

**A**  
**BILL**

*to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2014, and to amend and enact certain laws*

WHEREAS it is expedient to make provisions to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2014, and to amend certain laws for the purposes hereinafter appearing;

It is hereby enacted as follows:-

1. **Short title, extent and commencement.** — (1) This Act may be called the Finance Act, 2014.

(2) It extends to the whole of Pakistan.

(3) It shall, unless otherwise provided, come into force on the first day of July, 2014.

2. **Amendments of Act IV of 1969.** — In the Customs Act, 1969 (IV of 1969), the following further amendments shall be made, namely:-

(1) in section 2,-

(a) for clause (k), the following shall be substituted, namely:-

“(k) **“customs-station”** means any customs-station, customs-airport, an inland river port, land customs-station or any place declared as such under section 9;” and

(b) clause (m) shall be omitted;

(2) in section 7, for the word “Central”, the word “Federal” shall be substituted;

- (3) in section 18, after sub-section (1), the following new sub-section shall be inserted, namely:-
- “(1A) Notwithstanding anything contained in sub-section (1), customs duties shall be levied at such rates on import of goods or class of goods as are prescribed in the Fifth Schedule, subject to such conditions, limitations and restrictions as prescribed therein.”;
- (4) in section 18A, for the words, figures and brackets “Central Excises and Salt Act, 1944 (I of 1944)”, the words and figures “the Federal Excise Act, 2005” shall be substituted;
- (5) in section 25,-
- (a) in sub-section (5), clause (d) shall be omitted; and
- (b) in sub-section (6),-
- (i) for the comma, occurring for eighth time, the word “and” shall be substituted; and
- (ii) the word, letter and brackets “and (d)” shall be omitted;
- (6) in section 32, in sub-sections (2), (3) and (3A), after the word “duty”, the comma and word “, taxes” shall be inserted;
- (7) in section 80, in sub-section (3), after the word “duty”, the comma and the words “, taxes and other charges levied thereon” shall be added;
- (8) in section 81, in sub-section (1),-
- (a) in the first proviso, after the word “duty”, the comma and words “, taxes and other charges” shall be inserted; and

- (b) in the second proviso, for the word “tax”, the words “taxes and other charges” shall be substituted;
- (9) in section 185B, for clause (a), the following shall be substituted, namely:-

“(a) no court other than the Special Judge having jurisdiction shall try an offence punishable under this Act, except the offences relating to narcotics and narcotic substances which shall be tried by the Special Courts established under the Control of Narcotics Substances Act, 1997 (XXV of 1997);”;
- (10) in section 194, in sub-section (3),-
  - (a) for the words “Customs and Excise Group”, the words “Pakistan Customs Service” shall be substituted; and
  - (b) for the word “five”, the word “three” shall be substituted;
- (11) the amendments set out in the First Schedule to this Act shall be made in the First Schedule to the Customs Act, 1969 (IV of 1969); and
- (12) the provisions in the Second Schedule to this Act shall be added as the Fifth Schedule to the Customs Act, 1969 (IV of 1969).

3. **Amendments of the Sales Tax Act, 1990.**— In the Sales Tax Act, 1990 the following further amendments shall be made, namely:-

- (1) in section 2, in clause (27), for the semicolon at the end a colon shall be substituted, and thereafter the following proviso shall be added, namely:-

“Provided that the Board may through a general order specify zones or areas for the purpose of determination of highest retail price for any brand or variety of goods;”;

(2) in section 3,—

(i) in sub-section (2),—

(a) in clause (a), in the proviso, the word “and”, at the end, shall be omitted; and

(b) after clause (a), amended as aforesaid, the following new clause (aa) shall be inserted, namely:—

“(aa) goods specified in the Eighth Schedule shall be charged to tax at such rates and subject to such conditions and limitations as specified therein; and”;

(ii) after sub-section (3A), the following new sub-section shall be inserted, namely:—

“(3B) Notwithstanding anything contained in sub-sections (1) and (3), sales tax on the import and supply of the goods specified in the Ninth Schedule to this Act shall be charged, collected and paid at the rates, in the manner, at the time, and subject to the procedure and conditions as specified therein or as may be prescribed, and the liability to charge, collect and pay the tax shall be on the persons specified therein.”;

(iii) for sub-section (8), the following shall be substituted, namely:-

“(8) Notwithstanding anything contained in any law or notification made thereunder, in case of supply of natural gas to CNG stations, the Gas Transmission and Distribution Company shall charge sales tax from the CNG stations at the rate of seventeen per cent of the value of supply to the CNG consumers, as notified by the Board from time to time, but excluding the amount of tax, as provided in clause (46) of section 2.”;

(iv) after sub-section (8), substituted as aforesaid, the following new sub-section shall be added, namely:-

“(9) Notwithstanding anything contained in sub-section (1), tax shall be charged from retailers through their monthly electricity bills, at the rate of five per cent where the monthly bill amount does not exceed rupees twenty thousand and at the rate of seven and half per cent where the monthly bill amount exceeds the aforesaid amount, subject to the exclusions, procedure, restrictions and limitations as prescribed in Chapter II of the Sales Tax Special Procedure Rules, 2007:

Provided that the tax under this sub-section shall be in addition to the tax payable on supply of electricity under sub-sections (1), (1A) and (5).”;

- (3) in section 3B, for sub-section (2), the following shall be substituted and shall be deemed to have been always so substituted, namely:-

“(2) Notwithstanding anything contained in any law or judgment of a court, including the Supreme Court and a High Court, any amount payable to the Federal Government under sub-section (1) shall be deemed to be an arrear of tax or charge payable under this Act and shall be recoverable accordingly and any claim for refund in respect of such amount shall neither be admissible to the registered person nor payable to any court of law or to any person under direction of the court.”;

- (4) in section 4, in clause (d), for the words “zero-rated goods”, the words “goods supplied at reduced rate of sales tax” shall be substituted;

- (5) in section 7,—

(i) in sub-section (1),—

(a) for the word “section”, occurring for the first time, the words and figure “sections 8 and” shall be substituted;

(b) after the words “output tax”, occurring for the first time, the commas, words, brackets and figures “, excluding the amount of further tax under sub-section (1A) of section 3,” shall be inserted;

(ii) in sub-section (2), after clause (iii), the following new clause shall be inserted, namely:—

“(iiiia) the goods and services against which input tax is claimed are,—

- (a) imported or purchased for the purpose of sale or re-sale by the registered person on payment of tax;
- (b) used directly as raw material, ingredient, part, component or packing material by the registered person in the manufacture or production of taxable goods;
- (c) electricity, natural gas and other fuel consumed directly by the registered person in his declared business premises for the manufacture, production or supply of taxable goods; or
- (d) plant, machinery and equipment used by the registered person in his declared business premises for the manufacture, production or supply of taxable goods.”;

(6) in section 8, in sub-section (1),—

- (i) in clause (d), the word “and”, at the end, shall be omitted;
- (ii) after clause (e), for full stop at the end a semicolon shall be substituted and thereafter the following new clauses shall be added, namely:-

“(f) goods and services not related to the taxable supplies made by the registered person;

- (g) goods and services acquired for personal or non-business consumption;
- (h) goods used in, or permanently attached to, immoveable property, such as building and construction materials, paints, electrical and sanitary fittings, pipes, wires and cables, but excluding such goods acquired for sale or re-sale or for direct use in the production or manufacture of taxable goods; and
- (i) vehicles falling in Chapter 87 of the First Schedule to the Customs Act, 1969 (IV of 1969), parts of such vehicles, electrical and gas appliances, furniture, furnishings, office equipment (excluding electronic cash registers), but excluding such goods acquired for sale or re-sale.”;

- (7) in section 40B, after the proviso, the following explanation shall be added, namely:–

*“Explanation.–* For the removal of doubt, it is declared that the powers of the Board, Chief Commissioner and Commissioner under this section are independent of the provisions of section 40.”;

- (8) after section 50A, the following new section shall be inserted, namely:–

**“50B. Electronic scrutiny and intimation.–** (1) The Board may implement a computerized system for the purpose of automated scrutiny, analysis and cross-matching of returns and other available

data relating to registered persons and to electronically send intimations to such registered persons about any issue detected by the system.

(2) The intimation sent by the computerized system under sub-section (1) shall be in the nature of an advice or advance notice, aimed at allowing the registered person to clarify the issue, rectify any mistake or take other corrective action before any legal or penal action is initiated.

(3) The computerized system shall keep record of the issues detected, intimations sent, responses received and actions taken, and shall present such information to the officer of Inland Revenue and to the Board in the prescribed manner.

(4) The Board may prescribe procedures and specifications for the smooth and efficient operation of the computerized system.”;

(9) in the **Fifth Schedule**, in column (1), after Serial No. 8 and entries relating thereto in column (2), the following new serial numbers and entries relating thereto shall be added, namely:-

“9. Goods exempted under section 13, if exported by a manufacturer who makes local supplies of both taxable and exempt goods.

10. Petroleum Crude Oil (PCT heading 2709.0000).

11. Raw materials, components, sub-components and parts, if imported or purchased locally for use in the manufacturing of

such plant and machinery as is chargeable to sales tax at the rate of zero percent, subject to the condition that the importer or purchaser of such goods holds a valid sales tax registration showing his registration category as “manufacturer”; and in case of import, all the conditions, restrictions, limitations and procedures as are imposed by Notification under section 19 of the Customs Act, 1969 (IV of 1969), shall apply.

12. The following goods and the raw materials, packing materials, sub-components, components, sub-assemblies and assemblies imported or purchased locally for the manufacture of the said goods, subject to the conditions, limitations and restrictions as specified in Chapter XIV of the Sales Tax Special Procedure Rules, 2007:—

- (i) Colors in sets (PCT heading 3213.1000)
- (ii) Writing, drawing and marking inks (PCT heading 3215.9010 and 3215.9090)
- (iii) Erasers (PCT heading 4016.9210 and 4016.9290)
- (iv) Exercise books (PCT heading 4820.2000)
- (v) Pencil sharpeners (PCT heading 8214.1000)
- (vi) Geometry boxes (PCT heading 9017.2000)
- (vii) Pens, ball pens, markers and porous tipped pens (PCT

heading 96.08)

- (viii) Pencils including color pencils (PCT heading 96.09)
- (ix) Milk including flavored milk (PCT heading 04.01 and 0402.9900)
- (x) Yogurt (PCT heading 0403.1000)
- (xi) Cheese (PCT heading 0406.1010)
- (xii) Butter (PCT heading 0405.1000)
- (xiii) Cream (PCT heading 04.01 and 04.02)
- (xiv) Desi ghee (PCT heading 0405.9000)
- (xv) Whey (PCT heading 04.04)
- (xvi) Milk and cream, concentrated and added sugar or other sweetening matter (PCT heading 0402.1000)
- (xvii) Preparations for infant use put up for retail sale (PCT heading 1901.1000)
- (xviii) Fat filled milk (PCT heading 1901.9090)
- (xix) Bicycles (PCT heading 87.12).”;

(10) in the **Sixth Schedule**,–

- (i) in Table-1, in column (1),–
  - (a) against serial number 24, in column (3), after the figure and comma, “1510.0000,” the figure and comma “1511.1000,” shall be inserted; and

(b) against S. No. 59, in column (2) after the word, “solution” , the comma and words “ , cochlear implants system”, and in column (3), after the figure “99.25”, the comma and figure “ , 99.37” shall respectively be inserted; and

(c) after serial number 71 and the entries relating thereto in columns (2) and (3), the following new serial numbers and entries relating thereto shall be added, namely:-

“72	Uncooked poultry meat	02.07
73	Milk and cream	04.01 and 04.02
74	Flavored milk	0402.9900 and 22.02
75	Yogurt	0403.1000
76	Whey	04.04
77	Butter	0405.1000
78	Desi ghee	0405.9000
79	Cheese	0406.1010
80	Processed cheese not grated or powdered	0406.3000
81	Cotton seed	1207.2000
82	Frozen, prepared or preserved sausages and similar products of poultry meat or meat offal	1601.0000

83	Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry meat and fish	1602.3200, 1602.3900, 1602.5000, 1604.1100, 1604.1200, 1604.1300, 1604.1400, 1604.1500, 1604.1600, 1604.1900, 1604.2010, 1604.2020, 1604.2090, 1604.3000
84	Preparations for infant use, put up for retail sale	1901.1000
85	Fat filled milk	1901.9090
86	Colours in sets (Poster colours)	3213.1000
87	Writing, drawing and marking inks and	3215.9010 3215.9090
88	Erasers	4016.9210

		and
		4016.9290
89	Exercise books	4820.2000
90	Pencil sharpeners	8214.1000
91	Energy saver lamps	8539.3910
92	Sewing machines of the household	8452.1010
	type	and
		8452.1090
93	Bicycles	87.12
94	Wheelchairs	8713.1000
		and
		8713.9000
95	Vessels for breaking up	89.08
96	Other drawing, marking out or	9017.2000
	mathematical calculating	
	instruments (geometry box)	
97	Pens and ball pens	96.08
98	Pencils including colour pencils	96.09
99	Compost (non-chemical fertilizer)	Respective
	produced and supplied locally	headings
100	Construction materials to Gawadar	Respective
	Export Processing Zone's investors	headings
	and to Export Processing Zone	

Gawadar for development of Zone's infrastructure.

- 101 Raw and pickled hides and skins, wet blue hides and skins, finished leather, and accessories, components and trimmings, if imported by a registered leather goods manufacturer, for the manufacture of goods wholly for export, provided that conditions, procedures and restrictions laid down in rules 264 to 278 of the Customs Rules, 2001 are duly fulfilled and complied with. Respective headings
- 102 Machinery, equipment and materials imported either for exclusive use within the limits of Export Processing Zone or for making exports therefrom, and goods imported for warehousing purpose in Export Processing Zone, subject to the conditions that such machinery, equipment, Respective headings

materials and goods are imported by investors of Export Processing Zones, and all the procedures, limitations and restrictions as are applicable on such goods under the Customs Act, 1969 (IV of 1969) and rules made thereunder shall *mutatis mutandis*, apply.

- 103 Import and supply thereof, up to the year 2020, of ships of gross tonnage of less than 15 LDT and all floating crafts including tugs, dredgers, survey vessels and other specialized crafts purchased or bare-boat chartered by a Pakistan entity and flying the Pakistan flag, except ships or crafts acquired for demolition purposes or are designed or adapted for use for recreation or pleasure purposes, subject to the condition that such ships or crafts are used only for the purpose for which they were
- Respective headings

procured, and in case such ships or crafts are used for demolition purposes within a period of five years of their acquisition, sales tax applicable to such ships purchased for demolition purposes shall be chargeable.

- 104 Substances registered as drugs under the Drugs Act, 1976 (XXXI of 1976) and medicaments as are classifiable under Chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969) except the following, even if medicated or medicinal in nature, namely:-
- Respective headings
- (a) filled infusion solution bags imported with or without infusion given sets;
  - (b) scrubs, detergents and washing preparations;
  - (c) soft soap or no-soap soap;
  - (d) adhesive plaster;
  - (e) surgical tapes;

- (f) liquid paraffin;
- (g) disinfectants; and
- (h) cosmetics and toilet preparations.

105 Raw materials for the basic manufacture of pharmaceutical active ingredients and for manufacture of pharmaceutical products, provided that in case of import, only such raw materials shall be entitled to exemption which are liable to customs duty not exceeding ten per cent *advalorem*, either under the First Schedule to the Customs Act, 1969 (IV of 1969) or under a notification issued under section 19 thereof. Respective headings

106 Import of *Halal* edible offal of bovine animals. 0206.1000,  
0206.2000,  
0206.8000  
and  
0206.9000

107 Import and supply of iodized salt

bearing brand names and trademarks whether or not sold in retail packing.

108	Components or sub-components of energy saver lamps, namely:-	
	(a) Electronic Circuit	8539.9040
	(b) Plastic Caps (Upper and Lower)	8539.9040
	(c) Base Caps B22 and E27	8539.9040
	(d) Tungsten Filaments	8539.9040
	(e) Lead-in-wire	8539.9040
	(f) Fluorescent Powder (Tri Band Phosphor)	3206.5010 3824.9099
	(g) Adhesive Additive	3824.9099
	(h) Al-Oxide Suspension	3214.1050
	(i) Capping Cement	3215.9010
	(j) Stamp Pad Ink	2850.0000
	(k) Gutter for Suspension	
109	Goods imported temporarily with a view to subsequent exportation, as concurred by the Board, including passenger service item, provision and stores of Pakistani Airlines.	Respective headings

110	The following items with dedicated use of renewable source of energy like solar and wind, subject to certification by the Alternative Energy Development Board (AEDB), Islamabad:-	8541.5000
	(a) Solar PV panels;	9405.1090
	(b) LVD induction lamps;	
	(c) SMD, LEDs with or without ballast, with fittings and fixtures;	8502.3100 8513.1040
	(d) Wind turbines including alternators and mast;	8513.1090 8541.4000,
	(e) Solar torches;	8504.4090,
	(f) Lanterns and related instruments;	9032.8990 and
	(g) PV modules along with related components, including invertors, charge controllers and batteries.	8507.0000
111	White crystalline sugar	1701.9910  and

112 Following cardiology/cardiac surgery, neurovascular, electrophysiology, endosurgery, endoscopy, oncology, urology, gynaecology, disposables and other equipment:-

**A. ANGIOPLASTY**

**PRODUCTS**

1. Coronary Artery Stents
2. Drugs Eluting Coronary Artery Stents
3. Coronary Artery Dilatation Catheters (Balloons)
4. PTCA Guide Wire
5. PTCA Guiding Catheters
6. Inflation Devices/Priority Packs

**B. ANGIOGRAPHY**

**PRODUCTS**

1. Angiography

Catheters

2. Sheaths
3. Guide Wires
4. Contrast Lines
5. Pressure Lines
6. Manifolds

**C. CONTRAST MEDIA FOR  
ANGIOGRAPHY/  
ANGIOPLASTY**

1. Angiography  
Accessories
2. ASD Closure Devices
3. ASD Delivery  
Systems
4. VSD Closure Devices
5. VSD Delivery System
6. Guide Wires
7. Sizing Balloons
8. Sizing Plates
9. PDA Closure Devices
10. PDA Delivery system

**D. TEMPORARY**

**PACEMAKERS** (with leads,

connectors and accessories)

**E. PERMANENT**

**PACEMAKER** (with leads,  
connectors and accessories)

**F. HEART FAILURE DEVICES**

(with leads, connectors and  
accessories)

**G. IMPLANTABLE**

**CARDIOVERTES** (with leads,  
connectors and accessories)

**H. CARDIAC**

**ELECTROPHYSIOLOGY**

**PRODUCTS**

1. Electrophysiology  
catheters
2. Electrophysiology  
cables
3. Electrophysiology  
connectors

**I. LEAR CARDIOLOGY**

**PRODUCTS**

1. Radioactive isotopes
2. Cold kits (Cardioloite

MAA, DTPA etc)

**J. CARDIAC SURGERY**

**PRODUCTS**

1. Oxygenators
2. Cannulas
3. Prosthetic Heart  
Valves
4. Luminal Shunts for  
heart surgery
5. Artificial limbs and  
appliances

**K. EQUIPMENT**

1. Cardiac Angiography  
Machine
2. Echocardiography  
Machines
3. ETT Machines
4. Gamma Camera for  
Nuclear cardiology  
studies

**L. PERIPHERAL**

**INTERVENTIONS EQUIPMENT**

Disposables and other equipment

for peripheral interventions including stents (including carotid and wall stents), balloons, sheaths, catheters, guide wires, filter wires coils, needles, valves (including rotating homeostatic valves), connecting cables, inflation devices adaptors.

**113 High Efficiency Irrigation Equipment.**

(If used for agriculture sector)

1) Submersible pumps (up to 75 lbs and head 150 meters) 8413.7010

2) Sprinklers including high and low pressure (center pivotal) system, conventional sprinkler equipment, water reel traveling sprinkler, drip or trickle irrigation equipment, mint irrigation sprinkler system. 8424.8100 8424.2010

3) Air release valves, pressure gauges, water meters, back flow preventers, and automatic 8481.1000, 8481.3000, 9026.2000,

	controllers.	9032.8990
114	Green House Farming and Other Green House Equipment. (If used for agriculture sector)	
	1) Tunnel farming equipment.	8430.3100, 8430.3900
	2) Green houses (prefabricated).	9406.0010
115	Plant, machinery and equipment imported for setting up fruit processing and preservation units in Gilgit-Baltistan, Balochistan Province and Malakand Division subject to the same conditions and procedure as are applicable for import of such plant, machinery and equipment under the Customs Act, 1969 (IV of 1969).	Respective headings
116	Plant, machinery and equipment imported for setting up industries in FATA subject to the same conditions and procedure as are applicable for import of such plant,	Respective headings.”;

machinery and equipment under  
the Customs Act, 1969 (IV of  
1969).

(ii) in **Table-2**, in column (1),—

(a) against serial number 3, for the entry in column (2), the following shall be substituted, namely:-

“Supplies made by cottage industry.”;

(b) after the already omitted serial number 12, the following new serial numbers and entries relating thereto shall be added, namely:-

“13	Reclaimed lead, if supplied to recognized manufacturers of lead batteries	Respective headings
14	Waste paper	Respective headings
15	(a) Sprinkler Equipment (b) Drip Equipment (c) Spray Pumps and nozzles	Respective headings
16	Raw cotton and ginned cotton	Respective headings.”; and

- (iii) after Table-2, amended as aforesaid, the following new Table shall be added, namely:-

**Table-3**

The plant, machinery, equipment and apparatus, including capital goods, specified in column (2) of the Annexure below, falling under the HS Codes specified in column (3) of that Annexure, shall be exempt from the whole of sales tax, subject to the following conditions, besides the conditions specified in column (4) of the Annexure, namely:-

- (i) the imported goods as are not listed in the locally manufactured items, notified through a Customs General Order issued by the Board from time to time or, as the case may be, certified as such by the Engineering Development Board. This condition shall, however, not be applicable in respect of S. Nos. 1, 13, and 15 of the Annexure; and for such machinery, equipment and other capital goods imported as plant for setting up of a new industrial units provided the imports are made against valid contract(s) or letter(s) of credit and the total C&F value of such imports for the project is US \$50 million or above;

- (ii) except for S. No. 9 and 14 of the Annexure, the Chief Executive, or the person next in hierarchy duly authorized by the Chief Executive or Head of the importing company shall certify in the prescribed manner and format as per Annex-A that the imported items are the company's bonafide requirement. He shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969. In already computerized Collectorates or Customs stations where the Pakistan Customs Computerized System is not operational, the Project Director or any other person authorized by the Collector in this behalf shall enter the requisite information in the Pakistan Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis; and
- (iii) in case of partial shipments of machinery and equipment for setting up a plant, the importer shall, at the time of arrival of first partial shipment, furnish complete details of the machinery, equipment and components required for

the complete plant, duly supported by the contract, layout plan and drawings:

*Explanation.-* For the purpose of Table-3, capital goods mean any plant, machinery, equipment, spares and accessories, classified in Chapters 84, 85 or any other chapter of the Pakistan Customs Tariff, required for-

- (a) the manufacture or production of any goods and includes refractory bricks and materials required for setting up a furnace, catalysts, machine tools, packaging machinery and equipment, refrigeration equipment, power generating sets and equipment, instruments for testing, research and development, quality control, pollution control and the like; or
- (b) use in mining, agriculture, fisheries, animal husbandry, floriculture, horticulture, livestock, dairy and poultry industry.

#### ANNEXURE

<b>S. No</b>	<b>Description</b>	<b>PCT heading</b>	<b>Conditions</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1.	Machinery and equipment for initial installation, balancing, modernization,	Respective Headings	Nil

replacement or expansion of desalination plants, coal firing system, gas processing plants and oil and gas field prospecting.

2. Following machinery, equipment, apparatus, and medical, surgical, dental and veterinary furniture, materials, fixtures and fittings imported by hospitals and medical or diagnostic institutes:-

**A. Medical Equipment.**

- |  |           |
|--|-----------|
| 1) Dentist chairs                                  | 9402.1010 |
| 2) Medical surgical dental or veterinary furniture | 9402.9090 |
| 3) Operating Table.                                | 9402.9010 |
| 4) Operating Lights.                               | 9018.9090 |
| 5) Emergency Operating Lights.                     | 9405.4090 |
| 6) Hospital Beds with mechanical fittings          | 9402.9020 |

Locally manufactured goods of description as specified in column (2) and pre-fabricated buildings can also be imported upon fulfillment of the following conditions, namely:- (a) The project requirement shall be approved by the Board of Investment (BOI). The authorized officer of BOI shall certify the item wise requirement of the project in the prescribed format and manner as per Annex-B and shall furnish all relevant information Online to Pakistan Customs Computerized System against a specific user ID and password

7) Gymnasium equipment.	9506.9100	obtained under Section 155D of
8) Cooling Cabinet.	8418.5000	the Customs Act, 1969 (IV of
9) Refrigerated Liquid Bath.	3824.9099	1969);
10) Contrast Media Injections (for use in Angiography & MRI etc).	3822.0000	(b) the exception shall be available on one time basis for setting up of new projects and expansion of existing ones, and shall not be available on the spare parts.
11) Breathing Bags.	9020.0020	
12) Automatic blood cell counter.	9018.9090	
13). Automatic Cell Separator for preparation of platelets.	9018.9090	(c) only those importers shall be eligible to avail the aforesaid exception whose cases are recommended and forwarded by BOI to FBR;
<b>B. Cardiology/Cardiac Surgery Equipment</b>		
1) Cannulas.	9018.3940	
2) Manifolds.	8481.8090	(d) the goods shall not be sold or otherwise disposed of without prior approval of the FBR and the payment of customs-duties and taxes at statutory rates be leviable at the time of import.
3) Intravenous cannula i.v. catheter.	9018.3940	Breach of this condition shall be
<b>C. Disposable Medical Devices</b>		
1) Self-disabling safety sterile syringes.	9018.3110	

- |                      |           |                                 |
|----------------------|-----------|---------------------------------|
| 2) Insulin syringes. | 9018.3110 | construed as a criminal offence |
| 3) Burettes.         | 7017.9000 | under the Customs Act, 1969     |

**E. Other Related** (IV of 1969)

**Equipments**

- |   |                     |  |
|---|---------------------|--|
| 1) Fire extinguisher.   | 8424.1000           |  |
| 2) Fixtures & fittings for hospitals  | Respective Headings |  |
| <b>3.</b> 1. Machinery, equipment, materials, capital goods, specialized vehicles (4x4 non-luxury) i.e. single or double cabin pickups, accessories, spares, chemicals and consumables meant for mine construction phase or extraction phase. | Respective Headings |  |
| 2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for mine   | Respective Headings |  |

construction or extraction phase.

4. Coal mining machinery, equipment, spares, including vehicles for site use i.e. single or double cabin pick-ups, imported for Thar Coal Field.

Respective This concession shall be  
Headings available to those mining  
companies or their authorized  
operators or contractors who  
hold permits, licenses, leases  
and who enter into agreements  
with the Government of Pakistan  
or a Provincial Government.

The goods shall not be sold or  
otherwise disposed of without  
prior approval of the Board and  
the payment of customs duties  
and taxes leviable at the time of  
import. These shall, however, be  
allowed to be transferred to  
other entitled mining companies  
with prior approval of the Board.

5. 1. Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through oil, gas, coal, wind and wave energy including under construction projects, which entered into an implementation agreement with the Government of Pakistan.
2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.
- Respective Headings (i) This concession shall also be available to primary contractors of the project upon fulfillment of the following conditions, namely:-
- (a) the contractor shall submit a copy of the contract or agreement under which he intends to import the goods for the project;
- (b) the Chief Executive or head of the contracting company shall certify in the prescribed manner and format as per Annex-A that the imported goods are the projects bona fide requirement; and
- (c) the goods shall not be sold or otherwise disposed of without prior approval of the FBR on payment of sales tax leviable at

the time of import;

(ii) temporarily imported goods shall be cleared against a security in the form of a post-dated cheque for the differential amount between the statutory rate of sales tax and the amount payable under this notification, along with an undertaking to pay the sales tax at the statutory rates in case such goods are not re-exported on conclusion of the project.

<b>6.</b>	1. Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through gas, coal, hydel, and oil	Respective Headings	-do-
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including under construction projects.

2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.

<b>7</b>	1. Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through nuclear and renewable energy sources like solar, wind, micro-hydel bio-energy, ocean, waste-to-energy and hydrogen cell etc.	Respective Headings	-do-
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2. Construction machinery,

equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.

Explanation.- The expression “projects for power generation” means any project for generation of electricity whether small, medium or large and whether for supply to the national grid or to any other user or for in house consumption.

8. 1.Machinery and Respective -do-  
equipment meant for Headings  
power transmission and  
grid stations including  
under construction  
projects.

Explanation.- For the  
purpose of this serial  
number, “machinery and  
equipment” shall mean,-

(a) machinery and  
equipment operated by  
power of any  
description, such as is  
used in the generation of  
power;

(b) apparatus, appliances,  
metering and testing  
apparatus, mechanical and  
electrical control,  
transmission gear and

transmission tower, power transmission and distribution cables and conductors, insulators, damper spacer and hardware and parts thereof adapted to be used in conjunction with the machinery and equipment as specified in clause (a) above; and

(c) components parts of machinery and equipment, as specified in clause (a) and (b) above, identifiable for use in or with machinery imported for the project and equipment including spares for purposes of the project.

2. Construction machinery, equipment and specialized

vehicles, excluding  
passenger vehicles,  
imported on temporary  
basis as required for the  
construction of project.

9. Following machinery, equipment and other education and research related items imported by technical, training institutes, research institutes, schools, colleges and universities:- Nil
- 1) Quartz reactor tubes 7017.1010  
and holders designed for  
insertion into diffusion and  
oxidation furnaces for  
production of  
semiconductor wafers.
  - 2) Other dryers 8419.3900
  - 3) Filtering or purifying 8421.2100  
machinery and apparatus  
for water

- 4) Other filtering or purifying machinery and apparatus for liquids 8421.2900
- 5) Personal weighing machines, including baby scales; household scales 8423.1000
- 6) Scales for continuous weighing of goods on conveyors 8423.2000
- 7) Constant weight scales and scales for discharging a predetermined weight of material into a bag or container, including hopper scales 8423.3000
- 8) Other weighing machinery having a maximum weighing capacity not exceeding 30 kg 8423.8100
- 9) Other weighing machinery having a maximum weighing 8423.8200

- capacity exceeding 30 kg  
but not exceeding 5,000kg
- 10) Other weighing machinery 8423.8900
- 11) Weighing machine 8423.9000  
weights of all kinds; parts  
of weighing machinery of  
machines of heading  
8423.2000 & 8423.3000
- 12) Other weighing machine weights of all  
kinds; parts of weighing  
machinery of machines of  
heading 8423.2000 &  
8423.3000
- 13) Networking equipments like routers,  
LAN bridges, hubs  
excluding switches and  
repeaters. 8517.6970
- 14) Other furnaces and ovens 8514.3000
- 15) Electronic balances of 9016.0010

a sensitivity of 5 cg or better, with or without weights.

16) Other balances of a sensitivity of 5 cg or better, with or without weights. 9016.0090

17) Thermostats of a kind used in refrigerators and air-conditioners 9032.1010

18) Other thermostats 9032.1090

19) Manostats 9032.2000

20) Other instruments and apparatus Hydraulic or pneumatic 9032.8100

21) Other instruments and apparatus 9032.8990

22) Parts and accessories of automatic regulating or controlling instruments and apparatus 9032.9000

23) Spares, accessories, and reagents for scientific equipments. Respective Headings

<p><b>10.</b> Machinery, equipment, raw materials, components and other capital goods for use in buildings, fittings, repairing or refitting of ships, boats or floating structures imported by Karachi Shipyard and Engineering Works Limited.</p>	<p>Respective Headings</p>	<p>Nil</p>
<p><b>11.</b> Following machinery and equipment for marble, granite and gem stone extraction and processing industries:</p> <p>1) Polishing cream or material</p> <p>2) Hand sharpening and polishing stones.</p> <p>3) Fiber glass mesh</p> <p>5) Chain saw/diamond wire saw in all sizes and dimensions and spares</p>	<p>3405.4000, 3405.9000 6804.3000 7019.5190 8202.4000, 8202.9100</p>	<p>1. For the projects of Gem Stone &amp; Jewellery Industry, CEO/COO, Pakistan Gem and Jewellery Company shall certify in the prescribed format and manner as per Annex-B that the imported goods are bonafide project requirement. The authorized person of the Company shall furnish all relevant information online to Pakistan Customs Computerized System against a</p>

- thereof, diamond wire joints all types and dimensions, chain for chain saw and diamond wires for wire saw and spare widia.
- 6) Gin saw blades. 8202.9910
- 7) Gang saw blades/diamond saw blades/multiple blades or all types and dimensions. 8202.9990
- 8) All interchangeable tools 8207.9000
- 9) Air compressor (27 cft and above) 8414.8010
- 10) Quarry winches (100 ton capacity and above. 8425.3100
- 11) Quarry winches and electric motor jacks 30 ton capacity and above. 8425.3900
- 12) Quarry crane. 8426.3000
- 13) Fork lifter 8427.9000
- 14) Excavators 8429.5900

specific user ID and password obtained under section 155D of the Customs Act, 1969.

2. For the projects of Marble & Granite Industry, CEO/COO, Pakistan Stone Development Company shall certify in the prescribed format and manner as per Annex-B that the imported goods are bonafide project requirement. The authorized persons of the Company shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969.

3. The goods shall not be sold or otherwise disposed of within

15) Ultrasonic machine tools.	8456.2090	a period of five years of their import except with the prior
16) Sharpening machine.	8460.3900	approval of the FBR and
17) All diamond saw machines, diamond tools and segments.	8464.1000	payment of customs duties and taxes leviable at the time of import.
	&	
	Respective	
	headings	
18) Grinding machines.	8464.2010	
19) Polishing machines of all types and dimensions.	8464.2090	
	&	
	Respective	
	headings	
20) Other machine tools for working stones	8464.9000	
21) Pneumatic machines and tools.	8467.1100	
22) Horizontal and Vertical pneumatic line drilling machine.	8467.1900	
Pneumatic grinding machines.		

23) Machine and tool for 8464.9000  
stone work; sand blasting &  
machines; tungsten Respective  
carbide tools; diamond headings  
tools & segments (all type  
& dimensions), hydraulic  
jacking machines,  
hydraulic manual press  
machines, air/hydro  
pillows, compressed air  
rubber pipes, hydraulic  
drilling machines, manual  
and power drilling  
machines, steel drill rods  
and spring (all sizes and  
dimensions), whole finding  
system with accessories,  
manual portable rock drills,  
cross cutter and bridge  
cutters.

24) Integral drilling steel 8466.9100  
for horizontal and vertical  
drilling, extension thread

rods for pneumatic super long drills, tools and accessories for rock drills.

- |  |                            |  |
|--|----------------------------|--|
| <p><b>12.</b> Machinery, equipment and other project related items including capital goods, for setting up of hotels, power generation plants, water treatment plants and other infrastructure related projects located in an area of 30 km around the zero point in Gwadar.</p> | <p>Respective Headings</p> | <p>1. Ministry of Industries, Production &amp; Special Initiatives, shall certify in the prescribed manner and format as per Annex-B that the imported goods are bonafide project requirement. The authorized officer of the Ministry shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969.</p> <p>2. The goods shall not be sold or otherwise disposed of without prior approval of the FBR and payment of customs duties and taxes leviable at the time of</p> |
|--|----------------------------|--|



g). Water pumps operating on solar energy.	8413.7090, 8413.7010
h). Water purification plants operating on solar energy.	8421.2100
i) Batteries NiCd, Li-ion & Lead Acid specific utilization and integrated with solar electrification system.	8507.3000 8507.8000
(j) Energy Saving Tube Lights	8539.3920
<b>2. Solar Parabolic Trough Power Plants.</b>	8502.3900
a). Parabolic Trough collectors modules.	8503.0010
b). Absorbers/Receivers tubes.	8503.0090
c). Steam turbine of an output exceeding 40MW.	8406.8100
d). Steam turbine of an output not exceeding 40MW.	8406.8200

e). Sun tracking control system. 8543.7090

f). Control panel with other accessories. 8537.1090

**3. Solar Dish Sterling Engine.** 8412.8090

a). Solar concentrating dish. 8543.7000

b). Sterling engine. 8543.7000

c). Sun tracking control system. 8543.7090

d).Control panel with accessories. 8406.8200

e) Generator 8501.6100

**4. Solar Air Conditioning System** 8415.1090

a). Absorption chillers. 8418.6990

b). Cooling towers. 8419.8910

c). Pumps. 8413.3090

d). Air handling units. 8415.8200

e). Fan coils units. 8415.9099

f). Charging & Testing equipment. 9031.8000

<b>5. Solar Desalination System</b>	8421.2100
a) Solar photo voltaic panels	8541.4000
b) Solar water pumps	8413.3090
c) Storage batteries.	8507.2090
d) Charge controllers.	9032.8990
e) Inverters.	8504.4090
<b>6. Solar Thermal Power Plants with accessories.</b>	8502.3900
<b>7. Solar Water Heaters with accessories.</b>	8419.1900
a) Vacuum tubes (Glass).	7020.0090
b) Selective coating for absorber plates.	Respective heading
c) Copper, aluminum and stainless steel sheets.	Respective heading
d) Copper and aluminum tubes.	Respective heading
<b>8. PV Modules</b>	8541.4000
a). Solar cells.	8541.4000
b) . Tempered Glass.	7007.2900
c) Aluminum frames.	7610.9000

d) O-Ring.	4016.9990
e) Flux	3810.1000
f) Adhesive labels.	3919.9090
g) Junction box + Cover	8538.9090
h) Sheet mixture of Paper and plastic	3920.9900
i) Ribbon for PV Modules (made of silver & Lead)	Respective headings
j) Bypass diodes.	8541.1000
k) EVA (Ethyl Vinyl Acetate) Sheet (Chemical).	3920.9900

## **9. Solar Cell**

### **Manufacturing**

#### **Equipment.**

a) Crystal (Grower) Puller (if machine).	8479.8990
b). Diffusion furnace.	8514.3000
c) Oven.	8514.3000
d). Wafering machine	8479.8990
e). Cutting and shaping machines for silicon ingot.	8461.9000
f). Solar grade polysilicon material.	3824.9099

g). Phosphene Gas.	2848.0000
h). Aluminum and silver paste.	Respective headings
9A Pyranometers and accessories for solar data collection	9030.8900
9B. Solar chargers for charging electronic devices	8504.4020
9C. Remote control for solar charge controller.	8543.7010
<b>10. Wind Turbines.</b>	8412.8090
a). Rotor	8412.9090
b). Hub	8412.9090
c) Generator	8501.6490
d) Deep cycle battery	8507.8000
<b>10A. Wind water pump</b>	8413.8190
<b>11. Geothermal energy equipments.</b>	
1). Geothermal Heat Pumps	8418.6100, 8418.6990
2). Geothermal Reversible Chillers	8418.6990

- |  |           |
|--|-----------|
| 3). Air handlers for indoor<br>quality control<br>equipments | 8415.8300 |
| 4). Hydronic heat pumps                                      | 8418.6100 |
| 5). Slim Jim heat<br>exchangers                              | 8419.5000 |
| 6). HDPE fusion tools  | 8515.8000 |
| 7). Geothermal energy<br>Installation tools and<br>Equipment | 8419.8990 |
| 8). Dehumidification<br>equipment                            | 8479.6000 |
| 9). Thermostats and<br>Intelli Zone                          | 9032.1090 |

**12. Any other item  
approved by the  
Alternative Energy  
Development Board  
(AEDB) and concurred to  
by the FBR.**

- |  |     |
|--|-----|
| 15. Following items for<br>promotion of renewable<br>energy technologies | Nil |
|--|-----|

	1. LVD induction lamps	8539.3990	
	2. SMD, LEDs with or without ballast with fittings and fixtures.	9405.1090	
	3. Wind turbines including alternators and mast.	8502.3100	
	4. Solar torches	8513.1040	
	5. Lanterns and related instruments	8513.1090	
	6. PV module, with or without, the related components including invertors, charge controllers and batteries	8541.4000, 8504.4090, 9032.8990, 8507.0000	Subject to certification by AEDB that the inverters, charge controllers and batteries being imported are in quantities which commensurate with the PV modules being imported.
16	Plant, machinery, equipment and specific items used in production of bio-diesel.	Respective headings	The Alternative Energy Development Board (AEDB), Islamabad shall certify in the prescribed manner and format as per Annex-B that the imported goods are bonafide project requirement. The goods shall not be sold or otherwise

disposed of within a period of five years of their import except with the prior approval of the FBR and payment of customs duties and taxes leviable at the time of import.

**Annex-A**

Header Information											
NTN/FTN of Importer				Regulatory Authority no.				Name of Regulatory authority			
(1)				(2)				(3)			
Details of Input goods (to be filled by the chief executive of the importing company)								Goods imported (Collectorate of import)			
HS Code	Description	Species	Custom Duty rate (applicable)	Sales Tax rate (applicable)	WHT	Quantity	UOM	Quantity imported	Collectorate	CRN/Mach No.	Date of CRN/Mach No.
(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
										)	

**CERTIFICATE.** It is certified that the description and quantity mentioned above are commensurate with the project requirement and that the same are not manufactured locally. It is further certified that the above items shall not be used for any other purpose.

Signature of Chief Executive, or  
the person next in hierarchy duly  
authorized by the Chief Executive

Name \_\_\_\_\_

N.I.C. No. \_\_\_\_\_

**NOTE:-** *In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished online against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.*

**Explanation.-**

Chief Executive means.-

1. owner of the firm, in case of sole proprietorship; or
2. partner of firm having major share, in case of partnership firm; or
3. Chief Executive Officer or the Managing Director in case of limited company or multinational organization; or
4. Principal Officer in case of a foreign company.

**Annex-B**

Header Information	
NTN/FTN of Importer	Approval No.

(1)											
(2)											
Details of Input goods (to be filled by the authorized officer of the Regulatory Authority)								Goods imported (Collectorate of import)			
HS Code	Description	Specs	Custom Duty rate (applicable)	Sales Tax rate (applicable)	WHT	Quantity	UOM	Quantity imported	Collectorate	CRN/Mach. No.	Date of CRN/Mach No.
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

**CERTIFICATE.** Before certifying the above-authorized officer of the Regulatory Authority shall ensure that the goods are genuine and bonafide requirement of the project and that the same are not manufactured locally.

Signature \_\_\_\_\_

Designation \_\_\_\_\_

**NOTE:-** In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished on line against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.”;

(11) after the Sixth Schedule, the following new Schedule shall be inserted, namely,-

**“EIGHTH SCHEDULE**

[See clause (aa) of sub-section (2) of section 3]

**Table-1**

<b>S. No.</b>	<b>Description</b>	<b>Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)</b>	<b>Rate of Sales Tax</b>	<b>Condition</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
1	Soyabean meal	2304.0000	5%	
2	Oil cake and other solid residues, whether or not ground or in the form of pellets	2306.1000	5%	
3	Directly reduced iron	72.03	5%	
4	Oilseeds meant for sowing.	Respective headings	5%	Import thereof subject to the condition that Plant Protection Department of Ministry of

Food, Agriculture and Livestock certifies that the imported seeds are fungicide and insecticide treated and are meant for sowing.

5	Raw cotton and ginned cotton	and Respective headings	5%	On import
6	Plant machinery manufactured locally and having no compatible local substitutes	and Respective headings	5%	<p>(i) On import of such plant and machinery by registered manufacturers, post-dated cheque(s) equal to the differential amount of sales tax payable at import stage, shall be submitted to the customs authorities, which shall be returned on furnishing proof of filing of first sales tax return after import of such machinery, showing the import of such machinery;</p> <p>(ii) On import by commercial</p>

importers, good-for-payment cheque, bank guarantee, pay order or treasury challan showing deposit, equal to the differential amount of sales tax payable at import stage, shall be submitted to the customs authorities, which shall be returned back, or as the case may be, refunded, after evidence of subsequent supply to registered manufacturers or industrial users is furnished to the customs authorities;

- (iii) Supply of such imported plant and machinery by commercial importers to unregistered persons or persons other than

manufacturers shall be liable to standard rate of tax, and evidence to that effect shall be produced to the customs authorities for release of the abovementioned

instruments or refund of the amount paid at import stage;

(iv) Subsequent supply of plant and machinery imported or acquired by registered manufacturers to unregistered persons or persons other than manufacturers shall be liable to tax at standard rate; and

(v) the validity period of instruments furnished under this provision shall not be less than one

hundred and twenty days.

Explanation.— For the purpose of this provision, plant and machinery means such plant and machinery as is used in the manufacture or production of goods.

#### **Table-2**

Plant, machinery, equipment and apparatus, including capital goods, specified in column (2) of the Annexure below, falling under the HS Codes specified in column (3) of that Annexure, shall be charged to sales tax at the rate of **five percent**, subject to the following conditions, besides the conditions specified in column (4) of the Annexure, namely:-

- (i). the imported goods as are not listed in the locally manufactured items, notified through a Customs General Order issued by the Board from time to time or, as the case may be, certified as such by the Engineering Development Board. This condition shall, however, not be applicable in respect of S. Nos. 1, 5 and 6 of the Annexure; and for such machinery, equipment and other capital goods imported as plant for setting up of a new industrial units provided the imports are made against valid contract(s) or letter(s) of credit and the total C&F value of such imports for the project is US \$ 50 million or above;

- (ii) the Chief Executive, or the person next in hierarchy duly authorized by the Chief Executive or Head of the importing company shall certify in the prescribed manner and format as per Annex-A that the imported items are the company's bonafide requirement. He shall furnish all relevant information Online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969. In already computerized Collectorates or Customs stations where the Pakistan Customs Computerized System is not operational, the Project Director or any other person authorized by the Collector in this behalf shall enter the requisite information in the Pakistan Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis; and
- (iii) in case of partial shipments of machinery and equipment for setting up a plant, the importer shall, at the time of arrival of first partial shipment, furnish complete details of the machinery, equipment and components required for the complete plant, duly supported by the contract, lay out plan and drawings.

*Explanation.*-In this Table the expression, capital goods mean any plant, machinery, equipment, spares and accessories, classified in chapters 84, 85 or any other chapter of the Pakistan Customs Tariff, required for-

- (a) the manufacture or production of any goods, and includes refractory bricks and materials required for setting up a furnace, catalysts, machine tools, packaging machinery and equipment, refrigeration equipment, power generating sets and equipment, instruments for testing, research and development, quality control, pollution control and the like; or
- (b) use in mining, agriculture, fisheries, animal husbandry, floriculture, horticulture, livestock, dairy and poultry industry.

**Annexure**

<b>S. No</b>	<b>Description</b>	<b>PCT heading</b>	<b>Conditions</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1	Machinery and equipment for development of grain handling and storage facilities.	Respective Headings	Nil
2	Cool chain machinery and equipment.	Respective Headings	Nil
3	Following items imported by Call Centers, Business Processing Outsourcing facilities duly approved by Telecommunication		Nil

Authority.

1) UPS,	8504.4010
inverters/converters.	8504.4090
2) Fax machines	8443.3260
3) Photo copiers	8443.3910
4) IP Phones	8517.1890
5) Telephone sets/head	8517.1100
sets.	
6) Dialers	8517.7000
7) Generator.	8502.1200
8) Cat 5/Cat 6/Power	8544.4990
cables	
9) PAPX Switch	8517.6290
10) Multimedia projectors	8528.6110
11) Video conferencing	8525.8090
equipment.	
12) CCTV	8525.8010
13) Plasma TV	8528.7212
14) PUD's	8525.8090
15) Dedicated telephone	8517.6290
exchange system for call	
centers.	
16. Parts, voice cards.	8517.7000

	17. Other (digital call recorders)	8519.8990	
	18. VAST terminals	8525.6040	
4	1. Machinery, equipment, materials, capital goods, specialized vehicles (4x4 non luxury) i.e. single or double cabin pickups, accessories, spares, chemicals and consumables meant for mineral exploration phase.	Respective Headings	1. This concession shall be available to those Mineral Exploration and Extraction Companies or their authorized operators or contractors who hold permits, licenses, leases and who enter into agreements with the Government of Pakistan or a Provincial Government.
	2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the exploration phase.		2. Temporarily imported goods shall be cleared against a security in the form of a post-dated cheque

for the differential amount between the statutory rate of customs duty and sales tax and the amount payable under this notification, along with an undertaking to pay the customs duty and sales tax at the statutory rates in case such goods are not re-exported on conclusion of the project.

3. The goods shall not be sold or otherwise disposed of without prior approval of the FBR and the payment of customs duties and taxes leviable at the time of

import. These shall however be allowed to be transferred to other entitled mining companies with prior approval of the Board.

5. Complete plants for relocated industries.	Respective Headings	Nil
6. Machinery, equipment and other capital goods meant for initial installation, balancing, modernization, replacement or expansion of oil refining (mineral oil, hydro- cracking and other value added petroleum products), petrochemical and petrochemical downstream products including fibers and heavy chemical industry, cryogenic facility for ethylene storage and	Respective Headings	Nil

handling.

7.	Proprietary Formwork System for building/structures of a height of 100 ft and above and its various items/components consisting of the following, namely:-	7308.4000	(i) If not manufactured locally and imported by the construction companies registered with the Pakistan Engineering Council;
	1) Plastic tube.	3917.2390	(ii) the system is to be procured from a well renowned international manufacturer;
	2) Plastic tie slot filters/plugs, plastic cone.	3926.9099	(iii) a certificate from one of the following International Pre-shipment Inspection Companies/Survey Firms to the extent that all the components/parts are to be used in the

Proprietary Formwork System for construction of structures/buildings of more than 100 feet height, is produced, namely:-

<p>3) Standard steel ply panels, Special sized steel ply panels, wedges, tube clamps (B-Type &amp; G Type), push/pull props, brackets (structure), steel soldiers (structure), drop head, standard, prop tic, buard rail post (structure), coupler brace, cantilever frame, decking beam/Infill beam and doorway angles.</p>	<p>7308.4000</p>	<p>(a) Messrs Lloyds of London; (b) Messrs Quality Tech, LLC; (c) Messrs ABS; (d) Messrs Bureau Veritas; and (e) Messrs SGS; and (iv) The Pakistan Engineering Council shall certify that the imported Proprietary Formworks System conform to the requirement of the Company's project..</p>
<p>4) Lifting Unit (Structure)</p>	<p>7308.9090</p>	<p>-do-</p>

5) Bolts, tie bolts, anchor bolt assembly (fastener), anchor screw (fastener).	7318.1590	-do-
6) Nuts	7318.1690	-do-
7) Steel pins, tie wing nut (fastener).	7318.1900	-do-
8) Steel washers, water plate (fastener).	7318.2290	-do-
9) Special hammers	8205.2000	-do-
10) Extraction keys.	8205.5900	-do-
11) Adjustable base jack (thread rod with nut and steel plate), adjustable fork head (threaded rod with nut and steel channel).	8425.4900	-do-

**Annex-A**

Header Information		
NTN/FTN of Importer	Regulatory authority no.	Name of Regulatory authority
(1)	(2)	(3)
Details of Input goods (to be filled by the chief executive of the importing company)		Goods imported (Collectorate of import)

HS Code	Description	Species	Custom Duty rate (applicable)	Sales Tax rate (applicable)	WHT	Quantity	UOM	Quantity imported	Collectorate	CRN/Mach. No.	Date of CRN/Mach. No.
(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)

CERTIFICATE. It is certified that the description and quantity mentioned above are commensurate with the project requirement and that the same are not manufactured locally. It is further certified that the above items shall not be used for any other purpose.

Signature of Chief Executive, or  
the person next in hierarchy duly  
authorized by the Chief Executive

Name \_\_\_\_\_

N.I.C. No. \_\_\_\_\_

**NOTE:-** In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished on line against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.

Explanation.-

Chief Executive means.-

1. owner of the firm, in case of sole proprietorship; or
2. partner of firm having major share, in case of partnership firm; or

3. Chief Executive Officer or the Managing Director in case of limited company or multinational organization; or
4. Principal Officer in case of a foreign company.

**Annex-B**

Header Information											
NTN/FTN of Importer						Approval No.					
(1)						(2)					
Details of Input goods (to be filled by the authorized officer of the Regulatory Authority)								Goods imported (Collectorate of import)			
HS Code	Descri ption	Specs	Custom Duty rate (applica ble)	Sales Tax rate (applic able)	WHT	Quantity	UOM	Quantity imported	Collect orate	CRN /Mac h. No.	Date of CRN / Mac h No.
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)

CERTIFICATE. Before certifying the above-authorized officer of the Regulatory Authority shall ensure that the goods are genuine and bonafide requirement of the project and that the same are not manufactured locally.

Signature \_\_\_\_\_

Designation \_\_\_\_\_

**NOTE:-** In case of clearance through Pakistan Customs Computerized System, the above information shall be furnished on line against a specific user I.D. and password obtained under section 155D of the Customs Act, 1969.”; and

(11) After the Eighth Schedule, inserted as above, a new **Ninth Schedule** shall be added, namely,-

**“NINTH SCHEDULE**

*[See sub-section (3B) of section 3]*

**TABLE**

(1)	(2)	(3)
Description / Specification of Goods	Sales tax payable at the time of import	Sales tax payable at the time of registration of a new International Mobile Equipment Identity (IMEI) number

A.	<b><u>Low Priced Cellular Mobile Phones or Satellite Phones</u></b>	Rs. 150 per phone	Rs. 250 per registration
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- i. All cameras: 2.0 mega-pixels or less
- ii. Screen size: 2.6 inches or less
- iii. Key pad

B.	<b><u>Medium Priced Cellular Mobile Phones or Satellite Phones</u></b>	Rs. 250 per phone	Rs. 250 per registration
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- i. One or two cameras: between

2.1 to 10 mega-pixels

ii. Screen size: between 2.6

inches and 4.2 inches

iii. Micro-processor: less than 2

GHZ

C. **Smart Cellular Mobile**

Rs. 500 per

Rs. 250 per registration

**Phones or Satellite Phones**

phone

i. One or two cameras: 10 mega-pixels and above

ii. Touch Screen: size 4.2 inches and above

iii. 4GB or higher Basic Memory

iv. Operating system of the type IOS, Android V2.3, Android Gingerbread or higher, Windows 8 or Blackberry RIM

v. Micro-processor: 2GHZ or higher, dual core or quad core

### **LIABILITY, PROCEDURE AND CONDITIONS**

- i. The liability to pay sales tax at the time of import of cellular mobile phones or satellite phones shall be on the importer, and the liability to pay sales tax at the time of registration of a new International Mobile

Equipment Identity (IMEI) number for the first time shall be on the Cellular Mobile Operator who registers the IMEI number in his system.

- ii. The Cellular Mobile Operators shall, if not already registered, obtain registration under the Sales Tax Act, 1990.
- iii. No IMEI shall be registered by a Cellular Mobile Operator without charging and collecting the sales tax as specified in the Table.
- iv. The Cellular Mobile Operator shall deposit the sales tax so collected through his monthly tax return in the manner prescribed in section 26 of the Sales Tax Act, 1990, and rules made thereunder.
- v. The Cellular Mobile Operator shall maintain proper records of all IMEI numbers registered for a period of six years, and such records shall be produced for inspection, audit or verification, as and when required, by an authorized officer of Inland Revenue.
- vi. The Pakistan Telecommunication Authority shall provide data regarding IMEI numbers registered with other Cellular Mobile Operators to prevent double taxation on the same IMEI number in case of switching by a subscriber from one operator to another, and to provide data regarding registration of IMEI numbers to the Board on monthly basis.
- vii. No adjustment of input tax shall be admissible to the Cellular Mobile Operator or any purchaser of cellular mobile phone against the sales tax charged and paid in terms of this Schedule.”.
- viii. Notwithstanding anything contained in any other law for the time being in force, the levy, collection and payment of sales tax under Notification No. S.R.O. 460(I)/2013 dated the 30<sup>th</sup> May, 2013, shall be always deemed to have been lawfully and validly, levied, collected and paid in accordance with sub-section (3B) of section 3 of the Sales Tax Act, 1990.

4. **Amendment of Act XVII of 1996.** — In the Pakistan Telecommunication (Re-organization) Act, 1996 (XVII of 1996), the following further amendment shall be

made and shall be deemed to have been so made on the 1<sup>st</sup> of March, 2014, namely:-

In the aforesaid Act, in section 33A, in sub-section (4), clause (c) shall be omitted.

5. **Amendment of Ordinance (XXIV of 2001).** — In the Controller General of Accounts (Appointments, Functions and Powers) Ordinance, 2001 (XXIV of 2001), in section 5, in clause (b), —

- (a) after the word “may” the commas and words “, with the approval of the President,” shall be inserted; and
- (b) for the semi colon, at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:-

“Provided that in case of exigency Ministry of Finance or Finance Departments, as the case may be, may authorize payments directly from the State Bank of Pakistan and submit such information to Controller General to enable him to record the transactions;”.

6. **Amendments of Ordinance XLIX of 2001.** — In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

- (1) in section 2,-
  - (a) clauses (8), (9), (10) and (11) shall be re-numbered as clauses (9), (10), (11) and (8) respectively;
  - (b) after clause (23), the following new clause shall be inserted, namely:-

“(23A) “filer” means a taxpayer whose name appears in the active taxpayers’ list issued by the Board from time to time or is holder of a taxpayer’s card;”;

(c) in clause (29),-

(i) for the word “and”, occurring for the first time, a comma shall be substituted;

(ii) after the figure “234”, the word and figure “and 236M” shall be inserted;

(iii) the words and commas “but does not include, in case of a shareholder of a company, the amount representing the face value of any bonus share or the amount of any bonus declared, issued or paid by the company to the shareholders with a view to increasing its paid up share capital”, shall be omitted;

(d) after clause (35B), the following new clause shall be inserted, namely:-

“(35C) “non-filer” means a person who is not a filer;”;

(e) after clause (59A), the following new clause shall be inserted, namely:-

“(59B) “Special Judge” means the Special Judge appointed under section 203;” and

(f) after clause (61), the following new clause shall be inserted, namely:-

“(61A) “stock fund” means a collective investment scheme or a mutual fund where the investible funds are invested by way of equity shares in companies, to the extent of more than seventy per cent of the investment;”;

- (2) section 4A shall be omitted;
- (3) in section 8,-
  - (i) in clause (d), for the word “sections”, the word “section” shall be substituted;
  - (ii) in clause (e), for the word “sections”, the word “section” shall be substituted.
- (4) in section 13, in sub-section (8), the word “the”, occurring last, shall be omitted;
- (5) in section 18, in sub-section (3), for the word “lesser”, occurring twice, the word “lessor” shall be substituted;
- (6) in section 21, in clause (e), after the word “fund”, occurring for the second time a comma shall be inserted;
- (7) in section 31, in sub-section (1), for the expression “Banking Tribunals Ordinance, 1984” the expression “Financial Institutions (Recovery of Finances) Ordinance, 2001 (XLVI of 2001)” shall be substituted;
- (8) in section 37, in sub-section (1A), the words and comma “held for a period upto two years,” shall be omitted;
- (9) in section 37A, in sub-section (1),-
  - (a) first proviso shall be omitted;

- (b) in the second proviso, the word “further” shall be omitted;
- (c) in sub-section (3), after the word “capital” the comma and words “,debt securities” shall be inserted;
- (d) after sub-section (3), amended as aforesaid, the following new sub-section shall be inserted, namely:-

“(4) For the purpose of this section, “debt securities” means-

- (a) Corporate Debt Securities such as Term Finance Certificates (TFCs), Sukuk Certificates (Sharia Compliant Bonds), Registered Bonds, Commercial Papers, Participation Term Certificates (PTCs) and all kinds of debt instruments issued by any Pakistani or foreign company or corporation registered in Pakistan; and
- (b) Government Debt Securities such as Treasury Bills (T-bills), Federal Investment Bonds (FIBs), Pakistan Investment Bonds (PIBs), Foreign Currency Bonds, Government Papers, Municipal Bonds, Infrastructure Bonds and all kinds of debt instruments issued by Federal Government, Provincial Governments, Local Authorities and other statutory bodies.”

- (10) in section 39, in sub-section (1),-

- (i) in clause (j), the word “and” shall be omitted;
  - (ii) in clause (l), after the semicolon the word “and” shall be added;
  - (iii) after clause (l), amended as aforesaid, the following new clause shall be added, namely:-
  - (iv) income arising to the shareholder of a company, from the issuance of bonus shares.”;
- (11) in section 49, after sub-section (4), for the full stop at the end a colon shall be substituted and the following proviso shall be added namely,
- “Provided that the income from sale of spectrum licenses by Pakistan Telecommunication Authority on behalf of the Federal Government after the first day of March 2014 shall be treated as income of the Federal Government and not of the Pakistan Telecommunication Authority.”;
- (12) in section 56A, for the word “onword”, the word “onward” shall be substituted;
- (13) in section 59AA, in sub-section (6), for the words “Central Board of Revenue” the word “Board” shall be substituted;
- (14) section 88A shall be omitted;
- (15) in section 92, in sub-section (1), for full stop, at the end, a colon shall be substituted and thereafter the following proviso shall be added,
- namely,-
- “Provided that if at least one member of the association of persons is a company, the share of such company or companies shall

be excluded for the purpose of computing the total income of the association of persons and the company or the companies shall be taxed separately, at the rate applicable to the companies, according to their share.”;

- (16) in section 100B, in sub-section (2), for clause (d), the following clause shall be substituted, namely:-

“(d) a company, in respect of debt securities only; and”;

- (17) after section 100B, the following new section shall be inserted, namely:-

**“100C. Tax credit for certain persons.-** (1) Non-profit organizations, trusts or welfare institutions, as mentioned in sub-section (2) shall be allowed a tax credit equal to one hundred per cent of the tax payable, including minimum tax and final taxes payable under any of the provisions of this Ordinance, subject to the following conditions, namely:-

- (a) return has been filed;
- (b) tax required to be deducted or collected has been deducted or collected and paid; and
- (c) withholding tax statements for the immediately preceding tax year have been filed.

- (2) Persons eligible for tax credit under this section include-

- (a) any income of a trust or welfare institution or non-profit organization from donations, voluntary contributions, subscriptions, house property, investments in the

securities of the Federal Government and so much of the income chargeable under the head "income from business" as is expended in Pakistan for the purposes of carrying out welfare activities:

Provided that in the case of income under the head "income from business", the exemption in respect of income under the said head shall not exceed an amount which bears to the income, under the said head, the same proportion as the said amount bears to the aggregate of the incomes from the aforesaid sources of income.

- (b) a trust administered under a scheme approved by the Federal Government in this behalf and established in Pakistan exclusively for the purposes of carrying out such activities as are for the benefit and welfare of—
  - (i) ex-servicemen and serving personnel, including civilian employees of the Armed Forces, and their dependents; or
  - (ii) ex-employees and serving personnel of the Federal Government or a Provincial Government and their dependents, where the said trust is administered by a committee nominated by the Federal Government or, as the case may be, a Provincial Government;

- (c) a trust or welfare institution or non-profit organization approved by Chief Commissioner for the purposes of this sub-clause;
- (d) income of a university or other educational institution being run by a non-profit organization existing solely for educational purposes and not for purposes of profit;
- (e) any income which is derived from investments in securities of the Federal Government, profit on debt from scheduled banks, grant received from Federal Government or Provincial Government or District Governments, foreign grants and house property held under trust or other legal obligations wholly, or in part only, for religious or charitable purposes and is actually applied or finally set apart for application thereto:

Provided that nothing in this clause shall apply to so much of the income as is not expended within Pakistan:

Provided further that if any sum out of the amount so set apart is expended outside Pakistan, it shall be included in the total income of the tax year in which it is so expended or of the year in which it was set apart, whichever is the greater, and the provisions of section 122 shall not apply to any assessment made or to be made in

pursuance of this proviso.

Explanation.— Notwithstanding anything contained in the Mussalman Wakf Validating Act, 1913 (VI of 1913), or any other law for the time being in force or in the instrument relating to the trust or the institution, if any amount is set apart, expended or disbursed for the maintenance and support wholly or partially of the family, children or descendants of the author of the trust or the

donor or, the maker of the institution or for his own maintenance and support during his life time or payment to himself or his family, children, relations or descendants or for the payment of his or their debts out of the income from house property dedicated, or if any expenditure is made other than for charitable purposes, in each case such expenditure, provision, setting apart, payment or disbursement shall not be deemed, for the purposes of this clause, to be for religious or charitable purposes; or

- (f) any income of a religious or charitable institution derived from voluntary contributions applicable solely to religious or charitable purposes of the institution:

Provided that nothing contained in this clause shall apply to the income of a private religious trust which does not ensure for the benefit of the public.”

- (18) in section 113,-
- (i) in sub-section (1), for the words “equal to one per cent of the person’s turnover for the year”, the words “the amount of minimum tax computed on the basis of rates as specified in Division IX of Part I of First Schedule” shall be substituted; and
  - (ii) in sub-section (2), in clause (b), for the words “an amount equal to one per cent of the person’s turnover for the year”, the words “minimum tax computed on the basis of rates as specified in Division IX of Part I of First Schedule” shall be substituted;
- (19) after section 113B, the following new section 113C shall be inserted, namely:-

**113C. Alternative Corporate Tax.**- (1) Notwithstanding anything contained in this Ordinance, for tax year 2014 and onwards, tax payable by a company shall be higher of the Corporate Tax or Alternative Corporate Tax.

(2) For the purposes of this section.-

- (a) “Accounting Income” means the accounting profit before tax for the tax year, as disclosed in the financial statements or as adjusted under sub-section (7) or sub-section (11) excluding share from the associate recognized under equity method of accounting;

- (b) "Alternative Corporate Tax" means the tax at a rate of seventeen per cent of a sum equal to accounting income less the amounts, as specified in sub-section (8), and determined in accordance with provisions of sub-section (7) hereinafter;
  - (c) "Corporate Tax" means total tax payable by the company, including tax payable on account of minimum tax and final taxes payable, under any of the provisions of this Ordinance but not including those mentioned in sections 8, 161 and 162 and any amount charged or paid on account of default surcharge or penalty and the tax payable under this section.
- (3) The sum equal to accounting income, less any amount to be excluded therefrom under sub-section (8), shall be treated as taxable income for the purpose of this section.
  - (4) The excess of Alternative Corporate Tax paid over the Corporate Tax payable for the tax year shall be carried forward and adjusted against the tax payable under Division II of Part I of the First Schedule, for following year.
  - (5) If the excess tax, as mentioned in sub-section (4), is not wholly adjusted, the amount not adjusted shall be carried

forward to the following tax year and adjusted as specified in sub-section (4) in that year, and so on, but the said excess cannot be carried forward to more than ten tax years immediately succeeding the tax year for which the excess was first computed.

Explanation.- For the purpose of this sub-section the mechanism for adjustment of excess of Alternative Minimum Tax over Corporate Tax, specified in this section, shall not prejudice or affect the entitlement of the taxpayer regarding carrying forward and adjustment of minimum tax referred to in section 113 of this Ordinance.

- (6) If Corporate Tax or Alternative Corporate Tax is enhanced or reduced as a result of any amendment, or as a result of any order under the Ordinance, the excess amount to be carried forward shall be reduced or enhanced accordingly.
- (7) For the purposes of determining the "Accounting Income", expenses shall be apportioned between the amount to be excluded from accounting income under sub-section (8) and the amount to be treated as taxable income under sub-section (2).

- (8) The following amounts shall be excluded from accounting income for the purposes of computing Alternative Corporate Tax:-
- (i) exempt income;
  - (ii) income subject to tax under section 37A and final tax chargeable under sub-section (7) of section 148, section 150, sub-section (3) of section 153, sub-section (4) of sections 154, 156 and sub-section (3) of section 233; and
  - (iii) income subject to tax credit under section 65D and 65E.
- (9) The provisions of this section shall not apply to taxpayers chargeable to tax in accordance with the provisions contained in the Fourth, Fifth and Seventh Schedules.
- (10) Tax credit under section 65B shall be allowed against Alternative Corporate Tax.
- (11) The Commissioner may make adjustments and proceed to compute accounting income as per historical accounting pattern after providing an opportunity of being heard.”;
- (20) in section 114, in sub-section (1), in clause (b), in sub-clause (ix), after the word “is” the words “a resident person” shall be inserted;

- (21) in section 122B, for the words “Regional Commissioner”, wherever occurring, the words “Chief Commissioner” shall be substituted.
- (22) in section 127,-
- (a) for the words “taxation officer”, the words “Officer of Inland Revenue” shall be substituted;
  - (b) in sub-section (2), in clause (b), for the word “again”, the word “against” shall be substituted;
- (23) in section 130, in sub-section (4),-
- (i) in clause (b), the word “or”, occurring at the end, shall be omitted;
  - (ii) in clause (c), for the full stop, at the end, a semicolon and the word “or” shall be substituted and thereafter the following new clause shall be added, namely:-
    - “(d) a person who has, for a period of not less than ten years, practiced professionally as a cost and management accountant within the meaning of Cost and Management Accountants Act, 1966 (XIV of 1966).”;
- (24) in section 148,-
- (a) in sub-section (7), in clause (d),-
    - (i) in sub-clause (viii), for the words “ with Sales Tax Department” the expression “under the Sales Tax Act, 1990” shall be substituted;

- (ii) in sub-clause (ix), for the words, “ for sales tax purposes” the expression “under the Sales Tax Act, 1990” shall be substituted; and
- (b) after sub-section (8), the following new sub-section shall be inserted, namely:-
  - “(8A) The tax collected under this section at the time of import of ships by ship-breakers shall be final tax.”;
- (25) in section 149, after sub-section (2), the following new sub-sections shall be added, namely:-
  - “(3) Notwithstanding anything contained in sub-sections (1) and (2), every person responsible for making payment for directorship fee or fee for attending board meeting or such fee by whatever name called, shall at the time of payment, deduct tax at the rate of twenty percent of the gross amount payable .
  - (4) Tax deductible under sub-section (3) shall be adjustable.”;
- (26) in section 150, for the expression “Division III of Part I” the expression “Division I of Part III” shall be substituted;
- (27) in section 151,
  - (a) in sub-section (i), after the word “Division” for the figure “I” the figure “IA” shall be substituted; and

(b) in sub-section (3), for the full stop, at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:-

“Provided that in the case of a non-filer other than a company the final tax shall be equal to the tax deductible in the case of filer and the tax deducted in excess of that shall be advance income tax adjustable against tax liability.”;

(28) in section 153, in sub-section (1), in clause (c),-

(i) after the word and comma “contract,”, the words “including contract signed by a sportsperson” shall be inserted; and

(ii) for the words “other than” , the words “ but not including” shall be substituted;

(29) in section 156, in sub-section (3), after the word “under”, occurring for the second time, the word and hyphen “sub-” shall be inserted;

(30) in section 159, in sub-section (4), for the word “one”, the word “on” shall be substituted;

(31) in section 169, in sub-section (1), in clause (b), for the word “of”, occurring for the eighth time, the word “or” shall be substituted;

(32) after section 181A , the following new section shall be inserted, namely :-

**“181AA. Compulsory registration in certain cases.- (1)**

Notwithstanding anything contained in any law, for the time being in force , any application for commercial or industrial connection of electricity or natural gas, shall not be processed and such connection shall not be provided unless the person applying for electricity or gas connection is registered under section 181.”;

- (33) in section 203, in sub-section (i), for full stop at the end a colon shall be substituted and thereafter the following proviso shall be added, namely:-

“Provided that the Federal Government may, by, notification in official Gazette, declare that a special judge appointed under section 185 of the Customs Act 1969 (IV of 1969) shall have jurisdiction to try offences under this Ordinance.”;

- (34) for section 231B, the following shall be substituted, namely:-

**“231B. Advance tax on private motor vehicles.— (1)**

Every motor vehicle registering authority of Excise and Taxation Department shall collect advance tax at the time of registration of a new locally manufactured motor vehicle, at the rates specified in Division VII of Part IV of the First Schedule.

(2) Every motor vehicle registering authority of Excise and Taxation Department shall collect advance tax at the time of

transfer of registration or ownership of a private motor vehicle, at the rates specified in Division VII of Part IV of the First Schedule.

(3) Every manufacturer of a motor car or jeep shall collect, at the time of sale of a motor car or jeep, advance tax at the rate specified in Division VII of Part IV of the First Schedule from the person to whom such sale is made.

(4) Sub-section (1) shall not apply if a person produces evidence that tax under sub-section (2) in case of a locally manufactured vehicle or tax under section 148 in the case of imported vehicle was collected from the same person in respect of the same vehicle.

(5) The advance tax collected under this section shall be adjustable:

Provided that the provisions of this section shall not be applicable in the case of –

- (a) the Federal Government;
- (b) a Provincial Government;
- (c) a Local Government;
- (d) a foreign diplomat; or
- (e) a diplomatic mission in Pakistan.”;

(35) after section 235, the following new sections shall be inserted, namely:-

**“235A. Domestic electricity consumption.-** (1) There shall be collected advance tax at the rates specified in Division XIX of

Part IV of the First Schedule on the amount of electricity bill of a domestic consumer.

(2) The person preparing electricity consumption bill shall charge advance tax under sub-section (1) in the manner electricity consumption charges are charged.

(3) Tax collected under this section shall be adjustable against tax liability.

**235B. Tax on steel melters, re-rollers etc.-** (1) There shall be collected tax from every steel melter, steel re-roller, composite steel units, registered for the purpose of Chapter XI of Sales Tax Special Procedure Rules, 2007 at the rate of one rupee per unit of electricity consumed for the production of steel billets , ingots and mild steel (MS products) excluding stainless steel .

(2) The person preparing electricity consumption bill shall charge and collect the tax under sub-section (1) in the manner electricity consumption charges are charged and collected.

(3) The tax collected under sub- section (1) shall be deemed to be the tax required to be deducted under sub-section (1) of section 153, on the payment for local purchase of scrap.

(4) Tax collected under sub-section (1) shall be non-adjustable and credit of the same shall not be allowed to any person.”;

(36) in section 236B,-

- (a) in sub-section (2), for the words “person preparing” the words “airline issuing” shall be substituted;
- (b) after sub-section (2), amended as aforesaid, the following new sub-section shall be inserted, namely,-

“(2A) The mode, manner and time of collection shall be as may be prescribed.”;

- (37) after section 236J, the following new sections shall be inserted, namely:-

**“236K. Advance tax on purchase or transfer of immovable property.—**(1) Any person responsible for registering or attesting transfer of any immovable property shall at the time of registering or attesting the transfer shall collect from the purchaser or transferee advance tax at the rate specified in Division XVIII of Part IV of the First Schedule.

(2) The advance tax collected under sub-section (1) shall be adjustable.

(3) The advance tax under this section shall not be collected in the case of the Federal Government, a Provincial Government, a Local Government or a foreign diplomatic mission in Pakistan.

(4) Nothing contained in this section shall apply to a scheme introduced by the Federal Government, or Provincial Government or an Authority established under a Federal or Provincial law for expatriate Pakistanis.

**236L. Advance tax on purchase of international air ticket.**— (1) Every airline, operating in Pakistan, shall collect advance tax at the rates specified in Division XX of Part IV of the First Schedule, on the gross amount of international air tickets issued to passengers booking one-way or return, from Pakistan.

(2) The airline issuing air ticket shall collect or charge advance tax under sub-section (1) in the manner air ticket charges are collected or charged, either manually or electronically.

(3) The mode, manner and time of collection under sub-section (1) and time of collection shall be as may be prescribed.

(4) The advance tax collected under sub-section (1) shall be adjustable.

**236M. Bonus shares.**- (1) Every person issuing bonus shares to a shareholder of the company, shall collect tax at the rate of five per cent on the value of the bonus shares determined on the basis of day-end price on the first day of closure of books.

(2) The company issuing bonus shares shall make adequate arrangements for collection of such tax and in case of default, said tax shall be collected from the company, without prejudice to any other liability which it may incur under this Ordinance.

- (3) Tax required to be collected under this section shall be a final tax on the income of the shareholder of the company arising from issuance of bonus shares.”;
- (38) in section 239, in sub-section (13), for the words and comma, “amended, modified”, the words and comma “amend, modify” shall be substituted;
- (39) in the FIRST SCHEDULE,-
- (I) in Part I,-
- (A) in Division I,-
- (i) after paragraph (1A), the following new paragraph shall be inserted, namely:-
- “(IB) Where the taxable income in a tax year, other than income on which the deduction of tax is final, does not exceed one million rupees of a person-
- (i) holding a National Database Registration Authority’s Computerized National Identity Card for disabled persons; or
- (ii) a taxpayer of the age of not less than sixty years on the first day of that tax year,

the tax liability on such income shall be reduced by 50%.”;

(ii) paragraph (2) shall be omitted.

(B) For Division III, the following shall be substituted, namely:-

“Division III

Rate of Dividend Tax

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

(a) 7.5% in the case of dividends declared or distributed by purchaser of a power project privatized by WAPDA or on shares of a company set up for power generation or on shares of a company, supplying coal exclusively to power generation projects; and

(b) 10%, in all other cases:

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

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

(C) in Division-VII, for the Table, the following shall be substituted, namely:-

“TABLE

S.No.	Period.	Tax Year.	Rate of tax.
(1)	(2)	(3)	(4)

1.	Where holding period of a security is less than six months.	2011 2012 2013 2014	10% 10% 10% 10%
2.	Where holding period of a security is more than six months but less than twelve months.	2011 2012 2013 2014	7.5% 8% 8% 8%

TAX YEAR 2015

3.	Where holding period of a security is less than twelve months.	12.5%	
4.	Where holding period of a security is twelve months or more but less than twenty-four months.	10%	
5.	Where holding period of a security is twenty-four	0%	

months or more.”

- (D) in Division VIII, in the TABLE, after S.No 2, the following new S.No and corresponding entries relating thereto in columns (2) and (3), shall be added, namely:-

“3. Where holding period of 0% immovable property is more than two years.”;

- (E) after Division VIII, amended as aforesaid, the following new Division shall be added, namely,-

“Division IX

Minimum tax under section 113

S.No	Person(s)	Minimum Tax as percentage of the person's turnover for the year
(1)	(2)	(3)
1.	(a) Oil marketing companies, Oil refineries, Sui Southern Gas Company Limited and Sui Northern Gas Pipelines Limited ( for the cases where annual turnover exceeds	0.5%

	<p>rupees one billion.);</p> <p>(b) Pakistan International Airlines Corporation; and</p> <p>(c) Poultry industry including poultry breeding, broiler production, egg production and poultry feed production.</p>	
2.	<p>(a) Distributors of pharmaceutical products, fertilizers and cigarettes;</p> <p>(b) Petroleum agents and distributors who are registered under the Sales Tax Act, 1990;</p> <p>(c) Rice mills and dealers; and</p> <p>(d) Flour mills.</p>	0.2%
3.	Motorcycle dealers registered under the Sales Tax Act, 1990.	0.25%
4.	In all other cases.	1%

(II) for Part II, the following shall be substituted, namely:-

“PART-II

RATES OF ADVANCE TAX

[See Division II of Part V of Chapter X]

The rate of advance tax to be collected by the Collector of Customs under section 148 shall be-

S.No.	Persons	Rate
(1)	(2)	(3)
1.	<p>(i) Industrial undertaking importing remelttablesteel (PCT Heading 72.04) and directly reduced iron for its own use;</p> <p>(ii) Persons importing potassic fertilizers in pursuance of Economic Coordination Committee of the cabinet's decision No. ECC-155/12/2004 dated the 9<sup>th</sup> December, 2004;</p> <p>(iii) Persons importing urea; and</p> <p>(iv) Manufacturers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31<sup>st</sup> December, 2011 dated the 31<sup>st</sup> December, 2011.</p>	<p>1% of import value as increased by customs-duty, sales tax and federal excise duty</p>
2.	Persons importing pulses	<p>2% of import value as increased by customs-duty, sales tax and</p>

		Federal excise duty
3.	Commercial importers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31 <sup>st</sup> December, 2011.	3% of import value as increased by customs-duty, sales tax and federal excise duty
4.	Ship breakers on import of ships	4.5%
5.	Industrial undertakings not covered under S. Nos. 1 to 4	5.5%
6.	Companies not covered under S. Nos. 1 to 5	5.5%
7.	Persons not covered under S. Nos. 1 to 6	6%

(III) Part IIA shall be omitted;

(IV) in Part III,-

(a) for Division I, the following shall be substituted, namely:-

“Division I

Advance Tax on Dividend

The rate of tax to be deducted under section 150 shall be-

(a) 7.5% in the case of dividends declared or distributed by purchaser of a power project privatized by WAPDA or on

shares of a company set up for power generation or on shares of a company, supplying coal exclusively to power generation projects;

- (b) 10% for filers other than mentioned in (a) above;
- (c) 15% for non-filers other than mentioned in (a) above:

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

	Stock Fund	Money market Fund, Income Fund or any other fund
Individual	10%	10%
Company	10%	25%
AOP	10%	10%

Provided further that in case of a stock fund if dividend receipts of the fund are less than capital gains, the rate of tax deduction shall be 12.5%

Division IA

Profit on Debt

The rate of tax to be deducted under section 151 shall be 10% of the yield or profit for filers and 15% of the yield or profit paid, for non-filers:

Provided that for a non-filer, if the yield or profit paid is rupees five hundred thousand or less, the rate shall be ten per cent”;

- (b) in Division III,-
  - (A) in paragraph (1), in sub-paragraph (b),-
    - (i) in clause (i), for the figure “3.5”, the figure “4” shall be substituted; and
    - (ii) in clause (ii), for the figure “4”, the figure “4.5” shall be substituted;
  - (B) in paragraph (2), in sub-paragraph (ii),-
    - (i) in clause (a), for the figure “6”, the figure “8” shall be substituted; and
    - (ii) in clause (b), for the figure “8”, the figure “10” shall be substituted;
  - (C) in paragraph (3),-
    - (i) in sub-paragraph (i), for the figure “6”, the figure “7” shall be substituted;
    - (ii) in sub-paragraph (ii), for the figure “6.5”, the figure “7.5” shall be substituted; and

(iii) after sub-paragraph (ii), amended as aforesaid, the following new sub-paragraph shall be added, namely :-

“(iii) 10% of the gross amount payable in case of sportspersons.”;

(c) in Division IV, in paragraph (3), for the figure “0.5”, the figure “1” shall be substituted;

(d) in Division VIA, for the figure “10”, the figure “12” shall be substituted;

(V) in Part IV,-

(a) for Division II, the following shall be substituted, namely:-

**“Division II**

**Brokerage and Commission**

The rate of collection under sub-section (1) of section 233 shall be.-

(a) 7.5% of the amount of the payment, in case of advertising agents;

(b) 12% of the amount of payment in all other cases.”;

(b) in Division III,-

(i) for clause (3), the following shall be substituted, namely:-

“(3) in case of other private motor cars shall be as following,-

S No.	Engine capacity	for filers	for non-filer
(1)	(2)	(3)	(4)
1.	upto 1000cc	Rs. 1,000	Rs.1,000
2.	1001cc to 1199cc	Rs. 1,800	Rs. 3,600
3.	1200cc to 1299cc	Rs. 2,000	Rs.4,000
4.	1300cc to 1499cc	Rs. 3,000	Rs.6000
5.	1500cc to 1599cc	Rs 4,500	Rs 9,000
6.	1500cc to 1999cc	Rs. 6000	Rs.12,000
7.	2000cc & above	Rs. 12,000	Rs.24,000”

”

(ii) for clause (4), the following shall be substituted, namely:-

“(4) where the motor vehicle tax is collected in lump sum,—

S No.	Engine capacity	for filer	for non-filer
(1)	(2)	(3)	(4)

1.	upto 1000cc	Rs. 10,000	Rs.10,000
2.	1001cc to 1199cc	Rs. 18,000	Rs. 36,000
3.	1200cc to 1299cc	Rs. 20,000	Rs.40,000
4.	1300cc to 1499cc	Rs. 30,000	Rs.60,000
5.	1500cc to 1599cc	Rs 45,000	Rs 90,000
6.	1600cc to 1999cc	Rs. 60,000	Rs.120,000
7.	2000cc and above	Rs. 120,000	Rs.240,000”

- (c) in Division V, in clause (b) for the figure “15”, the figure “14” shall be substituted;
- (d) in Division VI, after the word “withdrawn” the words and figures “for filers and 0.5% of the cash amount withdrawn, for non-filers” shall be inserted;
- (e) for Division VII, the following shall be substituted, namely:-

“Division VII

Advance tax on purchase of private motor car and jeep

The rate of tax under sub-sections (1), (2) and (3) of section 231B shall be as follows:-

S. No.	Engine Capacity	Tax for filer	Tax for
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			Non-filer
(1)	(2)	(3)	(4)
1.	Upto 850cc	Rs. 10,000	Rs. 10,000
2.	851cc to 1000cc	Rs. 20,000	Rs. 25,000
3.	1001cc to 1300cc	Rs. 30,000	Rs. 40,000
4.	1301cc to 1600cc	Rs. 50,000	Rs. 100,000
5.	1601cc to 1800cc	Rs. 75,000	Rs. 150,000
6.	1801cc to 2000cc	Rs.100,000	Rs. 200,000
7.	2001cc to 2500cc	Rs.150,000	Rs. 300,000
8.	2501cc to 3000cc	Rs.200,000	Rs. 400,000
9.	Above 3000cc	Rs.250,000	Rs. 450,000"

“  
”

- (f) in Division X, after the word “received” the words and figures “for filers and 1% of the gross amount of the consideration received for non-filers.” shall be added;
- (g) in Division XI, for the figure”10” the figure “5” shall be substituted;
- (h) after Division XVII, the following new Divisions shall be added, namely:-

“Division XVIII

Advance tax on purchase of immovable property

The rate of tax to be collected under section 236K

shall be:-

S.No	Period	Rate of Tax	
(1)	(2)	(3)	
1.	Where value of Immovable property is up to 3 million.	0%	
2.	Where the value of Immovable property is more than 3 million	Filer	1%
		Non-Filer	2%

Provided that the rate of tax for Non-Filer shall be

1% upto the date appointed by the Board through notification in official gazette.

Division XIX

Advance tax on domestic electricity consumption

The rate of tax to be collected under section 235A shall be-

- (i) 7.5% if the amount of monthly bill is Rs.100,000 or more; and
- (ii) 0% the amount of monthly bill is less than Rs.100,000.

Division XX

Advance tax on international air ticket

The rate of the rate of tax to be collected under section 236L shall be:-

S. No.	Type of Ticket	Rate	
		(3)	(4)
(1)	(2)	Filer	Non-Filer
1.	Economy	0%	0%
2.	First/Business/Club class	3%	6%”

(40) in the SECOND SCHEDULE,-

- (l) in Part I,
  - (a) in clause (4), in sub-clause (b) for the words “income year”, the words “tax year” shall be substituted;
  - (b) clause (35) shall be omitted;

(c) in clause (57), in sub-clause (3), after paragraph (xii), the following new paragraph shall be added, namely,-

“(xiii) Sindh Province Pension Fund established under the Sindh Province Pension Fund Ordinance, 2002.”;

(d) clauses (58), (58A), (59) and (60) shall be omitted;

(e) in clause (66),

(i) sub-clause (v) shall be omitted;

(ii) clause (xxiv), occurring for the second time, clause (xxv), clause (xxvii), clause (xxviii), occurring thrice and clause (xxix) shall be re-numbered as clauses (xxv), (xxvi), (xxvii), (xxviii), (xxix), (xxx) and (xxxi) respectively;

(iii) after sub-clause (xxxi), renumbered as aforesaid, the following new sub-clause shall be added, namely:-

“(xxx) Greenstar Social Marketing Pakistan (Guarantee) Limited.”;

(f) clauses (81A), (88A), (92A) and (93A) shall be omitted;

(g) in clause (99), for the full stop, at the end, a colon shall be substituted and thereafter, the following proviso shall be added, namely:-

“Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account.”;

- (h) for clause (126) the following shall be substituted, namely,-

“(126) Any income derived by a public sector university”

- (i) for clause (126A) the following shall be substituted, namely:-

“(126A) income derived by China Overseas Ports Holding Company Limited from Gwadar Port operations for a period of twenty years, with effect from the sixth day of February, 2007.”;

- (j) after clause (126G), the following new clause shall be inserted, namely:-

“(126H) Profits and gains derived by a taxpayer, from a fruit processing or preservation unit set up in Balochistan Province, Malakand Division, Gilgit-Baltistan and FATA between the first day of July, 2014 to the thirtieth day of June, 2017, both days inclusive, engaged in processing of locally grown fruits, for a period of five years beginning with the month in which the industrial undertaking is set up or commercial production is commenced, whichever is later.”;

(k) after clause (132A), the following new clause shall be inserted, namely:-

“(132B) Profits and gains derived by a taxpayer from a coal mining project in Sindh, supplying coal exclusively to power generation projects.”;

(l) clause (135) shall be omitted;

(II) in Part II,-

(a) in clause (3),-

(i) after the word, “rendered” the words “ and construction contracts” shall be inserted;

(ii) for the words, “such receipts” the words “ receipts from services and income from contracts” shall be substituted;  
and

(b) clauses (3A), (9B), (9C), (13E), (13HH), (13HHH) and (17) shall be omitted;;

(c) after clause (18), the following new clause shall be inserted, namely:-

“(18A) The rate of tax as specified in Division II of Part I of the First Schedule shall be reduced to 20% for a company setting up an industrial undertaking between the first day of July, 2014 to the thirtieth day of June, 2017, for a period of five years beginning from the month in which the industrial undertaking is

set up or commercial production is commenced, whichever is later:

Provided that fifty percent of the cost of the project including working capital is through owner equity foreign direct investment.”;

(d) clauses (19), (20), (23), (24), (24B), (26), (29) and (30) shall be omitted;

(III) in Part III,-

(a) in clause (1), in sub-clause (1), in paragraph (a), the word and comma “pilots,” shall be omitted;

(b) clause (1A) shall be omitted;

(c) after clause (1A), omitted as aforesaid, the following new clause shall be inserted, namely:-

“(1AA) Total allowances received by pilots of any Pakistani airlines shall be taxed at a rate of 7.5%, provided that the reduction under this clause shall be available to so much of the allowances as exceeds an amount equal to the basic pay.”; and

(d) Clause (5), (7), (8), (9), (10), (11), (12), (13), (14) and clause (15) shall be omitted;

(IV) in Part IV,-

(a) after clause (5), the following new clauses shall be inserted, namely:-

“(9A) Provisions of clause (a) of sub-section (1) of section 153, shall not apply to steel melters , steel re-rollers , composite

steel units, as a payer, in respect of purchase of scrap, provided that tax is collected in accordance with section.

(9AA) Provisions of clause (a) of sub-section (1) of section 153, shall not apply to ship breakers as recipient of payment:

Provided that this clause shall only apply for ships imported after the 1<sup>st</sup> July 2014.”;

- (b) clauses (10) and (10A) shall be omitted;
- (c) in clause (11A), in sub-clause (v), after the figure and brackets, “(132)” the following shall be inserted, namely:-

“and clause (132B)”;

- (d) clause (38B) shall be omitted;
- (e) in clause (38C), after the word, “section”, the figure and comma “150,” shall be inserted;
- (f) clauses (41A), (41AA), (41AAA) and (41B) shall be omitted;
- (g) after clause (56A), the following new clauses shall be inserted, namely:-

“(56B) 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 being a commercial importer if the person opts to file return of total income along with accounts and documents as may be prescribed, subject to the condition that minimum tax liability under normal tax

regime shall not be less than 5.5%, of the imports, if the person is a company and 6% otherwise.

(56C) The provisions of sub-section (3) of section 153, in respect of sale of goods and clause (a) of sub-section (1) of section 169 shall not apply to a person, if the person opts to file return of total income along with accounts and documents as may be prescribed subject to the condition that minimum tax liability under normal tax regime shall not be less than 3.5% of the gross amount of sales, if the person is a company and 4% otherwise.

(56D) The provisions of sub-section (3) of section 153, in respect of contracts and clause (a) of sub-section (1) of section 169 shall not apply to a person if the person opts to file return of total income along with accounts and documents as may be prescribed subject to the condition that minimum tax liability under normal tax regime shall not be less than 6% of contract receipts, if the person is a company and 6.5% otherwise.

(56E) The provisions of sub-section (2) of section 153 and clause (a) of sub-section (1) of section 169 shall not apply in respect of a person if the person opts to file return of total income along with accounts and documents as may be prescribed subject to the condition that minimum tax

liability under normal tax regime shall not be less than 0.5% of gross amount of services received.

(56F)The provisions of sub-section (2) of section 156A and clause (a) of sub-section (1) of section 169 shall not apply in respect of a person if the person opts to file return of total income along with accounts and documents as may be prescribed, subject to the condition that minimum tax liability under normal tax regime shall not be less than 10% of the commission or discount received.

(56G)The provisions of sub-section (3) of section 233 and clause (a) of sub-section (1) of section 169 shall not apply in respect of a person if the person opts to file return of total income along with accounts and documents as may be prescribed, subject to the condition that minimum tax liability under normal tax regime shall not be less than 10% of the commission.”;

(h) in clause 57,-

(i) the following new explanation shall be added, namely:-

“*Explanation.*- For the removal of doubt, exemption under this clause, in respect of section 153, shall only be available as a recipient and not as withholding agent.”;

- (ii) in clause (57), in sub-clause (vi), for the words, “with Sales Tax Department” the words, comma and figure “under the Sales Tax Act, 1990” shall be substituted;
- (i) clauses (80), (84), (85), (87) and (88) shall be omitted;
- (41) in the THIRD SCHEDULE, in Part II, in clause (1), for the figure “25”, occurring for the second time, the figure “10” shall be substituted; and
- (42) in the SEVENTH SCHEDULE,-
  - (A) in rule 6,-
    - (i) for the words “income under the head “Dividend” and” the words “net income from “Dividend” and net income from” shall be substituted; and
    - (ii) for the words “per cent”, the words “and twelve and a half, respectively” shall be substituted; and
  - (B) after rule 6, amended as aforesaid, the following new rules shall be inserted:-
 

“ 6A. For the purpose of rule 6, net income from dividend shall be computed according to the following formula, namely:-

$$(A/C) \times B$$

where-

A is the total amount of expenditure as per this Schedule;

B is the gross amount of dividend received; and

C is the gross amount of receipts including dividend.

6B. For the purpose of rule 6, net income from capital gains shall be computed according to the following formula, namely:-

$$(A/C) \times B$$

where-

A is the total amount of expenditure as per this Schedule;

B is the gross amount of capital gains; and

C is the gross amount of receipts including capital gains.”.

7. **Amendments of the Federal Excise Act, 2005.** — In the Federal Excise Act, 2005, the following further amendments shall be made, namely:-

- (1) in section 13, in sub-section (4), in the proviso, for the full stop, at the end, a colon shall be substituted and thereafter, the following new proviso shall be added, namely:-

“Provided further that the Board may through a general order specify zones or areas only for the purpose of determination of highest retail price for any brand or variety of goods.”;

- (2) in the First Schedule,—

- (a) in Table I, in column (1),—

- (i) for S. Nos. 9 and 10 and the corresponding entries relating thereto in columns (2), (3) and (4), the following shall respectively be substituted, namely:—

“9. Locally produced 24.02 Rupees two  
cigarettes if their on- thousand six hundred

pack printed retail and thirty two per  
price exceeds rupees thousand cigarettes.  
two thousand seven  
hundred and six per  
thousand cigarettes

10. Locally produced 24.02 Rupees one  
cigarettes if their on- thousand and eighty  
pack printed retail five per thousand  
price does not exceed cigarettes.”;  
rupees two thousand  
seven hundred and six  
per thousand  
cigarettes

(ii) against S. No. 13, in column (4), for the words “four  
hundred rupees per metric ton” the words “five per cent of  
the retail price” shall be substituted; and

(iii) against S. No. 55, in column (2), for the word “Motor”, the  
words “Imported motor” shall be substituted;

(iv) in the heading “Restrictions” in the sub-heading “Variant  
at different price points” for figures and hyphen “2012-13”  
the words “of the current financial year” shall be  
substituted; and

(b) in Table-II, in column (1),–

- (i) against S. No. 3, in column (2), in entry (b),
  - (a) against sub-entry (i), in column (4), for the words “Three thousand eight hundred and forty” the words “Five thousand” shall be substituted; and
  - (b) against sub-entry (ii), in column (4), for the words “Six thousand eight hundred and forty” the words “Ten thousand” shall be substituted;
- (ii) against S. No. 6,—
  - (a) in column (2), after the word “services”, the comma and words “, excluding such services in the area of a Province where such Province has imposed Provincial sales tax and has started collecting the same through its own Board or Authority, as the case may be” shall be added; and
  - (b) in column (4), for the word “nineteen”, the word “Eighteen” shall be substituted; and
- (iii) after S. No. 14, the following new serial number and corresponding entries relating thereto in columns (2), (3) and (4) shall be added, namely:—
 

“15. Chartered flights	98.03	Sixteen per
		cent of the
		charges.”.

8. **Amendment of Act XXI of 2011.**— In the Gas infrastructure Development Cess Act, 2011 (XXI of 2011), the following further amendments shall be made namely:-

- (1) in section (3) for the full stop, at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:-

“Provided that the Federal Government may decide to levy any rate of Cess on any category of gas consumers subject to maximum rate provided in the Second Schedule.”;

- (2) in the First Schedule,—

(a) in entry 4, the word “and”, at the end, shall be omitted;

(b) in entry 5, for the full stop, at the end, a semi colon and the word “and” shall be substituted and thereafter the following shall be added, namely:-

“6. Oil and Gas Development Company Limited; and

7. Any other company engaged in sale of gas to any category of gas consumers as notified in the official gazette.”;

- (3) for the Second Schedule, the following shall be substituted, namely:-

“THE SECOND SCHEDULE

*[See Section 3]*

S.	Sector	Maximum Rate of Cess (Rs/MMBTU)
No.		

(1)	(2)	(3)
1.	Fertilizer – Feed Stock	300
2.	Fertilizer – Fuel Stock	300
3.	Compressed Natural Gas (CNG)	300
4.	Industrial	300
5.	Captive Power	300
6.	WAPDA / KESC / GENCOs	300
7.	Independent Power Plants (IPPs)	300
8.	Commercial including Ice Factories	300
9.	Cement	300
10.	Liberty Power Plant	-
11.	Domestic	-”.

9. **Repeal of Income Support Levy Act of 2013.**- The Income Support Levy Act, 2013 is hereby repealed.

### **STATEMENT OF OBJECTS AND REASONS**

The purpose of this Bill is to make financial provisions for the year beginning on the first day of July, 2014. Various provisions have been explained in the Notes on Clauses.

(MUHAMMAD ISHAQ DAR)  
Minister for Finance and Revenue