

**FINANCE**  
**(SUPPLEMENTARY)**  
**BILL, 2021**

A

BILL

*further to amend certain laws relating to taxes and duties*

WHEREAS, it is expedient further to amend certain laws relating to taxes and duties for the purposes hereinafter appearing;

It is hereby enacted as follows: -

**1. Short title and commencement.** — (1) This Act shall be called the Finance (Supplementary) Act, 2021.

(2) It shall, unless specified otherwise, come into force at once.

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

- (1) in section 25A, in sub-section (1), the expression “the Collector of Customs on his own motion or” shall be omitted;
- (2) in section 25D, in the first proviso, for the colon at the end, a full stop shall be substituted and thereafter the second proviso shall be omitted;
- (3) in section 80, in sub-section (3), for the expression “Notwithstanding anything contained in this Act if during the checking of goods declaration or within three years of its clearance under sub-section (1) of section 83”, the words “If during the checking of goods declaration” shall be substituted;

- (4) in section 81, in sub-section (1), the expression “,corporate guarantee”, wherever occurring, shall be omitted;
- (5) in section 194A, in sub-section (1), after the omitted clause (e), the following new clause shall be added, namely:-
  - “(f) an order passed in revision by the Director-General Customs Valuation under section 25D, provided that such appeal shall be heard by a special bench consisting of one technical member and one judicial member.”; and
- (6) in section 196, in sub-section (1), the expression “or order of the Member Customs (Policy) under sections 25D and 212B” shall be omitted;

**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,—
  - (a) in clause (5AB), in sub-clause (d), for the word “ten”, the word “eight” shall be substituted; and
  - (b) in clause (43A),-
    - (i) in sub-clause (f), the word “and” at the end shall be omitted; and
    - (ii) after sub-clause (f), amended as aforesaid, the following new sub-clause shall be inserted, namely:—
      - “(g) a retailer whose deductible withholding tax under sections 236G or 236H of the Income Tax Ordinance 2001(XLIX of 2001) during the immediately preceding

twelve consecutive months has exceeded the threshold as may be specified by the Board through notification in the official Gazette; and”;

- (2) in section 3, in sub-section (2), in clause (a), in the proviso, for the words “Federal Government”, the word “Board” shall be substituted;
- (3) in section 23, in sub-section (1),—
  - (a) in clause (b), in the proviso, for the semi colon at the end a colon shall be substituted and thereafter the following new proviso shall be added, namely:—

“Provided further that the condition of NIC shall not apply in the case of payment through debit or credit card or digital mode;”  
and

- (b) in clause (g), in the second proviso for the colon a full stop shall be substituted and thereafter the third proviso shall be omitted;
- (4) after section 30C, the following new section shall be added, namely:—

**“30CA. Directorate General of Digital Invoicing and Analysis.--**The Directorate General of Digital Invoicing and Analysis shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.”;

- (5) in section 33, in the Table,—
  - (a) against serial number 23,—

(i) in column (1) and column (2), for the words “cigarette packs”, “cigarette stock” and “cigarettes”, wherever

occurring, the expression “specified goods” shall be substituted; and

(ii) in column (2), the expression “and destruction” shall be omitted;

(b) against serial number 24, in column (1), in column (2), after the first paragraph, the following new paragraph shall be inserted, namely:-

“Notwithstanding above, the business premises of such person shall be liable to be sealed by an officer of Inland Revenue in the manner prescribed.”; and

(c) against serial number 25A, in column (1), in column (2),—

(i) for the first proviso, the following shall be substituted, namely:-

“Notwithstanding above, the business premises of such person shall be liable to be sealed by an officer of Inland Revenue in the manner prescribed.”; and

(ii) in the existing second proviso, the word “further” shall be omitted;

(6) in the Third Schedule, serial number 50, in column (1) and entries relating thereto in columns (2) and (3) shall be omitted with effect from 1<sup>st</sup> day of December, 2021;

(7) in the Fifth Schedule, in column (1),—

(a) serial numbers 3, 6A, 9, 15 and 18 and entries relating thereto in column (2) shall be omitted;

(b) against serial number 12, clauses (xvii) and (xix) shall be omitted;

- (c) after the omitted serial number 18 in column (1) and entries relating thereto in column (2), the following new serial numbers and entries relating thereto in column (2) shall be added, namely:—

“19.	Drugs registered under the Drugs Act, 1976 (XXXI of 1976), or medicaments as classified under chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969) except PCT heading 3005.0000.
20.	Petroleum Crude Oil (PCT heading 2709.0000).”.

- (8) in the Sixth Schedule,—

- (a) in Table-1, in column (1),—

- (i) serial numbers 1, 2, 3, 11, 12, 16, 20, 21, 23, 46, 49, 50, 51, 52, 52A, 53, 54, 55, 57, 58, 60, 61, 63, 71, 72, 81, 84, 92, 99, 102, 104, 105, 107, 109, 110, 113, 114, 116, 117, 126, 127, 129, 130, 131, 132, 134, 135, 136, 138, 139, 140, 141, 142, 146, 149, 150, 155 and 158 and entries relating thereto in columns (2) and (3) shall be omitted; and
- (ii) against serial number 13, in column (2) after the word “vegetables” the words “ imported from Afghanistan” shall be inserted;
- (iii) for serial number 15 and entries relating thereto in columns (2) and (3), the following shall be substituted, namely: —

“15.	Fruit imported from	0804.1010,	0804.1020,
	Afghanistan	0804.2000,	0804.3000,
	excluding apples	0804.4000,	0804.5010,
	PCT 0808.1000	0804.5020,	0804.5030,
		0805.1000,	0805.2910,

		0805.2100,	0805.2200,
		0805.2990,	0805.4000,
		0805.5000,	0805.9000,
		0806.1000,	0806.2000,
		0807.1100,	0807.1900,
		0807.2000,	0808.3000,
		0808.4000,	0809.1000,
		0809.2000,	0809.3000,
		0809.4000,	0810.1000,
		0810.2000,	0810.4000,
		0810.5000,	0810.6000,
		0810.9010,	0810.9090,
		0811.1000,	0811.2000,
		0811.9000,	0813.1000,
		0813.2000,	0813.3000,
		0813.4010, 0813.4020 and	0813.4090";

- (iv) for serial number 19 and entries relating thereto in columns (2) and (3), the following shall be substituted, namely: –

"19.	Rice, wheat, wheat and meslin flour	Respective heading.";
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- (v) for serial number 32 and entries relating thereto in columns (2) and (3), the following shall be substituted, namely: –

"32.	Newsprint and educational text books but excluding brochures, leaflets and directories	4801.0000, 4901.9100, 4901.9990 and 4903.0000."
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- (vi) for serial number 156 and entries relating thereto in columns (2) and (3), the following shall be substituted, namely: –

“156.	Import of CKD kits by local manufacturers of following Electric Vehicles:–	Respective heading”;
	i) Road Tractors for semi-trailers (Electric Prime Movers)	
	(ii) Electric Buses	
	(iii) Three Wheeler Electric Rickshaw	
	(iv) Three Wheeler Electric Loader	
	(v) Electric Trucks	
	(vi) Electric Motorcycle	

- (b) in Table-2, in column (1),–

- (i) serial numbers 1, 2, 4, 9, 15, 16, 22, 23, 33 and 38 and entries relating thereto in columns (2) and (3) shall be omitted;
- (ii) for serial number 7 and entries relating thereto in columns (2) and (3), the following shall be substituted, namely: –

“7.	“Bread, Nan, Chapatti, Sheermal prepared in tandoors excluding those prepared in bakeries, restaurants, food chains and sweet shops.	Respective heading.”;
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- (iii) after serial number 39 and entries relating thereto in columns (2) and (3), the following new serial numbers and entries relating thereto in in columns (2) and (3) shall be added, namely:—

40.	Live Animals and live poultry	Respective headings
41.	Meat of bovine animals, sheep, goat and uncooked poultry meat excluding those sold in retail packing under a brand name	Respective headings
42.	Fish and crustaceans excluding those sold in retail packaging under a brand name	Respective headings
43.	Live plants including bulbs, roots and the like	0601.1010, 0601.1090, 0601.2000, 0602.1030, 0602.2000, 0602.3030, 0602.4000, 0602.9010 and 0602.9090
44.	Cereals other than rice, wheat, wheat and meslin flour	Respective headings
45.	Edible vegetables including roots and tubers, except ware potato and onions, whether fresh, frozen or otherwise preserved	0701.1000, 0702.0003, 0703.2000, 0703.9003, 0704.1000, 0704.2003, 0704.9000, 0705.1103, 0705.1900, 0705.2103, 0705.2900, 0706.1003,

	(e.g. in cold storage) but excluding those bottled or canned.	0706.9000, 0707.0000, 0708.1000, 0708.2000, 0708.9000, 0709.1000, 0709.2000, 0709.3000, 0709.4000, 0709.5100, 0709.5910, 0709.5990, 0709.6000, 0709.7000, 0709.9000, 0710.1000, 0710.2100, 0710.2200, 0710.2900, 0710.3000, 0710.4000, 0710.8000, 0710.9000, 0712.2000, 0712.3100, 0712.3200, 0712.3300, 0712.3900 and 0712.9000
46.	Edible fruits	Respective headings
47.	Sugar cane	1212.9300
48.	Eggs including eggs for hatching	0407.1100, 0407.1900 0407.2100 and 0407.2900
49.	Compost (non-commercial fertilizer)	Respective headings
50.	Locally manufactured laptops, computers, notebooks whether or not incorporating multimedia kit and personal computers	8471.3010 and 8471.3020
51.	Newspaper	Respective headings"; and

(c) in Table-3, in the Annexure, in column (1), serial numbers 1, 2, 2A, 3, 4, 5, 6, 7, 8, 9, 11, 13, 14, 14A, 15, 15A, 15B, 17

and 21 and entries relating thereto in columns (2), (3) and (4) shall be omitted;

(9) in the Eighth Schedule,–

(a) in Table-1, in column (1),–

- (i) serial numbers 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 26, 27, 28, 29, 30, 34, 45, 46, 54, 55, 59, 61, 62, 63, 64, 66A, 66B, 68, 69, 75 and 76 and entries relating thereto in columns (2), (3), (4) and (5) shall be omitted;
- (ii) against serial number 66, in column (4), for the expression “10%”, the expression “12%” shall be substituted;
- (iii) for serial number 70 and entries relating thereto in columns (2), (3), (4) and (5), the following shall be substituted, namely:–

“70.	Following locally manufactured electric vehicles	Respective heading	1%	Local supplies only”;
	(i) Road Tractors for semi-trailers (Electric Prime Movers)			
	(ii) Electric Buses			
	(iii) Three Wheeler Electric Rickshaw			
	(iv) Three Wheeler Electric Loader			

	(v) Electric Trucks			
	(vi) Electric Motorcycle			

(iv) against serial number 72, in column (5), for the expression "1000cc", the expression "850cc" shall be substituted;

(v) for serial number 73 and entries relating thereto in columns (2), (3), (4) and (5), the following shall be substituted, namely:-

"73.	Import and local supply of Hybrid Electric Vehicles upto 1800cc"	87.03	12.5%	";
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(vi) after the omitted serial number 76 and entries relating thereto, the following new serial number and entries relating thereto in columns (2), (3), (4) and (5) shall be added, namely:-

"77.	personal computers and Laptop computers, notebooks whether or not incorporating multimedia kit	8471.3020 and 8471.3010	5%	If imported in CBU condition"; and
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(b) Table-2 shall be omitted;

(10) in the Ninth Schedule, in Table-II, in column (1), against serial number 1, in column (2).—

- (a) against category E, in column (3), for the expression "Rs. 1,740", the expression "17% *ad valorem*" shall be substituted;
- (b) against category F, in column (3), for the expression "Rs. 5,400", the expression "17% *ad valorem*" shall be substituted; and
- (c) against category G, in column (3), for the expression "Rs. 9,270", the expression "17% *ad valorem*" shall be substituted;

**4. Amendments of Islamabad Capital Territory (Tax on Services), Ordinance, 2001, (XLII of 2001).** – In the Islamabad Capital Territory (Tax on Services), Ordinance, 2001, (XLII of 2001), the following further amendments shall be made, namely:–

(1) in section 3, –

(a) for sub-section (1), the following shall be substituted, namely:–

"(1) Subject to the provisions of this Ordinance, there shall be charged, levied and paid a tax known as sales tax at rates specified in column (4) of Table-1 of the Schedule to this Ordinance of the value of the taxable services rendered or provided in the Islamabad Capital Territory:

Provided that the services specified in Table-2 of the Schedule shall be charged to tax at such rates and subject to such conditions and limitations as specified therein;" and

(b) in sub-section (2), for the words "the Schedule to this Ordinance", the expression "Table-1 or Table-2 of the Schedule to this Ordinance, as the case may be," shall be substituted;

(2) in the Schedule, –

- (a) the existing schedule shall be re-named as Table-1; and
- (b) after Table-1 amended as aforesaid, the following new Table shall be added, namely:-

**“Table-2**

S.No.	Description	PCT Heading, if applicable	Rate of Tax
(1)	(2)	(3)	(4)
1.	Construction services, excluding <ul style="list-style-type: none"><li>(i) Construction projects (industrial and commercial) of the value (excluding actual and documented cost of land) not exceeding Rs.50 million per annum.</li><li>(ii) The cases where sales tax is otherwise paid as property developers or promoters.</li><li>(iii) Government civil works including cantonment boards.</li><li>(iv) Construction of industrial zones, consular building and other organizations exempt from income tax.</li><li>(v) Residential construction projects where the covered area does not exceed 10,000 square feet for houses and 20,000 square feet for apartments.</li></ul>	9814.2000 and 9824.0000	Zero per cent subject to the condition that no input tax adjustment or refund shall be admissible
2	Services provided for personal care by	9810.0000.	Five per cent

	<p>beauty parlours, clinics and slimming clinics, body massage centres, pedicure centres, including cosmetic and plastic surgery by such parlours / clinics, but excluding cases where -</p> <p>(i) annual turnover does not exceed Rs.3.6 million; or</p> <p>(ii) the facility of air-conditioning is not installed or available in the premises.</p>	<p>9821.4000 and 9821.5000</p>	<p>subject to the condition that no input tax adjustment or refund shall be admissible.</p>
3.	Services provided by freight forwarding agents, and packers and movers.	<p>9805.3000 and 9819.1400</p>	<p>Five percent or Rs. 1000 per bill of lading, whichever is higher subject to the condition that no input tax adjustment or refund shall be admissible.</p>
4.	Services provided by tour operators and travel agents including all their allied services or facilities (other than Hajj and Umrah).	<p>9803.9000. 9805.5000 and 9805.5100</p>	<p>Five per cent subject to the condition that no input tax adjustment or refund shall be admissible.</p>
5.	Services provided by specialized workshops or undertakings (auto-workshops; workshops for industrial machinery, construction and earth-moving machinery or other special	<p>98.20</p>	<p>Five per cent subject to the condition that no input tax adjustment or</p>

	purpose machinery etc; workshops for electric or electronic equipment or appliances etc. Including computer hard ware; car washing or similar service stations and other workshops).		refund shall be admissible.
6.	Services provided by health clubs, gyms, physical fitness centres, indoor sports and games centres and body or sauna massage centres.	9821.1000, 9821.2000 and 9821.4000	Five per cent subject to the condition that no input tax adjustment or refund shall be admissible.
7.	Services provided by laundries and dry cleaners.	9811.0000	Five per cent subject to the condition that no input tax adjustment or refund shall be admissible.
8.	Services provided by property dealers and realtors.	Respective headings	Zero per cent subject to the condition that no input tax adjustment or refund shall be admissible.
9.	Services provided by car / automobile dealers.	Respective headings	Five per cent subject to the condition that no input tax adjustment or refund shall be



			admissible.
10.	Services provided or rendered by marriage halls and lawns, by whatever name called, including "pandal" and "shamiana" services and caterers.	Respective headings	Five per cent subject to the condition that no input tax adjustment or refund shall be admissible.
11.	<p>IT services and IT-enabled services.</p> <p><b>Explanation.-</b> For the purpose of this entry –</p> <p>(a) <b>"IT services"</b> include software development, software maintenance, system integration, web design, web development, web hosting and network design; and</p> <p>(b) <b>"IT enabled services"</b> include inbound or outbound call centres, medical transcription, remote monitoring, graphics design, accounting services, HR services, telemedicine centers, data entry operations, locally produced television programs and insurance claims processing.</p>	Respective headings	Five Percent
12.	Services provided by property developers and promoters (including allied services) relating to low cost housing schemes sponsored or approved by Naya Pakistan Housing and Development Authority or under Government's Ehsaas programme.	9807.0000 and respective sub-headings of heading 98.14	Zero per cent subject to the condition that no input tax adjustment or refund shall be admissible ";

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

- (1) in section 2, after clause (17A), the following new clause shall be inserted, namely:–

“(17B) “digital means” mean electronic or digital payments as defined by the State Bank of Pakistan;”;

- (2) in section 21, in clause (1a), in the proviso, for the semi colon at the end, a colon shall be substituted and thereafter the following new proviso shall be added, namely:—

“Provided further that this clause shall be effective from such date as the Board may notify;”;

- (3) in section 153, in sub-section (3), in the proviso, in clause (c), for the semi colon at the end, a full stop shall be substituted and thereafter the following explanation shall be added, namely:–

“**Explanation.**– For the removal of doubt, it is explained that the income of resident person referred to in sub-section (3) means the amount on which tax is deductible under sub-section (1) or (2) of this section.”;

- (4) in section 165A, in sub-section (1),–

(a) in clause (d), for full stop at the end, a semi colon and the word “and” shall be substituted; and

(b) after the omitted clause (e), the following new clause shall be added, namely: –

“(f) a list of persons containing particulars of their business accounts opened or re-designated during each preceding calendar month.”;

(5) in section 216, in sub-section (3),—

- (a) in clause (s), for full stop at the end, a semi colon and the word “or” shall be substituted; and
- (b) after clause (s), amended as foresaid, the following new clause shall be added and shall always be deemed to have been so added, namely:—

“(t) in respect of any high-level public officials and public servants in BPS-17 and above, their spouses, children or *benamidars*, or any person in relation to whom the aforesaid persons are beneficial owner:

Provided that nothing in clause (t) shall apply to those who are expressly excepted under clause (iv) of sub-section (m) of section 5 of the National Accountability Bureau Ordinance, 1999 (Ordinance No. XVIII of 1999).

*Explanation.*— “High-level public officials” mean politically exposed persons as defined by a rule, regulation, executive order or instrument; or under any law for the time being in force.”;

(6) in section 233, after sub-section (3), the following explanation shall be added, namely:—

*“Explanation.*— For the removal of doubt, it is explained that the income of person referred to in sub-sections (2B) and (3) means the amount on which tax is deductible under sub-sections (1) or (2A) of this section.”;

(7) after section 236C, the following new section shall be inserted, namely:—

**“236CA. Advance tax on TV plays and advertisements.-**

(1) Any licensing authority certifying any foreign TV drama serial or a play dubbed in Urdu or any other language, for screening and viewing on any landing rights channel, shall collect advance tax at the rates specified in Division XA of Part IV of the First Schedule.

(2) Any licensing authority certifying any commercial for advertisement starring foreign actor, for screening and viewing on any landing rights channel shall collect advance tax at the rates specified in Division XA of Part IV of the First Schedule.

(3) The tax required to be collected under this section shall be minimum tax in respect of income arising from such drama serial or play or advertisement referred to in sub-section (1) or (2) of this section.”;

- (8) in section 236Q, after sub-section (3), the following explanation shall be added, namely:—

“*Explanation.*— For the removal of doubt, it is explained that the income of person referred to in sub-section (3) means the amount on which tax is deductible under sub-section (1) or (2) of this section.”;

- (9) in the First Schedule,—

(A) in Part I, in Division III,—

- (i) in clause (b), for the expression “and (c)”, the expression “,(c) and (d)” shall be substituted; and
- (ii) clause (c) shall be re-numbered as clause (d) and after clause (b), amended as aforesaid, the following new clause shall be inserted, namely:—

“(c) 0% in case of dividend received by a REIT scheme from Special Purpose Vehicle and 35% in case of dividend received by others from Special Purpose Vehicle as defined under the Real Estate Investment Trust Regulations, 2015.”;

(B) in Part III, in Division I,–

- (i) in clause (b), for the expression “and (ba); and”, the expression “,(c) and (d);” shall be substituted; and
- (ii) after clause (b), amended as aforesaid, the following new clause shall be inserted, namely:–

“(c) 0% in case of dividend received by a REIT scheme from Special Purpose Vehicle and 35% in case of dividend received by others from Special Purpose Vehicle; as defined under the Real Estate Investment Trust Regulations, 2015; and”; and

- (iii) clause (ba) shall be re-numbered as clause (d); and

(C) in Part IV,–

- (a) in Division V, in the Table, in the first column, against Serial Number (b), in the third column, for the expression “10% for tax year 2022 and 8% onwards”, the expression “15%” shall be substituted; and

- (b) in Division VII, in clause (3), for the TABLE, the following shall be substituted, namely:

**“TABLE**

S.No.	Engine capacity	Tax
(1)	(2)	(3)
1.	Up to 1000cc	Rs.100,000
2.	1001cc to 2000cc	Rs.200,000
3.	2001cc and above	Rs.400,000

- (c) after Division X, the following new Division shall be inserted, namely:–

**“Division XA  
Advance Tax on TV plays and advertisements**

The rate of tax to be collected under section 236CA shall be, —

- |   |                           |
|---|---------------------------|
| (a) Foreign-produced TV drama serial or play  | Rs.1,000,000 per episode  |
| (b) Foreign-produced TV play (single episode) | Rs.3,000,000              |
| (c) Advertisement starring foreign actor      | Rs. 500,000 per second.”; |

(10) in the Second Schedule,—

(A) in Part I,—

(i) in clause (99),—

- (a) after the words “REIT Scheme”, the words “including Special Purpose Vehicle” shall be inserted; and
- (b) In the explanation, after the word “auditors”, the expression “and Special Purpose Vehicle shall have the same meaning as defined under the Real Estate Investment Trust Regulations, 2015” shall be inserted;

(ii) in clause (99A),—

- (a) after the word “property”, the words “or shares of Special Purpose Vehicle” shall be inserted; and
- (b) after the full stop at the end, the following new explanation shall be added, namely:—

*“Explanation.— For the purpose of this clause, Special Purpose Vehicle shall have the same meaning as defined under the Real Estate Investment Trust Regulations, 2015.”; and*

(iii) in clause (132), in the sixth proviso, for the words “letter of intent”, the words “Letter of Support” shall be substituted and shall always be deemed to have been so substituted; and

(B) in Part IV, in clause (47B),—

- (a) after the word “scheme”, occurring for the second time, the words “including Special Purpose Vehicle” shall be inserted; and
- (b) after the full stop at the end, the following new explanation shall be added, namely:—

*“Explanation.—* For the purpose of this clause, Special Purpose Vehicle shall have the same meaning as defined under the Real Estate Investment Trust Regulations, 2015.”.

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

(1) in the First Schedule, in Table-1, in column (1),—

(a) against serial No. 55, in column (2),—

- (i) against sub-serial (b), in column (4), for the expression “5%”, the expression “10%” shall be substituted;
- (ii) against sub-serial (c), in column (4), for the expression “25%”, the expression “30%” shall be substituted; and
- (iii) against sub-serial (d), in column (4), for the expression “30%”, the expression “40%” shall be substituted;

(b) against serial No. 55B, in column (2), —

- (i) against sub-serial (b), in column (4), for the expression "2.5%", the expression "5%" shall be substituted; and
    - (ii) against sub-serial (c), in column (4), for the expression "5%", the expression "10%" shall be substituted;
  - (c) against serial No. 55C, in column (4), for the expression "25%", the expression "30%" shall be substituted; and
  - (d) against serial No. 55D, in column (4), for the expression "7.5%", the expression "10%" shall be substituted;
-



### **Statement of Objects and Reasons**

The purpose of this bill is to give legislative effect to the taxation proposals of the Federal Government to achieve efficiency, equity in the tax system, broadening of tax base as well as documentation of economy and shall come into force on the next day of assent given to this Act by the President of Islamic Republic of Pakistan except clause 3(6) which shall have effect from 1<sup>st</sup> December, 2021.

**Shaukat Fayaz Ahmed Tarin**  
Minister for Finance & Revenue

## NOTES ON CLAUSES

### CUSTOMS

Clause 2(1)	Seeks to amend section 25A to withdraw the powers of Collector to determine the Customs Value of imported or exported goods and centralize the aforesaid powers with the Director of valuation to bring uniformity in the process of fixation of values of goods.
Clause 2(2)	Seeks to amendment section 25D so that, appeal against the decision of DG Valuation should not lie before the Member Customs (Policy) and should be taken up at some judicial fora to redress the grievances.
Clause 2(3)	Seeks to amendment section 80(3) as the time limit aspect has already been dealt under Section 32 of the Customs Act, 1969.
Clause 2(4)	Seeks to amendment section 81(1) in order to avoid any complications to secure government revenue to retain bank guarantee or pay order.
Clause 2(5)	Seeks to add new clause in section 194A so that the aggrieved party may file appeal before the Appellate Tribunal.
Clause 2(6)	Seeks to amend section 196 as a consequential effect of the amendment proposed in Section 25D of the Customs Act, 1969 whereby the powers of Member (Customs Policy) with regard to hearing of appeals against the decision/order of DG valuation have been proposed to be omitted.

## SALES TAX

Clause 3(1)(a)	Seeks to substitute the word "ten" with the word "eight" in sub-clause (d) in clause (5AB) in section 2
Clause 3(1)(b)	Seeks to insert sub-clause (g) in clause (43A) in section 2
Clause 3(2)	Seeks to replace the words "Federal Government" with "Board" in proviso to clause (a) of sub-section (2) of Section 3
Clause 3(3)(a)	Seeks to add new proviso in clause (b) of sub-section (1) of section 23
Clause 3(3)(b)	Seeks to omit third proviso in clause (g) of sub-section (1) of section 23
Clause 3(4)	Seeks to add new section 30CA after section 30C
Clause 3(5)(a)(i)	Seeks to replace the words "cigarette pack", "cigarette stock" and "cigarettes" with the word "specified goods" in column (1) and column (2) in serial no 23 in the Table in section 33
Clause 3(5)(a)(ii)	Seeks to omit the expression " and destruction" in column (2) in serial No 23 in the Table in section 33
Clause 3(5)(b)	Seeks to insert new paragraph in column (2) in serial number 24 in the Table in section 33
Clause 3(5)(c)	Seeks to replace the first proviso in column (2) in serial number 25A in the Table in section 33
Clause 3(6)	Seeks to omit Serial No 50 of the Third Schedule
Clause 3(7)(a)	Seeks to omit S. Nos. 3, 6A, 9, 15 and 18 in column (1) and entries relating thereto in column (2) of the Fifth Schedule
Clause 3(7)(b)	Seeks to omit clauses (xvii) and (xix) in column (2) against S. No 12 in in column (1) of the Fifth Schedule
Clause 3(7)(c)	Seeks to add new S. Nos. 19 and 20 after omitted S No. 18 in column (1) and entries relating thereto in column (2) of the Fifth Schedule
Clause 3(8)(a)(i)	Seeks to omit S. Nos. 1, 2, 3, 11, 12, 16, 20, 21, 23, 46, 49, 50, 51, 52, 52A, 53, 54, 55, 57, 58, 60, 61, 63, 71, 72, 81, 84, 92, 99, 102, 104, 105, 107, 109, 110, 113, 114, 116, 117, 126, 127, 129, 130, 131, 132, 134, 135, 136, 138, 139, 140, 141, 142, 146, 149, 150, 155 and 158 in column (1) and entries relating thereto in columns (2) and (3) in Table-1 of the Sixth Schedule
Clause 3(8)(a)(ii)	Seeks to add the words "imported from Afghanistan" after the word "vegetables" in column(2) in serial number 13

Clause 3(8)(a)(iii)	Seeks to substitute serial number 15 in column (1) and entries relating thereto in columns (2) and (3) in Table-1 of the Sixth Schedule
Clause 3(8)(a)(iv)	Seeks to substitute serial number 19 in column (1) and entries relating thereto in columns (2) and (3) in Table-1 of the Sixth Schedule
Clause 3(8)(a)(v)	Seeks to substitute serial number 32 in column (1) and entries relating thereto in columns (2) and (3) in Table-1 of the Sixth Schedule
Clause 3(8)(a)(vi)	Seeks to substitute serial number 156 in column (1) and entries relating thereto in columns (2) and (3) in Table-1 of the Sixth Schedule
Clause 3(8)(b)(i)	Seeks to omit S. Nos. 1, 2, 4, 9, 15, 16, 22, 23, 33 and 38 in column (1) and entries relating thereto in columns (2) and (3) in Table-2 of the Sixth Schedule
Clause 3(8)(b)(ii)	Seeks to substitute serial number 7 in column (1), and entries relating thereto in columns (2) and (3) in Table-2 of the Sixth Schedule
Clause 3(8)(b)(iii)	Seeks to add new S. Nos. 40, 41, 42, 43, 44, 45, 46, 47, 48, 49 and 50 after S. No. 39 in column (1) and entries relating thereto in columns (2) and (3) in Table-II of the Sixth Schedule
Clause 3(8)(c)	Seeks to omit S. Nos. 1, 2, 2A, 3, 4, 5, 6, 7, 8, 9, 11, 13, 14, 14A, 15, 15A, 15B, 17 and 21 in column (1) and entries relating thereto in columns (2), (3) and (4) in Table-3 of the Sixth Schedule
Clause 3(9)(a)(i)	Seeks to omit S. Nos. 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 26, 27, 28, 29, 30, 34, 45, 46, 54, 55, 59, 61, 62, 63, 64, 66A, 66B, 68, 69, 75 and 76 in column (1) and entries relating thereto in columns (2), (3), (4) and (5) in Table-I of the Eighth Schedule
Clause 3(9)(a)(ii)	Seeks to substitute the expression "10" with the expression "12" in column (4) against S. No. 66 in Table-1 of the Eighth Schedule
Clause 3(9)(a)(iii)	Seeks to substitute serial number 70 in column (1) and entries relating thereto in columns (2), (3), (4) and (5) in Table-1 of the Eighth Schedule
Clause 3(9)(a)(iv)	Seeks to substitute the expression "850cc" with the expression "1000cc" in column (5) against S. No. 72 in Table-1 of the Eighth Schedule
Clause 3(9)(a)(v)	Seeks to substitute serial number 73 in column (1) and entries relating thereto in columns (2), (3), (4) and (5) in Table-1 of the Eighth Schedule
Clause 3(9)(a)(vi)	Seeks to add S. No. 77 in column (1) after S. No. 76 in column (1) and entries relating thereto in columns (2), (3), (4) and (5) in Table-I of the Eighth Schedule
Clause 3(9)(b)	Seeks to omit Table-2 of the Eighth Schedule

Clause 3(10)(a)	Seeks to substitute the expression "17% ad val" with the expression "Rs. 1,750" in column (3), against category E, in column (2), in column (1), against serial number 1, in Table-2 of the Ninth Schedule
Clause 3(10)(b)	Seeks to substitute the expression "17% ad val" with the expression "Rs. 5,500" in column (3), against category F, in column (2), in column (1), against serial number 1, in Table-2 of the Ninth Schedule
Clause 3(10)(c)	Seeks to substitute the expression "17% ad val" with the expression "Rs. 9,270" in column (3), against category G, in column (2), in column (1), against serial number 1, in Table-2 of the Ninth Schedule

**ISLAMABAD CAPITAL TERRITORY (TAX ON SERVICES)**

Clause 4(1)(a)	Seeks to substitute sub-section (1) of section 3
Clause 4(1)(b)	Seeks to substitute the expression "the Schedule to this Ordinance" with the expression "Table-I or Table -2 of the Schedule to this Ordinance, as the case may be,"
Clause 4(2)(a)	Seeks to rename the existing schedule as Table-I
Clause 4(2)(b)	Seeks to add Table-2 to the Schedule

## **INCOME TAX**

Clause 5(1)	Seeks to define digital means of payment as per SBP.
Clause 5(2)	Seeks to empower Board to determine the implementation date of digital means of payment in case of Companies.
Clause 5(3)	Seeks to add explanation in section 153(1) (b) of the Ordinance.
Clause 5(4)(a)	Seeks to replace full stop with a semi colon and the word "and" in clause (d) of sub-section (1) of section 165A.
Clause 5(4)(b)	Seeks to add clause (f) in sub-section (1) of section 165A to allow banks to provide list of newly opened and re-designated business accounts.
Clause 5(5)(a)	Seeks to replace full stop with a semi colon and the word "or" in clause (s) of sub-section (3) of section 216.
Clause 5(5)(b)	Seeks to add a clause (t) in Section 216(3) of the Ordinance to allow disclosure of information in respect of high-level public officials and public servants.
Clause 5(6)	Seeks to add explanation in section 233(3) of the Ordinance.
Clause 5(7)	Seeks to introduce advance Tax on foreign TV plays and advertisements through insertion of section 236CA in the Ordinance.
Clause 5(8)	Seeks to add explanation in section 236Q(3) of the Ordinance.
Clause 5(9)(A)(i)	Seeks to exclude Special Purpose Vehicle from other mutual funds for rate purpose.

Clause 5(9)(A)(ii)	Seeks to provide tax rate chargeable on dividend issued by Special Purpose Vehicle as defined under the Real Estate Investment Trust Regulations, 2015
Clause 5(9)(B)(i)	Seeks to exclude Special Purpose Vehicle from other mutual funds for rate purpose.
Clause 5(9)(B)(ii)	Seeks to provide advance tax rate on payment of dividend issued by Special Purpose Vehicle as defined under the Real Estate Investment Trust Regulations, 2015.
Clause 5(9)(B)(iii)	Seeks to renumber the clause.
Clause 5(9)(C)(a)	Seeks to change rate on advance tax on cellular services in Division V of Part IV of First schedule of the Ordinance.
Clause 5(9)(C)(b)	Seeks to substitute the TABLE in clause (3) in Division VII of First schedule of the Ordinance.
Clause 5(9)(C)(c)	Seeks to introduce rates of advance tax to be collected under section 236CA of the Ordinance.
Clause 5(10)(A)(i)	Seeks to provide exemption to SPV.
Clause 5(10)(A)(ii)(a)	Seeks to extend exemption on profit and gains of Special Purpose Vehicle of REIT scheme.
Clause 5(10)(A)(ii)(b)	Seeks to explain meaning of Special Purpose Vehicle.
Clause 5(10)(A)(iii)	Seeks to make technical correction by replacing letter of intent with Letter of Support.
Clause 5(10)(B)(a)	Seeks to extend the scope of exemption from certain withholding provisions to Special Purpose Vehicle of REIT scheme.



**FEDERAL EXCISE**

Clause 6(1)(a)(i)	Seeks to substitute the expression "10%" with the expression "5%" in sub-serial (b) of S. No. 55 in column (4) of Table-I of First Schedule
Clause 6(1)(a)(ii)	Seeks to substitute the expression "30%" with the expression "25%" in sub-serial (c) of S. No. 55 in column (4) of Table-I of First Schedule
Clause 6(1)(a)(iii)	Seeks to substitute the expression "40%" with the expression "30%" in sub-serial (d) of S. No. 55 in column (4) of Table-I of First Schedule
Clause 6(1)(b)(i)	Seeks to substitute the expression "5%" with the expression "2.5%" in sub-serial (b) of S. No. 55B in column (4) of Table-I of First Schedule
Clause 6(1)(b)(ii)	Seeks to substitute the expression "10%" with the expression "5%" in sub-serial (c) of S. No. 55B in column (4) of Table-I of First Schedule
Clause 6(1)(c)	Seeks to substitute the expression "30%" with the expression "25%" in S. No. 55C in column (4) of Table-I of First Schedule
Clause 6(1)(d)	Seeks to substitute the expression "10%" with the expression "7.5%" in S. No. 55D in column (4) of Table-I of First Schedule