

NOTES ON CLAUSES

CUSTOMS ACT, 1969 (IV OF 1969)

- Clause 2(1)(a) Seeks to amend section 2 (kka) by including master bill of lading and certificate of origin in the existing definition of document.
- Clause 2(1)(b) Seeks to add new clause (kkc) to section 2 to define electronic assessment and provide legal cover to the assessment / check by the Customs Computerized System and avoid unnecessary litigations.
- Clause 2(1)(c) Seeks to insert new clause (ld) in section 2 to define “Vessel Intimation Report (VIR)” bring clarity and avoid undue litigation.
- Clause 2(1)(d) Seeks to insert new clause (oo) in section 2 defining owner in relation to the goods being imported or exported and thereby avoiding unnecessary litigation.
- Clause 2(1)(e) Seeks to amend 2(s) to include the retailer found in possession of smuggled goods.
- Clause 2(2) Seeks to insert new section 3CCB to provide for the new Directorate General of National Nuclear Detection Architecture to comply with International obligations being a member state of International Atomic Energy Agency (IAEA). To prevent smuggling of nuclear and radiological materials and averting any possibility of nuclear/ radiological terrorism.
- Clause 2(3) Seek to insert new section 3CCC to provide for Directorate General of Marine to deal with customs matter especially anti-smuggling activities at sea.

- Clause 2(4) Seeks to amend section 12 to bring uniformity and clarity in issuance of Public Bond Warehouse license and cover the future initiative of bonded warehouse system encouraging Small & Medium Enterprises.
- Clause 2(5) Seeks to introduce new section 12A to cover future initiative of common bonded warehouse system and encourage Small and Medium Enterprises which are unable to import full container load (FCL).
- Clause 2(6) Seeks to amend section 13 to bring uniformity and clarity in issuance of Public Bond Warehouse license and cover the future initiative of bonded warehouse system encouraging Small & Medium Enterprises.
- Clause 2(7) Seeks to amend section 18E to provide legal cover to the classification therefore avoiding unnecessary litigation committee and consequently decreasing the cost of doing business.
- Clause 2(8) Seeks to amend section 19 to restrict the power of the Federal Government from granting exemption of customs duty for the purpose of development of backward areas and for removal of anomalies in Customs duties.
- Clause 2(9) Seeks to amend section 25 to align provision of law with article 7 of WTO Valuation Agreement and to provide for data obtained through internet or market sources or through data exchange protocols with foreign customs administrations.
- Clause 2(10)(a)(i) Seeks to amend section 25A(1) to empower the Collector to determine value.
- Clause 2(10)(a)(ii) Seeks to amend section 25A(1) to discourage group under invoicing.

- Clause 2(10)(b) Seeks to amend section 25A(2) to enable the Director General Valuation to determine value.
- Clause 2(10)(c) Seeks to amend section 25A(4) .
- Clause 2(11) Seeks to amend section 25C to change the appropriate authority for granting approval from Board to Chief Collector in order to avoid delay.
- Clause 2(12) Seeks to substitute 25D thereby enabling the Director General to take appropriate decision on appeal and capping the time limit for such proceedings.
- Clause 2(13) Seeks to amend section 27A to remove the anomaly and bring uniformity between the Act and rules.
- Clause 2(14) Section to amend section 30 in order to bring clarity and avoid misuse by the importers and therefore avoiding undue litigations.
- Clause 2(15) Section to amend sub-section (3A) of section 32 for bringing the threshold value at par with sub-section (3) i.e. Rs.20,000/-, of the said section.
- Clause 2(16) Seeks to amend proviso in section 32C to prescribe appropriate rules for constitution of the team and to omit the role of State Bank of Pakistan from the team.
- Clause 2(17) Seeks to substitute section 44 in order to increase trade facilitation by reducing the dwell time.
- Clause 2(18)(a) Seeks to amend sub-section (2) of section 45 to allow amendments in cargo declaration i.e. manifest, by the shipping lines or their agents, before the berthing event, without any permission from Customs authorities and to bring the Act and rules in consonance.

- Clause 2(18)(b) Seeks to omit sub-section (3) of section 45.
- Clause 2(19) Seeks to amend section 79 by insertion of new clause (aa) to reduce the time limit allowed for decision of the cases wherein the impugned goods are lying at sea ports, airports or dryports.
- Clause 2(20) Seeks to amend section 80 to enable a customs officer to examine the goods declaration processed through green channel in case of information.
- Clause 2(21) Seeks to insert new proviso to section 82 in order to make shipping lines responsible for re-export of banned items imported in commercial quantities and to harmonize the provisions of the Customs Act, 1969 and the Import Policy Order.
- Clause 2(22) Seeks to amend section 83B by insertion of word “outright” to bring more clarity.
- Clause 2(23) Seeks to amend section 88 to enable customs authorities to allow bonafide amendment in goods declaration and thus trade facilitation.
- Clause 2(24) Seeks to amend section 98 to allow the Collector to extend warehousing period for six months. It will facilitate trade by reducing the processing time of the requests.
- Clause 2(25) Seeks to amend section 131 to remove the redundancy in this section and to facilitate exporters for genuine reasons as customs transactions are taking place through WeBOC system all over the country.
- Clause 2(26) Seeks to amend section 155F to afford opportunity of being heard to the registered users in accordance with the canon of natural justice.

- Clause 2(27) Seeks to amend section 155R to enable customs authorities to issue correction / corrigendum certificate in case of genuine / obvious error and facilitate trade.
- Clause 2(28)(a) Seeks to amend section 156(1)1(i) to increase the pitch of fine and inculcate compliance in importers regarding placement of invoice / packing list in the containers.
- Clause 2(28)(b) Seeks to omit S.No.47A of section 156(1) to increase the ease of doing business.
- Clause 2(28)(c) Seeks to amend S.No.89 of section 156(1) to include the retailer found in possession of smuggled goods.
- Clause 2(28)(d) Seeks to amend S.No.90 of section 156(1) to include the retailer found in possession of smuggled goods.
- Clause 2(29) Seeks to amend section 157 to discourage unscrupulous elements having dedicated conveyances for smuggling so that if a vehicle is apprehended third time for charge of smuggling it should not be released against a redemption fine.
- Clause 2(30) Seeks to amend section 179 to reduce the time limit allowed for decision of the cases wherein the impugned goods are lying at sea ports, airports or dryports.
- Clause 2(31) Seeks to amend section 195 to correct the sequence of offices seniority wise.
- Clause 2(32) Seeks to amend section 196 to allow Deputy Collector or Deputy Director duly authorized by Collector or Director to prefer an application / reference before High Court.
- Clause 2(33) Seeks to amend section 202B to include other law enforcement agencies for the purpose of reward and increase their motivation.

- Clause 2(34) Seeks to amend 212B by increasing the period of validity of advance ruling from the current one year to three years in accordance with international benchmarks.
- Clause 2(35) (i) Seeks to add the expression “OR SPECIAL TECHNOLOGY ZONES (STZ) OR AUTHORIZED UNDER EXPORT FACILITATION SCHEMES” after the word “AREA”, in the title of Sub-Chapter-V of Chapter 99 of Pakistan Customs Tariff (First Schedule to the Customs Act, 1969).
- Clause 2(35)(ii) Seeks to amend First Schedule to the Customs Act, 1969 with the First Schedule to this Act.
- Clause 2(36) Seeks to substitute the Fifth Schedule to the Customs Act, 1969.

SALES TAX ACT, 1990

- Clause 3(1)(a) Seeks to insert definition of Commissioners (Appeals) through new clause (4AA) in section 2.
- Clause 3(1)(b) Seeks to substitute the word “ten” with the word “three” in clause (5AB) in section 2.
- Clause 3(1)(c) Seeks to insert the definition of online market place through a new clause (18A) of section.2
- Clause 3(1)(d) Seeks to insert the word “of” in sub-clause (iii) in clause (37) of section 2.
- Clause 3(1)(e)(i) Seeks to insert the words “and two thousand square feet in area or more in the case of retailer of furniture” in sub-clause (e) of clause (43A) of section 2.
- Clause 3(1)(e)(ii) Seeks to insert two new clauses (f) and (g) after sub-clause (e) of clause (43A) of section 2.
- Clause 3(1)(e)(iii) Seeks to renumber the existing sub-clause (f) as sub-clause (h) in clause (43A) of section 2.
- Clause 3(1)(f) Seeks to omit the words “or the time when any payment is received by the supplier in respect of that supply, whichever is earlier” in sub-clause (a), in clause (44) of section 2.
- Clause 3(2)(a) Seeks to substitute the word “or” with the word “on” occurring for the second time, in clause (a) in sub-section (1B) in section 3.
- Clause 3(2)(b)(i) Seeks to omit the word “and” in clause (a) in sub-section (3) in section 3.

- Clause 3(2)(b)(ii) Seeks to omit the full stop at end and to insert the expression “; and” and thereafter to insert a new clause (c) in sub-section (3) of section 3.
- Clause 3(2)(c) Seeks to omit first proviso in sub-section (9A) of section 3.
- Clause 3(3) Seeks to insert the words “other than public limited companies listed on Pakistan Stock Exchange” in sub-section (1) of section 8B.
- Clause 3(4) Seeks to substitute the words “end of the financial year in which the relevant date falls” with the word “relevant date” in sub-section (5) of section 11.
- Clause 3(5) Seeks to insert a new section 21B after section 21A.
- Clause 3(6)(a) Seeks to insert the expression “cash book,” after the word “bills” in clause (e) in sub-section (1) of section 22.
- Clause 3(6)(b) Seeks to insert a new clause (eb) after clause (ea) in sub-section (1) of section 22.
- Clause 3(7) Seeks to renumber the existing as sub-section (1) and thereafter to add new sub-section (2) of section 25AA.
- Clause 3(8) Seeks to insert a new section 26AB after section 26A.
- Clause 3(9) Seeks to insert the words ““Border Sustenance Markets and”, the expression ““Gilgit-Baltistan,” in sub-section (5) of section 40D.
- Clause 3(10) Seeks to insert a new section 40E after section 40D.
- Clause 3(11) Seeks to add a new sub-section (3) after sub-section (2) of section 48.

- Clause 3(12) Seeks to insert the words “or may be placed regularly on the official website maintained by the Board” after the word “price” in sub-section (2) of section 50.
- Clause 3(13)(i) Seeks to insert the words “or assistance in recovery of taxes” after the word “information” in the title of section 56A.
- Clause 3(13)(ii) Seeks to insert a new sub-section (1A) after sub-section (1) of section 56A.
- Clause 3(13)(iii) Seeks to add a new sub-section (3) after sub-section (2) of section 56A.
- Clause 3(14) Seeks to renumber the existing sub-section as sub-section (1) and thereafter to insert a new sub-section (2) of section 56C.
- Clause 3(15) Seeks to substitute a colon at the end in first proviso and thereafter to add a new proviso after the first proviso of section 67.
- Clause 3(16) Seeks to insert a new proviso after the first proviso in sub-section (1) of section 73.
- Clause 3(17) Seeks to renumber existing sub-section as sub-section (1) and thereafter to add a new sub-section (2) after sub-section (1) of section 76.
- Clause 3(18) Seeks to add a new S. No. 50 after S. No. 49 in column (1) and entries relating thereto in columns (2) and (3) of the Third Schedule.
- Clause 3(19)(a) Seeks to omit S. Nos. 1, 6, 10 and 11 in column (1) and entries relating thereto in column (2) of the Fifth Schedule.
- Clause 3(19)(b) Seeks to add new S. No. 15 after S No. 14 in column (1) and entries relating thereto in column (2) of the Fifth Schedule.

- Clause 3(20)(a)(i) Seeks to omit S. Nos. 11, 19, 22, 24, 26, 27, 29, 29C, 73A, 74, 75, 76, 77, 78, 79, 80, 80, 82, 83, 84, 85, 91, 93, 101, 103, 106, 108, 115, 123, 124, 125, 128 and 153 in column (1) and entries relating thereto in columns (2) and (3) in Table-1 of the Sixth Schedule.
- Clause 3(20)(a)(ii)(a) Seeks to insert the words “art paper and printing paper after the word “g/m²” in column (2) in S. No. 137 in Table-1 of the Sixth Schedule.
- Clause 3(20)(a)(ii)(b) Seeks to insert the expression ““,4810.1990, 4810.1910 and 4802.6990” after the figure “4802.5510” in column (3) in S. No. 137 in Table-1 of the Sixth Schedule.
- Clause 3(20)(a)(iii) Seeks to add new S. Nos. 157, 158, 159, 160, 161 and 162 after S. No. 156 in column (1) and entries relating thereto in columns (2) and (3) in Table-1 of the Sixth Schedule.
- Clause 3(20)(b)(i) Seeks to omit S. Nos. 17, 19, 24 and 25 in column (1) and entries relating thereto in columns (2) and (3) in Table-II of the Sixth Schedule.
- Clause 3(20)(b)(ii) Seeks to add new S. Nos. 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41 and 42 after S. No. 25 in column (1) and entries relating thereto in columns (2) and (3) in Table-II of the Sixth Schedule.
- Clause 3(20)(c) Seeks to add a new Table after Table-3 of the Sixth Schedule.
- Clause 3(21)(a) Seeks to omit S. Nos. 1, 5, 6, 7, 8, 9, 10, 11, 14, 15, 19, 20, 22, 29, 45, 50, 51, 60, 61, 62, 63, 65 and 67 in column (1) in Table-I of the Eighth Schedule.
- Clause 3(21)(b)(i) Seeks to substitute the figure “90” with the figure “80” in column (4) against S. No. 56 in Table-1 of the Eighth Schedule.

- Clause 3(21)(b)(ii) Seeks to substitute the figure “90” with the figure “70” in column (5) against S. No. 56 in Table-1 of the Eighth Schedule.
- Clause 3(21)(c) Seeks to add a new S. Nos. 71, 72 and 73 in column (1) and entries relating thereto in columns (2), (3), (4) and (5) after S. No. 70 in column (1) in Table-1 of the Eighth Schedule.
- Clause 3(22) Seeks to add a proviso and explanation after the Table-I of the Ninth Schedule.
- Clause 3(23) Seeks to insert a new S. No. 7 after S. No. 6 in column (1) and entries relating thereto in columns (2), (3) and (4) in Table of the Eleventh Schedule.
- Clause 3(24) Seeks to add clauses (xi), (xii), (xiii) and (xiv) after the clause (x) under Procedure and Conditions of Twelfth Schedule.

**ISLAMABAD CAPITAL TERRITORY (TAX ON SERVICES) ORDINANCE,
2001**

Clause 4(1) Seeks to insert a new sub-section (1A) after sub-section (1) of section 3.

INCOME TAX ORDINANCE, XLIX OF 2001

- Clause 5(1)(A) Seeks to make a technical correction by updating reference regarding Companies Act, 2017.
- Clause 5(1)(B) Seeks to define the term “Business Bank Account”.
- Clause 5(1)(C) Seeks to re-number clause (13AA) as (13AB) and define term “concealment of income”..
- Clause 5(1)(D) Seeks to make a technical correction by updating reference regarding Companies Act
- Clause 5(1)(E) Seeks to make a technical correction by updating reference regarding Companies Act
- Clause 5(1)(F) Seeks to make technical correction.
- Clause 5(1)(G)(a) Seeks to make technical correction.
- Clause 5(1)(G)(b) Seeks to withdraw power of the Federal board of revenue to declare and entity or sector as Industrial Undertaking.
- Clause 5(1)(G) (c) Seeks to include “Telecommunication Companies operating under the license of PTA“ in definition of Industrial Undertaking.
- Clause 5(1)(H) Seeks to define IT and IT Enabled Services.
- Clause 5(1)(I) Seeks to make a technical correction by updating reference regarding Companies Act, 2017.
- Clause 5(1)(J) Seeks to make a technical correction by updating reference regarding Companies Act, 2017.
- Clause 5(1)(K) Seeks to make a technical correction by updating reference regarding Companies Act, 2017.

Clause 5(1)(L)	Seeks to insert a new clause (59A) after clause (59) for defining Small and Medium Enterprises.
Clause 5(1)(M)	Seeks to streamline the definition of small company.
Clause 5(1)(N)	Seeks make a technical correction by substitute the expression “Board with the approval of Minister-In-charge” for the expression “Federal Government” in sub-clause (ii) of clause (62A).
Clause 5(2)	Seeks to reduce the scope of block taxation of interest income.
Clause 5(3)	Seeks to make technical correction through amendment of marginal note of section 8 to include 5AA, 7A, 7B, 7C and 7D.
Clause 5(4)	Seeks to add new explanation to clause (c) of sub-section (2) of section 12 for clarification of the expression “the allowance solely expended in the performance of employees’ duty”.
Clause 5(5)	Seeks to omit sub-section (6) and (7) to section 15 for changing fixed tax regime into normal tax regime under the Head Income from Property for AOPs and individuals.
Clause 5(6)	Seeks to streamline taxation of income from property under NTR.
Clause 5(7)	Seeks to nullify doctrine of mutuality.
Clause 5(8)	Seeks to make a technical correction to correct grammatical expression.
Clause 5(9)	Seeks to tax the capital gain on disposal of immoveable properties owned by businesses.
Clause 5(10)	Seeks to omit section 23A regarding first year allowance allowed to certain Industrial Undertakings.
Clause 5(11)	Seeks make a technical correction by updating reference of Companies Act, 2017.

- Clause 5(12) (a)(i) Seeks technical correction by omit the expression “and 3B”.
- Clause 5(12) (a)(ii) Seeks to reduce scope of block taxation regarding capital gain on the disposal of immoveable property.
- Clause 5(12) (b) Seeks to make a technical correction by updating reference of Companies Act, 2017.
- Clause 5(12)(c) Seeks to empower Commissioner to determine the cost of the asset received through gift which is a part of tax avoidance scheme.
- Clause 5(13) (a) Seeks to harmonize taxation provisions regarding disposal of asset under gift.
- Clause 5(13)(b) Seeks to make technical correction.
- Clause 5(14) Seeks to delegate powers of the Federal Government to the Federal Board of Revenue with the approval of Minister-in-Charge pursuant to the approval of ECC.
- Clause 5(15) Seeks to allow adjustment of loss against property income.
- Clause 5(16)(a) Seeks to make technical correction.
- Clause 5(16)(b) Seeks to make technical correction.
- Clause 5(17) Seeks to make a technical correction by updating reference of Companies Act, 2017.
- Clause 5(18)(a) Seeks to remove ambiguity regarding surrender of losses between holding or subsidiary companies.
- Clause 5(18)(b) Seeks to make a technical correction by updating reference of Companies Act, 2017.
- Clause 5(19)(a) Seeks to make payments made under provincial WWF laws as deductible allowance.

- Clause 5(19)(b) Seeks to disallow allowance if not paid to federation by trans-provincial organization in the light of judgment of the courts by adding proviso to the section 60A.
- Clause 5(20)(a) Seeks to make payments made under provincial WWF laws as deductible allowance.
- Clause 5(20)(b) Seeks to disallow allowance if not paid to federation by trans-provincial organization in the light of judgment of the courts by adding proviso to the section 60B.
- Clause 5(21) Seeks to streamline tax credit for donations to charitable organizations.
- Clause 5(22) Seeks to make a technical correction by updating reference of Companies Act, 2017.
- Clause 5(23) Seeks to withdraw tax credit for employing fresh graduates.
- Clause 5(24) Seeks to allow tax credit on installation of point of sale machine.
- Clause 5(25) Seeks to withdraw tax credit for enlistment in any registered stock exchange in Pakistan.
- Seeks to withdraw tax credit for newly establish industrial undertaking.
- Clause 5(26) Seeks to shift startups, coal mining projects, exporters of IT and IT enabled Services to tax credit regime from exemption regime by adding add new section 65F.
- Seeks to allow tax credit for Greenfield Industrial Undertakings.
- Clause 5(27) Seeks to extend application of non-recognition rule to non-resident recipients regarding disposal of assets under transactions through gift, inheritance or agreement to live apart.

- Clause 5(28) Seeks to make a technical correction by updating reference of Companies Act, 2017.
- Clause 5(29) Seeks to delegate power of the Federal Government to the Federal Board of Revenue with the approval of the Minister-In-Charge.
- Clause 5(30) Seeks to delegate power of the Federal Government to the Federal Board of Revenue with the approval of the Minister-In-Charge.
- Clause 5(31) Seeks to delegate power of the Federal Government to the Federal Board of Revenue with the approval of Minister-In-Charge.
- Clause 5(32) Seeks to streamline tax credit to certain organizations including NPOs, Trusts or Welfare Institutions.
- Clause 5(33) Seeks to extend timelines to avail tax benefits introduced vide section 100D to Builders and Developers.
- Clause 5(34) Seeks to introduce special procedure for Small and Medium Enterprises in accordance with the rules in Fourteenth Schedule.
- Clause 5(35) Seeks to provide enabling legal provisions for assistance in recovery of tax on the request of foreign jurisdictions.
- Clause 5(36) Seeks to eliminate requirement of issuance of separate notice under section 111 in concealment cases where the same has been confronted under notice for amendment of assessment.
- Clause 5(37)(a) Seeks to enhance the threshold of individuals and AOPs for chargeability of minimum tax on turnover.
- Clause 5(37)(b) Seeks to clarify the definition of turnover for charging minimum tax.
- Clause 5(37)(c) Seeks to allow carrying forward of minimum tax for adjustment in subsequently years in cases of loss.

- Clause 5(38)(a) Seeks to make technical corrections.
- Clause 5(38)(b) Seek to remove time limit for Commissioner to issue notice for furnishing of return to persons having foreign income or foreign assets.
- Clause 5(38)(c) Seeks to authorize Commissioner waive off the condition of filing revised audited accounts.
- Clause 5(39) Seeks to omit section 114A requiring taxpayers to regularly update profile.
- Clause 5(40) Seeks to empower Board to notify date for the applicability of provisions regarding system based issuance of notice for automated adjustments in the return of income.
- Clause 5(41)(a) Seeks to withdrawal power of tax authorities to conduct inquiries under section 122(5A).
- Clause 5(41)(b) Seeks to prescribe time limit to dispose show cause notices for amendment of assessment.
- Clause 5(42) Seeks to prescribe time limit to complete proceedings in pursuant to the order of the Commissioner.
- Clause 5(43)(a) Seeks to make technical correction by removing repetitive clauses.
- Clause 5(43)(b) Seeks to provide enabling legal provisions for electronic filing of appeals.
- Clause 5(44) Seeks to make technical correction by replacing Regional Commissioner with Chief Commissioner.
- Clause 5(45)(a)(i) Seek to allow taxpayers against whom criminal proceeding has been initiated to avail alternate dispute resolution mechanism.

- Clause 5(45)(a)(ii) Seeks to expand the scope of alternate dispute resolution mechanism in cases of mixed question of law and fact.
- Clause 5(45)(b) Seeks to require taxpayer to file initial proposal for dispute resolution.
- Clause 5(45)(c) Seeks to reduce time limit from 60 days to 30 days to constitute Alternate Dispute Resolution Committee.
- Clause 5(45)(d) Seeks to reduce time limit from 120 days to 60 days for decision by ADRC.
- Clause 5(45)(e) Seeks to grant stay of recovery of demand till decision or dissolution of ADRC committee whichever is earlier.
- Clause 5(45)(f) Seeks to re-constitute second committee on failure to decide the matter by first ADRC committee.
- Clause 5(45)(g) Seeks to provide enabling mechanism for the working of the Second ADRC Committee.
- Clause 5(46)(a) Seeks to make tax demand immediately payable in case of appeal effect orders.
- Clause 5(46)(b) Seeks to make a technical correction by updating reference of Companies Act, 2017.
- Clause 5(47) Seeks to provide enabling legal mechanism for the recovery of tax demand on request of foreign jurisdiction.
- Clause 5(48) Seeks to withdraw the power of the Commissioner to reject the estimation of advance tax.
- Clause 5(49) Seeks to merge provisions regarding collection of tax on cash dividend and dividend in specie.

- Clause 5(50) Seeks to omit separate legal provision for deduction of tax on profit on debt from sukuk holders.
- Clause 5(51) Seeks to merge provisions regarding withholding taxes on profit on debt on sukuks with general provisions regarding profit on debt.
- Clause 5(52)(a) Seeks to merge withholding tax provisions regarding non-residents.
- Clause 5(52)(b) Seeks to provide concessional rates on capital gain arising on the disposal of debt instruments to non-residents through specified accounts. It also provides for merger of provisions regarding withholding of taxes on profit on sukuks to non-resident sukuk holders with general provisions applicable to non-residents.
- Seeks to merge provisions regarding withholding taxes on profit on debt on sukuks to non-resident sukuk holder with general provisions of withholding provisions applicable to non-residents.
- Seeks to streamline taxation of non-residents under FTR on certain transactions.
- Clause 5(53) Seeks to omit separate legal provision for deduction of tax on payment for foreign produced commercial.
- Clause 5(54) Seeks to provide mechanism for automated issuance of exemption certificates to corporate entities if application is not disposed off by the Commissioner within fifteen days.
- Clause 5(55) Seek to omit withholding tax provision on payment of royalty to resident persons.
- Clause 5(56) Seeks to introduce legal framework for charging tax on exports of services.

- Clause 5(57) Seeks to make enabling provision regarding withholding of tax on rental income of owner of the property and sub-lessee of the property.
- Clause 5(58)(a) Seeks to insert enabling provisions for issuance of exemption certificate where income of taxpayer is subject to 100% tax credit.
- Clause 5(58)(b) Seeks to provide mechanism for automated issuance of exemption certificates to corporate entities if application is not disposed off by the Commissioner within fifteen days.
- Clause 5(59) Seeks to streamline mechanism of monitoring of withholding of taxes by requiring taxpayers to file annual statement along with reconciliation statement.
- Clause 5(60) Seeks to align final tax regime for export of services.
- Clause 5(61) Seeks to align final tax regime for export of services.
- Clause 5(62) Seeks to introduce mechanism electronic processing and electronic issuance of refund by the Board.
- Clause 5(63) Seeks to rationalize penalty regime.
- Clause 5(64) Seeks to make technical correction regarding omitted sections.
- Clause 5(65) Seeks to define non declaration of bank account as an offence under the Ordinance.
- Clause 5(66) Seeks to make technical correction regarding omitted sections.
- Clause 5(67) Seeks to harmonize investigation and prosecution procedure under domestic tax laws.
- Clause 5(68) Seeks to delegate power of Federal Government to Federal Board of Revenue with the approval of Federal-Minister-Incharge.

- Clause 5(69) Seeks a technical correction to substitute the word Chief Commissioner Inland Revenue for the word Regional Commissioner.
- Clause 5(70) Seeks to make a technical correction by updating reference of Companies Act, 2017.
- Clause 5(71) Seeks to make technical correction regarding fees and service charges collected by FBR.
- Clause 5(72) Seeks to make a technical correction by updating reference of Companies Act, 2017.
- Clause 5(73) Seeks to provide enabling mechanism for admissibility of recording of e-hearing as evidence.
- Clause 5(74) Seeks to establish directorate general of compliance risk management in FBR.
- Clause 5(75) Seeks to omit withholding tax provisions on cash withdrawals.
Seeks to omit withholding tax on the issuance of banking instruments.
- Clause 5(76) Seeks to curb “on” money on vehicles by imposing collection of tax at the time of registration.
- Clause 5(77) Seeks to extend the definition of withholding agents for payment on brokerage and commission.
- Clause 5(78) Seeks to omit withholding tax provisions regarding transactions on stock exchange.
Seeks to omit withholding tax provisions regarding margin financing.
- Clause 5(79) Seeks to omit withholding tax provisions regarding CNG Stations.

- Clause 5(80) Seeks to merge withholding tax provisions regarding electricity consumption by industrial or commercial or domestic consumers.
- Seeks to limit the withholding tax provisions regarding domestic electricity consumption to non ATL domestic consumers.
- Seeks to streamline issuance of exemption certificate and discharging of advance tax liabilities regarding tax on electricity consumption.
- Clause 5(81) Seeks to streamline withholding tax provision regarding electricity consumption by merging section 235 and 235A.
- Clause 5(82) Seeks to make technical correction.
- Clause 5(83) Seeks to omit withholding tax provision regarding domestic air travel.
- Clause 5(84)(a) Seeks to streamline scope of collection agent on transactions relating to the transfer of property.
- Clause 5(84)(b) Seeks to facilitate Roshan Digital Account Holders by declaring tax collected on the sale of property as final tax which was purchased by making payment through Roshan Digital Account.
- Clause 5(85) Seeks to extend the scope of collection of tax from distributors, dealers, sub-dealers, wholesalers of specified sectors.
- Clause 5(86) Seeks to extend the scope of collection of tax from retailers of specified sectors.
- Clause 5(87) Seeks to omit withholding tax provisions regarding certain petroleum products.
- Clause 5(88)(a) Seeks to streamline scope of collection agent on transactions relating to the transfer of property.

- Clause 5(88)(b) Seeks to facilitate Roshan Digital Account Holders by declaring tax collected on the purchase of property as final tax if property is purchased by making payment through Roshan Digital Account.
- Clause 5(88)(c) Seeks to facilitate buyers of property on installments.
- Clause 5(89) Seeks to omit withholding tax provisions regarding international air travel.
- Clause 5(90) Seeks to omit withholding tax provisions other than through cash.
- Clause 5(91) Seeks to streamline withholding tax provision regarding dividend by merging section 150.
- Clause 5(92) Seeks to omit withholding tax provision regarding extraction of minerals.
- Clause 5(93) Seeks to omit withholding tax provision regarding international transactions through debit, credit and prepaid cards.
- Clause 5(94) Seeks to introduce grandfather clause to eliminate confusion regarding the applicability of repealed provisions through Tax Laws (Second) Amendment Ordinance, 2021.
- Clause 5(95)(A)(a) Seeks to prescribe rate of super tax on banking companies for tax year 2021 onwards.
- Clause 5(95)(A)(b) Seeks to amend Division IIIA of Part I of First Schedule to prescribe rates for profit on debt.
- Clause 5(95)(A)(c) Seeks to omit Division to align rate charging section with the withholding section changing fixed/scheduled tax regime in to normal tax regime for taxation of income under the head income property.

- Clause 5(95)(A)(d)(i) Seeks to restrict rate of capital gain tax @ 15% for tax year 2020 and 2021.
- Clause 5(95)(A)(d)(ii) Seeks to reduce capital gain tax to 12.5% from existing 15% for tax year 2022 and onwards.
- Clause 5(95)(A)(e) Seeks to prescribe tax rate on capital gain on disposal of immoveable properties in line with changes in section 37(1A)
- Clause 5(95)(A)(f) Seeks to prescribe tax rate for chargeability of minimum tax on turnover under section 113.
- Clause 5(95)(B) Seek to prescribe tax rate on import of CKD kits of electric vehicles
- Clause 5(95)(C)(a) Seeks to omit reference to 236S in Division I Part III of First Schedule to align the rate of withholding section in respect of Dividend.
- Clause 5(95)(C)(b) Seeks to streamline withholding tax on profit on debt.
- Clause 5(95)(C)(c) Seeks to omit reference of section to align the withholding tax rate on profit on debt.
- Clause 5(95)(C)(d) Seeks to prescribe rate for capital gain on disposal of debt instruments by non residents through specified accounts.
- Clause 5(95)(C)(e) Seeks to include certain services like oil field, telecommunication, warehousing, collateral management services and travel and tour services in scope of reduced withholding tax rate.
- Clause 5(95)(C)(f) Seek to omit Division IIIB subsequent to deletion of section 153B.
- Clause 5(95)(C)(g) Seeks to insert tax rate under newly inserted section 154A for receipt on export of services.
- Clause 5(95)(C)(h) Seek to introduce new rate of tax under section 155.

- Clause 5(95)(C)(i) Seek to omit Division VIB subsequent to deletion of section 234A.
- Clause 5(95)(D)(a) Seeks to omit Divisions IIA and IIB of Part IV of First Schedule subsequent to deletion of sections 233A and 233AA respectively.
- Clause 5(95)(D)(b) Seeks substitution of Division IV of Part IV of First Schedule for change of tax rate for collection of advance tax rate from commercial, industrial or domestic consumers of electricity.
- Clause 5(95)(D)(c) Seeks to reduce withholding tax rates from 12.5% to 10% for tax year 2022 and 8% for onward for telephone user on account of mobile telephone and prepaid internet or telephone cards.
- Clause 5(95)(D)(d) Seek to omit Division VI and VIA in Part IV subsequent to deletion of sections 231A and 231AA.
- Clause 5(95)(D)(e) Seeks to prescribe rates of withholding tax on sale made prior to registration by the person who originally purchased it from the local manufacturer in order to discourage “on” money.
- Clause 5(95)(D)(f) Seeks to omit of Division IX of Part IV of Second Schedule subsequent to deletion of section 236B.
- Clause 5(95)(D)(g) Seeks to prescribe reduced withholding tax rate on sale to distributors, dealers or wholesalers of fertilizers for ATL taxpayers.
- Clause 5(95)(D)(h) Seeks to prescribe standard rate of withholding tax on sale to retailers under section 236H.
- Clause 5(95)(D)(i) Seeks to omit Division XVA, XIX, XX, XXIII, XXVI and XXVII of Part IV of the First Schedule subsequent to deletion of sections 236HA, 235A, 236L, 236P, 236B and 236Y.
- Clause 5(96)(A)(i) Seeks to withdraw exemption available to Pakistani seafarer working on Pakistan flag or foreign vessel.

- Clause 5(96)(A)(ii) Seeks to withdraw exemption to the extent of payments representing profit on debt earned on provident funds contribution exceeding rupees five hundred thousand chargeable to tax @ 10% as a separate block of income.
- Clause 5(96)(A)(iii) Seeks to withdraw exemption to the extent of payments representing profit on debt earned on provident funds contribution exceeding rupees five hundred thousand chargeable to tax @ 10% as a separate block of income.
- Clause 5(96)(A)(iv) Seeks to withdraw exemption to the extent of payments representing profit on debt earned on accumulated balance in an approved pension fund and chargeable to tax @ 10% as a separate block of income.
- Clause 5(96)(A)(v) Seek to withdraw certain exemptions related to personal income tax.
- Clause 5(96)(A)(vi)(a) Seeks to withdraw exemption of Sheikh Sultan Trust, Karachi.
- Clause 5(96)(A)(vi)(b) Seeks to make a technical correction by updating reference regarding Companies Act, 2017.
- Clause 5(96)(A)(vii) Seeks to incorporate withdrawal of exemptions withdrawn vide Tax Law Second Amendment Ordinance, 2021.
- Clause 5(96)(A)(viii) Seeks to grant unconditional exemption to certain entities.
- Clause 5(96)(A)(ix) Seeks to incorporate withdrawal of exemptions withdrawn vide Tax Law Second Amendment Ordinance, 2021.
- Clause 5(96)(A)(x) Seeks to streamline the exemption to profit on debt and capital gain derived from debt and debt instruments by agency of foreign Government or any non-resident person approved by the Federal Government.

- Clause 5(96)(A)(xi) Seeks streamline the exemption of non-residents.
- Clause 5(96)(A)(xii) Seeks streamline the exemption of non-residents.
- Clause 5(96)(A)(xiii) Seeks to omit clauses (80), (90), (90A), (91) and (98).
- Clause 5(96)(A)(xiv) Seeks to extend exemption on profit and gain accruing to a person on sale of immovable property to REIT scheme up to June, 2023.
- Clause 5(96)(A)(xv) Seeks to omit clauses (100), (101), (103) and (103C).
- Clause 5(96)(A)(xvi) Seeks to exempt dividend income and long term capital gains of any venture capital fund from investments in zone enterprises of the Special Technology Zone Authority Ordinance, 2020 for a period of ten years.
- Clause 5(96)(A)(xvii) Seeks to incorporate withdrawal of exemptions withdrawn vide Tax Law Second Amendment Ordinance, 2021.
- Clause 5(96)(A)(xviii) Seeks to exempt profits and gains derived by new or on BMR of already existing deep conversion refinery.
- Clause 5(96)(A)(xix) Seeks to omit clauses (126BA) and (126C).
- Clause 5(96)(A)(xx) Seeks to exempt profit and gains derived by zone developer, zone enterprise and Special Technology zone authority established under STZ Ordinance, 2020.
- Clause 5(96)(A)(xxi) Seeks to incorporate withdrawal of exemptions withdrawn vide Tax Law Second Amendment Ordinance, 2021.
- Clause 5(96)(A)(xxii)(i) Seeks to make a technical correction by updating reference regarding Companies Act, 2017.
- Clause 5(96)(A)(xxii)(ii) Seeks to extend exemption to profit and gains derived by taxpayer from a transmission line project setup in Pakistan on or after 1st day of July 2015 till 30th June, 2022.

- Clause 5(96)(A)(xxiii) Seeks to incorporate withdrawal of exemptions withdrawn vide Tax Law Second Amendment Ordinance, 2021.
- Clause 5(96)(A)(xxiv)(a) Seeks to make a technical correction by updating reference regarding Companies Act, 2017.
- Clause 5(96)(A)(xxiv)(b) Seeks to prescribe limit for claiming exemption from electric power generation.
- Clause 5(96)(A)(xxv) Seeks to incorporate withdrawal of exemptions withdrawn vide Tax Law Second Amendment Ordinance, 2021.
- Clause 5(96)(A)(xxvi) Seeks to exempt profit and gains derived from sale of electricity by National Power Parks Management Company Limited as a result of Privatization by the Privatization Commission of Pakistan.
- Clause 5(96)(A)(xxvii) Seeks to omit clause (132B).
- Clause 5(96)(A)(xxviii) Seeks to exempt profit and gains derived by taxpayer from a bagass/biomass based cogeneration power projects as specified therein.
- Clause 5(96)(A)(xxix) Seeks to omit clause (133), (135A), (136), (139), (141), (143), (146) and (148).
- Clause 5(96)(B)(a) Seeks to omit clauses (2), (3) and (3B).
- Clause 5(96)(B)(b) Seeks to restrict the scope of reduced tax rate on profit on debt to non-resident persons having no permanent establishment in Pakistan.
- Clause 5(96)(B)(c) Seeks reduce rate of 10% for deduction on profit on debt from debt instruments.
- Clause 5 (96)(B)(d) Seeks to omit clause (5B).

- Clause 5(96)(B)(e) Seeks to prescribe reduced rate on commercial import of white sugar and raw sugar by sugar mills subject to the conditions specified therein.
- Clause 5(96)(B)(f) Seeks to omit clauses (18), (18A) and (18B).
- Clause 5(96)(B)(g) Seeks reduce rate in case of dividend by a company for the profit attributable to the profit by bagass/biomass subject to the conditions specified therein.
- Clause 5(96)(B)(i) Seeks to streamline the clause (24A).
- Clause 5(96)(B)(j) Seeks to omit clause (24AA).
- Clause 5(96)(B)(k) Seeks reduce rate for distributors, dealers, sub-dealers, wholesalers and retailers of certain specific sectors.
- Clause 5 (96)(B)(l) Seeks to reduce rate of for minimum turnover tax under sub-section (1) of 113 to certain specified sectors subject to the condition specified therein.
- Clause 5(96)(B)(m) Seeks to omit clauses (28A) and (28B).
- Clause 5(96)(B)(n) Seeks to extend tax relief for trader of yarn being an individual.
- Clause 5(96)(C)(a) Seeks to omit clause (2), (7) and (8).
- Clause 5(96)(C)(b) Seeks to extend the benefit of reduced rate by 50% on profit on gain derived by a person from low cost housing projects till 30th day of June, 2024.
- Clause 5(96)(C)(c) Seeks to extend the benefit of reduced rate on profit and gains derived by a person from low cost housing developed or approved by Naya Pakistan Housing and Development Authority or under the Ehsaas Program till 30th day of June, 2024.

- Clause 5(96)(C)(d) Seeks to provide concessionary regime of taxation for cotton ginnerers.
- Clause 5(96)(C)(e) Seeks to add two new clauses to provide reduced rate to offshore supply contractors of specified hydro power projects located in AJK and to provide reduction in tax liability to women entrepreneurs
- Clause 5 (96)(D)(a) Seeks to omit clause (2) of the Part IV of the Second Schedule.
- Clause 5(96)(D)(b) Seeks to grant immunity to NPPMCL from the recouping of tax credit allowed under section 65D.
- Clause 5(96)(D)(c) Seeks to grant exemption from minimum tax under section 113 to certain organizations.
- Clause 5(96)(D)(d) Seeks to grant exemption from collection of tax on the import of Covid-19 related medical equipment.
- Clause 5(96)(D)(e) Seeks to grant exemption from withholding tax on the import of wheat, oxygen gas, oxygen cylinders, anti locust micron sprayers, cryogenic tanks for oxygen, sugar, and goods for border sustenance markets.
- Clause 5(96)(D)(f) Seeks to make a technical correction by updating reference regarding Companies Act, 2017.
- Clause 5(96)(D)(g) Seeks to exclude oil tanker contractors from the provisions of withholding agent on the payment of extra 0.5% tax.
- Clause 5(96)(D)(h) Seeks to exclude goods transports from the provisions of withholding agent on the payment of extra 0.5% tax.
- Clause 5(96)(D)(l) Seeks to grant exemption to future commodity contracts from the withholding tax provisions on supply of goods.
- Clause 5(96)(D)(j) Seeks to rationalize withholding tax regime for exporters.

- Clause 5(96)(D)(k) Seeks to clarify withholding tax regime for export oriented sectors.
- Clause 5(96)(D)(l) Seeks to exempt buyers of used cars from the provisions of withholding tax provisions if used vehicles are purchased from general public.
- Clause 5(96)(D)(m) Seeks to extend the scope of agriculture produced to include raw hides, live animals and un-packaged meat.
- Clause 5(96)(D)(n) Seeks to make technical corrections.
- Clause 5(96)(D)(o)(i) Seeks to grant exemption from the provisions of withholding tax on the temporary import of goods by athletes
- Clause 5(96)(D)(o)(ii) Seeks to grant exemption of withholding tax on the import of goods which were previously exported, on the import of machinery for bagass fired power plants, on the import of motor vehicles up to 850cc in CBU condition, printed books, newspapers and journals.
- Clause 5(96)(D)(p) Seeks to make technical corrections.
- Clause 5(96)(D)(q) Seeks to make a technical correction by updating reference regarding Companies Act, 2017.
- Clause 5(96)(D)(r) Seeks to grant exemption on the import of capital equipment for Special Technology Zones.
- Clause 5(96)(D)(s) Seeks to make technical corrections.
- Clause 5(96)(D)(t) Seeks to provide exemption from the withholding tax provisions to payments received by National Telecommunication Corporation for rendering services.
- Clause 5(96)(D)(u) Seeks to grant exemption on import of certain agricultural equipment.
- Clause 5(96)(D)(v) Seeks to make technical corrections.

- Clause 5(96)(D)(w) Seeks to make technical corrections.
- Clause 5(96)(D)(x) Seeks to make technical corrections.
- Clause 5(96)(D)(y) Seeks to make technical corrections.
- Clause 5(96)(D)(z) Seeks to grant immunity to Roshan Digital Account Holders from the application of higher rate of withholding tax being non-filer.
- Clause 5 (96)(D)(aa) Seeks to make technical corrections.
- Clause 5(96)(D)(ab) Seeks to grant exemption from filing of return to Roshan Digital Account Holders.
- Clause 5(96)(D)(ac) Seeks to make technical corrections.
- Clause 5(96)(D)(ad) Seeks to make technical corrections.
- Clause 5(96)(D)(ae) Seeks to grant exemption to Islamic Naya Pakistan Certificate Company Limited for withholding taxes. Exemption is also granted from the withholding tax provisions section 153 to the whole supply chain of locally manufactured mobile phone devices as withholding agent.
- Clause 5(97)(a) Seeks to make technical corrections.
- Clause 5(97)(b) Seeks to make technical corrections.
- Clause 5(98) Seeks to withdraw exemption to income earned from refining in concentration of minerals from the persons engaged in the extraction of minerals.
- Clause 5(99) Seeks to extend application of super tax to banking sector beyond tax year 2021.
- Clause 5(100) Seeks to make a technical correction by updating reference regarding Companies Act, 2017.

- Clause 5(101) Seeks to make technical corrections.
- Clause 5(102) Seeks to extend time limit for builders and developers to avail certain benefits under the law.
- Clause 5(103) Seeks to streamline tax credit for charitable donations and introduce rules for SMEs.

FEDERAL EXCISE ACT, 2005

- Clause 6(1) Seeks to substitute a colon for the full stop at the end and thereafter to insert a proviso in sub-section (4) of section 4.
- Clause 6(2) Seeks to add a new sub-section (4) after sub-section (3) of section 14.
- Clause 6(3) Seeks to insert a new section 45AA after section 45A.
- Clause 6(4)(i) Seeks to insert the words “or assistance in recovery of duties” after the word “information” in the title of section 47A.
- Clause 6(4)(ii) Seeks to insert a new sub-section (1A) after sub-section (1) of section 47A.
- Clause 6(4)(iii) Seeks to add a new sub-section (3) after sub-section (2) of section 47A.
- Clause 6(5) Seeks to renumber the existing sub-section as sub-section (1) and thereafter to add a new sub-section (2) in section 49.
- Clause 6(6)(a)(i) Seeks to omit S. Nos. 1, 2, 57 and 58 in column (1) and entries relating thereto in columns (2), (3) and (4) in Table-I of the First Schedule.
- Clause 6(6)(a)(ii) Seeks to insert new S. No. 8c after S. No. 8b in column (1) and entries relating thereto in columns (2), (3) and (4) in Table-I of the First Schedule.
- Clause 6(6)(a)(iii) Seeks to insert the expression "and till the 30th day of June, 2026 electric vehicles (4 wheelers)" after the figure “87.02” against S. No. 55 in column (2) of Table-I of First Schedule.

- Clause 6(6)(a)(iv)(a) Seeks to insert the expression "and till the 30th day of June, 2026 electric vehicles (4 wheelers)" after the figure "87.02" against S. No. 55B in column (2) of Table-I of First Schedule.
- Clause 6(6)(a)(iv)(b) Seeks to substitute the expression "851cc to 1000cc" with the expression "1000cc" in sub-serial (a) of S. No. 55B in column (2) of Table-I of First Schedule.
- Clause 6(6)(a)(v) Seeks to substitute the figure ""5502.9090" with the figure "5502.0090" against S. No. 56 in column (3) of Table-I of First Schedule.
- Clause 6(6)(b)(i) Seeks to substitute the word "services" with the word "goods" in the heading of column (2) of Table-II of First Schedule.
- Clause 6(6)(b)(ii) Seeks to substitute the word "sixteen" with the word "seventeen" against S. No. 6 in column (4) of Table-II of First Schedule.
- Clause 6(6)(b)(iii) Seeks to add new S. No. 6A after S. No. 6 in column (1) and entries relating thereto in columns (2), (3) and (4) of Table-II of First Schedule.
- Clause 6(6)(b)(iv) Seeks to insert the words "excluding Merchant Discount Rate (MDR) for accepting digital payment" after the word "companies" occurring for the first time, against S. No. 8 in column (2) of Table-II of First Schedule.
- Clause 6(7) Seeks to omit S. Nos. 1, 2 and 4 in column (1) and entries relating thereto in columns (2) and (3) of the Second Schedule.
- Clause 6(8) Seeks to add a new S. Nos. 24 and 25 after S. No. 23 in column (1) and entries relating thereto in columns (2) and (3) in Third Schedule.

The Statement of estimated Tax Expenditure of the Federal Government as required under section 8 of Public Finance Management Act 2019 is appended at the end of this bill as Annex-I. Furthermore, Evidence-based Revenue Forecasting Report is also part of this bill as Annex-II.