in the audit shall pass an order under the section 11 or section 36, as the case may</p>	<p>Section 25 empowers the tax authorities to call for information of records. Recently Lahore Court has held that after selection of cases for audit by Board the tax officials has no authority to call for information. Now explanation is added with immediate effect that authority of tax officials to call for information and records are independent powers under various section.</p>

Finance Bill 2013-14		Comments
Proposed Amendments in Sales Tax Act, 1990.		
	<p>be.</p> <p>(4) Omitted</p> <p>(4A) Omitted</p> <p>(5) Notwithstanding the penalties prescribed in section 33, if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with default surcharge voluntarily, whenever it comes to his notice, before receipt of notice of audit, no penalty shall be recovered from him:</p> <p><i>Explanation.- For the purpose of sections 25, 38, 38A, 38B and 45A and for removal of doubt, it is declared that the powers of the Board, Commissioner or officer of Inland Revenue under these sections are independent of the powers of the Board under section 72B and nothing contained in section 72B restricts the powers of the Board, Commissioner or officer of Inland Revenue to have access to premises, stocks, accounts, records, etc. under these sections or to conduct audit under these sections.;</i></p> <p>Provided if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with default surcharge during the audit, or at any time before issuance of show cause notice in lieu of the audit report, he may deposit the evaded amount of tax, default surcharge under section 34, and twenty five per cent of the penalty payable under section 33:</p> <p>Provided further that if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with default surcharge after issuance of show cause notice, he shall deposit the evaded amount of tax, default surcharge under section 34, and full amount of the penalty payable under section 33 and thereafter, the show cause notice, shall stand abated.</p>	
	<p>45B. Appeals.— (1) Any person, other than the Sales Tax Department, aggrieved by any decision or order passed under sections 10, 11, 25, 36, or 66, by an officer of Inland Revenue may, within thirty days of the date of receipt of such decision or order, prefer appeal to the Commissioner Inland Revenue (Appeals):</p> <p>Provided that an appeal preferred after the expiry of thirty days may be admitted by the Commissioner Inland Revenue (Appeals) if he is satisfied that the appellant has sufficient cause for not preferring the appeal within the specified period:</p> <p>Provided further that the appeal shall be accompanied by a fee of one thousand rupees to be paid</p>	

Finance Bill 2013-14		Comments
Proposed Amendments in Sales Tax Act, 1990.		
	<p>in such manner as the Board may prescribe.</p> <p>(1A) <i>Where in a particular case, the Commissioner (Appeals) is of the opinion that the recovery of tax levied under this Act, shall cause undue hardship to the taxpayer, he, after affording opportunity of being heard to the Commissioner or officer of Inland Revenue against whose order appeal has been made, may stay the recovery of such tax for a period not exceeding thirty days in aggregate.”;</i></p> <p>(2) The Commissioner Inland Revenue (Appeals) may, after giving both parties to the appeal an opportunity of being heard, pass such order as he thinks fit, confirming, varying, altering, setting aside or annulling the decision or order appealed against:</p> <p>Provided that such order shall be passed not later than one hundred and twenty days from the date of filing of appeal or within such extended period as the Commissioner Inland Revenue (Appeals) may, for reasons to be recorded in writing fix:</p> <p>Provided further that such extended period shall, in no case, exceed [Sixty] days:</p> <p>Provided further that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding thirty days shall be excluded from the computation of aforesaid periods.</p> <p>(3) In deciding an appeal, the ⁵Commissioner of Inland Revenue (Appeals) may make such further inquiry as may be necessary provided that he shall not remand the case for <i>de novo</i> consideration.</p> <p>(4) Omitted</p>	<p>The Finance Bill now proposes to empower Commissioner of Appeals to stay recovery of tax for 30 days.</p>

Finance Bill 2013-14		Comments
Proposed Amendments in Sales Tax Act, 1990.		
<p>57. Correction of clerical errors, etc.— Clerical or arithmetical errors in any assessment, adjudication, order or decision may, at any time, be corrected by the officer of Inland Revenue who made the assessment or adjudication or passed such order or decision or by his successor in office :</p> <p>Provided that before such correction, a notice shall be given to the registered person or to a person affected by such correction.</p> <p>57. <i>Rectification of mistake.— (1) The Commissioner, the Commissioner (Appeals) or the Appellate Tribunal may, by an order in writing, amend any order passed by him to rectify any mistake apparent from the record on his or its own motion or any mistake brought to his or its notice by a taxpayer or, in the case of the Commissioner (Appeals) or the Appellate Tribunal, the Commissioner.</i></p> <p>(2) <i>No order under sub-section (1) which has the effect of increasing an assessment, reducing a refund or otherwise applying adversely to the taxpayer shall be made unless the taxpayer has been given a reasonable opportunity of being heard.</i></p> <p>(3) <i>Where a mistake apparent on the record is brought to the notice of the Commissioner or Commissioner (Appeals), as the case may be, and no order has been made under sub-section (1), before the expiration of the financial year next following the date on which the mistake was brought to their notice, the mistake shall be treated as rectified and all the provisions of this Act shall have effect accordingly.</i></p>	<p>The Finance bill now proposes to replace section 57 relating to clerical mistake with new section 57 providing for Rectification of mistake. Now the Commissioner, Commissioner (Appeals) and Appellate Tribunal can amend any mistake apparent from record. The mistake shall be treated as rectified in case no order has been passed before the expiry of the financial year next following the date on which the mistake was brought to their notice. Time limit for rectification of mistake is five years from the date of order sought to be amended.</p>	
<p>73. Certain transactions not admissible.— (1) Notwithstanding anything contained in this Act or any other law for the time being in force, payment of the amount for a transaction exceeding value of fifty thousand rupees, excluding payment against a utility bill, shall be made by a crossed cheque drawn on a bank or by crossed bank draft or crossed pay order or any other crossed banking instrument showing transfer of the amount of the sales tax invoice in favour of the supplier from the business bank account of the buyer:</p> <p>Provided that online transfer of payment from the business account of buyer to the business account of supplier as well as payments through credit card shall be treated as transactions through</p>	<p>Section 73 of the Act requires payment of transaction to be made through cross cheque or normal banking channel. Now the Finance Bill proposes to amend the term business bank account. Business bank account means bank account registered through STR1 form or change of registration particulars.</p>	

Finance Bill 2013-14		Comments
Proposed Amendments in Sales Tax Act, 1990.		
	<p>the banking channel, subject to the condition that such transactions are verifiable from the bank statements of the respective buyer and the supplier.</p> <p>(2) The buyer shall not be entitled to claim input tax credit, adjustment or deduction, or refund, repayment or draw-back or zero-rating of tax under this Act if payment for the amount is made otherwise than in the manner prescribed in sub-section (1), provided that payment in case of a transaction on credit is so transferred within one hundred and eighty days of issuance of the tax invoice.</p> <p>(3) The amount transferred in terms of this section shall be deposited in the business bank account of the supplier, otherwise the supplier shall not be entitled to claim input tax credit, adjustment or deduction, or refund, repayment or draw-back or zero-rating of tax under this Act.</p> <p>Explanation— For the purpose of this section, the term “business bank account” shall mean a bank account utilized by the registered person for business transactions, declared to the Commissioner in whose jurisdiction he is registered <i>through Form STR 1 or change of particulars in registration database.</i></p>	

Finance Bill 2013-14 Proposed Amendments in Sales Tax Act, 1990.		Comments																												
<p>Through this S.R.O. 501(I)/2013 the Federal Government is pleased to exempt the whole of sales tax on the import and supplies of the goods mentioned in column (2) of the Table below, namely:–</p> <p style="text-align: center;">TABLE</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Serial No.</th> <th>Description</th> </tr> <tr> <th style="text-align: center;">(1)</th> <th style="text-align: center;">(2)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Uncooked poultry meat (PCT Heading 02.07).</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Milk and cream (PCT headings 04.01 and 04.02).</td> </tr> <tr> <td style="text-align: center;">3</td> <td>Flavored Milk (PCT Headings 0402.9900 and 22.02).</td> </tr> <tr> <td style="text-align: center;">4</td> <td>Yogurt (PCT Heading 0403.1000).</td> </tr> <tr> <td style="text-align: center;">5</td> <td>Whey (PCT Heading 04.04).</td> </tr> <tr> <td style="text-align: center;">6</td> <td>Butter (PCT Heading 0405.1000).</td> </tr> <tr> <td style="text-align: center;">7</td> <td>Desi ghee (PCT Heading 0405.9000).</td> </tr> <tr> <td style="text-align: center;">8</td> <td>Cheese (PCT Heading 0406.101 0).</td> </tr> <tr> <td style="text-align: center;">9</td> <td>Processed cheese not grated or powdered (PCT Heading 0406.3000)</td> </tr> <tr> <td style="text-align: center;">10</td> <td>Cotton seed (PCT heading 1207.2000).</td> </tr> <tr> <td style="text-align: center;">11</td> <td>Frozen, prepared or preserved sausages and similar products of poultry meat or meat offal (PCT Heading 1601.0000).</td> </tr> <tr> <td style="text-align: center;">12</td> <td>Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry meat and fish (PCT Headings 1602.3200, 1602.3900,</td> </tr> </tbody> </table>		Serial No.	Description	(1)	(2)	1	Uncooked poultry meat (PCT Heading 02.07).	2	Milk and cream (PCT headings 04.01 and 04.02).	3	Flavored Milk (PCT Headings 0402.9900 and 22.02).	4	Yogurt (PCT Heading 0403.1000).	5	Whey (PCT Heading 04.04).	6	Butter (PCT Heading 0405.1000).	7	Desi ghee (PCT Heading 0405.9000).	8	Cheese (PCT Heading 0406.101 0).	9	Processed cheese not grated or powdered (PCT Heading 0406.3000)	10	Cotton seed (PCT heading 1207.2000).	11	Frozen, prepared or preserved sausages and similar products of poultry meat or meat offal (PCT Heading 1601.0000).	12	Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry meat and fish (PCT Headings 1602.3200, 1602.3900,	<p>Zero rating of various goods are now converted into exemption through notification 501(I)/2013 dated 12 June 2013.</p>
Serial No.	Description																													
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	1602.5000, 1604.1100, 1604.1200, 1604.1300, 1604.1400, 1604.1500, 1604.1600, 1604.1900, 1604.2010, 1604.2020, 1604.2090, 1604.3000).	
13	Preparations for infant use, put up for retail sale (PCT Heading 1901 .1000).	
14	Fat filled milk (PCT Heading 1901 .9090).	
15	Soya bean meal (PCT Heading 2304.0000).	
16	Oil cake and other solid residues, whether or not ground or in the form of pellets (PCT heading 2306.1000)	
17	Colors in sets (Poster colors) (PCT Heading 3213.1000).	
18	Writing, drawing and marking inks (PCT Headings 3215.9010 and 3215.9090).	
19	Erasers (PCT Headings 401 6.9210 and 401 6.9290).	
20	Exercise books (PCT Heading 4820.2000).	
21	Directly reduced iron (PCT heading 72.03).	
22	Pencil sharpeners (PCT Heading 8214.1 000).	
23	Energy saver lamps (PCT heading 8539.391 0).	
24	Sewing machines of the household type (PCT Headings 8452.1010 and 8452.1090).	
25	Purpose built taxis, whether in CBU or CKD condition (PCT Headings 8703.3226 and 8703.3227) which are built on girder chassis and having following features, namely:- (a) Attack resistance central division along with payment tray;	

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Proposed Amendments in Sales Tax Act, 1990.		
	(b) Wheelchair compartment with folding ramp; and (c) Taximeter and two-way radio system.	
26	Bicycles (PCT Heading 87.12).	
27	Wheelchairs (PCT headings 871 3.1000 and 871 3.9000).	
28	Vessels for breaking up (PCT heading 89.08)	
29	Other drawing, marking out or mathematical calculating instruments (geometry box) (PCT Heading 901 7.2000).	
30	Pens and ball pens (PCT Heading 96.08).	
31	Pencils including color pencils (PCT Heading 96.09).	
32	Compost (non-chemical fertilizer) produced and supplied locally	
33	Construction materials to Gawadar Export Processing Zone's investors and to Export Processing Zone Gawadar for development of Zone's infrastructure.	

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Proposed Amendments in Sales Tax Act, 1990.		
	<p>Through this S.R.O. 1125(I)/2011, dated the 31st December, 2011 the Federal Government has allowed concessionary rates of sales tax to five export sectors i.e. textile, carpet, sports goods, surgical goods and leather.</p>	<p>The Federal government has allowed concession to five export sectors through notification 1125(I)/2011 dated 31 December 2011. Through notification 154(I)/2013 dated 28 February 2013 zero rating converted to 2 percent tax. Now through notification 504(I)/2013 dated 12 June 2013 facility is now restricted to supply of intermediary goods or raw material. Finished goods are now chargeable to 17 percent on retail price in the case of textile and leathers and 17 percent on the value of supply on carpet, sports goods and surgical goods.</p>
	<p>S.R.O. 509(I)/2013.– the Federal Government is pleased to levy extra tax at the rate of five percent of the total billed amount excluding the amount of federal taxes, in addition to the tax payable under sub-section (1) of section 3 of the Act, on supplies of electric power and natural gas to persons having industrial or commercial connections, and whose bill in any month exceeds rupees fifteen thousand, but who have either not obtained sales tax registration number or are not on the Active Taxpayers List maintained by the Federal Board of Revenue, subject to the mode, manner, conditions and limitations prescribed in the rules.</p>	<p>The Federal government through notification 5949(I)/2013 dated 12 July 2013 has imposed 5 percent extra tax on the total billed amount on supply of natural gas and electric power to person having industrial and connections and whose bill in any month exceed Rs 15,000 and who has not obtained sales tax registration number.</p>

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Proposed Amendments in Federal Excise Act, 2005		
<p>Section 3. Duties specified in the First Schedule to be levied.— (1) Subject to the provisions of this Act and rules made there under, there shall be levied and collected in such manner as may be prescribed duties of excise on,—</p> <ul style="list-style-type: none"> (a) goods produced or manufactured in Pakistan; (b) goods imported into Pakistan; (c) such goods as the Federal Government may, by notification in the official Gazette, specify, as are produced or manufactured in the non-tariff areas and are brought to the tariff areas for sale or consumption therein; and (d) services provided in Pakistan including the services originated outside but rendered in Pakistan; <p>at the rate of [fifteen] per cent <i>ad valorem</i> except the goods and services specified in the First Schedule, which shall be charged to Federal excise duty as, and at the rates, set-forth therein.</p> <p>(2) Duty in respect of goods imported into Pakistan shall be levied and collected in the same manner and at the same time as if it were a duty of customs payable under the Customs Act, 1969 (IV of 1969), and the provisions of the said Act including section 31A thereof shall apply.</p> <p>(3) The Board may, by notification in the official Gazette, in lieu of levying and collecting under sub-section (1) duties of excise on goods and services, as the case may be, levy and collect duties,—</p> <ul style="list-style-type: none"> (a) on the production capacity of plants, machinery, undertakings, establishments or installations producing or manufacturing such goods; or (b) on fixed basis, as it may deem fit, on any goods or class of goods or on any services or class of services, payable by any establishment or undertaking producing or manufacturing such goods or providing or rendering such services. <p>(3A) Subject to the provision of sub-section (3) of section 6 or any notification issued thereunder, where excisable goods and services are supplied to a</p>	<p>This section deals with the duties specified in the First Schedule to be levied.</p> <p>The Bill seeks to insert a new sub-section (3A) in section 3 after sub-section 3 in order to impose further duty at the rate of two per cent on supply of goods and services to unregistered persons in addition to the duty payable as per section 3.</p> <p>This amendment is effective from 13-06-2013.</p>	

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	<p><i>person who has not obtained registration number, the Federal Government may, by notification in the official Gazette, charge, levy and collect, on the excisable goods and services specified in that notification, a further duty at the rate of two per cent of the value in addition to the rate specified in sub-sections (1), (3), (4) and (5) of this section.</i></p> <p>(4) Without prejudice to other provisions of this Act, the Federal Government may levy and collect duty on any class or classes of goods or services by notification in the official Gazette at such higher or lower rate or rates as may be specified in such notification.</p> <p>(5) The liability to pay duty shall be—</p> <p>(a) in case of goods produced or manufactured in Pakistan, of the person manufacturing or producing such goods;</p> <p>(b) in case of goods imported into Pakistan, of the person importing such goods;</p> <p>(c) in case of services, [provided where services are rendered by the person out of Pakistan, the recipient of such services in Pakistan shall be liable to pay Duty;</p> <p>(d) in case of goods produced or manufactured in non-tariff areas and brought to tariff areas for sale or consumption therein, of the person bringing or causing to bring such goods to tariff areas.</p> <p>Explanation.— Subject to sub-section (1), for the purpose of this section, “goods” means the goods specified in CHAPTERS 1 TO 97 and “services” means the services specified in CHAPTER 98 of the First Schedule to the Customs Act, 1969 (IV of 1969).</p>	

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<p>Section 17. Records.— .(1) Every person registered for the purposes of this Act shall maintain and keep for a period of [six] years or till the final decision in any proceedings for assessment, appeal, revision, reference, petition and any proceedings before an Alternative Dispute Resolution Committee, at his business premises or registered office in English or Urdu language the following records of excisable goods purchased, manufactured and cleared (including those cleared without payment of excise duty) by him or by his agent acting on his behalf in such form and manner as would permit ready ascertainment of his liability of duty, namely:—</p> <ul style="list-style-type: none"> (a) records of clearances and sales made indicating the description, quantity and value of goods, name and address of the person to whom sales were made and the amount of the duty charged; (b) records of goods purchased showing the description, quantity and value of goods, name, address and registration number of the supplier and the amount of the duty, if any, on purchases; (c) records of goods cleared and sold without payment of duty; (d) records of invoices, bills, accounts, agreements, contracts, orders and other allied business matters; (da) record relating to gate passes, inward or outward, and transport receipts; (e) records of production, stocks and inventory; (f) records of imports and exports; and (g) such other records as may be specified by the Board. <p>(2) For any person or class of persons registered under this Act, or for any goods or class of goods the Board may specify or prescribe,—</p> <ul style="list-style-type: none"> (a) to keep any other records for the purposes of this Act; (b) to use such electronic fiscal cash registers as may be approved by the Board; and (c) the procedure or software for electronic maintenance of records and filing of 	<p>This section prescribes the records to be maintained by a person registered under the Federal Excise Act, 2005.</p> <p>The Bill proposes to insert a new clause (da) in section 17 in sub-section (1) , after clause (d) to maintain gate passes, inward or outward, and transport receipts related to the excisable goods and services.</p> <p>This amendment is effective from 01-07-2013.</p>	

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	<p style="text-align: center;">statements, documents or information by any person or class of persons.</p> <p>(3) Provisions of sub-sections (1) and (2) shall apply <u>mutatis mutandis</u> on services provided or rendered by a person registered under this Act.</p>	
	<p>Section 33. Appeals to Commissioner (Appeals).— [(1)] Any person other than officer of Inland Revenue aggrieved by any decision or order passed under this Act or the rules made there under by Officer of Inland Revenue up to the rank of Additional Commissioner Inland Revenue, other than a decision or order or notice given or action taken for recovery of the arrears of duty under this Act or rules made there under may within thirty days of receipt of such decision or order prefer appeal there from to the Commissioner (Appeals).</p> <p>(1A) <i>Where in a particular case, the Commissioner (Appeals) is of the opinion that the recovery of tax levied under this Act, shall cause undue hardship to the taxpayer, he, after affording opportunity of being heard to the Commissioner or officer of Inland Revenue against whose order appeal has been made, may stay the recovery of such tax for a period not exceeding thirty days in aggregate.;</i></p> <p>(2) The Commissioner (Appeals) may, after giving both parties to the appeal an opportunity of being heard, pass such order as he thinks fit, confirming, varying, altering, setting aside or annulling the decision or order appealed against.</p> <p>“Provided that such order shall be passed not later than [one hundred and twenty] days from the date of filing of appeal or within such extended period, not exceeding “sixty” days, as the Collector (Appeals) may, for reasons to be recorded in writing, extend.”:</p> <p>“Provided further that any period during which the proceeding are adjourned on account of stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding thirty days shall be excluded for the computation of these period.”</p> <p>(3) In deciding an appeal, the Commissioner (Appeals) may make such further inquiry as may be necessary provided that he shall not remand the case for <i>de novo</i></p>	<p>This section allows a registered person to file appeal before Commissioner (Appeals) within thirty days of the receipt of order sought to be appealed.</p> <p>In section 33, after sub-section (1), a new sub-section (1A) is proposed to be inserted to allow the Commissioner (Appeals) to stay the recovery of such tax for a period not exceeding thirty days in aggregate if Commissioner (Appeals) is of the opinion that the recovery of tax levied under this Act, shall cause undue hardship to the taxpayer, after affording opportunity of being heard to the Commissioner or officer of Inland Revenue against whose order appeal has been made.</p> <p>This amendment is applicable effective from 01-07-2013.</p>

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	consideration.	
	<p>Section 35. Powers of Board or Commissioner to pass certain orders.— (1) The Board or the Commissioner within his jurisdiction, may <i>suo moto</i> call for and examine the records of any proceedings under this Act for the purpose of satisfying itself or, as the case may be, himself as to the legality or propriety of any decision or order passed by a subordinate officer and may pass such order as it or he may think fit.</p> <p>(2) No order confiscating goods of greater value or enhancing any fine, or imposing or enhancing any penalty, or requiring payment of any duty not levied or short-levied shall be passed under sub-section (1) unless the person affected thereby has been given an opportunity of showing cause against it and of being heard in person or through a counsel or other person duly authorized by him.</p> <p>(3) No record of any proceedings relating to any decision or order passed by any officer of Inland Revenue shall be called for or examined under subsection (1) after the expiry of two years from the date of such decision or order.</p> <p><i>Explanation.- For the purpose of sections 35, 45 and 46 and for removal of doubt, it is declared that the powers of the Board, Commissioner or officer of Inland Revenue under these sections are independent of the powers of the Board under section 42B and nothing contained in section 42B restricts the powers of the Board, Commissioner or officer of Inland Revenue under these sections or to conduct audit under these sections.;</i></p>	<p>An explanation has been added in section 35, after sub-section (3) to clarify that the powers of the Board, Commissioner or officer of Inland Revenue under sections 35, 45 and 46 are independent of the powers of the Board under section 42B and section 42B does not restrict the powers of the Board, Commissioner or officer of Inland Revenue under these sections or to conduct audit under these sections. This is effective from 01-07-2013.</p>
	<p>Section 45. Access to records and posting of excise staff, etc.— (1) A person who is required to maintain any record or documents under this Act or any other law shall, as and when required by the Officer of Inland Revenue produce record or documents which are in his possession or control or in the possession or control of his agent and where such record or documents have been kept on electronic data, he shall allow access to such officer to</p>	

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	<p>have access and use of any machine on which such data is kept and shall facilitate such officer to retrieve whole or part of such data in such manner and to such extent as may be required by him.</p> <p>(2) Subject to such conditions and restrictions, as deemed fit to specify, the Board or Chief Commissioner may, post Officer of Inland Revenue to the premises of registered person or class of such persons to monitor production, removal or sale of goods and the stock position or the maintenance of records:</p> <p>Provided that if a Commissioner, on the basis of material evidence, has reason to believe that a registered person is involved in evasion of duty, he may, by recording the reason in writing, post an Officer of Inland Revenue to the premises of such registered person to monitor production, removal or sale of goods and the stocks position or maintenance of records.</p> <p>(3) The Board may, by notification in the official Gazette, for the purpose to monitor production or manufacture of any goods, specify the manner and procedure for appointment and posting of technical staff and installation, operation, maintenance of close circuit T.V system anywhere in the factory premises.]</p>	<p>This section empowers the Board to post any Officer of Inland Revenue at premises of registered person or class of such persons to monitor the production, removal or sale of goods or stock position or maintenance of records.</p> <p>The Bill seeks to give the above powers to the Chief Commissioner as well.</p>

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FIRST SCHEDULE <i>[See Section 3]</i> TABLE II (EXCISABLE SERVICES)				
S.No.	Description of Goods	Heading / subheading	Number	
Col.(1)	Col.(2)	Col.(3)	Col.(4)	
7.	Services provided or rendered in respect of insurance to a policy holder by an insurer, including a re-insurer [in case where direct insurance service has been provided.] (i) Goods insurance (ii) Fire insurance (iii) Theft insurance (iv) Marine insurance (v) Other insurance	 9813.1100 9813.1200 9813.1300 9813.1400 9813.1500	 Sixteen percent of the charges. Sixteen percent of the charges. Sixteen percent of the charges. Sixteen percent of the charges. Sixteen percent of the charges.	<p>The excise duty on insurance services rendered by an insurer and re-insurer to a policy holder in case of goods insurance, fire insurance, theft insurance, marine insurance and other insurance mentioned at serial number 7 has been withdrawn.</p>
8.	Services provided by banking Companies or non-banking financial companies. Services provided or rendered by banking companies, insurance companies,	9823.0000 98.13	Sixteen percent of the charges. Sixteen per cent of the charges.	

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	<p>cooperative financing societies, modarabas, musharikas, leasing companies, foreign exchange dealers, non-banking financial institutions, Assets Management Companies and other persons dealing in any such services.</p>	<p>Services provided or rendered by insurance companies, cooperative financing societies, modarabas, musharikas, leasing companies, foreign exchange dealers, Assets Management Companies and other persons dealing in any such services have been brought in the ambit of excise duty with sixteen percent excise duty on the charges.</p> <p>There seems to be ambiguity as services is now provincial domain and Federal government could not imposed tax on services.</p> <p>This change is effective from 13-06-2013.</p> <p>The exemption granted to services provided by Asset Management Companies has been withdrawn.</p>	
<p>THIRD SCHEDULE (Conditional exemptions) [See Sub-section (1) of section 16]</p> <p>TABLE II (EXCISABLE SERVICES)</p>			
S.No.	Description of Goods		Heading/subheading
Col.(1)	Col.(2)		Col.(3)
7.	Services provided by Asset Management Companies with effect from 1 st of July, 2007	Respective Heading	

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