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ORDINANCE NO. VI OF 2021

AN

ORDINANCE

*further to amend certain tax laws*

WHEREAS, it is expedient further to amend certain tax laws for the purposes hereinafter appearing;

AND WHEREAS, the Senate and the National Assembly are not in session and the President of the Islamic Republic of Pakistan is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of Article 89 of the Constitution of the Islamic Republic of Pakistan, the President of the Islamic Republic of Pakistan is pleased to make and promulgate the following Ordinance:-

1. **Short title and commencement.**—(1) This Ordinance shall be called the Tax Laws (Amendment) Ordinance, 2021.

(2) It shall come into force at once.

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

(1) in the First Schedule, in Chapter 99,-

(a) in sub-chapter V,-

(i) in the title, after the word "AREA", the expression "OR SPECIAL TECHNOLOGY ZONE (STZ)" shall be added;

(ii) in column (1), against PCT Code 9917, in column (2), in paragraph 3, after sub-paragraph (iv), the following new paragraph shall be added, namely:-

"(4) (i) Capital goods including but not limited to materials, plant, machinery, hardware, equipment and software for a period of ten years as prescribed in the Special Technology Zone Authority Ordinance, 2020 (XIII of 2020), if not manufactured locally, imported from the date of signing of the development agreement for consumption within zones by the Special Technology Zones Authority and zone developers, subject to such conditions, limitations and restrictions as the Federal Board of Revenue may impose from time to time; and

(iii) Capital goods including but not limited to materials, plant, machinery, hardware, equipment and software for a period of ten years as prescribed in the Special Technology Zone Authority Ordinance, 2020 (XIII of 2020), if not manufactured locally, imported from the date of issuance of licence by the Special Technology Zones Authority for consumption within zones by the said Authority and zone enterprises, subject to such conditions, limitations and restrictions as the Federal Board of Revenue may impose from time to time."; and

- (b) in sub-chapter-VI, in column (1), against PCT code 9920, in column (2), after clause 6, the following shall be added, namely:-

“7. Professional and technical apparatus or equipment or instruments imported by foreign nationals, experts and athlete etc. participating in an international event (including but not limited to sports events) or under any international arrangement for use solely during such event or arrangement subject to endorsement on their passports. The goods allowed for temporary admission shall be identifiable at the time of import and subsequent re-export:

Provided that the condition of furnishing undertaking or bond by such foreign nationals shall not be applicable for this clause.”; and

- (2) in the Fifth Schedule, in Part-V(A),—

- (a) in Table-I,—

- (i) in the heading, after the expression “2-3 Wheelers”, the expression “,4-Wheelers” shall be inserted;
- (ii) in column (1), after Serial No. 6, the following new Serial No. 7 and Serial No. 8 and entries relating thereto in columns (2), (3), (4) and (5) shall be added, namely:—

“7.	Electric Vehicles 4-wheelers	PCT Code 8703.8090	25%	The concession shall be admissible till 30th June 2026.
8.	Electric Vehicles 4-wheelers	PCT Code 8703.8090	50% of the rate of customs duty as specified in the column (4) of the serial No. 7 above.	The concession shall be admissible till 30th June 2026, on import of Electric Vehicles 4-wheelers (CBU) per company of the same variant to be assembled or manufactured as mentioned in column (2) of this table to the extent of maximum 100 units per company, duly approved / certified by Engineering Development Board (EDB). EDB shall monitor compliance with EV Policy 2020 and intimate FBR immediately in case of Violation by any manufacturer to stop further clearance at the concessional rate, specified in column (4).”;

- (b) in Table-II, in column (1), after Serial No. 6, the following new Serial No. 7 and entries relating thereto in columns (2), (3), (4) and (5) shall be added, namely:—

7.	Electric Vehicles 4-wheelers (PCT Code 8703.8090)	(i) EV Specific components for assembly/manufacture in any kit-form (CKD)	1% (notwithstanding the rate of customs duty on these items as specified in the First Schedule to the Customs Act 1969).	The concession shall be admissible to manufacturer of electric vehicles 4-wheelers till 30th June 2026, subject to certification and quota determination by the Engineering Development Board (EDB).
		(ii) Components For assembly/ manufacture in any kit-form (CKD) Non-localized parts.	10%	The concession shall be admissible till 30th June, 2026 subject to the Conditions mentioned at Para-2 of the SRO. 656(I)/2006 dated 22-06-2006.
		(iii) Components for assembly/ manufacture in any kit-form (CKD) Localized parts.	25%	The concession shall be admissible till 30th June 2026 subject to the conditions mentioned at Para-2 of the SRO 656(I)/2006 dated 22-06-2006." and

- (c) in Table-III, in column (1), against serial No. 3, in column (4), after the expression "2-3 wheelers" the expression "*4-wheelers*" shall be inserted.

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

- (1) in section 56A, after sub-section (1), the following new sub-section (1A) shall be inserted, namely:—

“(1A) Notwithstanding anything contained in this Act, the Board shall have power to share data or information including real time data videos, images received under the provisions of this Act with any other Ministry or Division of the Federal Government or Provincial Government, subject to such limitations and conditions as may be specified by the Board.”;

- (2) in the Sixth Schedule, in Table-1, in column (1), after serial No. 156 and entries relating thereto in columns (2) and (3), the following new serial Nos. 157 and 158 and corresponding entries relating thereto in columns (2) and (3) shall be added, namely:—

“157.	Import of CKD kits for the following electric vehicles (4 wheelers) by local manufacturers till the 30th day of June, 2026:—  (a) Small cars and SUVs with 50 kwh battery or below; and  (b) Light commercial vehicles (LCVs) with 150 kwh battery or below.	Respective headings
158	Goods temporarily imported into Pakistan by international athletes or sportsmen which would be subsequently taken back by them within 120 days of temporary import.	Respective headings”;

- (3) in Eighth Schedule, in Table-I, in column (1), after serial No. 70, the following new serial No. 71 and entries relating thereto in columns (2), (3), (4) and (5) shall be added, namely:—

“71.	Following locally manufactured or assembled electric vehicles (4 wheelers) till the 30th day of June, 2026:—  (a) Small cars or SUVs with 50 kwh battery or below; and  (b) Light commercial vehicles (LCVs) with 150 kwh battery or below.	Respective heading	1%	If supplied locally.”;and
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- (4) in Twelfth Schedule, under the heading “Procedure and conditions”, in clause (2), after sub-clause (x), the following sub-clauses shall be added, namely:—

“(xi) electric vehicles (4 wheelers) CKD kits for small cars or SUVs, with 50 kwh battery or below and Light Commercial Vehicles (LCVs) with 150 kwh battery or below till the 30th day of June, 2026;

(xii) electric vehicles (4 wheelers) small cars or SUVs, with 50 kwh battery or below and Light Commercial Vehicles (LCVs) with 150 kwh battery or below in CBU condition till the 30th day of June, 2026; and