

A

BILL

to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2023, and to amend 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, 2023, and to amend certain laws for the purposes hereinafter appearing;

It is hereby enacted as follows: -

1. Short title and commencement. — (1) This Bill shall be called the Finance Bill, 2023.

(2) It shall, unless specified otherwise, come into force on the first day of July, 2023.

2. **Amendment of the Petroleum Products (Petroleum Levy) Ordinance, 1961 (XXV of 1961).** – In the Petroleum Products (Petroleum Levy) Ordinance, 1961 (XXV of 1961), in section 7, for the expression “Except for the Fifth Schedule, the”, the word “The” shall be substituted.

3. **Amendments of 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 section 2, in clause (s), after the word “goods”, occurring for the first time, the expression “, anywhere within the territorial jurisdiction of Pakistan”, shall be inserted;

(2) in section 3C, for the expression “Pakistan Customs Academy (PCA)”, occurring wherever, the expression “Customs Academy of Pakistan (CAP)” shall be substituted;

(3) in section 7, after the expression “(BMP)”, the expression “, Provincial Levies, Khasadar Force” shall be inserted;

(4) in section 19,-

(a) in sub-section (1), after the word “Pakistan,” occurring for the first time, the expression “, or to implement an agreement of the Government of Pakistan with any entity” shall be inserted; and

(b) in sub-section (5), in the second proviso, for the figure “2023”, the figure “2024” shall be substituted;

(5) in section 25A, in sub-section (1), in the proviso, for the expression “incorporate values from”, the expression “consult prices of goods available in” shall be substituted;

(6) in section 79, in sub-section (1), after the second 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 also that in case of land customs station at border, the owner of any imported goods shall file Goods Declaration (GD) for home consumption or warehousing or transshipment or any other approved purpose, within three days of arrival of goods at the border Customs station.”;

(7) in section 98, in sub-section (1), for the words “one month” occurring for the first time, the words “three months” shall be substituted;

(8) in section 139, in sub-section (1), after the word “crew”, the expression “or a representative on behalf of a group of passengers” shall be inserted.

(9) in section 156, in sub-section (1), in the Table,-

(a) against S. No.1,-

- (i) sub-serial number (ii) shall be omitted; and
- (ii) for sub-serial number (iii), the following shall be substituted, namely:-
 - “(iii) If any person fails to attach or electronically upload mandatory documents required under section 79 or 131 of the Customs Act, 1969-, Such person shall be liable to a penalty not exceeding Rs.50,000/- General”;
- (b) against S. No. 8, in sub-serial number (i), in clause (b), clause (c), clause (d) and clause (e), in column (2) after the word “times”, the words “but not less than” shall be inserted;
- (c) against S. No. 9, in column (2), after the word “times”, the words “but not less than” shall be inserted;
- (d) against S. No. 89, in sub-serial number (i), in column (2), after the word “times” occurring for second time, the words “but not less than” shall be inserted;
- (e) against S. No 90, in column (2), after the word “times”, the words “but not less than” shall be inserted;
- (10) in section 179, in sub-section (2), for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:-

“Provided that the respondent may opt for adjudication through the customs computerized system for such goods or offences as notified by the Board.”;

(11) in section 182, in the proviso, after the word “vehicles” the expression “, conveyance and any other equipment” shall be inserted;

(12) in section 185D, after sub-section (2), the following new sub-section shall be added, namely:-

“(3) The Board may at any stage of investigation direct transfer of investigation of criminal case from one field formation to other formation.”;

(13) in section 194A, in sub-section (1), in clause (f), for the full stop at the end, a semi-colon and the word “and” shall be substituted and thereafter the following new clause shall be added, namely:-

“(g) an appellate order or a quasi-judicial order passed by the Chief Collector of Customs under provisions of this Act and the rules made thereunder provided that such appeal shall be heard by a special bench consisting of one technical member and one judicial member.”;

(14) in section 208, in sub-section (2), 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 make rules regarding eligibility of a person for self-filing of goods declaration as provided under sub-section (2) read with section 155C of this Act.”;

(15) in section 212B, in sub-section (2), in clause (ii), after semi-colon, the word “or” shall be added and thereafter clause (iii) shall be omitted;

(16) 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

(17) in the Fifth Schedule, -

(A) in Part-I, in column (1), -

(i) in S. No. 21, -

(a) after sub-serial 7(a), the following new sub-serial number in column (2) and the entries relating thereto in columns (3), (4) and (5) shall be added, namely: -

	“7(aa). Raw materials for the manufacture of PV Modules		0%	If imported by the local assemblers/ manufacturers registered under the Sales Tax Act, 1990, of PV Modules subject to quota determination by the Input Output Co-
	(i). Silicon Adhesive/ Sealant.	3506.9990		
	(ii). MC4 Connectors.			
	(iii). Back sheet film.	8536.9090		
	(iv). Packing boxes/ modules.	3920.9900		
	(v). Corner block.	4819.1000		
	(vi). Polyethylene compound.	4819.5000		
		7610.9000		
	(vii).Tinned ingot.	3901.9000		

		8001.0000		efficient Organization (IOCO).”;
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(b) a

against sub-serial 7(b), in column (5), the following shall be inserted, namely: -

“If imported by the local assemblers/ manufacturers of PV Modules registered under the Sales Tax Act, 1990 subject to quota determination by the Input Output Co-efficient Organization (IOCO).”; and

(c) after sub-serial 7(b), as amended above the following new sub-serial numbers in column (2) and the entries relating thereto in columns (3), (4) and (5) shall be added, namely:

	“(c) Parts of Solar Inverters		0%	If imported by the local
	(i). Control board	8504.9090		assemblers/
	(ii). Power board	8534.0000		manufacturers
	(iii).Charge controller board A/C	9032.8990		of Solar Inverters
	(iv).Charge controller board PV	9032.8990		registered under the
	(v). DCDC board	8504.9090		Sales Tax Act, 1990, subject to quota

	(vi). LCD Display	8531.2000		determination
	(vii).Display board	8504.9090		by the Input
	(viii). AC input & output terminal	8504.9090		Output Co-
	(ix). Battery input terminals	8504.9090		efficient
	(x). PV terminals	8504.9090		Organization
	(xi).Casings (Plastic or Steel)	8504.9090		(IOCO).
	(xii). Circuit Board (CB) for inverters	8534.0000		
	(xiii).Stuffed PCBs for inverters	Respective headings		
	(d) Parts of Lithium Batteries		0%	If imported by
	(i). Cells	8507.9000		the local
	(ii).Copper Bar (Cell to Cell Connection)	7407.1010		assemblers/ manufacturers of Lithium Batteries registered

	(iii). BMS (level 1) Electronic Card	8507.9000	under the Sales Tax Act, 1990, subject to quota determination by the Input Output Co- efficient Organization (IOCO).
	(iv). Casing	8507.9000	
	(v). Harness Set (Cells Monitoring Wires with tags)	8544.4290	
	(vi).Output Terminal with screws	8536.9090	
	(vii).Power Cables (Battery Internal)	8544.4290	
	(viii). DC Fan	8414.5990	
	(ix). DC Breaker	8536.2010	
	(x).Packing Screws	7318.1590	
	(xi).Terminal Covers	3926.9099	
	(xii). Acrelic Sheet (Short Circuit Safety	3921.9090	

	Sheet)			
(d)	a f t e r s u	(xiii).Other Accessories (Temp Sensors, connectors, assembly items, Handles).	8536.9090 , 9031.8000 8507.9000	

b-serial 8, the following new sub-serial numbers in column (2) and the entries relating thereto in columns (3), (4) and (5) shall be added, namely: -

	“8a. Following machinery and equipment imported by manufacturing units of Solar Panels, Solar Inverters & Solar Batteries:-		0%	1. Ministry of Industries and Production, shall certify in the prescribed manner and format as per Annex-B that the imported
	1. Solar PV Modules Panels manufacturing machinery and equipment.			

	(i).Sun Simulator	9031.8000	goods are bona fide 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
	(ii). Glass Lifter	8428.9090	
	(iii).Tabber Stringer	8515.1900	
	(iv).Hi-Speed Layup Station with ROBOT	8479.5000	
	(v).Motorized Visual Inspection	9031.8000	
	(vi).Buffer before Bussing	8479.8990	
	(vii). Multi-station for Bussing	8479.8990	
	(viii).Centering Conveyor with Visual Inspection	8479.8990	
	(ix).Fully Automatic or Semi-automatic Laminator with Centering, Loading & Unloading	8479.8990	
	(x).Automatic Inline Framing Machine	8479.8990	
	(xi).Automatic Silicon	8479.8990	

	Dispenser		Act, 1969.
	(xii).Direction Changer with 90 Degree Rotator	8479.8990	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 as prescribed by FBR.
	(xiii).Centering Conveyor for Sun Simulator	8479.8990	
	(xiv).Hi-Pot Test Equipment	9031.8000	
	(xv).Electroluminesce nce (EL) Tester	9031.8000	
	(xvi).Motorized Conveyor	8428.3990	
	(xvii).EVA/Black sheet Cutting Machine	8441.1000	
	(xviii).Ribbon Cutting &Bending Machine	8461.9000	3. Condition (iv) of the preamble.
	(xix).Lab Test Equipment	9031.8000	
	(xx).Conveyer Belt	8428.3990	
	(xxi).Laser cutting machine for cell	8456.1190	
	(xxii).Cell sorting	9031.8000	

	machine & testers			
	2. Lithium ion batteries manufacturing machinery and equipment.			
	(i).Weighting kettles	8423.9000		
	(ii).Weighting and conveying systems	8428.3990		
	(iii). Storage tanks	7310.1000		
	(iv). Glue port	8419.8990		
	(v).Transfer tanks	7310.1000		
	(vi). Feeder	8479.8990		
	(vii). High speed spiral mixer	8479.8290		
	(viii).Booster pumps	8413.7090		
	(ix).Magnetic filters	8421.3990		
	(x).High speed homogenizer	8479.8290		
	(xi).Auxiliary equipment and DCS central control system	9032.8990		

	components			
	(xii). Pole piece cathode machine	8462.4900		
	(xiii). Polo piece rolling machine	8462.3900		
	(xiv). CNC nibbling machine	8462.4200		
	(xv). CNC bending machine	8462.2600		
	(xvi). Sport welding plant	8515.8000		
	(xvii). Auxiliary equipment	8479.8990		
	(xviii). High temperature circulation thermal tester	9030.8900		
	(xix). UL 2054 fire testing equipment	9031.8000		
	(xx). Pack rotation simulation	9031.8000		
	(xxi). Free fall tester	9031.8000		
	(xxii). Battery impact tester IEC	9031.8000		

	62133			
	(xxiii). UL 1642 flame tester	9031.8000		
	(xxiv). Electromagnetic vibration tester UN 38.3	9031.8000		
	(xxv).Single wing electromagnetic power drop testing equipment	9031.8000		
	(xxvi). Hydraulic crush testing equipment	9031.8000		
	3. Solar Inverters manufacturing machinery and equipment.			
	(i). Solder Paste Screen Machine	8515.1900		
	(ii). SMT pick and place machine	8479.5000		
	(iii).Wave-soldering machine	8515.1900		

(ii)	a g a i n s t	(iv). PCB Conveyor Belt	8428.3990		
		(v). SMT Workstation	8479.5000		
		(vi). Solder Pot	8419.8990		
		(vii).Solder Cleaning Equipment	8419.8990		
		(viii).Wire Cutting & Stripping Machine	8461.9000		
		(ix).Crimping Machine	8479.8990		

S. No. 26, in column (2), for the figure “2023”, the figure “2024”, shall be substituted;

(B) in Part-II, -

(i) in Table A, in column (1), -

- (a) Sr. No. 312 and the entries relating thereto in columns (2), (3) and (4), shall be omitted; and
- (b) after Sr. No. 381, the following new Sr. No. and the entries relating thereto in columns (2), (3) and (4), shall be added, namely: -

“382	Dextrose Anhydrous Injectable Grade (Pyrogen Free) USP	Respective heading	0”;
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- (ii) in Table C, after S. No. 40, the following new S. Nos. and the entries relating thereto in columns (2), (3) and (4), shall be added, namely: -

41	Gefitinib,	3004.9099	0%";
42	Caspian (Caspofungin 50 mg and 70 mg injection)	3004.9099	0%";
43	Bovine Lipid Extract Surfactant	3004.3900	0%"; and

- (iii) in Table D, against S. No. 31, in column (2) after sub-serial (vi), the following new sub-serial number shall be added namely :-

“(vii) Printed Composite Packaging of Aluminium Foil backed
with Paper and Plastic”;

- (C) in Part-III, in the Table, in column (1), -

- (i) after Sr. No. 9, and the entries relating thereto in columns (2), (3), (4) and (5), the following S. No. shall be inserted, namely: -

9A	Other seeds for sowing	Respective headings	0%	-do-
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- (ii) Sr. Nos. 44, 56, 63 and 88 and the entries relating thereto in columns (2), (3), (4) and (5), shall be omitted;

- (iii) against Sr. No. 107, -

- (a) in column (2), against sub-serial (1), the following shall be substituted, namely: -

“(i) Paper having specification 60 gm/m² in 23X36
inches or 20X30 inches sheets (ii) Art paper

having specification 20x30 inches, 23x30 inches, 23x33 inches, 23x36 inches and 700x1000 mm”, the description “(i) Paper having specification 60 to 90 gsm of 20x30, 23x30, 23x36, 23x33 and 30x40 inches in sheets; and

(ii) Art card or board (200 to 300 gsm) and art paper having specification 60 to 90 gsm of 20x30 inches, 23x30 inches, 23x36, 30x40 inches and 700x1000 mm in sheets” shall be substituted; and

(b) in column (3), for the PCT codes “4802.5510”, the PCT code “4802.6990”, shall be substituted and the PCT code “4810.1310”, shall be omitted;

(iv) for Sr. No. 111, and the entries relating thereto in columns (2), (3), (4) and (5), the following shall be substituted, namely: -

“111	(i) Other	3506.9190	0%	If imported by manufacturers of diapers or sanitary napkins registered under the Sales Tax Act, 1990, subject to annual quota determination and verification
	(ii) Other	3906.9090		
	(iii) Other	3919.1090		
	(iv) Of polymers of ethylene	3920.1000		
	(v) Of other plastics	3920.9900		
	(vi) Of other plastics	3921.1900		
	(vii) Of polymers of ethylene	3923.2100		

	(viii) Weighing not more than 25 g/m ²	5603.1100		by the Input Output Co-efficient
	(ix) Weighing more than 25 g/m ² but not more than 70 g/m ²	5603.1200		Organization (IOCO) and certification by the Engineering Development Board that the imported goods are not manufactured locally, till June, 2024.”;
	(x) Weighing more than 25 g/m ² but not more than 70 g/m ²	5603.9200		
	(xi) Weighing more than 70 g/m ² but not more than 150 g/m ²	5603.9300		

(v) against Sr. No. 113, in column (5), after the words “hemodialyzers”, the expression “fluid or powder” shall be inserted;

(vi) against Sr. No. 119, in column (4), for the expression “5%”, the expression “0%” shall be substituted;

(vii) against Sr. No. 122, in column (2), after sub-serial (xv), the following sub-serial shall be added, namely:-

“(xvi) Roasted peanuts” and in column (3), after PCT code “3824.9999”, the PCT code “2008.1100”;

- (viii) against Sr. No. 134, in column (5), for the words “Polyester Staple Fiber”, the expression “polyester staple fiber, polyester filament yarn” shall be substituted;
- (ix) against Sr. No. 151, in column (5), for the figure “2023”, the figure “2024” shall be substituted;
- (x) after Sr. No. 152, and the entries relating thereto in columns (2), (3), (4) and (5), the following shall be added, namely: -

153	Raw materials / inputs	3920.2090 3920.4990 4808.9000 7607.1990	0%	If imported by manufacturers of Adhesive Tapes registered under the Sales Tax Act, 1990, subject to quota determination by the Input Output Co-efficient Organization (IOCO)
154	Biaxially oriented polypropylene (BOPP) film, plain	3920.2010	5%	If imported by manufacturers of Capacitors registered under the Sales Tax Act, 1990,
	Biaxially oriented polypropylene (BOPP) film,	3920.2030		

	metallized			subject to quota determination by the Input Output Co-efficient Organization (IOCO) till June 2024
	Rolled but not further worked	7607.1100		
155	Raw materials / inputs	7226.9900 7228.3090 7228.4000	0%	If imported by manufacturers of Moulds and Dies registered under the Sales Tax Act, 1990, subject to quota determination by the Input Output Co-efficient Organization (IOCO)
156	Raw Materials	Respective Heading	0%	If imported by manufacturers of Mining Machinery and Implements, registered under
	Shafting material/ Pumps	84.13		
	Electric Motor	85.01		
	Rotor for	85.03		

	generator			the Sales Tax Act, 1990, subject to annual quota determination by the Input Output Coefficient Organization (IOCO). and certification by the EDB that the imported goods are not manufactured locally.
	Power Supply	85.04		
	Sensor etc.	90.25		
	Flow Meter/ Level Gauges/ Pressure Gauges	90.26		
	Pressure Controller	90.32		
157	Raw Materials	Respective Heading	0%	If imported by manufacturers of Machine Tools, registered under the Sales Tax Act, 1990, subject to annual quota determination by the Input Output
	Components/ Sub-Components	Respective Heading		

				Coefficient Organization (IOCO). and certification by the EDB that the imported goods are not manufactured locally.
158	Gear Motor	8501.5230	0%	If imported by manufacturers of Rice Mill Machinery, registered under the Sales Tax Act, 1990, subject to annual quota determination by the Input Output Coefficient Organization (IOCO). and certification by the EDB that the
	Motors	8501.5290		
	Belt	4010.3490		
	Belt	4010.1100		
	Split bearing Block-Bracket, Spherical Roller Bearings, Adapter Sleeve Bearings	8483.2000		
	Pillow Block Brackets	8302.4900		
	Carbon Shaft	8422.9090		
	Mild Steel Polished Shaft	8422.9090		
	Hex head	7318.1690		

	Stainless Steel Nut & Bolt			imported goods are not manufactured locally.
	Sprockets	7326.1990		
	Touch Screen	8524.1100		
159	Following IT related Equipment:-		0%	Software exporters registered with Pakistan Software Export Board will have a concession on the assessed value of the imported goods equivalent to 1% of their export proceeds of the previous financial year subject to the conditions that- (i) Pakistan Software Export Board shall certify
	i. Laptop computers, notebooks whether or not incorporating multimedia kit	8471.3010		
	ii. Personal computers	8471.3020		
	iii. Other	8471.3090		
	iv. Micro computer	8471.4110		
	v. Key boards	8471.6010		
	vi. Mouse and other pointing devices.	8471.6020		
	vii. Scanner	8471.6030		
	viii. Other	8471.6090		

	ix. CD ROM drive	8471.7040		that the imported goods are bona fide requirements for their own use of the software exporter; and
	x. Multimedia kits for PCs	8471.9020		(ii) Export proceeds shall also be certified by the Pakistan Software Export Board
	xi. Hard disk drives	8471.7020		(Explanation: Concession equivalent to 1% of the export proceeds of the preceding Financial Year on the assessed value of the
	xii. Servers	8471.5000		
	xiii. Routers	8517.6270		

				imported goods may be availed on one or multiple consignments during the financial year but cumulatively it will not exceed 1% of the export proceeds.)
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(D) Part-V and the Table relating thereto, shall be omitted;

(E) in Part-V(A), in Table-II, -

- (i) against S. No.1, in column (3), in sub-serial (d), for the PCT code “8501.3290”, the PCT code “8501.3200” shall be substituted;
- (ii) against S. No.2, in column (3), in sub-serial (c), for the PCT code “8501.3290”, the PCT code “8501.3200” shall be substituted;
- (iii) against S. No.3, in column (3), in sub-serial (a), for the PCT code “8501.3290”, the PCT code “8711.6050” shall be substituted; and

(F) For Part-V(B), the following shall be substituted, namely: -

“Part-V(B)

Import of Hybrid Electric Vehicles (CBUs)

Under Auto Industry Development and Export Policy (AIDEP)

2021-26

TABLE-I

S. No	Description	PCT Code	CD%	Condition
(1)	(2)	(3)	(4)	(5)
1.	Hybrid Electric Vehicles (HEV) (CBU)	8702.2090 8702.3090	1%	The concession shall be admissible to manufacturers on import of same variant to be assembled / manufactured locally subject to certification and quota determination by the Engineering Development Board (EDB)
2.	Hybrid Electric Vehicles (HEV) (CBU)	8704.4100 8704.4200 8704.5100 8704.5200	1%	The concession shall be admissible to manufacturers on import of same variant to be assembled / manufactured locally subject to certification

				and quota determination by the Engineering Development Board (EDB)
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TABLE-II

**Import of Parts for Hybrid Vehicles
Under Auto Industry Development and
Export Policy (AIDEP) 20121-26**

S. No.	Description of Imported Good	PCT Code	CD %	Condition
(1)	(2)	(3)	(4)	(5)
1.	Following parts for Hybrid Electric Vehicle: -	Respective headings	4%	The concession shall be admissible to manufacturers of Hybrid electric vehicles subject to certification and quota determination
	1.Battery pack and its parts: (i) thermistor (ii) resistor (iii) capacitor (iv) bus bar			
	2.Cooling system for battery packs including blower,			

	tubes, hoses, pump			by the Engineering Development Board (EDB).
	3.Sensor hybrid vehicle battery voltage			
	4.Inverter assembly with converter (Power control unit)			
	5.Electric motor and generator for Transaxle assembly			
	6.Battery charging system / inlet connectors			
	7.Hybrid system control unit / hybrid ECU			
	8.Junction box			
2.	Following parts for Plug-in-Hybrid Electric Vehicle: -	Respective headings	3%	The concession shall be admissible to manufacturers of Plug-in Hybrid electric vehicles
	1.Battery pack and its parts: (i) thermistor (ii) resistor (iii) capacitor			

	(iv) bus bar			subject to
	2.Cooling system for battery packs including blower, tubes, hoses, pump			certification and quota determination by the
	3.Sensor hybrid vehicle battery voltage			Engineering Development Board (EDB).
	4.Inverter assembly with converter (Power control unit)			
	5.Electric motor and generator for Transaxle assembly			
	6.Battery charging system / inlet connectors			
	7.Hybrid system control unit / hybrid ECU			
	8.Junction box			
	9.Charger			
	10.Charging port"			

“Part V(C)

Import of Agricultural Tractors

TABLE

S. No.	Description	PCT Code	Customs Duty%
(1)	(2)	(3)	(4)
1.	Agricultural Tractors, having an engine capacity exceeding 26 kW but not exceeding 75kW	8701.9220 8701.9320	15%
2.	Agricultural Tractors (other than mentioned at S. No. 1 above)	8701.9100, 8701.9400 8701.9500	10%";

(G) in Part-VII, in Table-A, in column (1), for S. No. 2 and the entries relating thereto in column (2), (3) and (4), the following shall be substituted, namely:

"2	Live baby fish and shrimp or prawns (juvenile) for production and breeding in commercial fish farms and hatcheries	0301.9100 0301.9200 0301.9300 0301.9400 0301.9500 0301.9900 0306.3500 0306.3600	0"
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4. **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 (12), after the word “include”, the expression “production, transmission and distribution of electricity,” shall be omitted;
- (b) in clause (33), the sub-clause (e) shall be omitted;
- (c) in clause (43A), sub-clauses (e) and (ga) shall be omitted.
- (2) for section 30CA, the following shall be substituted, namely:—

“30CA. Directorate General of Digital Initiatives.-- The Directorate General of Digital Initiatives 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.”;

- (3) in section 33, in clause (23), in column (1), for the words “cigarette packs”, the expression “goods or class of goods as specified by the Board under sub-section (1) of section 40C” shall be substituted;
- (4) in the Fifth Schedule, in column (1),—

- (a) after serial number 8, the following new serial number and entries thereto in column (2) shall be inserted, namely:—

“8A.	Imports or supplies made by, for or to a qualified investment as specified at Serial No.1 of the First Schedule to the Foreign Investment (Promotion and Protection) Act, 2022 for the period as specified in the Second Schedule to the said Act.”.	;
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- (b) against serial number 12, in column (2), for clause (xxv), the following shall be substituted, namely:—

“(xxv) other drawing, marking out or mathematical calculating instruments (geometry box) (PCT heading 9017.2000).”; and

(c) against serial number 21, in column (2), after the words “supplies of”, the expression “commodities,” shall be inserted;

(5) in the Sixth Schedule,

(I) in Table-1, in column (1),—

(a) against serial numbers 16, in column (2), for the words “in retail packing bearing”, the word “under” shall be substituted;

(b) against serial numbers 17, in column (2), for the words “in retail packing bearing”, the word “under” shall be substituted;

(c) against serial numbers 18, in column (2), for the words “in retail packing bearing”, the word “under” shall be substituted;

(d) in serial number 121, in column (2), the following Explanation shall be added, namely:—

“Explanation.— For removal of doubt, it is clarified that the blood transfusion sets not packed in aluminum foil imported with blood bags CPDA-1, in corresponding quantity in same consignment are also exempt;”

(e) against serial number 151, in column (2), in clause (b), for the expression “30th June, 2023” the expression “30th June, 2024” shall be substituted;

- (f) against serial number 152, in column (2), for the expression “30th June, 2023” the expression “30th June, 2024” shall be substituted;
- (g) serial numbers 159 and 160 and entries relating thereto in columns (2) and (3) shall be omitted; and
- (h) after serial number 174 and entries relating thereto in columns (2) and (3), the following shall be added, namely:–

“175.	Contraceptive and accessories thereof	3926.9020 and 4014.1000
176.	Bovine semen	0511.1000
177.	Saplings	Respective heading
178.	Combined Harvester – Thresher	8433.5100
179.	Dryer for agricultural products	8419.3400
180.	No-till-direct seeder, planters, trans-planters and other planters	8432.3100 and 8432.3900
181.	Import of goods as mentioned under S. No. 159 of Part III of Fifth Schedule to the Customs Act, 1969 (IV of 1969) chargeable to customs duty at the rate of zero percent, subject	7471.3010, 8471.3020, 8471.3090, 8471.4110, 8471.6010, 8471.6020,

	to the conditions, restrictions and limitations mentioned therein, by the software exporters registered with the Pakistan Software Export Board.	8471.6090, 8471.7040, 8471.9020, 8471.7020, 8471.5000 and 8517.6270.”.
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(II) in Table-2, in column (1),—

- (a) against serial number 32, in column (2), after the word “sold”, the words “in retail packing” shall be omitted;
- (b) against serial number 34, in column (2), after the word “sold”, the words “in retail packing” shall be omitted;
- (c) against serial number 35, in column (2), after the word “sold”, the words “in retail packing” shall be omitted;
- (d) against serial number 36, in column (2), after the word “sold”, the words “in retail packing” shall be omitted;
- (e) against serial number 37, in column (2), after the word “sold”, the words “in retail packing” shall be omitted;
- (f) against serial number 39, in column (2), after the word “sold”, the words “in retail packing” shall be omitted;
- (g) against serial number 41, in column (2), after the word “sold”, the words “in retail packing” shall be omitted; and
- (h) against serial number 42, in column (2), after the word “sold”, the words “in retail packing” shall be omitted;

(6) in the Eighth Schedule, in column (1),—

- (a) against serial number 66, in column (4), for the expression “12%”, the expression “15%” shall be substituted; and
- (b) serial numbers 81 and 82 and entries relating thereto in columns (2), (3), (4) and (5) shall be substituted, namely:—

“81.	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:- (a) filled infusion solution bags imported with or without infusion given sets; (b) scrubs, detergents and	Respective Headings	1%	Subject to the conditions that: (i) Tax charged and deposited by the manufacturer or importer, as the case may be, shall be final discharge of tax in the supply chain (ii) No input tax shall be adjusted by the manufacturer or importer
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	<p>washing preparations;</p> <p>(c) soft soap or no soap;</p> <p>(d) adhesive plaster;</p> <p>(e) surgical tapes;</p> <p>(f) liquid paraffin;</p> <p>(g) disinfectants, and</p> <p>(h) cosmetics and toilet preparations.</p> <p>This substitution shall be deemed to have been made from the 1st day of July, 2022.</p>			
82	<p>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</p>	Respective headings	1%	<p>Subject to the conditions that:</p> <p>(i) DRAP shall certify item-wise requirement of manufacturers of drugs and APIs and in</p>

	<p>materials shall be entitled to exemption which are liable to customs duty not exceeding eleven per cent ad valorem, either under the First Schedule or Fifth Schedule to the Customs Act, 1969 (IV of 1969) or under a notification issued under section 19 thereof.</p> <p>This substitution shall be deemed to have been made from the 1st day of July, 2022.</p>			<p>case of import shall furnish all relevant information to Pakistan Customs Computerized System; and</p> <p>(ii) No input tax shall be adjusted by the manufacturer or importer.”.</p>
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5. Amendments of the Islamabad Capital Territory (Tax on Services) Ordinance, 2001(XLII of 2001). – In the Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (XLII of 2001),–

(1) In section 3,–

- (i) in sub-section (2A), for clause (a), the following shall be substituted, namely:–

“(a) sub-clause (d) of clause (5AB) of section 2 to the extent of freelance exporter exclusively dealing in export of IT and IT enabled services;

Explanation.— For the purpose of this clause, freelance exporter means a person who works on per job and on self-employed basis without being attached to or under employment of any other person, having the liberty to work on various tasks simultaneously;

(aa) clause (b) of sub-section (2) and sub-sections (6) and (7) of section 3;” and

(ii) in clause (b), after the expression “serial number 2”, the expression “and serial number 8A” shall be inserted;

(2) in Table 1, in column (1). –

(i) against serial S. No. 1 and entries relating thereto in columns (2), (3) and (4), the following shall be substituted, namely:–

“1.	<p>(i) Services provided or rendered by hotels, motels, guest houses, farmhouses, marriage halls, lawns, clubs and caterers.</p> <p>(ii) Services</p>	98.01	<p>(i) Fifteen percent</p> <p>(ii) (a) Five percent</p>
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	provided by restaurants including cafes, food (including ice-cream) parlors, coffee houses, coffee shops, deras, food huts, eateries, resorts and similar cooked, prepared or ready-to-eat food service outlets etc.		where payment against services is received through debit or credit cards, mobile wallets or QR scanning subject to the condition that no input tax adjustment or refund shall be admissible; and (b) Fifteen percent where payment received in cash.”.
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(ii) against S. No.11, in column (4), for the word “Sixteen”, the word “Fifteen” shall be substituted;

(iii) after S. No. 59, in columns (1), (2) and (3), the following new S. No. shall be added, namely:–

“60.	Electric Power Transmission Services	--	15%.”.
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(3) In Table 2, in column (1), S. No. 11 and entries relating thereto in columns (2), (3) and (4), the following shall be substituted, namely:–

“11.	IT services and IT-enabled services.	Respective headings	Five percent subject to the
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	<p>Explanation:- For the purpose of this entry-</p> <p>(a) “IT services” include but not limited to software development, software maintenance, system integration, web design, web development, web hosting and network design; and</p> <p>(b) “IT enabled services” include but not limited to inbound or outbound call centres, medical transcription, remote monitoring, graphics design, accounting services, human resources (HR) services, telemedicine centres, data entry operations, cloud computing services, data storage services, locally television programs and insurance claims processing.</p>		<p>conditions that no input tax adjustment or refund shall be admissible.”.</p>
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6. **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, —
 - (a) in clause (29), after the expression “section 234”, the expression “, section 236Z” shall be inserted;
 - (b) in clause (41), —
 - (i) the word “fixed”, wherever occurring shall be omitted; and
 - (ii) in sub-clause (d), after the word “personnel”, the words “or entity” shall be inserted;
 - (c) for clause (59A), the following shall be substituted, namely: —

“(59A) “small and medium enterprise” means a person whose business turnover in a tax year does not exceed eight hundred million rupees and who is engaged in —

 - (i) manufacturing as defined in clause (iv) of sub-section (7) of section 153 of the Ordinance; or
 - (ii) providing or rendering IT services or IT enabled services as defined in clauses (30AD) and (30AE) of section 2:

Provided that if annual business turnover of a small and medium enterprise exceeds eight hundred million rupees, it shall not qualify as small and medium enterprise in the tax year in which annual turnover exceeds that turnover or any subsequent tax year.”;
- (2) in section 4C, after sub-section (5), the following new sub-section shall be added, namely: —

“(5A) The provisions of section 147 shall apply on tax payable under this section.”;

(3) in section 39, in sub-section (1), –

(i) in clause (I), the word “and”, occurring at the end shall be omitted; and

(ii) in clause (Ia), for the full stop at the end, a semicolon and the word “and” shall be added and thereafter the following new clause shall be added, namely: –

“(Ib) income arising to the shareholder of a company, from the issuance of bonus shares;”;

(4) after section 44, the following new section shall be inserted, namely: –

“44A. Exemption under Foreign Investment (Promotion and Protection) Act, 2022 (XXXV of 2022). – (1) Taxes on income (including capital gains), withholding taxes, minimum and final taxes under the Ordinance shall be exempt to the extent provided in Second and Third Schedule to the Foreign Investment (Promotion and Protection) Act, 2022 (XXXV of 2022) in respect of qualified investment as specified at Sr. No.1 of the First Schedule to the said Act.

(2) All investors and shareholders of the qualified investment, their associates and companies specified in Second and Third Schedule including third party lenders on account of any loan shall also be exempt from taxes and other provisions of the Ordinance to the extent provided in Second and Third Schedule to the said Act.

(3) Provisions of the Ordinance relating to Anti-Avoidance to the extent specified in the said Act including sections 106, 106A, 108,

109 and 109A shall not apply to the persons mentioned in sub-sections (1) and (2).

(4) Rates of depreciation, initial allowance and pre-commencement expenditure under sections 22, 23 and 25 as on March 20th, 2022 shall continue to be applicable for thirty years as provided in Third Schedule to the said Act in respect of persons mentioned in sub-sections (1) and (2).”;

(5) after omitted section 65H, the following new section shall be inserted, namely: –

“65I. Tax credit for construction of house. – (1) For tax years 2024 to 2026, a person, being an individual, shall be entitled to a tax credit for a tax year in respect of construction of a new house, provided that the said house is completed during the said tax year and completion certificate is furnished along with return.

(2) The amount of tax credit allowed under sub-section (1) shall be lesser of –

(a) ten percent of tax assessed to the person for the tax year; or

(b) one million rupees.

(3) For the purpose of this section, new house means a residential house, layout plan of which is approved by the concerned authority on or after the 1st day of July, 2023.”;

(6) in section 85, –

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

“(1) Subject to sub-section (2), two persons shall be associates where –

- (i) the relationship between the two is such that one may reasonably be expected to act in accordance with the intentions of the other, or both persons may reasonably be expected to act in accordance with the intentions of a third person;
- (ii) one person sufficiently influences, either alone or together with an associate or associates, the other person;

Explanation. - For the purpose of this section, two persons shall be treated as sufficiently influencing each other, where one or both persons, directly or indirectly, are economically and financially dependent on each other and, decisions are made in accordance with the directions, instructions or wishes of each other for common economic goal; or

- (iii) one person enters into a transaction, directly or indirectly, with the other who is a resident of jurisdiction with zero taxation regime.”; and

- (b) for sub-section (5), the following shall be substituted, namely: –

“(5) In this section, –

- (i) “relative” in relation to an individual, means —
 - (a) an ancestor, a descendant of any of the grandparents, or an adopted child, of the

individual, or of a spouse of the individual;

or

(b) a spouse of the individual or of any person specified in clause (a);

(ii) jurisdiction with zero taxation regime means jurisdiction as may be prescribed.”;

(7) after section 99C, the following new section shall be inserted, namely:

—

“99D. Additional tax on certain income, profits and gains. – (1)

Notwithstanding anything contained in this Ordinance or any other law for the time being in force, for any of the preceding five tax years from tax year 2023 and onwards, in addition to any tax charged, paid or payable under any of the provision of the Ordinance, an additional tax shall be imposed on every person who has any income, profit or gains that have arisen to any person or class of persons due to any economic factor or factors that resulted in unexpected income, profits or gains whether or not disclosed in the financial statements.

(2) Federal Government, may through a notification in the official Gazette –

(a) determine economic factor or factors including but not limited to international price fluctuation having bearing on any commodity price in Pakistan or any sector of the economy or difference in income, profit or gains on account of foreign currency fluctuation;

- (b) provide the rate not exceeding fifty percent of such income, profits or gains;
 - (c) provide for the scope, time and payment of tax payable under this section in such manner and with such conditions as may be specified; and
 - (d) exempt any person or classes of persons, any income or classes of income from the application of this section, subject to any condition as may be specified.”;
- (8) in section 111, in sub-section (4), for the words “five million Rupees”, the words “rupee equivalent of one hundred thousand United States dollars” shall be substituted;
- (9) in section 113, in sub-section (2), in clause (c), after the second proviso, the following new Explanation shall be added, namely: –
- “Explanation.* – For the removal of doubt it is clarified that the aforesaid Part referred to in this clause means clause (1) of Division I or Division II of Part I of the First Schedule.”;
- (10) after section 146C, the following new section shall be inserted, namely:
- “146D. Recovery of liability outstanding under other laws. – (1)**
- Where any outstanding liability in or under any other statute or law for the time being in force, in respect of any defaulter is –
- (a) treated as Income Tax arrears in that law;
 - (b) required to be recovered or collected by Commissioner (Inland Revenue); or
 - (c) is referred to Commissioner (Inland Revenue) for the recovery –

the Commissioner (Inland Revenue) shall recover the said liability and deposit the receipts in the designated account specified in that law.”;

(11) in section 147, –

(i) in sub-section (4), in the explanation, after the word “sections”, the expression “4C,” shall be inserted;

(ii) in sub-section (4AA), after the word “sections”, the expression “4C,” shall be inserted;

(iii) in sub-section (4B), after the full stop occurring at the end, the following new explanation shall be added, namely: –

“*Explanation.* – For removal of doubt, it is clarified that tax assessed includes tax liability under section 4C.”;

(12) in section 152, in sub-section (5A), for the full stop at the end, a colon shall be substituted and thereafter the following provisos shall be added, namely: –

“Provided that the Commissioner shall be deemed to have issued the exemption certificate upon the expiry of thirty days and the certificate shall be automatically processed and issued by Iris subject to the condition that in computing the said period of thirty days, there shall be excluded days taken for adjournment by the applicant:

Provided further that the Commissioner may modify or cancel the certificate issued automatically by Iris on the basis of reasons to be recorded in writing after providing an opportunity of being heard.”;

(13) in section 154, in sub-section (3B), after the expression “Customs Rules, 2001”, the expression “and Export Facilitation Scheme, 2021” shall be inserted;

(14) in section 154A, in sub-section (2), in clause (c), for the semicolon at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely: –

“Provided that this condition shall not apply in case of an exporter mentioned in clause (a) of sub-section (1) of this section.”;

(15) in section 164A, in the marginal note, for the words “Payment of tax collected or deducted by SWAPS agents”, the words “Settlement of transactions liable to Withholding Tax by SWAPS agents” shall be substituted;

(16) in section 168, in sub-section (3), after omitted clause (j), the following new clause shall be added, namely: -

“(k) sub-section (7) of section 236Z.”;

(17) in section 169, in sub-section (1), in clause (b), after the expression “156A or”, the expression “sub-section (7) of section 236Z” shall be inserted;

(18) in section 218, in sub-section (2), in clause (b), the word “or” occurring at the end shall be omitted;

(18A) after section 230I, the following new section shall be inserted, namely,-

“230J. International Centre of Tax Excellence.- (1) There shall be established an Institute to be known as International Centre of Tax Excellence.

(2) The functions of the Institute shall be to help contribute to the development of tax policy, prepare model national tax policy, deliver interdisciplinary research in tax administration and policy, international tax cooperation, revenue forecasting, conduct international seminars, workshops and conferences on the current issues faced by tax

authorities in the field of international taxation, capacity building of Inland Revenue Officers, tax analysis, improve the design and delivery of tax administration for maximising revenue within existing provisions to close the tax gap or any other function as directed by the Board or the Federal Government.

- (3) There shall be a Nominating Committee comprising the Minister-in-Charge, Secretary Revenue Division and Secretary Finance which shall be responsible for recommending a panel to the Federal Government for the appointment of an Executive Director and independent members of the Executive Committee.
- (4) There shall be an Executive Committee comprising Chairman, Federal Board of Revenue, Member (IR-Policy), Member (IR-Operations) and two independent members to be appointed by the Federal Government. Executive Director shall act as Secretary of the Executive Committee.
- (5) The Nominating Committee shall apply the prescribed criteria for making recommendations of the panel for Executive Director and independent members of the Executive Committee.
- (6) Executive Director and independent members of the Executive Committee shall be appointed by the Federal Government.
- (7) Executive Director shall also be the Chief Executive of the Institute and shall work to ensure efficient functioning and day to day administrative functions of the Institute and shall be independent in the discharge of its functions specified under sub-section (8).
- (8) Executive Committee, for every fiscal year, shall assign the requirements of the Board to be undertaken by the Institute, during the year.
- (9) The Executive Committee shall prescribe rules for recruitment of

the employees of the Institute and Executive Director shall act in accordance with the rules. At least fifty per cent of the employees shall be serving or retired Inland Revenue officers having at least 5 years of experience of tax policy or tax administration.

(10) The remuneration and term of employment of the employees of the Institute shall be as prescribed by the Federal Government.

(11) The Board may establish a committee to monitor the establishment of the Institute including appointment of the Project Director for the purpose.

(12) The Board may, provide such data to the Institute as is necessary for processing and analysis and for discharging its obligations under sub-section (8):

Provided that such data shall be anonymized before transmission to the Institute and identifying particulars of the taxpayers shall be kept confidential and provisions of sub-section (7) of section 216 shall apply accordingly.

(13) The Executive Committee may by notification in the official gazette make rules for carrying out the purposes of this section.”;

(19) after omitted section 231AA, the following new section shall be inserted, namely: –

“231AB. Advance tax on cash withdrawal. — (1) Every banking company shall deduct advance adjustable tax at the rate of 0.6% of the

cash withdrawal from a person whose name is not appearing in the active taxpayers' list on the sum total of the payments for cash withdrawal in a day, exceeding fifty thousand rupees.

Explanation. – For removal of doubt, it is clarified that the said fifty thousand rupees shall be aggregate cash withdrawals in a single day.”;

(20) after section 231B, the following new section shall be inserted, namely:

“231C. Advance tax on foreign domestic workers. – (1) Any authority issuing or renewing domestic aide visa to any foreign national as a domestic worker at the time of issuing or renewing such visa shall collect from the agency, sponsor

or the person as the case may be, employing the services of such foreign national a tax of two hundred thousand rupees.

(2) The tax collected or collectible under this section shall be adjustable advance tax for the tax year to which it relates on the income of such agency, sponsor or a person, as the case may be, employing the services of such foreign national.”;

(21) in section 236K, –

(a) in sub-section (1), for the expression” Schedule.”, the expression “Schedule:” shall be substituted and thereafter the following new proviso shall be added, namely: –

“Provided that this section shall not apply if the buyer or transferee is a non-resident individual holding a Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) or Computerized National ID Card (CNIC) who has acquired the said immovable property through a Foreign Currency Value Account (FCVA) or NRP Rupee Value Account (NRVA) maintained with authorized banks in Pakistan under the foreign exchange regulations issued by the State Bank of Pakistan upon submission of certificate as may be prescribed.”;

(b) in sub-section (2), for the colon at the end, a full stop shall be substituted and thereafter the proviso shall be omitted;

(22) after section 236Y, the following new section shall be inserted, namely:

“236Z. Bonus shares issued by companies. – (1) Notwithstanding anything contained in any law for the time being in force, every company, issuing

bonus shares to the shareholders of the company, shall withhold ten percent of the bonus shares to be issued.

(2) Bonus shares withheld under sub-section (1) shall only be issued to a shareholder, if the company collects from the shareholder, tax equal to ten percent of the value of the bonus shares issued to the shareholder including bonus share withheld, determined on the basis of day-end price on the first day of closure of books in the case of listed company and the value as prescribed in case of other companies.

(3) Tax under sub-section (2), shall be deposited by the company, within fifteen days of closure of books, whether or not tax has been collected by the company under sub-section (2).

(4) A company liable to deposit tax under this section shall be entitled to collect and recover the tax deposited from the shareholder, on whose behalf the tax has been deposited, before the issuance of bonus shares.

(5) If a shareholder neither makes payment of tax to the company nor collects its bonus shares, within fifteen days of the date of issuance of bonus shares, the company may proceed to dispose of its bonus shares to the extent it has paid tax on its behalf under this section.

(6) Issuance of bonus shares shall be deemed to be the income of the shareholder and the tax collected by a company under this section or proceeds of the bonus shares disposed of and paid under this section shall be treated to have been paid on behalf of the shareholder.

(7) Tax paid under this section shall be final tax on the income of the shareholder of the company arising from issuing of bonus shares.”;

(23) in the First Schedule, –

(A) in Part I, –

(1) in Division IIB, for the Table, the following shall be substituted, namely: –

“Table

S. No	Income under section 4C	Rate of tax	
		For tax year 2022	For tax year 2023 and onwards
(1)	(2)	(3)	(4)
1.	Where income does not exceed Rs. 150 million	0% of the income	0% of the income
2.	Where income exceeds Rs. 150 million but does not exceed Rs. 200 million	1% of the income	1% of the income
3.	Where income exceeds Rs. 200 million but does not exceed Rs. 250 million	2% of the income	2% of the income
4.	Where income exceeds Rs. 250 million but does not exceed Rs. 300 million	3% of the income	3% of the income
5.	Where income exceeds Rs. 300 million but does not exceeds 350 million		4% of the income

6.	Where income exceeds Rs. 350 million but does not exceeds 400 million	4% of the income	6% of the income
7.	Where income exceeds Rs. 400 million but does not exceeds 500 million		8% of the income
8.	Where income exceeds Rs. 500 million		10% of the income”;

(2) in Division IX, in the Table, for S. No.4 and entries related thereto in columns (2) and (3), the following S. Nos. and entries related thereto in columns (2) and (3) shall be substituted, namely: –

“4.	Company listed on Pakistan Stock Exchange, if not covered in S. No.1 to 3 above	1%
5.	In all other cases.	1.25%”;

(B) in Part II, in the Table, in column (1), against S. No. 3, in column (3), after the words “federal excise duty”, the expression “and 6% of the import value as increased by customs duty sales tax and federal excise duty in case of a commercial importer” shall be added;

(C) in Part III, –

(1) in Division II, –

- (i) in paragraph (4), in sub-paragraphs (i) and (ii), for the expressions “4%” and “4.5%”, the expressions “5%” and “5.5%” shall be substituted respectively;
 - (ii) in paragraph (5), –
 - (a) in sub-paragraph (i), for the expression “3%”, the expression “4%” shall be substituted; and
 - (b) in sub-paragraph (ii), in clauses (a) and (b), for the expressions “8%” and “10%”, the expressions “9%” and “11%” shall be substituted respectively;
 - (iii) in paragraph (6), in sub-paragraph (ii), for the expression “7%”, the expression “8%” shall be substituted;
- (2) in Division III, –
- (i) in paragraph (1), in sub-paragraph (b), for the expressions “4%” and “4.5%”, the expressions “5%” and “5.5%” respectively shall be substituted;
 - (ii) in paragraph (2), –
 - (a) in sub-paragraph (i), for the expression “3%”, the expression “4%” shall be substituted;
 - (b) in sub-paragraph (ii), in clauses (a) and (b), for the expressions “8%” and “10%”, the

expressions “9%” and “11%” respectively
shall be substituted;

(iii) in paragraph (3), in sub-paragraphs (ii) and (iii), for
the expressions “6.5%” and “7%”, the expressions
“7.5%” and “8%” respectively shall be substituted.”;

(3) in Division IVA, in the Table, in column (1), in S. No.1, in
column (3), after the word “proceeds”, the expression “for
tax years 2024 up to tax year 2026” shall be added; and

(D) in Part IV, in Division XXVII, for the expression “1%”, the
expression “5%” shall be substituted;

(24) in the Second Schedule, –

(A) in Part I, –

(i) in clause (66), in sub-clause (1), in Table 1, in column (1),
after S. No (Ixii), the following new S. Nos. and entries
relating thereto in column (2) shall be added, namely: –

“(Ixiii)	The Prime Minister's Relief Fund for Flood, Earthquake and Other Calamities with effect on and from the 5 th August, 2022.
(Ixiv)	Film and Drama Finance Fund
(Ixv)	Export-Import Bank of Pakistan
(Ixvi)	Shaheed Mohtarma Benazir Bhutto Institute of Trauma, Karachi
(Ixvii)	Shaheed Zulfikar Ali Bhutto Institute of Science and Technology

- (ii) in clause (99A), for the figure, “2023”, the figure “2024” shall be substituted;
- (iii) in clause (145A), for the figure, “2023”, the figure “2024” shall be substituted;
- (iv) in clause (150), after the word “Limited”, the words “and Alteraz Engineering Consultant” shall be inserted; and
- (v) after clause (153), the following new clause shall be added, namely: –

“(154) Profits and gains of a small and medium enterprise setup exclusively as agro based industry in a rural area duly notified for a period of five tax years commencing from tax year 2024 and up to tax year 2028:

Provided that such enterprise is setup on or after 1st day of July, 2023 and is not formed by the transfer or reconstitution or reconstruction or splitting up of an existing business.”;

- (B) in Part III, after omitted clause (20), the following new clauses shall be added, namely: –

“(21) (a) For tax year 2024 to tax year 2026, tax payable on profits and gains derived from business chargeable to tax under the head “Income from Business” by a builder registered with Directorate General of Designated Non-Financial Business and Professions from a new building construction project, shall be reduced, not below zero, by ten percent or rupees five million whichever is lower for

the tax year in which the builder furnishes along with return the completion certificate issued by the concerned regulatory authority; and

(b) New building project means a project for the construction of building excluding a land development project, layout plan of which is approved by the authority concerned on or after the 1st day of July, 2023;

(22) (a) For tax years 2024 to tax year 2026, tax payable by a youth enterprise on profit and gains derived from business chargeable to tax under the head “Income from Business” shall be reduced not below zero -

(i) in case of an individual or an association of person by fifty percent or rupees two million whichever is lower; and

(ii) in case of a company, by fifty percent or rupees five million whichever is lower;

(b) for the purpose of this clause –

(i) youth enterprise means a startup established on or after first day of July, 2023 as sole proprietorship concern owned by a youth individual or an AOP all of whose members are youth or a company whose hundred percent shareholding is held or owned by youth individual:

Provided that the startup is not formed by the transfer or reconstitution or reconstruction or splitting up of an existing business; and

- (ii) youth individual means a natural person up to the age of thirty years as on first day of the commencement of the relevant tax year; and

(c) This clause shall not apply where the startup is covered under clause (19) of Part III of the Second Schedule.”;

(C) in Part IV, –

- (i) in clause (11A), after sub-clause (xlv), the following new sub-clause shall be added, namely: –

“(xlv) The Prime Minister's Relief Fund for Flood, Earthquake and Other Calamities with effect on and from the 5 th August, 2022.”;
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- (ii) clause (100) shall be omitted;
- (iii) after clause (120), the following new clauses shall be added, namely: -

“(121) The provisions of section 151 shall not apply to the Prime Minister's Relief Fund for Flood, Earthquake and other calamities with effect on and from the 5th August, 2022.

(122) The provisions of section 236 shall not apply on the amount donated through SMS to the Prime Minister's Relief Fund for Flood, Earthquake and other calamities with effect on and from the 5th day of August, 2022.

(123) The provisions of section 148 shall for a period of three months from the 1st day of December, 2022 not apply to goods required and imported for relief operation for flood affectees, duly certified by the National Disaster Management Authority or the Provincial Disaster Management Authority.

(124) The provisions of section 148 shall not apply to tomato (PCT heading 0702.0000) and onion (PCT heading 0703.1000) imported till the 31st day of December, 2022.";

(25) in the Fourth Schedule, after rule 6DA, the following new rule shall be added, namely: –

“(6DB) The provisions of section 99D shall apply to the taxpayers under this Schedule.”;

(26) in the Fifth Schedule, in Part I, after rule 4AB, the following new rule shall be inserted, namely: –

“(4AC) The provisions of section 99D shall apply to the taxpayers under this Schedule.”;

(27) in the Seventh Schedule, –

- (a) in rule 7CA, for the figure “2022”, the figure “2023” shall be substituted;
- (b) after rule 7CA, amended as aforesaid, the following new rule shall be added, namely: –
- “(7CB) The provisions of section 99D shall apply to the taxpayers under this Schedule.”
- (c) in rules 7D, 7E and 7F, in sub-rule (1), for the figure “2023”, the figure “2025” respectively shall be substituted;
- (d) after rule 7F, amended as aforesaid, the following new rule shall be inserted, namely: –
- “7G. Reduced rate of tax on additional advances for Information Technology Services and Information Technology Enabled Services.** – (1) The taxable income arising from additional advances for IT and IT Enabled Services in Pakistan for the tax years 2024 to 2025, shall be taxed at the rate of 20% instead of the rate provided in Division II of Part 1 of the First Schedule.
- (2) A banking company shall furnish a certificate from external auditor along with accounts while e-filing return of income certifying the amount of such advances made in preceding tax year, additional advance made for the tax year and net mark-up earned from such additional advances for the tax year.
- (3) Notwithstanding anything contained in this Ordinance, the Commissioner may require the banking company

to furnish details of the advances made for IT and IT Enabled Services to determine the applicability of the reduced rate of tax.

(4) For the purposes of this rule, the term "IT and IT Enabled Services" shall have the same meaning as provided in section 2 of this Ordinance.

(5) "Additional advances" means any average advances disbursed in addition to average amount of such advances made in such sector by the bank for the immediately preceding tax year starting from 2023.

(6) The taxable income arising from additional advances under sub-rule (1) shall be determined according to the following formula, namely: -

Taxable income subject to reduced rate of tax = A x B/C

Where

- A. is taxable income of the banking company;
- B. is net mark-up income earned from such additional advances for the tax year as declared in the annual accounts; and
- C. is total of the net mark-up and non mark-up income of the banking company as per accounts.”;

(e) in rule 8, after sub-rule (3), the following new sub-rules shall be added, namely: –

“(4) Profit on debt and capital gains from Federal Government’s sovereign debt or a sovereign debt instrument shall be exempt from tax chargeable under this Ordinance,

derived by any non-resident banking company approved by the Federal Government under a sovereign agreement for the purpose of this sub-rule.

(5) The provisions of sub-rule (6A) of rule 6C shall not apply to a banking company for tax year 2024.";

(28) in the Eighth Schedule, after rule 4, the following new rule shall be inserted, namely: –

“4A. Computation, collection and payment of tax under section

4C. – In addition to capital gains tax, NCCPL shall also compute and collect tax under section 4C at the rates specified in Division IIB of Part I of the First Schedule on the amount of capital gains computed under this Schedule in the manner specified in this Schedule and rules made thereunder.”;

(29) in the Thirteenth Schedule, in the Table, in column (1), after S. No 63 and entries relating thereto in column (2), the following new S. Nos. and entries relating thereto in column (2) shall be added, namely: –

“64.	The Prime Minister's Relief Fund for Flood, Earthquake and Other Calamities with effect on and from the 5 th August, 2022.
65.	Film and Drama Finance Fund.”

;

(30) in the Fourteenth Schedule, –

(a) for rule 2, the following shall be substituted, namely: –

“2. Registration. – (1) Small and medium enterprise shall be required to register with FBR on its Iris web portal or Small and

Medium Enterprises Development Authority on its SME registration portal (SMERP).

(2) Small and medium enterprise engaged in IT services or IT enabled services shall be required to be registered with and duly certified by the Pakistan Software Export Board, in addition to registration on SMERP.

- (b) in rule 3, in the Table, in column (1), after S. No. 2 and entries relating thereto in column (2), (3) and (4), the following new S. No. and entries relating thereto in column (2), (3) and (4) shall be added, namely: –

“3.	Category-3	Where annual turnover exceeds Rupees 250 Million but does not exceed Rupees 800 Million	20% of taxable income”
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; and

- (c) in rule 4, in sub-rule (1), in the Table, in column (1), after S. No. 2 and entries relating thereto in column (2), (3) and (4), the following new S. No. and entries relating thereto in column (2), (3) and (4) shall be added, namely: –

“3.	Category-3	Where annual business turnover exceeds Rupees 250 million but does not exceed Rupees 800 million	0.75% of gross turnover”;
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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 3, in sub-section (1),—
- (i) in clause (c), the word “and” occurring at the end, shall be omitted;
 - (ii) in clause (d), after the semi colon at the end, the word “and” shall be added; and
 - (iii) after clause (d) as amended above, the following new clause (e) shall be added, namely:—

“(e) any item specified in the First Schedule.”;
- (2) in section 29, in sub-section (2),—
- (i) in clause (b), the word “and” occurring at the end shall be omitted; and
 - (ii) in clause (c), for the full stop at the end, a semi colon and word “and” shall be added and thereafter the following new clause shall be added, namely:—

“(d) the Directorate General of Digital Initiatives 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.”;
- (3) in section 40, after sub-section (3), the following new sub-section shall be added, namely:—
- “(4) All rules made under sub-section (1) or any other provisions of this Act, shall be collected, arranged and published along with general orders and departmental instructions and rulings, if any, at appropriate intervals and sold to the public at reasonable

price or may be placed regularly on the official website maintained by the Board.”.;

(4) in the First Schedule, in column (1),—

(a) in Table-I, after S. No. 59 and entries relating thereto in columns (2), (3) and (4), the following new S. Nos. shall be added, namely:—

“60.	Energy inefficient fans both locally manufactured and imported which do not comply with the MEPS, notified by PSQCA	Respective heading	Rupees two thousand per fan
61.	Incandescent bulbs both locally manufactured and imported	8539.2200 and 8539.9010	Twenty percent ad valorem.”.

(b) in Table-II, in S. No. 11, in column (1) and entries relating thereto in columns (2), (3) and (4), the following shall be substituted, namely:—

“Franchise services, royalty and fee for technical services	Respective heading	Ten percent of the charges.”.
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(5) in the Third Schedule, in column (1),—

(a) in Table-I, after S. No. 25 and entries relating thereto in columns (2) and (3), the following S. No. shall be added, namely:—

“26.	Imports or supplies made by, for or to a qualified investment as specified at Serial No.1 of the First Schedule to the Foreign Investment (Promotion and Protection) Act, 2022 for the period as specified in the Second Schedule to the said Act.”.	Respective heading.”.
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- (b) in Table-II, after S. No. 14 and entries relating thereto in columns (2) and (3), the following S. No. shall be added, namely:—

“15.	Services provided or rendered by, for or to a qualified investment as specified at Serial No.1 of the First Schedule to the Foreign Investment (Promotion and Protection) Act, 2022 for the period as specified in the Second Schedule to the said Act.”.	Respective heading.”.
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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, 2023 and it shall come into force on the first day of July, 2023

(Senator Mohammad Ishaq Dar)

Minister for Finance & Revenue

THE FIRST SCHEDULE

[see section 3(16)]

In the Customs Act, 1969 (IV of 1969), in the First Schedule, for the corresponding entries against "PCT Code", "Description" and "CD%" specified in columns (1), (2), (3) and (4) appearing in chapter 1 to 99, the following corresponding entries relating to "PCT Code", "Description" and "CD%" shall be substituted, namely:

-2501.0021		- - - - Pink rock salt	20
2710.1995		- - - -Liquid paraffin	0
2815.1200		- - In aqueous solution (soda lye or liquid soda)	16
2849.1000		- Of calcium	11
2933.4950		- - - Moxifloxacin HCL	20
2933.5960		- - - Sitagliptin Phosphate Monohydrate	20
2933.5970		- - - Trimethoprim	20
3206.4100		- - Ultramarine and preparations based thereon	11
3823.7000		- Industrial fatty alcohols	11
3920.4910		- - - Polyvinyl Chloride (PVC) Rigid film	16
3920.9900		- - Of other plastics	16
4421.9950		- - - Wooden splints for matches	20
4008.1110		- - - Following components for vehicles of chapter 87:- (1) Weather strips for doors, glass and luggage compartments for Vehicles of heading 87.03 and vehicles of sub - heading 8704.3130, 8704.2190 and	35

		<p>8704.3190 except weather strip moulding (inner or outer) for glass</p> <p>(2) Weather strips for doors and glass for vehicles of sub - heading 8704.2190</p> <p>(3) Weather strips for doors for vehicles of sub - heading 8704.3190</p>	
4008.1910		<p>- - - Following component for vehicles of chapter 87:-</p> <p>(1) Weather strips for doors, glass and luggage compartments for Vehicles of heading 87.03 and vehicles of sub - heading 8704.3130, 8704.2190 and 8704.3190 except weather strip moulding (inner or outer) for glass (2)</p> <p>Weather strips for doors and glass for vehicles of sub - heading 8704.2190</p> <p>(3) Weather strips for doors for vehicles of sub - heading 8704.3190</p>	35
4008.2110		<p>- - - Following component for vehicles of chapter 87:-</p> <p>(1) Weather strips for doors, glass and luggage compartments for Vehicles of heading 87.03 and vehicles of sub - heading 8704.3130, 8704.2190 and 8704.3190 except weather strip moulding (inner or</p>	35

		<p>outer) for glass</p> <p>(2) Weather strips for doors and glass for vehicles of sub - heading 8704.2190</p> <p>(3) Weather strips for doors for vehicles of sub - heading 8704.3190</p>	
4008.2910		<p>- - - Following component for vehicles of chapter 87:-</p> <p>(1) Weather strips for doors, glass and luggage compartments for Vehicles of heading 87.03 and vehicles of sub - heading 8704.3130, 8704.2190 and 8704.3190 except weather strip moulding (inner or outer) for glass</p> <p>(2) Weather strips for doors and glass for vehicles of sub - heading 8704.2190</p> <p>(3) Weather strips for doors for vehicles of sub - heading 8704.3190</p>	35
4009.1120		<p>- - - Following components for vehicles of chapter 87:-</p> <p>(1) Water hoses for engine cooling system and heater, air cleaner hoses and Brake oil reservoir hose for vehicles of heading 87.03 and vehicles of sub - heading 8704.2190, 8704.3130 and 8704.3190</p> <p>(2) Hose side demister for vehicles of</p>	35

		<p>heading 87.03</p> <p>(3) Water hoses used for engine cooling / heater systems, hoses brake reservoir, air cleaner hose, cool air hoses for vehicles of sub - heading 8703.2113, 8703.2193, 8703.2195, 8703.2240 and 8704.3130</p> <p>(4) Water hoses of a kind used for engine cooling system / heater for vehicles of sub - heading 8704.2190</p> <p>(5) Water hoses for engine cooling system, air cleaner hoses and brake oil reservoir hose for vehicles of sub - heading 8704.3190</p> <p>(6) Engine cooling system / radiator hoses and fuel tubes, meant for industrial assembly / manufacture of vehicles of sub - headings 8703.2115 and 8704.3150</p> <p>(7) Air intake hoses, radiator hoses, intercooler hoses and heater hoses, meant for industrial assembly / manufacture of vehicles of sub - heading 8703.3225</p>	
4009.2120		<p>- - - Following components for vehicles of chapter 87:-</p> <p>(1) Water hoses for engine cooling system and heater, air cleaner hoses and Brake oil</p>	35

		<p>reservoir hose for vehicles of heading 87.03 and vehicles of sub - heading 8704.2190, 8704.3130 and 8704.3190</p> <p>(2) Hose side demister for vehicles of heading 87.03</p> <p>(3) Water hoses used for engine cooling / heater systems, hoses brake reservoir, air cleaner hose, cool air hoses for vehicles of sub - heading 8703.2113, 8703.2193, 8703.2195, 8703.2240 and 8704.3130</p> <p>(4) Water hoses of a kind used for engine cooling system / heater for vehicles of sub - heading 8704.2190</p> <p>(5) Water hoses for engine cooling system, air cleaner hoses and brake oil reservoir hose for vehicles of sub - heading 8704.3190</p> <p>(6) Engine cooling system / radiator hoses and fuel tubes, meant for industrial assembly / manufacture of vehicles of sub - heading 8703.2115 and 8704.3150</p> <p>(7) Air intake hoses, radiator hoses, intercooler hoses and heater hoses, meant for industrial assembly / manufacture of vehicles of sub - heading 8703.3225</p>	
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4009.3120		<p>--- -- Following components for vehicles of chapter 87:-</p> <p>(1) Water hoses for engine cooling system and heater, air cleaner hoses and Brake oil reservoir hose for vehicles of heading 87.03 and vehicles of sub - heading 8704.2190, 8704.3130 and 8704.3190</p> <p>(2) Hose side demister for vehicles of heading 87.03</p> <p>(3) Water hoses used for engine cooling / heater systems, hoses brake reservoir, air cleaner hose, cool air hoses for vehicles of sub - heading 8703.2113, 8703.2193, 8703.2195, 8703.2240 and 8704.3130</p> <p>(4) Water hoses of a kind used for engine cooling system / heater for vehicles of sub - heading 8704.2190</p> <p>(5) Water hoses for engine cooling system, air cleaner hoses and brake oil reservoir hose for vehicles of sub - heading 8704.3190</p> <p>(6) Engine cooling system / radiator hoses and fuel tubes, meant for industrial assembly / manufacture of vehicles of sub - heading 8703.2115 and 8704.3150</p>	35
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		(7) Air intake hoses, radiator hoses, intercooler hoses and heater hoses, meant for industrial assembly / manufacture of vehicles of sub - heading 8703.3225	
4009.4120		<p>- - - Following components for vehicles of chapter 87:-</p> <p>(1) Water hoses for engine cooling system and heater, air cleaner hoses and Brake oil reservoir hose for vehicles of heading 87.03 and vehicles of sub - heading 8704.2190, 8704.3130 and 8704.3190</p> <p>(2) Hose side demister for vehicles of heading 87.03</p> <p>(3) Water hoses used for engine cooling / heater systems, hoses brake reservoir, air cleaner hose, cool air hoses for vehicles of sub - heading 8703.2113, 8703.2193, 8703.2195, 8703.2240 and 8704.3130</p> <p>(4) Water hoses of a kind used for engine cooling system / heater for vehicles of sub - heading 8704.2190</p> <p>(5) Water hoses for engine cooling system,</p>	35

		<p>air cleaner hoses and brake oil reservoir hose for vehicles of sub - heading 8704.3190</p> <p>(6) Engine cooling system / radiator hoses and fuel tubes, meant for industrial assembly / manufacture of vehicles of sub - heading 8703.2115 and 8704.3150</p> <p>(7) Air intake hoses, radiator hoses, intercooler hoses and heater hoses, meant for industrial assembly / manufacture of vehicles of sub - heading 8703.3225</p>	
4016.9930		<p>- - - Following component for vehicles of chapter 87:-</p> <p>(1) Articles for mounting silencers, exhaust pipes and mufflers for vehicles of heading 87.03 and vehicles of sub - headings 8703.2113, 8703.2193, 8703.2195, 8703.2240, 8703.2323, 8703.3223, 8704.2190, 8704.3130 and 8704.3190</p>	35
		<p>(2) Floor mats, grommets for transfer box lever, exhaust pipe mountings, covers for pedals, bump stop and front cover for center tunnel, meant for industrial assembly / manufacture of vehicles of sub - heading 8703.3225</p>	

		(3) Rubber cover for kick starter lever, foundation rubber for engine mounting, rubber bushings, rubber plugs, rubber insulators, packing rubber for wind screen, rubber mountings for silencer pipes bushes, boots, and mud flappers, meant for industrial assembly / manufacture of vehicles of sub - headings 8703.2115 and 8704.3150	
		(4) Rubber cushions for bonnet for vehicles of heading 8704.2190 and 8704.3190	
		(5) Rubber cushions for bonnet, rubber drain plug, hole covers and pads / cushions for absorbing shock / noise in struts / suspensions, for vehicles of heading 8703.2323 and 8703.3223	
		(6) Rubber for bottom channel for holding window glass for motor cars of heading 87.03 and vehicles of sub -headings 8703.2113, 8703.2193, 8703.2195, 8703.2240 and 8704.3130	
		(7) Runs for glasses for motor cars of heading 87.03 (not exceeding 1200cc) and vehicles of sub - headings 8703.2193, 8704.2190 and 8704.3190	

		(8) Trim door opening and door moulding for door opening for motor cars of heading 87.03 and vehicles of sub - heading 8703.2113, 8703.2193, 8703.2195, 8703.2240 and 8704.3130	
4805.2500		- - Weighing more than 150 g/ m ²	16
4805.9190		- - - Other	16
4806.2000		- Greaseproof papers	16
4821.1010		- - - Paper graphics of a kind used for decoration for vehicles of heading 8703. and 87.11	20
8421.9990		- - - Other	16
5703.2910		- - - Of a kind used in vehicles of heading 87.03 and vehicles of sub-headings 8704.2190, 8704.3130, 8704.3190 (cut to size and shaped)	16
5703.3910		- - - Of a kind used in vehicles of heading 87.03 and vehicles of sub-headings 8704.2190, 8704.3130, 8704.3190 (cut to size and shaped)	16
7007.1111		- - - - (1) Wind Screen, Rear and window glasses for vehicles of sub -heading 8704.2190 and 8704.3190. (2) Glasses for doors, glass plain, glass window (sliding), glass for rear door, glass	35

		for rear quarter window and glass for wind screen for vehicles of heading 87.03	
7007.2111		- - - (1) Wind Screen, Rear and window glasses for vehicles of sub -heading 8704.2190 and 8704.3190. (2) Glasses for doors, glass plain, glass window (sliding), glass for rear door, glass for rear quarter window and glass for wind screen for vehicles of heading 87.03	35
7009.1010		- - - Rear view mirrors for vehicles of heading 87.03, and vehicles of sub-headings 8704.3130, 8704.3150, 8704.2190, 8704.3190, and vehicles of heading 87.11	35
8206.0010		- - - For vehicles of heading 87.03 and vehicles of subheadings 8704.2190, 8704.3130, 8704.3150 and 8704.3190	35
8302.1010		- - - (1) Of a kind used in vehicles for doors, luggage compartment, luggage compartment lid, seats, bonnet, rear deck for vehicles of 87.03 and vehicles of sub-heading 8704.2190, 8704.3130 and 8704.3190 (except sliding door hinges) (2) Of a kind used in vehicles for doors and seats for vehicles of sub-headings	35

		8703.2193, 8703.2323, 8703.3223 (3)Of a kind used in vehicles for rear deck for vehicles of sub- heading 8704.2190 (4)Of a kind used for doors and rear deck for vehicles of sub - heading 8704.3190	
8302.3010		- - - (1) Latch assembly for hood/doors (manual type) of a kind used in vehicles for doors, luggage compartment lid and bonnet, for vehicles of heading 87.03 (not exceeding 1200cc) and vehicles of sub-heading 8703.2113, 8703.2195, 8703.2240 (except back door latches), 8704.2190, 8704.3130 and 8704.3190	35
		(2) Grip bars/ assistants, grab rails and parts thereof for vehicles of heading 87.03 and vehicles of sub-headings 8703.2113, 8703.2193, 8703.2195, 8703.2240, 8704.3130 (except foamed type), 8703.2323, 8703.3223, 8704.2190 and 8704.3190	
		(3) Strikers for latches for vehicles of heading 87.03 and vehicles of sub-heading 8703.2323, 8703.3223 and 8704.2190	

		(4) Window opening mechanism, rack and pinion type for vehicles of heading 87.03 and vehicles of sub-headings 8703.2113, 8703.2193, 8703.2195, 8703.2240, 8704.2190, 8704.3130 and 8704.3190	
		(5) Tail board fittings for vehicles of heading 87.11	
8421.3110		- - - For vehicles of heading 87.03 (excluding wet type), vehicles of sub-headings 8704.2190, 8704.3130, 8704.3150, 8704.3190 and vehicles of heading 87.11 (other than foam type)	35
8503.0020		- - - Of machine of heading 8501.5340, 8501.5390, 8502.1110, 8502.1390 & 8502.2000	3
8517.6280		- - - Smart Watches	16
8544.6010		- - - For a voltage exceeding 1,000 V but not exceeding 72,000 V	20
8507.1010		- - - Meant for vehicles of heading 87.03, vehicles of subheadings 8704.2190, 8704.3130, 8704.3150, 8704.3190 and vehicles of heading 87.11	35
8512.2010		- - - Following parts of motorvehicles; (1) Head light for vehicles of sub-headings	35

		8703.2115, 8703.2323, 8703.3223, 8703.3225, 8704.3150 and vehicles of heading 87.11	
		(2) Lamp assembly, front turn signal for motor cars of heading 87.03 (not exceeding 1200cc), vehicles of subheadings 8703.2113, 8703.2115, 8703.2193, 8703.2195, 8703.2240, 8703.3225, 8703.8030, 8704.3130, 8704.3150, 8704.3190 and vehicles of heading 87.11	
		(3) Lamp assembly for luggage compartment for vehicles of heading 87.03	
		(4) Lamp assembly for illuminating license plate for vehicles of heading 87.03 and vehicles of sub-headings 8704.2190, 8704.3130 and 8704.3190;	
		(5) Rear combination lamp / back up lamp / rear turning indicator / plough lamps / reverse light / parking light for motor cars of heading 87.03, vehicles of subheadings 8703.2113, 8703.2115, 8703.2195, 8703.2240, 8703.3225, 8703.8030, 8704.3130, 8704.3150, 8704.3190 and 87.11;	

		(6) Lamp assembly, side body turning indicator for vehicles of heading 87.03 and vehicles of sub-headings 8704.3130, 8704.3150 and 8704.3190;	
		(7) Turn flasher assembly for motor cars of heading 87.03 and vehicles of sub-heading 8703.2115, 8703.8030 and 8704.3150 winking devices for vehicles of heading 87.11	
		(8) Car ceiling lamp/room lamp for vehicles of heading 87.03 and vehicles of sub-headings 8704.2190, 8704.3130 and 8704.3190	
8512.4010		- - - (1) Wiper arm and blade assembly for vehicles of heading 87.03 and vehicles of sub-heading 8704.2190 and 8704.3190; (2) Link assembly for wiper arm and blade for vehicles of heading 87.03 and vehicles of subheadings 8704.2190, 8704.3130 and 8704.3190	35
8536.5021		- - - - (1) Ignition switches without combination steering lock for motor cars of heading 87.03 (not exceeding 800 cc) (2) Ignition switches (with or without combination lock) and handle switch	35

		<p>assembly for vehicles of heading 87.11</p> <p>(3) Switch assembly combination and ignition switch assembly for vehicles of heading 8703.2113, 8703.2195, 8703.2240, 8704.3130 and 8704.3190;</p> <p>(4) Door switches for interior lamp for motor cars of heading 87.03 and vehicles of sub - heading 8704.2190 and 8704.3190</p>	
8544.3011		- - - Wiring sets and cable sets for vehicles of heading 87.03 and vehicles of sub-headings 8704.2190, 8704.3130, 8704.3150, 8704.3190 and vehicles of heading 87.11	35
8544.4221		- - - Wiring sets and cable sets for vehicles of heading 87.03 and vehicles of sub-headings 8704.2190, 8704.3130, 8704.3150, 8704.3190 and vehicles of heading 87.11	35
8708.1020		<p>- - - (1) Following components for vehicles of heading 87.03</p> <p>(i) Front and Rear Bumper and parts thereof</p> <p>(ii) Member/reinforcement for bumpers</p> <p>(iii) Side supports / stay/ bracket for bumpers</p>	35
		(2) Front bumper and parts thereof for	

		vehicles of sub – headings 8704.2190, 8704.3130, 8704.3150 and 8704.3190	
		(3) Front bumper (sheet metal part) for vehicles of sub-heading 8703.2323 and 8703.3223	
		(4)Front bumper and parts thereof for vehicles of sub - headings 8704.2190 and 8704.3190	
		(5) Bumpers and parts thereof for vehicles of sub -heading 8703.2115 and 8704.3150	
		(6) Front bumpers for vehicles of sub - heading 8703.3225	
8708.2110		- - - For vehicles of heading 87.03 and vehicles of subheadings 8704.2190, 8704.3130 and 8704.3190	35
8708.2931		- - - - (A) Following components for motor cars of heading 87.03	35
		(1) Air outlet assembly	
		(2) Anchor for spare tyre and parts thereof	
		(3) Apron assembly for front fender and parts thereof	
		(4) Arm rest for door trims	
		(5) Ash trays and parts thereof	
		(6) Battery trays, clamps, bands and parts thereof	

		(7) Bezels for inside door handles	
		(8) Bottom channel for holding window glass	
		(9) Bracket rear suspension	
		(10) Compartments for floor, rear floor sides, plates side sills for floor, side lockers for floor	
		(11) Console box assembly and parts thereof	
		(12) Cover assembly for spare wheel and parts thereof (hard board type)	
		(13) Cover Fuel pipe (for vehicles upto 1200cc)	
		(14) Cross member assemblies for floors and parts thereof	
		(15) Cross member for roof	
		(16) Cross member/ member front lower (for vehicles up to 1200cc) (front hood)	
		(17) Door assemblies (for vehicles not exceeding 800cc) (complete)	
		(18) Door checker/ stopper assemblies and parts thereof	
		(19) Door gussets	
		(20) Door handles inside and parts thereof	
		(21) Door handles outside and parts thereof	

		(22) Door seals for service holes (PE Sheet type)	
		(23) Engine compartment assembly (complete)	
		(24) Engine under covers (dust/ mud/ splash protectors)	
		(25) Extensions for rear floor cross members	
		(26) Floor assemblies (complete)	
		(27) Fresh air control assembly (for vehicles not exceeding 800cc)	
		(28) Front floor panels (for vehicles not exceeding 1200cc)	
		(29) Front hood assembly (complete)	
		(30) Front radiator grill (non-plated) and parts thereof	
		(31) Garnishes and trims (inner/ outer) other than chrome plated	
		(32) Handles window regulator and parts thereof	
		(33) Heat insulators/ baffles for floor insulation from exhaust pipe	
		(34) Heating/demisting/ventilation/ defrosting air ducts and nozzels	
		(35) Housing/ box fuel Inlet	

		(36) Inner panel for windshield header/ rail roof / frame roof assembly (front/ rear) and parts thereof	
		(37) Inner Panels for quarter window	
		(38) Inner pillars/ reinforcements for side body	
		(39) Instrument panel complete excluding foamed	
		(40) Linings/ guards for fender and wheel housing	
		(41) Link rods for activating door latches	
		(42) Lower cross member for dash panel and parts thereof (for vehicles not exceeding 1200cc)	
		(43) Luggage door and parts thereof (hatch back type) (for vehicles not exceeding 800cc)	
		(44) Member assembly front side with or without apron and parts thereof (for vehicles not exceeding 800cc)	
		(45) Member cowl and parts thereof	
		(46) Member for engine mounting (for vehicles not exceeding 800cc)	
		(47) Member steering support and parts thereof	

		(48) Member tail end (for vehicles not exceeding 800cc)	
		(49) Package tray trim/ trim partition	
		(50) Pan rear floor and parts thereof (for vehicles not exceeding 1200cc)	
		(51) Panel assembly for head lamp support/ mounting and parts thereof	
		(52) Panel assembly for rear combination lamp mounting and parts thereof	
		(53) Panel complete rear skirt and parts thereof	
		(54) Panel dash (sheet metal) (for vehicles not exceeding 1200cc)	
		(55) Panel dash side (for vehicles not exceeding 1200cc)	
		(56) Panel front fenders (for vehicles not exceeding 1200cc)	
		(57) Panel grill lower (for vehicles not exceeding 800cc)	
		(58) Panel hood assembly and parts thereof (for vehicles not exceeding 1200cc)	
		(59) Panel/ Trim assembly for doors and parts thereof except retainers/ clips	
		(60) Panels rear wheel housing inner) and parts thereof (for vehicles not exceeding	

		1200cc)	
		(61) Panels door Inner and outer (sheet Metal) front, rear and back (for vehicles not exceeding 800cc)	
		(62) Panels for cowl and parts thereof, (for vehicles not exceeding 1200cc)	
		(63) Panels for partition and support to package tray trim / and parts thereof	
		(64) Panels rear wheel housing inner and outer) and parts thereof (for vehicles not exceeding 800cc)	
		(65) Panels side body (for vehicles not exceeding 800cc)	
		(66) Parts of instrument panel other than those classifiable under chapter 90 (excluding foamed parts and registers/ louvers)	
		(67) Protective moldings for doors	
		(68) Rails for center roof and reinforcements, assemblies and parts thereof	
		(69) Rails for roof side and reinforcements, assemblies and parts thereof (for vehicles upto 1200cc)	

		(70) Reinforcement radiator grill (for vehicles not exceeding 1200cc)	
		(71) Reinforcements for center floor cross members	
		(72) Reinforcements for strikers and hinges	
		(73) Rod/stay/prop for hood support assembly and parts thereof	
		(74) Roof head lining (except those meant for sunroof)	
		(75) Roof panel (for vehicles not exceeding 800cc) (complete)	
		(76) Shroud for fan	
		(77) Side body assembly (complete)	
		(78) Side member assemblies for rear floors and parts thereof	
		(79) Side members/ reinforcement for main floor and parts thereof	
		(80) Side sill panel assemblies for main floor, and parts thereof	
		(81) Silencer/ insulation sheets inner) for dash panel	
		(82) Sound deadening/ insulation/ silencer sheets for floor	
		(83) Strikers for rear seat holding	

		(84) Sun Visor	
		(85) Torsion bars for hinges of luggage compartment	
		(86) Trim door opening	
		(87) Upper front member for hood latch (for vehicles not exceeding 1200cc)	
		(88) Upper rail/member/frame for back window assembly and parts thereof	
		(89) Wheel housing mudguards/ mud flaps	
		(B)Following components for vehicles of sub-heading 8703.2113, 8703.2195, 8703.2240	
		(1) Anchor for spare tyre and parts thereof	
		(2) Ash trays and parts thereof	
		(3) Battery trays, clamps, bands, box and parts thereof	
		(4) Bottom channel for holding window glass	
		(5) Bracket/ reinforcement/ hangers for suspension	
		(6) Brackets for seat belts	
		(7) Case/ bazel for inside door handles	
		(8) Chassis and parts thereof	
		(9) Cross member assemblies for floor and parts thereof	

		(10) Door assemblies (except front door)	
		(11) Door seals for service holes(PE sheet type)	
		(12) Emblems	
		(13) Engine under cover(dust, mud, splash protectors)	
		(14) Floor assemblies	
		(15) Floor mats	
		(16) Frame floor side	
		(17) Frame for front suspension	
		(18) Frame roof front/ plate side and parts thereof	
		(19) Front body	
		(20) Front floor panels and parts thereof	
		(21) Garnish head lamp and centre	
		(22) Garnish, side defroster cover, Control lever	
		(23) Handles, inside pull and parts thereof, except sliding door handles	
		(24) Handles, outside and parts thereof, except sliding door handles	
		(25) Handles, window regulator and parts thereof	
		(26) Inner pillars/ reinforcements for side	

		body	
		(27) Inner/ outer panel for rear quarter	
		(28) Instrument panel complete, excluding foamed	
		(29) Knob door inside lock	
		(30) Link rods for activating door latches	
		(31) Member floor side	
		(32) Member for engine room	
		(33) Pan rear floor and parts thereof	
		(34) Panel engine room	
		(35) Panel/ trim assembly for doors and parts thereof except retainers/ clips	
		(36) Panels for rear wheel housing (inner) and parts thereof	
		(37) Parts of instrument panel other than those classifiable under Chapter 90(excluding foamed parts and lid glove box)	
		(38) Pillar front outer	
		(39) Reinforcements floor side	
		(40) Retainer licence plate	
		(41) Service lid, rear floor	
		(42) Shroud for fan	
		(43) Shut stop for center door	
		(44) Side body assembly	

		(45) Side member assemblies for floor and parts thereof	
		(46) Side sills, front and centre (inner)	
		(47) Sill rear side inner	
		(48) Splash plate for radiator	
		(49) Sun visor	
		(50) Trim rail roof	
		(51) Wheel housing mud guards/ mud flaps	
		(C) Following components for vehicles of sub- heading 8703.2193	
		(1) Bar for side window	
		(2) Battery trays, clamps, bands and parts thereof	
		(3) Bezels for inside door handles	
		(4) Bracket rear licence plate	
		(5) Carrier for spare tyre and parts thereof	
		(6) Cover assembly for spare wheel	
		(7) Door handles inside/pull and parts thereof	
		(8) Door handles outside and parts thereof	
		(9) Door seals for service holes (PE Sheet type)	
		(10) Duct ventilator/hose defroster	
		(11) Emblems/Stickers	

		(12) Floor mat (plastic)	
		(13) Garnish head lamp	
		(14) Handles window regulator and parts thereof	
		(15) Head lamp support	
		(16) Knob for door lock	
		(17) Mud flaps	
		(18) Panel/ Trim assembly for doors and parts thereof except retainers/ clips	
		(19) Rod/stay/prop hood support assembly and parts thereof	
		(20) Service lid rear floor	
		(21) Sound deadning/ insulation/ silencer sheets for floor	
		(22) Stay for radiator support	
		(23) Stay hood lock opener	
		(24) Sun Visor	
		(D) Following components for SUV vehicles of heading 87.03:	
		(1) Battery tray assembly and parts thereof	
		(2) Cross member (rear)	
		(3) Door checkers	
		(4) Door handle outside	
		(5) Door handles (inner / outer)	

		(6) Door seals (PE sheet type)	
		(7) Dust cover assembly and parts thereof, for gear change / control lever	
		(8) End plate	
		(9) Filler neck assembly	
		(10) Floor mat assemblies	
		(11) Front grill / radiator grill	
		(12) Gear box cover assembly for dust / mud protection	
		(13) Gusset plates for engine compartment	
		(14) Heat insulators	
		(15) Heat protector for exhaust manifold	
		(16) Hood cover / soft top	
		(17) Hood sticks	
		(18) Lining for roof	
		(19) Mud covers for engine	
		(20) Mudguard / mud flaps	
		(21) Opener filler lid	
		(22) Pad for Roof Headlining	
		(23) Plastic linings for wheel housing / fender	
		(24) Plate assembly for hand brake mounting	
		(25) Plate holder set for mounting cable for	

		hood opening	
		(26) Reinforcement for bumpers	
		(27) Reinforcements for front floor	
		(28) Reinforcements for roof (sheet metal)	
		(29) Reinforcements for seat belts	
		(30) Reinforcements for storage box / jack box	
		(31) Rod/prop for hood support and parts thereof	
		(32) Side body gussets	
		(33) Side plates for floor	
		(34) Side sills for floor	
		(35) Sound deadening / silencer sheet	
		(36) Stay for fan shroud	
		(37) Stay for radiator	
		(38) Step assembly rear and mounting brackets	
		(39) Sun visor	
		(40) Windshield header panel / Rail	
		(E) Parts and accessories of bodies (including cabs) for vehicles of sub - heading 8703.2115	
		(F) Following components for vehicles of sub - heading 8703.3225	

		(1) Air intake grills for fenders / side grill	
		(2) Bonnet buffer and wind screen staples	
		(3) Centre facia consol assembly (central part of instrument panel) and parts thereof	
		(4) Channels for body drain	
		(5) Check link cover (strap) for internal door hinge	
		(6) Cubby box (Console Tunnel base)	
		(7) Door glass holding channel	
		(8) Door Trim (Casing)	
		(9) Emblems	
		(10) Escutcheon (Bazel) for window regulator	
		(11) Escutcheon for sill for lock control	
		(12) Floor mats	
		(13) Gear box tunnel pad (insulation)	
		(14) Handles for tail doors	
		(15) Handles for window regulators	
		(16) Header rails and parts thereof	
		(17) Hood cover (soft top tarpauline)	
		(18) Hood sticks and parts thereof for soft top mounting	
		(19) Inside handles for doors	
		(20) Lamp guards	

		(21) Lid assembly for locker / storage and parts thereof	
		(22) Locking angle for locker / storage lids	
		(23) Plate assembly for hand brake mounting	
		(24) Radiator grill assembly and parts thereof	
		(25) Rear curtain rod and clamp	
		(26) Rear mud flaps	
		(27) Roll over bar assembly and parts thereof	
		(28) Shedder assembly (PE plastic sheet type) for door insulation	
		(29) Side running board	
		(30) Step assemblies and parts thereof	
		(31) Sunvisors	
8708.3020		- - Following components for vehicles of heading 87.03	35
		(1) Brake pedal box assembly and parts, top cover for brake pedal (sheet metal), hand brake lever assembly and parts and brake pipes of vehicles of sub – heading 8703.3225	
		(2) Brake tubes, pipes and their covers of vehicles of heading 87.03	

		(3) Brakes and parts thereof (excluding brake master cylinder / pump, actuator and strut) and Mounted brake linings for vehicles of sub heading 8703.2115 and 8703.8030.	
		(4) Cable parking brake and parts thereof, of motor cars of heading 87.03 and vehicles of sub-heading 8703.2113, 8703.2195 and 8703.2240;	
		(5) Disc/ drum brake of motor cars of heading 87.03 and vehicles of sub-headings 8703.2113, 8703.2193, 8703.2195 and 8703.2240	
		(6) Dust Cover for brake disc of motor cars of heading 87.03 and vehicles of sub-heading 8703.2193	
		(7) Lever parking brake assembly and parts thereof, of vehicles of heading 87.03 and vehicles of sub-headings 8703.2113, 8703.2193, 8703.2195, 8703.2240, 8703.2260, 8703.2313, 8703.2323 and 8703.3223	
		(8) Brake Pedal and housing assembly and parts thereof for motorcars of sub-headings 87.03 and 8703.2193	
		(9) Brake Pedal assembly and parts thereof;	

		Parking brake cable and parts thereof for SUVs vehicles of 87.03	
8708.7010		- - - Road wheels (excluding casted), rims discs, caps, ornaments and weights for vehicles of heading 87.03 and vehicles of sub-headings 8704.2190, 8704.3130, 8704.3150 and 8704.3190	35
8708.9120		- - - Radiator other than aluminum core, for vehicles of heading 87.03 and vehicles of sub-headings 8704.2190, 8704.3130, 8704.3150, 8704.3190 and 8703.3225	35
8708.9210		- - - Silencers, mufflers and exhaust pipes for vehicles of heading 87.03 and vehicles of sub-headings 8704.2190, 8704.3130, 8704.3150, and 8704.3190	35
8708.9930		- - - For the vehicles of heading 87.03:	35
		(A) Following components for motor cars of heading 87.03	
		(1) Air cleaner housing assembly and parts thereof	
		(2) Arms for fan belt adjusting	
		(3) Bracket for generator	
		(4) Bracket for holding jack	
		(5) Bracket for jacking (for vehicles upto 1200cc)	

		(6) Bracket for stabilizing bar (for vehicles upto 1200cc)	
		(7) Bracket front seat inside (for vehicles upto 1200cc)	
		(8) Bracket parking lever	
		(9) Cable assembly for choke and parts thereof	
		(10) Cable for heater / air vent control and parts thereof (for vehicles upto 800cc)	
		(11) Cable for hood latch release and parts thereof	
		(12) Cables for opening fuel lid and parts thereof	
		(13) Cables for opening trunk latch and parts thereof	
		(14) Cap assembly fuel filler maintenance hole	
		(15) Cap assembly fuel filler	
		(16) Engine mounting brackets (sheet metal and cast iron, non rubberised)	
		(17) Fuel filler neck and pipe (other than plastic)	
		(18) Fuel pipe (main)	
		(19) Fuel pipe (return)	

		(20) Fuel tank (other than plastic)	
		(21) Fuel tank bands / brackets for mounting	
		(22) Fuel tube protectors (for vehicles upto 1200cc)	
		(23) Gear shift control rods/ transmission cables (manual type) (for vehicles not exceeding 1200cc)	
		(24) Heater unit (using engine heat) and parts thereof	
		(25) Lever fuel lid latch release	
		(26) Lever gear shift control and parts thereof (manual)	
		(27) Lever hood latch release	
		(28) Lever luggage door latch release	
		(29) Lid assembly fuel filler	
		(30) Nozzel and hose for wind shield washer	
		(31) Pedal and housing assembly (brake, clutch, accelerator and parts thereof)	
		(32) Protectors for fuel filler pipes	
		(33) Protectors fuel tank	
		(34) Reserve tank and hose assembly for radiator tank and parts threreof	
		(35) Seat track adjuster without reclining mechanism	

		(36) Shield fuel tank filler pipe	
		(37) Towing hooks	
		(38) Washer jar	
		(B) Following components for vehicles of heading 8703.2113, 8703.2195 and 8703.2240	
		(1) Air suction assembly for air cleaner	
		(2) Arm for gear select assembly and parts thereof	
		(3) Arms for fan belt adjusting	
		(4) Bracket for brake fluid reservoir	
		(5) Bracket for fuse box	
		(6) Bracket for generator	
		(7) Bracket for holding jack	
		(8) Bracket for mounting radiator	
		(9) Bracket for suspension	
		(10) Brake fluid reservoir assembly and parts thereof	
		(11) Cable assembly for accelerator and parts thereof	
		(12) Cable assembly for choke and parts thereof	
		(13) Engine mounting brackets (sheet metal and cast iron, non rubberised), excluding	

		front mount bracket.	
		(14) Fuel filler neck and pipe	
		(15) Fuel tank (other than plastic)	
		(16) Gear shift control rods/ transmission cables	
		(17) Hanger for muffler	
		(18) Hooks for engine lifting	
		(19) Lever gear shift control and parts thereof	
		(20) Nozzel and hose for wind shield washer	
		(21) Plates, seats, hangers, spring shackle(inner/ outer) bump stoppers, for use with leaf springs	
		(22) Reserve tank and hose assembly for radiator water and parts thereof	
		(23) Spare wheel carrier and bolt assembly	
		(24) Support set for gear shift arm	
		(25) Towing hooks	
		(26) Washer jar	
		(C) Following components for vehicles of sub- heading 8703.2193	
		(1) Arms for fan belt adjusting	
		(2) Engine mounting brackets (sheet metal and cast iron, non rubberised)	

		(3) Fuel tank	
		(4) Lifting hooks for engine	
		(5) Link rods for activating door latches	
		(6) Nozzel wind shield washer	
		(7) Pedal and housing assembly for brake, clutch, accelerator and parts thereof	
		(8) Plate cylinder block	
		(9) Plates, seats, hangers, shackles (inner/outer), stop rear bump, bumper rear spring and pad for leaves for use with leaf spring assemblies	
		(10) Reserve tank and hose assembly for radiator water and parts thereof	
		(11) Washer jar	
		(D) Following components for SUV of heading 87.03:	
		(1) Bands / protective blankets / brackets for fuel tank.	
		(2) Brackets for accelerator cable.	
		(3) Brackets for mounting air cleaner assembly	
		(4) Brackets for mounting bumper	
		(5) Brackets for mounting engine (sheet metal)	

		(6) Brackets for mounting fuse box / relay box	
		(7) Brackets for mounting power steering tank, power steering pump and power steering oil reservoir	
		(8) Brackets for mounting radiator	
		(9) Brackets for mounting silencers / mufflers / exhaust pipes	
		(10) Brackets for mounting suspension (sheet metal)	
		(11) Brackets for mounting vacuum tank	
		(12) Brackets for mudguards	
		(13) Brackets for release mechanism for hood opening	
		(14) Brackets for seats	
		(15) Cable for hood latch release	
		(16) Cable for hood lock control	
		(17) Engine cooling system pipes (metal)	
		(18) Fuel pipe for inlet fuel	
		(19) Fuel tubes, main and return	
		(20) Knobs for seat reclining knuckles	
		(21) Mounting system for spare wheel	
		(22) Oil cooler pipes (metal)	
		(23) Pedal Assembly for accelerator and	

		parts thereof	
		(24) Pedal assembly for clutch and parts thereof	
		(25) Power adjustment screw for hand brake	
		(26) Radiator pipes	
		(27) Resonator for air intake system.	
		(28) Seat Adjusting Track	
		(29) Spare wheel carrier assembly and parts thereof	
		(30) Towing hook	
		(31) Wire protecting pads (foam)	
		(E) Following components for vehicles of sub heading 8703.2115	
		(1) Air filter assembly and parts thereof	
		(2) Battery carrier assembly and parts thereof	
		(3) Brackets	
		(4) Brake oil tank	
		(5) Breather tube	
		(6) Chassis and parts thereof	
		(7) Control cables assemblies and parts thereof	
		(8) Engine mounting bolt; Engine cover	
		(9) Engine mounting bridge / cross member	

		(10) Fuel pipes	
		(11) Fuel tank assembly and parts thereof; cap fuel tank	
		(12) Fuse box assembly and parts thereof	
		(13) Handle grip	
		(14) Internal cock for handle grip	
		(15) Kick starter assembly and parts thereof	
		(16) Knobs	
		(17) Lever assembly gear shift	
		(18) Sleeve for wheel	
		(19) Spacer for wheel	
		(20) Speedometer cable assembly and parts thereof	
		(21) Torque rod	
		(22) Wheel nuts	
		(F) Following components for vehicles of sub - heading 8703.3225	
		(1) Accelerator cable	
		(2) Accelerator pedal assembly and parts thereof	
		(3) Air cleaner housing assembly and parts thereof	
		(4) Battery tray assembly and parts thereof	
		(5) Bracket for body floor support	

		(6) Bracket for fuel tank pipes	
		(7) Bracket for mounting body on chassis	
		(8) Bracket for mounting internal light	
		(9) Bracket for power steering oil reservoir	
		(10) Bracket for power steering pump mounting	
		(11) Bracket for radiator mounting	
		(12) Bracket for roll over bar	
		(13) Bracket for silencer / exhaust pipe support	
		(14) Bracket for track rod protection	
		(15) Clutch pipe (feed)	
		(16) Cover for fuse box	
		(17) Cradle / support for fuel tank	
		(18) Cyclone pipe oil drain (sheet metal)	
		(19) Flinger / damper	
		(20) Fuel filler cover assembly and parts thereof	
		(21) Fuel filler neck	
		(22) Gate plate for gear lever retention	
		(23) Hose assembly for washer	
		(24) Internal air duct for heater	
		(25) Lower air duct	
		(26) Lower seat for front spring	

		(27) Pipe assembly for fuel and parts thereof	
		(28) Pipe for heater return	
		(29) Retainer for suspension spring	
		(30) Retaining plate for pulley	
		(31) Rings for securing shock absorbers	
		(32) Spare wheel carrier assembly and parts thereof	
		(33) Stay assembly with cover for roll over bar	
		(34) Strap for fuel tank	
		(35) Strut for air cleaner bracket	
		(36) Top plate (plate grommet) for gear change assembly	
		(37) Towing hook	
		(38) Towing ring recovery and lashing assembly and parts thereof	
		(39) Underside protection bar assembly for propeller shaft	
		(40) Washer tank assembly and cap thereof	
8714.1020		- - - Following components for vehicles of heading 87.11:-	35
		(1) Air cleaner assembly and parts thereof	
		(2) Axles (front, rear, collar) and parts thereof	

		(3) Battery Box	
		(4) Bolt for engine mounting	
		(5) Brake cables and parts thereof	
		(6) Brake drums	
		(7) Brake pedal shaft	
		(8) Brake pads	
		(9) Brake rods, linkages and levers	
		(10) Brake shoes/ Mounted brake lining of asbestos	
		(11) Brakes (complete)	
		(12) Cams for brakes	
		(13) Chain case and parts thereof	
		(14) Clutch cables and parts thereof	
		(15) Complete fuel system	
		(16) Complete wheels	
		(17) Fenders and parts thereof	
		(18) Foot rest and parts thereof	
		(19) Frame / chassis and parts thereof	
		(20) Front fork assembly (complete)	
		(21) Fuel pipes / tubes	
		(22) Fuel tank (whether or not painted)	
		(23) Fuel tank cap (with or without lock)	
		(24) Fuse boxes	
		(25) Gear shift lever pad	

		(26) Grips (whether or not twisting) and parts thereof	
		(27) Handle bar and parts thereof	
		(28) Hubs for wheels	
		(29) Lever set kick starter	
		(30) Levers for front brake and clutch and parts thereof	
		(31) Motorcycle head lamp housing	
		(32) Mudguards / flaps (plastic)	
		(33) Nipples for wheels	
		(34) Parts for rear shock absorber assembly other than bushes, collars, stoppers, valves, guides, rings, pistons, springs, plates and spacers	
		(35) Parts of front fork assembly other than inner tubes, guides, races, ball assembly, seals, brackets, valves, oil locks, rings, pistons, stoppers, collars, front fork springs, plugs and bridges for forks	
		(36) Rear shock absorbers assembly	
		(37) Rim flaps (other than rubber) for wheels	
		(38) Rims for wheels	
		(39) Side covers and parts thereof	
		(40) Side stands / main stands and parts	

		thereof	
		(41) Silencers / exhaust pipes / mufflers and parts thereof	
		(42) Spokes for wheels	
		(43) Sprockets for wheels	
		(44) Swinging arm assembly and parts thereof except collar and bushing	
		(45) Throttle cables and parts thereof	
		(46) Torque link and parts thereof	
		(47) Regulator rectifier	
		(48) Clutch assembly	
		(49) Emblems / Stickers	
9401.2010		- - - For vehicles of heading 87.03 and vehicles of sub-headings 8704.2190, 8704.3130, 8704.3150 and 8704.3190	35
9401.9910		- - - Seat parts made of foam, head/arm rests and seat frames for vehicles of heading 87.03 and vehicles of subheadings 8704.2190, 8704.3130, 8704.3150 and 8704.3190	35
98.01		Services provided or rendered by hotels, marriage halls, lawns, clubs and caterers.	
9801.1000		Services provided or rendered by hotels	
9801.2000		Services provided by restaurants	

9801.3000		Services provided or rendered by marriage halls and lawns	
9801.4000		Services provided or rendered by clubs	
9801.5000		Services provided or rendered by caterers, suppliers of food and drinks	
9801.6000		Ancillary services provided or rendered by hotels, restaurants, marriage halls, lawns, caterers	
9801.7000		Services provided or rendered by hostels	
9801.8000		Services of Ship Chandlers	
9801.9000		Other	
9905		<p><u>Imports by Dignitaries of UAE, Qatar, Bahrain and Kingdom of Saudi Arabia:</u></p> <p>Household articles and personal effects including vehicles and goods for donation to projects established in Pakistan, imported by the rulers and following dignitaries of UAE, Qatar, Bahrain and Kingdom of Saudi Arabia subject to the conditions mentioned below and the conditions mentioned in sub-chapter notes:-</p> <p><u>Dignitaries of UAE</u></p> <p>1. H.H. Sheikh Mohammad Bin Zayed Al Nahyan, President of UAE and Ruler of</p>	0%”

		<p>Emirates of Abu Dhabi.</p> <p>2. H.H. Sheikh Mansour Bin Zayed Al Nahyan, Deputy Prime Minister and Minister of Presidential Affairs of UAE.</p> <p>3. H.H.Sheikh Khaled Bin Mohamed Bin Zayed Al Nahyan, Crow Prince of Abu Dhabi</p> <p>4. H.H. Sheikh Hazza Bin Zayed Al Nahyan, Deputy Ruler of Abu Dhabi.</p> <p>5. H.H.Sheikh Tahnoun Bin Zayed Al Nahyan, Deputy Ruler of Abu Dhani</p> <p>6. H.H. Sheikh Suroor Bin Mohammad Al Nahyan, Chamberlain of the Presidential Court of UAE, Abu Dhabi and Member of Ruling Family of UAE.</p> <p>7. H.H. Sheikh Mohammed Bin Khalid Al Nahyan, Member of the Ruling Family of UAE.</p> <p>8. H.H. Sheikh Nahyan Bin Mubarak Al Nahyan, Member of Ruling Family of UAE and UAE's Minister of Culture, Youth, Social and Knowledge Development as well as Minister of Tolerance.</p> <p>9. H.H. Sheikh Sultan Bin Hamdan Bin</p>	
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		<p>Mohammed Al Nahyan, Member of Ruling Family of UAE.</p> <p>10.H.H. Sheikh Tahnoun Bin Mohammad Al Nahyan, Member of the Ruling Family of Abu Dhabi.</p> <p>11.H.H. Sheikh Rashid Bin Khalifa Bin Saeed Al Maktoum, Member of the Ruling Family of Dubai.</p> <p>12.H.H. Sheikh Saeed Bin Zayed Bin Sultan Al Nahyan, Representative of the Ruler of Abu Dhabi and Member of the Ruling Family of UAE.</p> <p>13. H.H. Sheikh Hamdan Bin Zayed Al Nahyan, Representative of the President of the UAE Western Region and Member of Ruling Family of Abu Dhabi.</p> <p>14.H.H. Sheikh Mohammad Bin Rashid Al Maktoum, Prime Minister/Vice President of UAE and Ruler of Dubai.</p> <p>15.H.H. Sheikh Hamdan Bin Mohammed Bin Rashid Al Maktoum, Crown Prince of Emirates of Dubai and Member of the Ruling Family of UAE.</p> <p>16. H.H. Maj. Gen. Sheikh Ahmed Bin Rashid Al Maktoum, Member of the</p>	
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		<p>Ruling Family of UAE and Deputy Chairman of Dubai Police and Public Security.</p> <p>17. H.H. Maj. Gen. Sheikh Nahyan Bin Zayed Al Nahyan, Commander of Royal Guard and Member of the Ruling Family of UAE.</p> <p>18. H.H. Sheikha Fatima Bin Mubarak, Member of the Ruling Family of UAE.</p> <p>19. H.H. Dr. Sheikh Sultan Bin Khalifa Bin Zayed Al-Nahyan, Advisor of the President of UAE and Member of the Ruling Family of UAE.</p> <p>20. H.H. Maj. Gen. Sheikh Al Mur Bin Muktoum Bin Juma Al Maltoum, Member of the Ruling Family of UAE.</p> <p><u>Dignitaries of Bahrain:</u></p> <p>1. H.E. King Hamad Bin Isa Al-Khalifa.</p> <p>2. Lt. Gen. Sheikh Mohamed Bin Isa Bin Salman Al-Khalifa.</p> <p>3. H.E. Shaikh Ahmed Bin Ali Bin Abdullah Al Khalifa, Member of Ruling Family & First Cousin of His Majesty, the King of the Kingdom of Bahrain</p> <p><u>Dignitaries of Qatar:</u></p>	
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		<ol style="list-style-type: none"> 1. H.H. Sheikh Tamim Bin Hamad Al-Thani, the Emir of the State of Qatar. 2. H.H. Sheikh Hamad Bin Khalifa Al-Thani, the Father of the Emir of the State of Qatar. 3. H.H. Sheikh Mohammad Bin Abdul Rahman Bin Jassim, Prime Minister of the State of Qatar. 4. H.E. Sheikh Mohammad Bin Khalifa Al-Thani, Former Deputy Prime Minister of the State of Qatar. 5. H.E. Sheikh Hamad Bin Jassim Bin Jabr Al-Thani, Former Prime Minister & Former Foreign Minister. 6. H.E. Sheikh Mohammad Bin Faisal Al-Thani. 7. H.E. Sheikh Ali Bin Abdullah Al-Thani. 8. H.E. Sheikh Falah Bin Jassim Bin Jabr Al-Thani. 9. H.E. Sheikh Faisal Bin Khalifa Kh. A. Al-Thani. 10. H.E. Sheikh Abdullah Bin Jassim Al-Thani. 11. H.E. Sheikh Faisal Bin Jassim Al-Thani. 12. H.E. Sheikh Faisal Bin Nasser Al-Thani. 	
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		<p><u>Dignitaries of Kingdom of Saudi Arabia:</u></p> <ol style="list-style-type: none"> 1. His Royal Highness Prince Fahad Bin Sultan Bin Abdul Aziz Al-Saud, Governor of Tabuk of Kingdom of Saudi Arabia 2. His Royal Highness Prince Mansour Bin Mohammad Bin S. Bin Abdul Rahman Al-Saud 3. HRH Prince Mutaib Bin Mohammad Al Saud, Member of Royal Family of Saudi Arabia. <ol style="list-style-type: none"> i. A complete list of all vehicles showing name of the owner, details of imports and present custodian etc. shall be provided by UAE/Qatar/Bahrain/Saudi Arabia Ambassador. ii. The list shall be updated every six months i.e. on 31st July and 31st January to show status as on 1st July & 1st January. iii. UAE/Qatar/Bahrain/Saudi Arabia Rulers must make and disclose alternate arrangements for maintenance of their fleet by their employees and not by any Pakistani posing as their agents or authorized representatives. 	
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		<p>iv. UAE/Qatar/Bahrain/Saudi Arabia Embassy should undertake that no Pakistani will be allowed use of their duty free vehicles and that they will abide by the true spirit in which this concession is available to the UAE/Qatar/Bahrain/Saudi Arabia Rulers.</p> <p>v. In order to avail the duty concession, an exemption certificate to this effect shall be issued by the Ministry of Foreign Affairs, Government of Pakistan.</p> <p>vi. On the recommendations of Ministry of Foreign Affairs, FBR may issue exemption certificate to any dignitary, not listed above under this PCT Code.</p>	
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TAX EXPENDITURE REPORT 2023**EXECUTIVE SUMMARY**

Tax expenditure is revenue foregone because of selective provisions in the tax code¹. Tax expenditure reports are prepared worldwide as a future guideline for tax policy formulation. This report uses the standard “Revenue Forgone” methodology to estimate the tax expenditure under the Income Tax, Sales Tax and Customs laws in Pakistan. This approach quantifies the direct ex-post revenue loss associated with the provisions relative to the statutory tax rates. This report is based on data relevant to FY2021-22 with a few exceptions.

Income tax expenditures are calculated using the tax returns data and taking the statutory rates available in First schedule of ITO-2001 as the benchmark rates. The benchmarks for scope of income are taken as defined in Section 9 of ITO-2001 as the various heads of income and the origin-of-income concept for residents and non-residents. Where exact data was not available, reliance is placed on third party data and calendar year data instead of financial year data. Tax expenditure arising from withholding income tax at import stage is also included.

The Sales Tax expenditure is based on returns/imports data and the difference of sales tax paid and the sales tax payable at 17% is calculated as the Sales Tax expenditure. Certain adjustments on gross estimates have been made to allow for input tax adjustments in certain exempt items based on the counterfactual if such items were not exempt.

Customs duty expenditure is calculated based on the legal provisions under the Customs Act 1969, and statutory instruments through which exemptions/concessions are granted to imported goods. Statutory rates of customs duty relevant to FY 2021-22 are taken as the benchmark rates while provisions

¹ IMF, 2019.

relating to exemptions from regulatory duty and additional customs duty have been excluded.

The interpretation of estimates in this report is subject to certain caveats. The expenditure amounts are calculated assuming that all other provisions of that tax type remained unchanged. It can by no means be construed that eliminating certain tax expenditure will necessarily increase revenue of the same amount. Actual receipts will depend on enforcement, taxpayer compliance, effective dates of legislation repealing the exemption, exact wording of any legislation, and taxpayers' behavior. Moreover, the actual amount will also depend on the nature of economic activity, elasticity of goods and services, etc. Hence, the realization of actual revenue, consequent to removal of certain exemptions, may vary. The impact of FBR tax expenditure on provincial tax systems is not included in this report.

Advanced countries have shown higher estimates of tax expenditures in comparison with the developing and poor countries at the global level during 2019 and 2020. Within the 21 sampled set of countries, the Russian Federation tops the list with an estimated 14.8% of GDP as tax expenditure while India is at the other extreme with only 0.4% of GDP as tax expenditure (Figure 2).

Key Findings

- The total Federal Taxes' expenditure based on the data relating to FY2021-22 is estimated at **Rs. 2,239.63 billion** with a tax-wise breakdown as follows:
 - Income Tax: Rs. 423.89 billion (6.89% of total FBR tax collection, 18.93% of total expenditure and 0.64% of GDP)
 - Sales Tax: Rs. 1,294.04 billion (21.05% of the total FBR tax collection, 57.78% of total expenditure and 1.94% of GDP)
 - Customs Duty: Rs. 521.70 billion (8.49% of total FBR tax collection, 23.29% of total expenditure and 0.78% of GDP)

- The total expenditures are **36.43** % of total FBR tax collection in FY 2021-22.
- The tax revenue foregone constitutes approximately **3.36% of total GDP** in **FY2021-22** as against 2.69% in FY2020-21.
- Pakistan's current tax expenditure estimate and the average tax expenditure are far below the average estimates of the world (Figures 2 & 3).

Table 1: Summary of Tax Expenditure Estimates FY2021-22 (Rs. Billion)

Tax Heads	Tax Expenditure			Tax Expenditure as % of		
	FY 2020-21	FY 2021-22	Increase/ Decrease (%)	GDP	Total FBR Collection FY2021-22	Total Tax Expenditure
Income Tax	416.51 ²	423.89	1.77	0.64	6.89	18.93
Sales Tax	739.77	1,294.04	74.92	1.94	21.05	57.78
Customs Duty	342.89	521.70	52.15	0.78	8.49	23.29
Total	1,499.17³	2,239.63	49.39	3.36	36.43	100.00

Table 2: Income Tax Expenditure Summary

Exemption Heads	Tax Expenditure (Rs. Million)		Increase/ Decrease (%)
	FY 2020-21	FY2021-22	
Exemptions and Tax Concessions given in	26,164	26,834	2.56

² This estimate was reported at Rs. 399.66 million in PFY2020-21 Report. It is reworked and reported as per the current year's data retrieval methodology.

³ The Total expenditure was reported as Rs. 1,482.32 million in PFY 2020-21 Report. It is reworked for this report due to the reason as explain above in footnote 2.

Part VII of Chapter III of ITO, 2001

Deductible Allowances given in Part IX of Chapter III of ITO, 2001	10,625	14,506	36.53
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Tax Credits given in Part X of Chapter III of ITO, 2001	65,465	52,133	-20.37
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Income Exempt from Tax given in Part I of Second Schedule of ITO, 2001	232,852	232,398	-0.19
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Reduction in Tax Rates given in Part II of Second Schedule of ITO, 2001	17,047 ⁴	24,444	43.39
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Reduction in Tax Liability given in Part III of Second Schedule of ITO, 2001	3,285	4,738	44.23
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Exemption from Specific Provisions given in Part IV of Second Schedule of ITO, 2001	61,076	68,841	12.71
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Total Income Tax Expenditure	416,514⁵	423,894	1.77
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Table 3: Sales Tax Expenditure Summary

Exemption Heads	Tax Expenditure		Increase/
	(Rs. Million)		Decrease
	FY2020-21	FY2021-22	(%)
Zero Rating under Fifth Schedule to Sales Tax Act 1990	33,422	139,448	317.23
Exemptions given on POL Products Through Various SROs	-	632,950	100.00

⁴ Estimate of Reduction in Tax Rates given in Part II of Second Schedule of ITO, 2001, was reported at Rs. 195 million in PFY2020-21 Report. It is reworked and reported as per the current year's data retrieval methodology.

⁵ The total income tax expenditure was reported as Rs. 399.66 million in PFY 2020-21 report. It is reworked for this report due to the reason as explained above in footnote 3.

Exemption under Sixth Schedule on (Imports)	327,656	257,537	-21.40
Exemption under Sixth Schedule on Local supplies	139,046	133,178	-4.22
Reduced Rates Under Eighth Schedule	193,722	129,906	-32.94
Sales Tax on cellular Mobile Phones under Ninth Schedule	45,919	1,021	-97.78
Total Sales Tax Expenditure	739,765	1,294,041	74.93

Table 4: Customs Duty Expenditure Summary

Exemption Heads	Tax Expenditure (Rs. Million)		Increase/ Decrease
	FY2020-21	FY2021-22	(%)
Chapter-99 Exemptions	15,963	22,240	39.32
FTA & PTA Exemptions	46,105	102,658	122.66
Fifth Schedule Exemptions & Concessions	168,754	172,978	2.50
General Concessions: Automobile sector, E&Ps, CPEC, etc.	60,987	192,950	216.38
Export Related Exemptions	51,081	30,878	(39.55)
Total Customs Expenditure	342,890	521,703	52.15
Grand Total	1,499.17⁶	2,239.63	49.39

(Income Tax + Sales Tax + Customs Duty)

INTRODUCTION

CHAPTER-1

1.1. Tax Expenditure

⁶ The Grand total of Income Tax, Sales Tax & Customs Duty was Rs. 1,482.32 million in PFY2020-21 report. It is reworked for this report due to the reason as explained above in footnote 3.

1.2. Methodology and Measurement

1.3. Issues in interpretation

1.1 Tax Expenditure

The concept of tax expenditure has been defined in various ways, including the following:

- The Organization for Economic Cooperation and Development (OECD) defines tax expenditure as “the estimated costs to the tax revenue of preferential treatment for specific activities.”
- The International Monetary Fund (IMF) defines tax expenditure as revenue foregone “as a result of selective provisions in the tax code.”
- The US Department of the Treasury defines Tax expenditure as “revenue losses attributable to provisions of Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability.”

Tax expenditure is a deviation from a defined “benchmark” tax structure. A benchmark is a reference tax system that defines what ought to be taxed in the normal course, when there are no deviations. Formal definition of “tax expenditure”, therefore, depends on how the benchmark tax system has been specified. The fundamental aspects of the tax system that constitute the “benchmark” are given in more detail in this chapter under heading 1.2. Thus, deviations from this benchmark, whether provided for in the main body of law or its schedules, are treated as tax expenditures.

Tax expenditures can take different forms. They are usually in the form of allowances (amounts deducted from the tax base before applying the tax rate), credits (amounts deducted from tax liability), exemptions (exclusion from the tax

base), or rate relief (reduced tax rates), etc. They are sometimes referred to as tax incentives or tax subsidies. Negative tax expenditures are tax sanctions. A tax sanction means levying tax at a higher rate than the norm. However, negative tax expenditures have not been discussed in this report.

1.2 Methodology and Measurement

The worldwide used “Revenue Forgone”, approach⁷ is used to estimate tax expenditure in income tax, sales tax, and customs duty for this report. This method quantifies the direct ex-post revenue loss associated with the provisions relative to the statutory tax rates (holding other factors constant)⁸. This method calculates the tax liability for the taxpayer and subtracts tax paid from the tax liability. The difference between the two is the tax revenue foregone or tax expenditure. For measuring the tax expenditure in this report, the data used is mainly related to FY2021-22. During the FY2021-22, the total tax collection was Rs. 6,148.5 billion⁹ and GDP was Rs. 66,624 billion¹⁰. The tax expenditures have been reported with references to these parameters as per standard practice. Where the data is not available specifically according to the financial year, the calendar year data has been used.

1.2.1 Measurement of Income Tax Expenditure

Income tax expenditure in this report has been calculated by taking the data of Income Tax Returns for the FY2021-22 and third-party data. Tax rates given in the First Schedule of the ITO-2001 are taken as benchmark rates as modified and updated by Finance Act 2021. These rates are applied to incomes declared to

⁷ Canada Finance Department (2022), Federal Tax Expenditures - Concepts, Estimates and Evaluations 2022

US Treasury (2022), Australia Treasury (2022)

⁸ Geourjon (2019)

⁹ FBR Year Book 2021-22

¹⁰ Pakistan Economic Survey, 2021-22

compute the normal tax amount. Any variation or concession in tax rates within the First Schedule is not considered as a deviation from the benchmark.

This report mainly focuses on Part VII of Chapter III of the ITO, 2001 and Parts I, II, III and IV of the second schedule of the said ordinance. These provisions provide the various items comprising the income tax expenditure including exemptions and concessions to individuals, association of persons, companies etc., who are taxable according to the rates specified in the first schedule.

Rate of minimum tax for loss declaring entities is taken as 1.25% and tax rates for individuals are taken as per the relevant slab given in First Schedule of ITO, 2001. Corporate benchmark rate is taken as 29% as corporate tax rate changed from 30% to 29% for FY 2018-19 onwards. While calculating the reduced rate exemptions, the difference between tax amounts on the basis of statutory tax rate and reduced/exempted rate for each item is taken as tax expenditure.

For several clauses of the second schedule, data was obtained from third party sources to calculate the tax expenditure as such data was either not available in the returns or it could not be retrieved from the database.

1.2.2 Measurement of Sales Tax Expenditure

The standard sales tax rate of 17% is taken as the benchmark rate to calculate the sales tax liability. The FBR sales tax return database is used to estimate the tax expenditure in sales tax for FY2021-22. The concept is that a tax liability at 17% sales tax rate would have been payable if there were no tax concessions. This method quantifies the direct ex-post revenue loss associated with the provisions relative to the standard sales tax rates. The actual sales tax paid has been subtracted from the tax liability at 17% tax. The difference between the two is the sales tax revenue foregone.

Adjustments are made on gross estimates to avoid duplication in the estimations where required. According to the previous years' methodology a 30% adjustment has been considered for items listed as exempt in the Sixth Schedule to the Sales Tax Act, 1990. This is indicative of the input tax adjustment that would have been claimed in the absence of the exemption.

1.2.2.1 Explanatory Notes on Sales Tax Estimates

A. Types of Concessions

In sales tax act, concessions are granted broadly by three ways as follows:

- I. Zero rating
- II. Exemptions
- III. Reduced rates

I. Zero rating

Under Section 4 of the Act, goods exported, or the goods specified in the Fifth Schedule; supply of stores and provisions for consumption aboard a conveyance proceeding to a destination outside Pakistan as specified in section 24 of the Customs Act, 1969 (IV of 1969); such other goods, as the Federal Government may specify by notification in the official Gazette, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements are charged to tax at the rate of zero per cent.

II. Exemptions

Under section 13 of the Sales Tax Act 1990, supply of goods or import of goods specified in the Sixth Schedule are exempt subject to conditions as may be specified by the Federal Government. The Federal Government is empowered to

issue exemptions whenever circumstances arise to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements, by notification in the official Gazette. Exemptions can be allowed to any supplies made or imports, of any goods or class of goods from the whole or any part of the tax chargeable under the Act, subject to the conditions and limitations specified therein.

III. Reduced rates

Under section 3(2)(b) of Sales Tax Act 1990, the Federal Government is empowered to declare that in respect of any taxable goods, the tax shall be charged, collected, and paid in such manner and at such higher or lower rate or rates as may be specified, subject to such conditions and restrictions as it may impose, by notification in the official Gazette.

B. Nature of exemptions and concessions

In sales tax act, concessions are granted broadly by three ways: i.e., zero rating, exemptions, and reduced rates as follows:

I. Product-based Concessions

In some cases, product-based concession is granted under the sales tax act, for example, in case of food and grocery items, certain products are exempt or have reduced rate of sales tax. Data capture or in some cases its retrieval becomes challenging because these exemptions can have rules within rules. Prepared foods and ready-to-eat food items may be exempted or have reduced rate whereas the same items if sold under brand name may not have the concession.

II. Use-based Concessions

Under the Act certain products that are intended to be used for in-house consumption, for use of a specific organization are given tax concession. Typically,

this is where, the end consumers are not liable to be taxed, or intended to be given tax concession.

III. Buyer-based Concessions

Diplomats, diplomatic missions, diplomatic organizations, non-profit organizations, or government agencies often are not required to pay sales tax. This concession in the form of zero rating or exemption is extended to these national and international agencies.

IV. Economic activity-based concessions

Certain tax concessions under the Act are granted for a specific economic activity, such as export promotions or certain activities in export processing zones. A unique case in Pakistan is the case of exemptions in erstwhile Federally Administered Tribal Areas (FATA), where exemptions are granted for mainstreaming of the geographic areas.

1.2.3 Measurement of Tax Expenditure in Customs Duty

Data for estimation of Customs expenditure is also taken from FBR's official database, and estimates were calculated against statutory rates of duties, using revenue foregone approach.

1.2.3.1 Benchmark for Customs Duty Expenditure

- a) Statutory rates of Customs Duty (CD), Regulatory Duty (RD), and Additional Customs Duty (ACD) have been taken as benchmark rates. Customs related exemptions/concessions are generally sector based.
- b) While making calculations, any deviation from statutory rates has been considered as an exemption/concession.
- c) The period of study is July 2021 to June 2022.

d) Classification of total estimates of customs duty expenditure are based on figures in respect of customs duty exemptions given under chapter-99, FTA/PTAs, Fifth Schedule to Customs Act 1969, General Concessions: exemptions given under other SROs to Automobile sector, E&Ps, CPEC, etc., and export-oriented exemption/concession SROs.

1.3 Issues in interpretation

It is appropriate to acknowledge that the estimates in this report are quantified amounts. The factual tax expenditures may vary depending on a host of factors. Thus, several caveats are applied when we interpret these estimates. These caveats are discussed as follow:

- i. The tax expenditure estimates presented in this report relate to FBR revenues only and do not account for the provincial revenue expenditure. It is pertinent to mention that federal and provincial tax systems interact with each other to varying degrees on practical grounds. As a result, changes in FBR tax expenditure may have consequences for provincial revenues.
- ii. The amounts by which federal tax revenues are reduced due to existence of tax expenditures are estimated independently for each tax expenditure by assuming that all other tax provisions remain unchanged. However, elimination of tax expenditure would not necessarily yield the full amount of revenues shown in this report since there may be interaction of multiple tax expenditure provisions.
- iii. The reduction in tax revenue reported in this report is only due to the actual tax expenditure observed in the database. We assume that all other factors remain unchanged.
- iv. This measurement approach assumes that existence of tax expenditure does not affect taxpayers' behavior. There is a strong probability that if a particular

tax expenditure provision is eliminated, it may not result in an exactly proportionate increase in revenue.

- v. This methodology does not consider the potential impact of a particular tax expenditure on the overall level of economic activity and consequently increase or decrease in aggregate tax revenues. For example, eliminating tax expenditure may affect the level of consumption or economic activity, which in turn could cause a further change in the amount of tax revenue collected.
- vi. Revenue forgone provides quantified amounts only; it ignores the potential transitional provisions and consequential government policy changes that may occur due to the elimination of a particular measure.

INTERNATIONAL EVIDENCE ON TAX EXPENDITURE

CHAPTER - 2

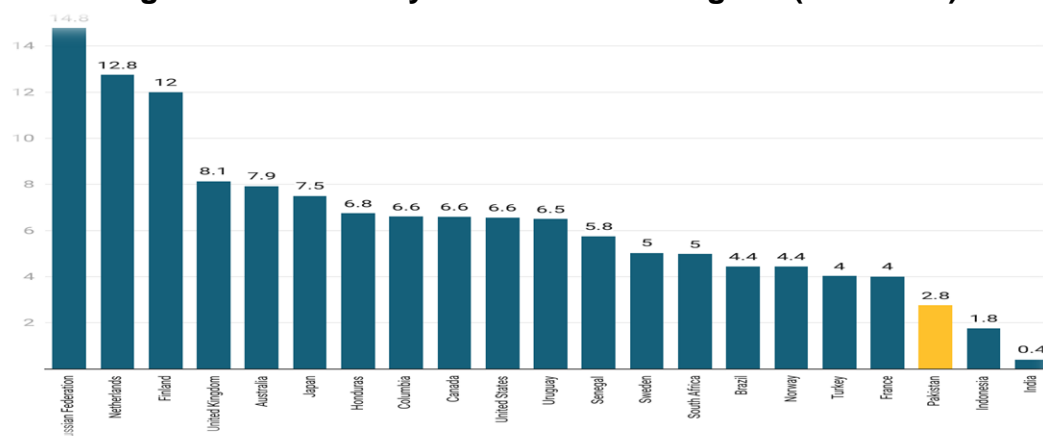
Throughout the World, most of the countries provide concessions, exemptions and tax relief on certain products and segments of society. There is large variation in tax expenditures across countries. Mostly, advanced countries report significantly higher estimates of revenue forgone.

According to the “Global Tax Expenditure” data of 2019 and 2020 (Figure 2). Russian Federation provides a huge size of tax exemptions, that is, 14.8% of their GDP. In U.S., income tax expenditure constitutes 6.6% of GDP.

Similarly, the government tax revenue gets reduced by around 8% of GDP in Australia. Canada, Japan, and UK also allow tax expenditure up to 6.6%, 7.5% and 8.1% of their GDP. The revenue forgone or tax expenditure in European countries is relatively close to the world average of tax expenditure (around 4% of GDP). However, Finland and Netherlands are exceptions, where tax expenditures are 12% and 12.8% of their GDP.

Many small and emerging economies also give tax concessions and exemptions. For instance, the tax expenditure was more than 4% of GDP in Brazil and South Africa while it was close to 7% in Colombia. Pakistan and India appear at lower tail of this distribution. Pakistan had tax expenditure equal to 2.8% of GDP and India had an expenditure of 0.4% of their GDP (Figure 2).

Figure 2: Country wise Revenue Forgone (% of GDP)



Source: <https://gted.net/> (Global Tax Expenditure Database)

In this figure, the tax expenditure varies between the years 2019 and 2020 across countries.

Global Average Revenue Foregone

Figure 3 shows the global average tax expenditure as percent of GDP for the last 21 years. The average tax expenditure of the world shows a smooth increasing trend starting from an average of 3.6% of GDP in early years of 2000 with an increasing trend, i.e., up to 4% of GDP in 2020. The global average represents the sample number of countries included in the study which ranges from 16-90 with average rate of tax expenditure for the mentioned countries in the given year. The average tax expenditure remains between 3.4% to 4.4% of GDP. Pakistan's tax expenditure i.e., 3.36% for FY2021-22 is well below the global average.

Figure 3: Global Average Tax Expenditure (% of GDP)



Data Source: Global Tax Expenditure, May, 2023

TAX EXPENDITURE ESTIMATES

CHAPTER – 3

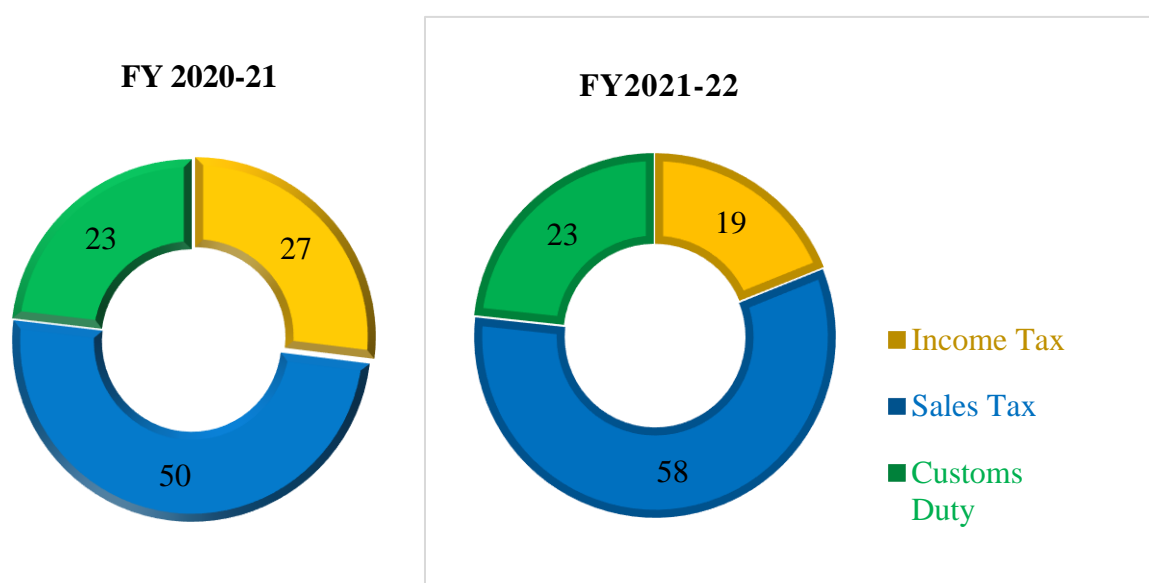
3.1 Income Tax Estimates

3.2 Sales Tax Estimates

3.3 Customs Estimates

Figure 1 shows the percentage share of different taxes in tax expenditure for FY2021-22 in comparison with FY2020-21. A decline is observed in share of income tax expenditure in overall tax expenditures, whereas share of sales tax expenditure has increased significantly while the custom duty expenditure remains stable during FY2021-22 as compared to FY2020-21.

Figure 1: Head-wise Tax Expenditure (% Share of Total Tax Expenditure)



3.1 Income Tax Estimates

Income tax expenditures are classified into various types of measure, i.e., allowances, credits, exemptions, reduced rates, exclusion, etc. Overall income tax expenditure accounted for 18.93% of the total expenditure in FY2021-22. Income tax

related tax expenditure are higher by 1.77% during FY2021-22 as compared to FY2020-21. Major chunk of income tax exemptions pertains to incomes exempt from tax given in Part I of Second Schedule (54.82%), followed by specific provisions (16.24%) and tax credits (12.30%). A substantial jump has been noted in tax expenditure on account of reduction of rates mainly because of non-availability of data on certain clauses during PFY and addition of some clauses through Finance Act, 2021 related to reduction in rates on import of sugar.

Table 5 Income Tax Expenditure Summary

Exemption Heads	Tax Expenditure		Increase/
	Rs. Million		Decrease
	FY2020-21	FY2021-22	In FY2022 (%)
Exemptions and Tax Concessions given in Part VII of Chapter III of ITO, 2001	26,164	26,834	2.56
Deductible Allowances given in Part IX of Chapter III of ITO, 2001	10,625	14,506	36.53
Tax Credits given in Part X of Chapter III of ITO, 2001	65,465	52,133	-20.37
Income Exempt from Tax given in Part I of Second Schedule of ITO, 2001	232,852	232,398	-0.19
Reduction in Tax Rates given in Part II of Second Schedule of ITO, 2001	17,047 ¹¹	24,444	43.39
Reduction in Tax Liability given in Part III	3,285	4,738	44.23

¹¹ Estimate of Reduction in Tax Rates given in Part II of Second Schedule of ITO, 2001, was reported at Rs. 195 million in PFY2020-21 Report. It is reworked and reported as per the current year's data retrieval methodology.

of Second Schedule of ITO, 2001

Exemption from Specific Provisions given	61,076	68,841	12.71
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in Part IV of Second Schedule of ITO,

2001

Total Income Tax Expenditure	416,514¹²	423,894	1.77
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- The largest share of income tax expenditure was incurred in Part I of Second Schedule of ITO, 2001. However, variation under this item was negligible for FY2021-22 as compared to the previous year.
- The tax expenditure in income tax constitutes approximately 0.64% of GDP in the FY2021-22.
- The income tax expenditure on account of tax credits was reduced by 20.37% in FY2021-22 in comparison with the previous year.
- The total income tax expenditure showed an increase of 1.77% in FY2021-22 as compared with FY2020-21.

3.2 Sales Tax Estimates

Sales tax expenditure has been calculated for sales tax at local and import stage. The tax expenditure in sales tax increased by 74.93% as compared to that in preceding year. The overall tax expenditure is 57.78% of the total expenditure in FY2021-22. The major share (48.91%) of sales tax expenditure goes to exemptions given on POL Products through various SROs followed by exemption under Sixth Schedule on (Imports) (19.90%) of sales tax expenditure, zero rating under Fifth Schedule (10.77%), local supplies under Sixth Schedule (10.29%), reduced rates under Eighth Schedule (10.04%) and sales tax on cellular mobile phones under Ninth Schedule (0.08%).

¹² The total income tax expenditure was reported as Rs. 399.66 million in PFY 2020-21 report. It is reworked for this report due to the reason as explained above in footnote 3.

Table 6 Sales Tax Expenditure Summary

Exemption Heads	Tax Expenditure		Increase/
	(Rs. Million)		Decrease (%)
	FY2020-21	FY2021-22	FY2022
Zero Rating under Fifth Schedule of the Sales Tax Act 1990	33,422	139,448	317.23
Exemptions given on POL Products Through Various SROs	-	632,950	100.00
Exemption under Sixth Schedule on (Imports)	327,656	257,537	-21.40
Exemption under Sixth Schedule on Local supplies	139,046	133,178	-4.22
Reduced Rates Under Eighth Schedule	193,722	129,906	-32.94
Sales Tax on cellular Mobile Phones under Ninth Schedule	45,919	1,021	-97.78
Total Sales Tax Expenditure	739,765	1,294,041	74.93

- Almost half of the amount of expenditure in sales tax is due to relief provided on POL Products.
- A significant increase is observed in the zero-rated items under Fifth Schedule of sales tax act 1990, which is primarily due to the zero-rating allowed to local sales of drugs and petroleum products.
- The cost of sales tax expenditure constitutes approximately 1.94% of the GDP in FY2021-22.

3.3 Customs Estimates

The customs duty concessions are in the form of reduced rate, zero rate, exemptions to specific sectors/items, which are broadly scattered among items such as plant, machinery and equipment, chemicals, parts, and renewable energy sources equipment. The largest portion of customs duty expenditure (37%) is on account of General Concessions for Automobile sector, E&Ps, CPEC, etc.

Table 7 Customs Duty Expenditure Summary

Exemption Heads	Tax Expenditure (Rs. Million)		Increase/ Decrease (%)
	FY2020-21	FY2021-22	FY2022
Chapter-99 Exemptions	15,963	22,240	39.32
FTA & PTA Exemptions	46,105	102,658	122.66
Fifth Schedule Exemptions & Concessions	168,754	172,978	2.50
General Concessions: Automobile sector, E&Ps, CPEC, etc.	60,987	192,950	216.38
Export Related Exemptions	51,081	30,878	-39.55
Total Customs Expenditure	342,890	521,703	52.15

- General Concessions and fifth schedule exemptions and concessions combined consist of 70% of customs duty expenditure.
- Total customs expenditure is based on figures in respect of customs duty exemptions given under chapter-99 (Rs. 22,240 million). FTA/PTAs (Rs. 102,658 million), Fifth Schedule to Customs Act, 1969 (Rs. 172,978 million), General Concessions: exemptions given under other SROs to Automobile

sector, E&Ps, CPEC, etc., (Rs. 192,950 million) and export-oriented exemption/concession SROs (Rs. 30,878 million).

- The customs duty expenditure is 0.78% of the GDP in FY2021-22 and contributed 23.29% in the total tax expenditure in the same fiscal year.

APPENDIX

CHAPTER – 4

4.1 Appendix A - Details of Tax Expenditure

4.1.1 Details of Income Tax Expenditure

4.1.2 Details of Sales Tax Expenditure

4.1.3 Details of Customs Duty Expenditure

4.2 Appendix B – Details of New Insertions/Omissions in FA 2021

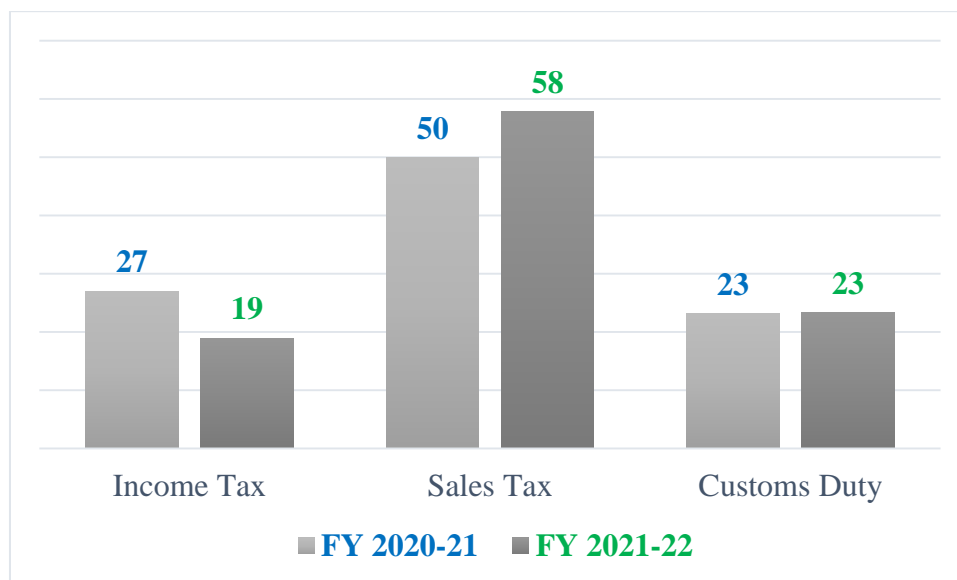
4.2.1 New Insertions

4.2.2 Omissions

4.3 Appendix C – Data Sources

4.1 Appendix A - Details of Tax Expenditure

Figure 3: Distribution of Tax Expenditure of Federal Taxes



4.1.1 Details of Income Tax Expenditure

4.1.1.1 Exemptions and Tax Concessions given in Part VII of Chapter III of ITO, 2001

(Rs. In Million)

S. No	Part / Chapter	Section	Description of Clause	Intended Beneficiary	Tax Expenditure
1	Part-VII of Chapter III	Section 41	Agricultural income	Agriculture sector	Not applicable as agricultural income has been historically exempt from tax under the law
2	Part-VII of Chapter III	Section 42	Diplomatic and United Nations exemptions	Diplomats and members of United Nations	Not applicable under international obligations
3	Part-VII of Chapter III	Section 43	Foreign Government Officials	Foreign Government officials	Not applicable under international obligations
4	Part-VII of Chapter III	Section 44	Exemptions under international agreements	Individuals / entities under international agreements	Not applicable under international obligations
5	Part-VII of Chapter III	Section 45	President's honours	Persons who received President's honours	--

				Foreigners as	
				Recipients of Profit	
				on Debt who have	
6	Part-VII of Chapter III	Section 46	Profit on debt	invested in securities of such entities earning Pakistan source income	--
7	Part-VII of Chapter III	Section 47	Scholarships	Persons who availed scholarships	--
8	Part-VII of Chapter III	Section 48	Support payments under an agreement to live apart	Recipients of support payments under this section	--
9	Part-VII of Chapter III	Section 49	The income of the Federal Government shall be exempt from tax under this Ordinance. The income of a Provincial Government or a Local Government is exempt, other than income chargeable under the head "Income from	Government organizations	26,834.26

Business” derived by a Provincial Government or Local Government from a business carried on outside its jurisdictional area.

* Exemption under this section is Data Data not available in the case of corporation, company, a regulatory authority, a development authority, other body or institution established by or under a Federal law or a Provincial law or an existing law or a corporation, company, a regulatory authority, a development authority or other body or institution set up, owned and controlled, either directly or indirectly, by the

Federal Government or
a Provincial
Government,
regardless of the
ultimate destination of
such income as laid
down in Article 165A of
the Constitution of the
Islamic Republic of
Pakistan

10	Part-VII of Chapter III	Section 50	Foreign-source income of short-term resident individuals	short-term resident individuals	--
11	Part-VII of Chapter III	Section 51	Foreign-source income of returning expatriates	Returning expatriates	--
12	Part-VII of Chapter III	Section 53	Exemptions and tax concessions in the Second Schedule	Detail of beneficiaries given in detailed report of Second Schedule exemptions	Accounted for in detailed report of Second Schedule exemptions
13	Part-VII of Chapter III	Section 54	Exemptions and tax provisions in other laws	Recipients of such exemptions	--

Total Tax Expenditure from Exemptions and Tax Concessions given in

Part VII of Chapter III of ITO, 2001

26,834.26

4.1.1.2 Deductible Allowances given in Part IX of Chapter III of ITO, 2001

(Rs. In Million)

S. No	Part / Chapter	Section	Description of Clause	Intended Beneficiary	Tax Expenditure
1	Part-IX of Chapter III	Section 60	Deductible allowance for Zakat	Persons / entities who paid zakat u/s 60	1,790.48
2	Part-IX of Chapter III	Section 60A	Deductible allowance for Workers' Welfare Fund	Persons / entities who paid Workers' Welfare Fund u/s 60A	4,635.77
3	Part-IX of Chapter III	Section 60B	Deductible allowance for Workers' Participation Fund	Persons / entities who paid Workers' Participation Fund u/s 60B	7,278.27
4	Part-IX of Chapter III	Section 60C	Deductible allowance for profit on debt	Individuals paying profit or share in rent and share in appreciation for value of house on loan by banks etc.	733.6

				Individuals having	
				income of less	
5	Part-IX of	Section	Deductible allowance	than Rs. 1.5	67.59
	Chapter III	60D	for education expenses	million paying	
				tuition fee	
Total Tax Expenditure from Deductible Allowances					14,505.71
given in Part IX of Chapter III of ITO, 2001					

4.1.1.3 Tax Credits given in Part X of Chapter III of ITO, 2001

(Rs. In Million)

S. No	Part / Chapter	Section	Description of Clause	Intended Beneficiary	Tax Expenditure
1	Part-X of Chapter III	Section 61	Tax Credit for Charitable Donations u/s 61	Persons who declared charitable donations u/s 61	5,320.53
2	Part-X of Chapter III	Section 62	Tax Credit for Investment in Shares and Life Insurance Premium u/s 62	Persons (excluding companies) investing in shares, sukuks, or life insurance	3,090.39
3	Part-X of Chapter III	Section 62A	Tax Credit for Investment in Health Insurance u/s 62A	Persons (excluding companies) investing in health insurance	32.05

4	Part-X of Chapter III	Section 63	Tax Credit for Contribution to Approved Pension Fund u/s 63	Eligible persons as defined in sub- section (19A) of section 2 of Ordinance	1,510.39
5	Part-X of Chapter III	Section 64B	Tax Credit for Employment Generation by Manufacturers u/s 64B	Corporate manufacturing sector	1.59
6	Part-X of Chapter III	Section 65B	BF Tax Credit for Non- Equity Investment in Plant and Machinery u/s 65B	Corporate manufacturing sector	2,180.31
7	Part-X of Chapter III	Section 65B	BF Tax Credit for Equity Investment in Plant and Machinery u/s 65B	Corporate manufacturing sector	612.98
8	Part-X of Chapter III	Section 65C	Tax Credit for Enlistment in Registered Stock Exchange u/s 65C	Companies who have opted for enlistment in a registered stock exchange	0.00
9	Part-X of Chapter III	Section 65D	Tax Credit for Newly Established Industrial Undertaking u/s 65D	Corporate industrial units (including corporate dairy	5,986.29

				farming)	
10	Part-X of Chapter III	Section 65E	Tax Credit for Investment in Plant and Machinery by Existing Company u/s 65E	Corporate industrial units (including corporate dairy farming)	18,243.41
11	Part-X of Chapter III	Section 100C	Tax Credit for Trust/Welfare Institution/Non-Profit Organization u/s 100C	Non-profit organizations, trusts, welfare institutions	15,155.31
Total Tax Expenditure from Tax Credits given in Part X of Chapter III of ITO, 2001					52,133.25
Grand Total of Chapter III of ITO, 2001					93,473.22

4.1.1.4 Incomes Exempt from Tax given in Part I of Second Schedule of ITO, 2001

(Rs. In Million)

S. No	Part / Schedule	Clause	Description of Clause	Intended Beneficiary	Tax Expenditure
1	Part I of Second Schedule	Clause 3	Any income chargeable under the head "Salary" received by a person who, not being a citizen	Foreign experts working with Agha Khan Development	130.00

of Pakistan, is engaged as an expert or technical, professional, scientific advisor or consultant or senior management staff by institutions of the Agha Khan Development Network, (Pakistan) listed in Schedule I of the Accord and Protocol dated, November 13, 1994 executed between the Government of the Islamic Republic of Pakistan and Agha Khan Development Network.

Any allowance or perquisite paid or

allowed as such outside Government

Pakistan by the employees serving Government to a citizen abroad of Pakistan for rendering service

9.84

Part I of
2 Second Clause 5
Schedule

outside Pakistan.

Any pension received
by a citizen of Pakistan
from a former employer,
other than where the
person continues to
work for the employer
(or an associate of the
employer)

Pensioners
receiving pension
from former
employer

1,701.20

Pensions received by
employees of Federal
Government, Provincial
Government, or Armed
Forces, or their families
and dependents

Retired
government
servants & military
personnel

12,238.55

Any payment in the
nature of commutation
of pension received
from Government or
under any pension
scheme approved by
the Board

Pensioners
receiving pension
from any pension
scheme approved
by the Board

3,624.65

Any income representing any payment received by way of gratuity or commutation of pension by an employee on his retirement or, in the event of his death, by his heirs as does not exceed – (i) in the case of an employee of the Government, ...

Provided that nothing in this sub-clause shall apply –
(a) to any payment which is not received in Pakistan; ...

Recipients of gratuity payments

900.27

Income derived by the families and dependents of the "Shaheeds" belonging to the Civil Armed Forces of Pakistan

Families and dependents of the "Shaheeds" belonging to the Civil Armed Forces

2.93

8	Part I of Second Schedule	Clause 19	Any sum representing encashment of leave preparatory to retirement of a member of the Armed Forces of Pakistan or an employee of the Federal Government or a Provincial Government;	Retiring personnel of Armed Forces or Government servant	170.98
9	Part I of Second Schedule	Clause 22	Any payment from a provident fund to which the Provident Funds Act, 1925 (XIX of 1925) applies;	Recipient of payments from provident funds	1,404.59
10	Part I of Second Schedule	Clause 23	The accumulated balance due and becoming payable to an employee participating in a recognized provident fund;	Employees participating in a recognized provident fund	492.82
11	Part I of Second Schedule	Clause 23A	The accumulated balance upto [50]% received from the voluntary pension	Voluntary participants in pension funds	58.86

system offered by a pension fund manager under the Voluntary Pension System Rules, 2005 at the time of eligible person's- (a) retirement; or (b) disability rendering him unable to work; or (c) death by his nominated survivors.

The amounts received as monthly installment from an income payment plan invested out of the accumulated balance of an individual pension accounts with a pension fund manager or an approved annuity plan or another individual pension account of eligible person or the survivors pension account

Pensioners who are receiving monthly installment from an income payment plan

27.50

12 Part I of
Second
Schedule
Clause
23B

maintained with any other pension fund manager as specified in the Voluntary Pension System Rules 2005 shall be exempt from tax provided accumulated balance is invested for a period of ten years;

Any withdrawal of accumulated balance from approved pension fund that represent the transfer of balance of approved provident fund to the said approved pension fund under the Voluntary Pension System Rules, 2005

Pensioners who withdraw any amount from their approved pension fund

82.74

Any benevolent grant paid from the Benevolent Fund to the

Recipients of benevolent grants

--

employees or members
of their families in
accordance with the
provisions of the
Central Employee
Benevolent Fund and
Any benevolent grant
paid from the
Benevolent Fund to the
employees or members
of their families in
accordance with the
provisions of the
Central Employee
Benevolent Fund and
Group Insurance Act,
1969;

Any payment from an
approved
superannuation fund
made on the death of a
beneficiary or in lieu of
or in commutation of
any annuity, or by way
of refund of contribution

Families of
deceased enrolled
in approved
superannuation
funds

76.28

15 Part I of
Second Clause 25
Schedule

on the death of a
beneficiary

Any income of a person
representing the sums
received by him as a
worker from out of the
Workers Participation
Fund established under
the Companies Profits
(Workers Participation)
Act, 1968 (XII of 1968)

Any amount paid as
internal security
allowance,

compensation in lieu of
bearer allowance, kit
allowance, ration
allowance, special
messing allowance,
SSG allowance,
Northern Areas
compensatory
allowance, special pay
for Northern Areas

Low-income
workers; recipients
of payments from
WPF

Not applicable

16 Part I of
Second Clause 26
Schedule

17 Part I of
Second Clause
Schedule 39A

Employees
receiving
payments to meet
expenses in the
performance of
duties

--

and height allowance
to the Armed Forces
personnel

Any income of a
newspaper employee
representing Local
Travelling Allowance
paid in accordance with
the decision of the Third
Wage Board for
Newspaper Employees
constituted under the
Newspaper Employees
(Conditions of Service)
Act, 1973;

The perquisite
represented by the right
of the President of
Pakistan, the Provincial
Governors and the
Chiefs of Staff, Pakistan
Armed Forces to
occupy free of rent as a
place of residence any

Newspaper
employees

--

President of
Pakistan, the
Provincial

Governors and the
Chiefs of Staff,
Pakistan Armed
Forces

--

18 Part I of
Second Clause 40
Schedule

19 Part I of
Second Clause 51
Schedule

premises provided by
the Government.

The perquisite
represented by free
conveyance provided
and the sumptuary
(entertainment)
allowance granted by
Government to the
Chiefs of Staff, Pakistan
Armed Forces and the
Corps Commanders

Armed Forces
Personnel

--

The following
perquisites received by
an employee by virtue
of his employment,
namely: - free or
subsidized food
provided by hotels and
restaurants to its
employees during duty
hours;
- free or subsidized
education provided by

Employees
receiving
employment-
related perquisites

173.13

an educational institution to the children of its employees; - free or subsidized medical treatment ...

The perquisites represented by the right of a judge of the Supreme Court of Pakistan or of a judge of High Court to occupy free of rent of residence any premises provided by Federal or Provincial Government, as the case may be, or in case a judge chooses to reside in a house not provided by Government, so income which represents as

Judiciary of Superior Courts

22.77

22 Part I of
Second Clause 55
Schedule

house rent allowance;

23	Part I of Second Schedule	Clause 56	<p>The following perquisites, benefits and allowances received by a Judge of Supreme Court of Pakistan and Judge of High Court, shall be exempt from tax:</p> <p>Any income from voluntary contributions, house property and investments in National securities of the Federal Government derived by the following, namely:-</p> <p>(i) National Investment (Unit) Trust of Pakistan</p> <p>(ii) Mutual Fund set up by the Investment Corporation of Pakistan,</p>	Judiciary of Superior Courts	158.92
24	Part I of Second Schedule	Clause 57(1)	<p>Trust of Pakistan, Mutual Funds set up by Investment Corporation of Pakistan</p>		0.00

			Any income other than capital gain on stock and shares of public company, PTC vouchers, modaraba certificates, or any instrument of redeemable capital and derivative products held for less than 12 months derived by any Mutual Fund, investment company, or a collective investment scheme or a REIT Scheme or Private Equity and Venture Capital Fund or the National Investment (Unit) Trust of Pakistan established by the National Investment Trust Limited from any instrument of redeemable capital as		
25	Part I of Second Schedule	Clause 57(2)		Mutual funds, investment companies, collective investment schemes, REIT schemes, Private Equity & Venture Capital Funds, and National Investment (Unit) Trust of Pakistan	0.00

defined in the
8[Companies Act, 2017
(XIX of 2017), if not less
than ninety per cent of
its income of that year
is distributed amongst
the Unit- holders.

Any income of a
provident fund to which
the Provident Funds
Act, 1925 applies;

Any income of trustees
on behalf of a
recognized provident
fund or an approved
superannuation fund or
an approved gratuity
fund;

Any income of a
benevolent fund or
group insurance
scheme approved by
the Board for the
purposes of this clause;

26	Part I of Second Schedule	Clause 57(3)(i)	Provident Funds	680.73
27	Part I of Second Schedule	Clause 57(3)(ii)	Trustees of recognized provident funds, approved superannuation funds, and approved gratuity funds	23,164.26
28	Part I of Second Schedule	Clause 57(3)(iii)	Benevolent funds and group insurance schemes	159.03

29	Part I of Second Schedule	Clause 57(3)(iv), (vi), (vii)	Any income of a Service Fund, any Unit, Station or Regimental Institute; and any recognized Regimental Thrift and Savings Fund, the assets of which consist solely of deposits made by members and profits earned by investment thereof;	Service Fund, any Unit, Station or Regimental Institute; and any recognized Regimental Thrift and Savings Fund	--
30	Part I of Second Schedule	Clause 57(3)(v)	Any income of Employees Old Age Benefits Institution established under the Employees Old Age Benefit Act, 1976 (XIV of 1976);	Employees Old Age Benefits Institution	6,437.25
31	Part I of Second Schedule	Clause 57(3)(viii)	Any income of a Pension Fund approved by the SECP;	Approved Pension Funds	160.20
32	Part I of Second Schedule	Clause 57(3)(ix)	Any profit or gain or benefit derived by a pension fund manager	Pension funds under the Voluntary Pension	0.00

from a pension Fund System Rules approved under the 2005 Voluntary Pension System Rules, 2005, on redemption of the seed capital invested in pension fund as specified in the Voluntary Pension System Rules, 2005;

33	Part I of Second Schedule	Clause 57(3)(xi)	Any income of International Irrigation Management Institute	International Irrigation Management Institute	--
34	Part I of Second Schedule	Clause 57(3)(xii)	Any income of Punjab Pension Fund established under the Punjab Pension Fund Act, 2007 and the trust established thereunder	Punjab Pension Fund	1,549.76
35	Part I of Second Schedule	Clause 57(3)(xiii)	Any income of Sindh Province Pension Fund established under the Sindh Province Pension Fund Ordinance, 2002	Sindh Province Pension Fund	3,205.95

			Any income of Punjab			
			General Provident			
			Investment Fund			
36	Part I of Second Schedule	Clause 57(3)(xiv)	established under the Punjab General Provident Investment Fund Act, 2009 (V of 2009) and the trust established thereunder;	Punjab General Provident Investment Fund	131.88	
				Khyber		
			Any income of Khyber	Pakhtunkhwa		
37	Part I of Second Schedule	Clause 57(3)(xv)	Pakhtunkhwa Retirement Benefits and Death Compensation Fund	Retirement Benefits and Death Compensation Fund	--	
			Any income of Khyber	Khyber		
38	Part I of Second Schedule	Clause 57(3)(xvi)	Pakhtunkhwa General Provident Investment Fund;	Pakhtunkhwa General Provident Investment Fund	1,026.86	
			Any income of Khyber	Khyber		
39	Part I of Second Schedule	Clause 57(3)(xvii)	Pakhtunkhwa Pension Fund;	Pakhtunkhwa Pension Fund	1,331.14	

40	Part I of Second Schedule	Clause 65A	Income derived from the Welfare Fund created under section 16 of the Emigration Ordinance, 1979 (except the income generated by the aforesaid Fund through commercial activities.)	Emigrants and their families in Pakistan	--
41	Part I of Second Schedule	Clause 66	Any income derived by certain listed philanthropic organization like hospitals, governmental and non-governmental and international entities	All institution, foundations, societies, boards, trusts and funds mentioned in clause 66 of Part 1 of Second Schedule	22,090.89
42	Part I of Second Schedule	Clause 75	Any profit on debt and capital gains derived by any agency of foreign Government or any non-resident person approved by the Federal Government for the purpose of this	Agencies of foreign Governments, foreign nationals or any other non- resident person approved by the Federal	30,196.40

clause from debt and Government
debt instruments
approved by the
Federal Government

				Foreign currency account holders (Only One bank has submitted its figures until the compilation of this report)	
43	Part I of Second Schedule	Clause 78	Profit on debt on foreign currency accounts	Citizens of Pakistan residing abroad and remitting foreign exchange (Only One bank has submitted its figures until the compilation of this report)	1.45
44	Part I of Second Schedule	Clause 79	Profit on debt derived by non-resident Pakistanis on rupee accounts	(Only One bank has submitted its figures until the compilation of this report)	40.77
45	Part I of Second Schedule	Clause 99	Any income derived by a Collective Investment Scheme or a REIT Scheme, if not less than	Collective Investment Schemes and REIT Schemes	20,713.62

ninety per cent of its that are
 accounting income of distributing more
 that year, as reduced than 90% of their
 by capital gains incomes to
 whether realized or certificate holders /
 unrealized, is shareholders.
 distributed amongst the
 unit or certificate
 holders or shareholders
 as the case may be

				Taxpayers selling	
			Profits and gains	immovable	
	Part I of	Clause	accruing to a person on	property to a	
46	Second	99A	sale of immovable	Developmental	0.00
	Schedule		property to a REIT	REIT Scheme or a	
			Scheme	rental REIT	
				Scheme	

			Income of a person as		
			represents a subsidy		
	Part I of	Clause	granted to him by the	Recipients of	
47	Second	102A	Federal Government for	subsidies granted	17,809.44
	Schedule		the purposes of	by Federal	
			implementation of any	Government	
			orders of the Federal		
			Government in this		

behalf

Any income derived from inter-corporate dividend within the group companies entitled to group taxation under section 59AA 3[4[]] 5[“subject to the condition that return of the group has been filed for the tax year

Persons deriving any income from Inter-corporate dividend

--

Dividend income and long term capital gains of any venture capital

fund from investments in zone enterprises as defined in clause (p) of section 2 of the Special Technology Zones Authority Ordinance, 2020 for a period of ten years commencing from

venture capital funds who are deriving dividend from investments in zone enterprises

--

48 Part I of
Second
Schedule
Clause
103A

49 Part I of
Second
Schedule
Clause
103D

issuance of license by
the Authority to the
zone enterprise.

Income received by a
taxpayer from a
corporate agricultural
enterprise, distributed
as dividend out of its
income from
agriculture;

Taxpayers
receiving dividend
income from
corporate
agricultural
enterprises

50	Part I of Second Schedule	Clause 105B		39.60
----	---------------------------------	----------------	--	-------

Any income derived by
any subsidiary of the
Islamic Development
Bank wholly owned by it
and set up in Pakistan
and engaged in owning
and leasing of tankers.

51	Part I of Second Schedule	Clause 107		--
----	---------------------------------	------------	--	----

Any income derived by
the Islamic
Development Bank
from its operations in
Pakistan in connection
with its social and
economic development

Islamic
Development Bank

52	Part I of Second Schedule	Clause 107A		--
----	---------------------------------	----------------	--	----

activities.]

Profit and gains accruing to persons mentioned in proviso to sub-section (1) of section 236C in respect of first sale of immovable property acquired from or allotted by the Federal Government or Provincial Government or any authority duly certified by the official allotment authority, and the property acquired or allotted is in recognition of services rendered by the Shaheed or the person who dies in service.

53 Part I of
Second
Schedule

Clause
114B

persons /
individuals deriving
such profits and
gains

--

54 Part I of
Second
Schedule

Clause 126

Income of a public sector university established solely for

Public sector
universities

4,980.64

educational purposes
and not for the
purposes of profit;

China Overseas
Income derived by Ports Holding
China Overseas Ports Company Limited,
Holding Company China Overseas
Limited, China Ports Holding
Overseas Ports Holding Company
Company Pakistan Pakistan (Private)
(Private) Limited, Limited, Gwadar
Gwadar International International
Terminal Limited, Terminal Limited,
Gwadar Marine Gwadar Marine
Services Limited and Services Limited
Gwadar Free Zone and Gwadar Free
Company Limited from Zone Company
Gwadar Port Limited from
operations; Gwadar Port
operations

--

Profit and gains derived
by a taxpayer from All businesses set
businesses set up in up in Gwadar Free
the Gwadar Free Zone Zone
Area;

--

Profit on debt derived

by-

(a) any foreign lender;

or

Foreign lenders or

(b) any local bank public sector

having more than 75 banks/ State bank

per cent shareholding having financing

of the Government or agreement with

the State Bank of China Overseas

Pakistan, under a Ports Holding

Financing Agreement Company Limited

with the China

Overseas Ports Holding

Company Limited;

Income derived by contractors and

contractors and sub- sub-contractors of

contractors of China China Overseas

Overseas Ports Holding Ports Holding

Company Limited, Company Limited,

China Overseas Ports China Overseas

Holding Company Ports Holding

Pakistan (Private) Company Pakistan

Limited, Gwadar (Private) Limited,

International Terminal Gwadar

Limited, Gwadar Marine International

57 Part I of
Second
Schedule

Clause
126AB

--

58 Part I of
Second
Schedule

Clause
126AC

--

Services Limited and Terminal Limited,
Gwadar Free Zone Gwadar Marine
Company Limited from Services Limited
Gwadar Port and Gwadar Free
operations; Zone Company
Limited from
Gwadar Port
operations
China Overseas
Income derived by Ports Holding
China Overseas Ports Company Limited
Holding Company being dividend
Limited being dividend received from
received from China China Overseas
Overseas Ports Holding Ports Holding
Company Pakistan Company Pakistan
(Private) Limited, (Private) Limited,
Gwadar Inter-national Gwadar Inter-
Terminal Limited national Terminal
Gwadar Marine Limited Gwadar
Services Limited and Marine Services
Gwadar Free Zone Limited and
Company Limited; Gwadar Free Zone
Company Limited

Part I of
59 Second
Schedule

Clause
126AD

--

			Profits and gains derived by a refinery—		
			(a) from new deep conversion refinery of at least 100,000 barrels per day for which approval is given by the Federal Government before the 31st day of December, 2021; or		
60	Part I of Second Schedule	Clause 126B	(b) for the purpose of up-gradation, modernization or expansion project of ...	Oil Refineries of at least 100,000 barrels per day conversion capacity	0.00
			Profits and gains derived by a taxpayer from an industrial undertakings set up in the Gwadar declared by the Federal Government to be a Zone within the meaning of Export Processing Zone Authority Ordinance,		
61	Part I of Second Schedule	Clause 126D	the Federal Government to be a Zone within the meaning of Export Processing Zone Authority Ordinance,	Industrial undertaking set up in the Gawadar	--

1980

Income derived by a zone enterprise as defined in the Special Economic Zones Act, 2012 (XX of 2012) for a period of ten years starting from the date the developer certifies that the zone enterprise has commenced commercial operation and for a period of ten years to a developer of zone starting from the date of signing of the development agreement in the special economic zone as announced by the Federal Government, Provided that ...

Zone enterprise as defined in the Special Economic Zones Act, 2012, and developers of zones.

453.57

62 Part I of
Second
Schedule Clause
126E

Profits and gains
derived by—

(a) zone developer as
defined in section 2 of
the Special Technology
Zones Authority
Ordinance, 2020 from
development and
operations of the zones

for a period of ten years
starting from the date of
signing of the
development
agreement;

(b) profits and gains of
Zone Enterprises as
defined in section 2 of
the Special Technology
Zones Authority
Ordinance, 2020 for a
period of ten years from
the date of issuance of
license by the Special
Technology Zone
Authority; and

Zone enterprise as
defined in the
Special Economic
Zones Act, 2012,
and developers of
zones.

--

63 Part I of
 Second
 Schedule

 Clause
 126EA

(c) Special Technology
Zones Authority
established under the
Special Technology
Zones Ordinance 2020.

Profits and gains
derived by a taxpayer
from a transmission line
project set up in
Pakistan on or after
the 1st day of July,
2015;

Companies
deriving income
from transmission
line projects in
Pakistan

0.00

Profits and gains
derived by a taxpayer
from an electric power
generation project set
up in Pakistan on or
after the 1st day of July,
1988, subject to
following conditions:
(a) owned and
managed by a company
formed for operating the

Electric power
generation
projects

56,025.51

64 Part I of
Second
Schedule
Clause
126M

65 Part I of
Second
Schedule
Clause 132

said project and
 registered under the
 Companies Ordinance,
 1984 (XLVII of 1984),
 and having its
 registered office in
 Pakistan;

(b) not formed by the
 splitting up, or the
 reconstruction ...

Profits and gains
 derived from sale of
 electricity by National National Power
 Power Parks Parks
 Management Company Management
 (Private) Limited or Company (Private)
 demerged entities of Limited or
 National Power Parks demerged entities
 Management Company of National Power
 (Private) Limited Parks
 commencing from the Management
 commercial operation Company (Private)
 dates and continuing Limited
 after the date of change
 of ownership as a result

66	Part I of	Clause 132AA		
	Second Schedule			

3,978.53

of privatization by the
Privatization

Commission of
Pakistan

Profits and gains
derived by a taxpayer

from a
bagasse/biomass

based cogeneration

Bagasse /

power project having

Biomass

one or more boilers of

Cogeneration

not less than 60 bar

Project Owners

(kg/CM3) pressure

each, commissioned

after the first day of

January 2013.

The benefit represented

by free provision to the

employee of medical

treatment or

Employees

hospitalization or both

receiving free

by an employer or the

medical care from

reimbursement

employers.

received by the

employee of the medi

67 Part I of
Second
Schedule

Clause
132C

--

68 Part I of
Second
Schedule

Clause 139

1,666.72

cal charges or hospital
charges or both paid by
him

All payments on
account of principal,
interest, or fees
received by the
Overseas Private
Investment Corporation
(OPIC), from

development project
undertaken in
pursuance to the
Investment Incentive
Agreement signed
between the
Government of
Pakistan and the
Government of the
United States of
America, dated 18th
November, 1997

Overseas Private
Investment
Corporation
(OPIC)

--

Any profit on debt
received by Japan
International

Japan
International
Cooperation

0.00

Cooperation Agency Agency (JICA)
(JICA), from Islamabad-
Burhan Transmission
Reinforcement Project
(Phase-I) undertaken in
pursuance to the loan
agreement for
Islamabad-Burhan
Transmission
Reinforcement Project
(Phase-I)

Income from social Balochistan
security contributions Employees' Social
derived by Balochistan Security Institution,
Employees' Social Employees' Social
Security Institution, Security Institution
Employees' Social Khyber
Security Institution Pakhtunkhwa,
Khyber Pakhtunkhwa, Punjab
Punjab Employees' Employees' Social
Social Security Security Institution
Institution and Sindh and Sindh
Employees' Social Employees' Social
Security Institution; Security Institution

71	Part I of Second Schedule	Clause 143	71	5,040.50
72	Part I of	Clause	72	10,237.04

73	Second Schedule	145A	<p>not chargeable to tax domiciled or prior to the companies and commencement of the associations of Constitution (Twenty- persons resident in fifth Amendment) Act, the ex-Tribal Areas 2018 (XXXVII of 2018) of any individual domiciled or company and association of persons resident in the Tribal Area forming part of the Provinces of Khyber Pakhtunkhwa and Baluchistan under paragraph (d) of Article 246 of the Constitution with effect from the 1st day of June, 2018 to the 30th day of June, 2023 (both days inclusive).</p>			
	Part I of Second Schedule	Clause 147	Any income derived by the Federal Government Employees Housing	Federal Government Employees Housing Authority		0.00

Authority and Naya and Naya Pakistan
Pakistan Housing and Housing and
Development Authority Development
for the tax year 2020 Authority
and the following four
tax years

Any sum— (i)
remitted to Pakistan
through banking
channels in foreign
currency received by an
international buying
house from its non-
resident principal to
meet its expenses in
Pakistan; and (ii)
chargeable under the
head “Salary” received
by a person who, not
being a citizen or
resident of Pakistan, is
engaged as an expert
by an international
buying house.

Explanation.—For the

persons engaged
as experts by an
international
buying house

--

74 Part I of
Second Clause 149
Schedule

purpose of this clause

...

Total Tax Expenditure from Incomes Exempt from Tax given in Part I of

232,397.77

Second Schedule of ITO, 2001

4.1.1.5 Reduction in Tax Rates given in Part II of Second Schedule of ITO, 2001

(Rs. In Million)

S. No	Part / Schedule	Clause	Description of Clause	Intended Beneficiary	Tax Expenditure
1	Part II of Second Schedule	Clause 5A	The rate of tax to be deducted under sub-section (2) of section 152, in respect of payments 5[from] profit on debt payable to a non-resident person having no permanent establishment in Pakistan, other than those covered under clauses (78) and (79) of Part I of the Second Schedule,] shall be	Non resident Persons receiving profits and gains on their investments	1,786.11

10% of the gross amount

Provided that tax deducted on profit on debt from debt instruments,

Government securities including treasury bills and Pakistan Investment Bonds shall be final tax on profit on debt payable to a non-resident person having no permanent establishment in Pakistan and the investments are exclusively made through a Special Rupee Convertible Account maintained with a Bank in Pakistan.]

2

Part II of
Second

Clause
5AA

The rate of tax to be
deducted under sub-

Individuals who
have invested in

--

Schedule

section (2) of section debt instrument,
 152, in respect of whether
 payments to an conventional or
 individual, on account shariah compliant,
 of profit on debt earned issued by the
 from a debt instrument, Federal
 whether conventional or Government under
 shariah compliant, the Public Debt
 issued by the Federal Act, 1944 and
 Government under the purchased
 Public Debt Act, 1944 exclusively
 and purchased through a bank
 exclusively through a account
 bank account maintained
 maintained abroad, a abroad, a non-
 non-resident Rupee resident Rupee
 account repatriable account
 (NRAR) or a foreign repatriable
 currency account (NRAR) or a
 maintained with a foreign currency
 banking company in account
 Pakistan shall be ten maintained with a
 percent of the gross banking company
 amount paid: in Pakistan
 Provided that tax

deducted on such profit
on debt shall be final
tax.

The rate of tax to be
deducted under section
151 shall be ten percent
from the profit on debt
from a debt instrument,
whether conventional or
Shariah compliant,
issued by the Federal
Government under the
Public Debt Act, 1944
(XVIII of 1944) or its
wholly owned special
purpose company,
purchased by a resident
citizen of Pakistan who
has already declared
foreign assets to the
Board through a
Foreign Currency Value
Account (FCVA)
maintained with
authorized banks in

Resident citizens
of Pakistan who
have invested in
debt instruments
who have already
declared foreign
assets to the
Board through a
Foreign Currency
Value Account
(FCVA)
maintained with
authorized banks
in Pakistan under
the foreign
exchange
regulation issued
by the State Bank
of Pakistan

--

3 Part II of
 Second
 Schedule Clause
 5AB

Pakistan under the foreign exchange regulation issued by the State Bank of Pakistan: Provided that the tax so deducted shall be the final tax.

In respect of import of white sugar from the 25th day of August, 2020 to the 15th day of November, 2020 both days inclusive, tax under section 148 shall be collected at the rate of 0.25% as per quantity, quality, mode and manner prescribed by Ministry of Commerce during the said period.

Tax under section 148 on commercial import of the white sugar shall be collected at the rate of

4	Part II of Second Schedule	Clause 9AA	Sugar Importers	66.75
5	Part II of Second Schedule	Clause 9AB	Sugar Importers	1.70

0.25% from the 26th day of January 2021 till the 30th day of June, 2021.

Subject to quota allotment by Commerce Division, tax under section 148 shall be collected at the rate of 0.25% on import of raw sugar imported by sugar mills from the 26th day of January, 2021 to the 30th day of June, 2021 both days inclusive provided that such imports shall not exceed fifty thousand metric tons per sugar mill and three hundred thousand metric tons in aggregate by the sugar industry.

6	Part II of Second Schedule	Clause 9AC	Sugar Importers	0.00
---	----------------------------------	---------------	-----------------	------

			<p>The rate of tax as specified in Division-III of Part-I of First Schedule shall be reduced to 7.5% in case of dividends declared by a company as are “attributable” to profits and gains derived from a bagasse and biomass based cogeneration power project qualifying for exemption under clause (132C) of Part-I of this Schedule: Provided that the amount of “attributable” dividends shall be computed in accordance with the following formula, namely:- AXB/C, ...</p>	bagasse and biomass based cogeneration power project owners	--
7	Part II of Second Schedule	Clause 18C			
8	Part II of Second Schedule	Clause 24A	<p>The rate of tax, under clause (a) of sub-section (1) of section</p>	distributors of cigarette and pharmaceutical	14,694.79

153, from distributors of products
cigarette and
pharmaceutical
products shall be 1% of
the gross amount of
payments.

(24C) The rate of tax
under clause (a) of sub-
section (1) of section
153 in the case of distributors,
distributors, dealers, dealers, sub-
sub-dealers, dealers,
wholesalers and wholesalers and
retailers of fast moving retailers of fast
consumer goods, moving consumer
fertilizer, electronics goods, fertilizer,
excluding mobile electronics
phones, sugar, cement, excluding mobile
and edible oil as phones, sugar,
recipient of payment cement, and edible
shall be 0.25% of gross oil
amount of payments
subject to the condition
specified therein...

6,965.21

9 Part II of
Second
Schedule

Clause
24C

The rate of tax under clause (a) of sub-section (1) of section 153 in case of a person, other than a company, as a recipient of payment for goods supplied to Utility Stores Corporation of Pakistan shall be 1.5% persons other than of the gross amount of a company, who payment in respect of are recipients of supply of tea, spices, payment for goods salt, dry milk, sugar, supplied to Utility pulses wheat flour and Stores Corporation ghee for the period of Pakistan commencing from the 7th day of April, 2020 and ending on 30th day of September, 2020: Provided that this clause shall not be applicable to supply of tea, spices, salt and dry milk which are sold

10 Part II of
Second
Schedule

Clause
24CA

917.49

under a brand name:

			The tax on payments under the Compulsory Monetization of Transport Facility for Civil Servants in BS-20 to BS-22 (as reduced by deduction of driver's salary) shall be charged at the rate of 5% as a separate block of income	Civil servants of BS-20 and above	12.12
11	Part II of Second Schedule	Clause 27			
12	Part II of	Clause	The rates of tax shall be	E-commerce	0.00

	Second Schedule	28C	five percent in the case of a person running online marketplace as defined in clause (38B) of section 2	sector	
13	Part II of Second Schedule	Clause 28E	The rate of minimum tax under section 113 shall be 0.5% in case of a trader of yarn being an individual.]	Traders of yarn being individuals	0.00
14	Part II of Second Schedule	Clause 28F	The rate of tax under clause (b) of sub- section (1) of section 153 in case of oil tanker contractor services shall be 2% of the gross amount of the payments.]	Oil tanker contractors	0.00
Total Tax Expenditure from Reduction in Tax Rates given in Part II of Second Schedule of ITO, 2001					24,444.17

4.1.1.6 Reduction in Tax Liability given in Part III of Second Schedule of ITO, 2001

(Rs. In Million)

S. No	Part / Schedule	Clause	Description of Clause	Intended Beneficiary	Tax Expenditure
1	Part III of Second Schedule	Clause 1(1)	Any amount received as flying allowance by flight engineers, navigators of Pakistan Armed Forces, Pakistani Airlines or Civil Aviation Authority, Junior Commissioned Officers or other ranks of Pakistan Armed Forces; and submarine allowance by the officers of the Pakistan Navy, shall be taxed @ 2.5% as a separate block of income	flight engineers, navigators of Pakistan Armed Forces, Pakistani Airlines or Civil Aviation Authority, Junior Commissioned Officers or other ranks of Pakistan Armed Forces; and submarine allowance by the officers of the Pakistan Navy	89.24
2	Part III of Second Schedule	Clause 1(1AA)	Total allowances received by pilots of any Pakistani airlines shall be taxed at a rate of 7.5%, provided that	Pilots of Pakistani Airlines	273.39

the reduction under this clause shall be available to so much of the allowances as exceeds an amount equal to the basic pay

The tax payable by a full time teacher or a researcher, employed in a non-profit education or research institution duly recognized by Higher Education Commission,

a Board of Education or a University recognized by the Higher Education Commission, including government research institution, shall be reduced by an amount equal to 25% of tax payable on his income from salary

Full time teacher or a researcher

3,439.81

3 Part III of
Second
Schedule

Clause
1(2)

			In respect of old and used automotive vehicles, tax under section 148 shall not exceed the amount specified in Notification No. S.R.O. 577(I)/2005, dated the 6th June, 2005	Importers of old and used cars	176.12
4	Part III of Second Schedule	Clause 4	The tax payable under clause (c) of sub-section (1) of section 39, in respect of any amount paid as yield or profit on investment in <i>Bahbood</i> Savings Certificate or Pensioners Benefit Account and Account 4[and <i>Shuhada</i> Family Welfare Account] shall not exceed 10% of such profit	Persons who have invested in <i>Bahbood</i> Savings Certificate or Pensioners Benefit Account and <i>Shuhada</i> Family Welfare Account	
5	Part III of Second Schedule	Clause 6			0.34
6	Part III of Second Schedule	Clause 9	The tax payable on profits and gains	Taxpayers deriving income from low	--

Schedule		derived by a person	cost housing	
		from low cost housing	projects	
		projects shall be		
		reduced by fifty percent		
		The amount of tax		
		payable on income		
		chargeable under the		
		head, "Capital Gains"		
		on disposal of		
		immovable property	Ex-servicemen	
		shall be reduced by fifty	and serving	
		percent on the first sale	acquired or	
		of immovable property	allotted to ex-	
		acquired or allotted to	servicemen and	
Part III of			serving personal of	
7 Second	Clause 9A	ex-servicemen and	Armed Forces or	--
Schedule		serving acquired or	ex-employees or	
		allotted to ex-	serving personnel	
		servicemen and serving		
		personal of Armed	of Federal and	
		Forces or ex-	Provincial	
		employees or serving	Governments	
		personnel of Federal		
		and Provincial		
		Governments, being		
		original allottees of the		

immovable property,
duly certified by the
allotment authority
Provided that for capital
gains arising after
completion of three
years from the date of
acquisition of
immovable property the
amount of tax payable
shall be reduced by
seventy-five percent.

The tax payable on the
income, profits and
gains of projects of 'low
cost housing'
developed or approved
by Naya Pakistan
Housing and
Development Authority
(NAPHDA) or under the
Ehsaas Programme
shall be reduced by
90%] Provided that
exemption under this

Taxpayers deriving
income from low
cost housing
projects

--

Part III of
8 Second Clause 9B
Schedule

clause shall continue to remain available to such projects which commence on or before the 30th day of June, 2024.]

The tax payable by cotton ginners on their income and profits shall not be more than sum of 1% of their turnover from cotton lint, cotton

seed, cotton seed oil and cotton seed cake
Provided that the tax so payable shall be final tax in respect of their cotton ginning and oil milling activities only

The rate of withholding tax on value of offshore supply contract of an Independent Power Producer located wholly or partly in territories of

Cotton ginners

--

Independent Power Producers located wholly or partly in territories of AJ&K

--

9 Part III of Second Schedule Clause 17

10 Part III of Second Schedule Clause 18

AJ&K shall be 1%
provided:

(i) PPIB has issued
Letter of Support for the
project;

(ii) its EPC Contract has
been executed and
submitted to NEPRA for
EPC stage tariff
determination prior to
the enactment of
Finance Act, 2018;

(iii) offshore supply
contract arrangement of
offshore supply
contractor having
permanent
establishment in
Pakistan falls under the
purview of cohesive
business operation as
contemplated under
Income Tax Ordinance,
2001; and

(iv) such 1% tax shall

be full and final liability
of the offshore
contractor.

The tax payable by
woman enterprises on
profit and gains derived
from business
chargeable to tax under
the head "Income from
Business" shall be
reduced by 25%.

The tax payable by a
person other than a
banking or insurance
company in respect of
profit on debt from

investment in Federal Government securities
shall be fifteen percent
of the gross amount of
the profit on debt:
Provided that tax so
payable shall be final
tax on the income
representing profit on

Women

Enterprises

--

759.51

Persons who have
invested in Federal
Government
securities

11 Part III of
Second Clause 19
Schedule

12 Part III of
Second Clause 20
Schedule

debt from investment in
Federal Government
securities.]

**Total Tax Expenditure from Reduction in Tax Liability given in Part III of
Second Schedule of ITO, 2001** **4,738.41**

**4.1.1.7 Exemption from Specific Provisions given in Part IV of Second Schedule
of ITO, 2001**

(Rs. In Million)

S. No	Part / Schedule	Clause	Description of Clause	Intended Beneficiary	Tax Expenditure
1	Part IV of Second Schedule	Clause 1A	The provision of clause (d) of section 46 shall not apply to Sukuk issued by "The Second Pakistan International Sukuk Company Limited" and the Third Pakistan International	Persons who have invested in The Second Pakistan International Sukuk Company Limited" and the Third Pakistan International Sukuk	Procedural

Sukuk Company Company Limited
Limited

The provisions of
clause (b) of
component C of the
formula contained in]
sub-section (2) of
section 61 shall not
apply in case of
donations made to
Agha Khan Hospital
and Medical College,
Karachi:

Agha Khan
Hospital and
Medical College,
Karachi

Procedural

No provision of this
Ordinance shall apply
for recoup of tax credit
already allowed to
National Power Parks
Management Company
(Private) Limited for
investment in plant and
machinery
notwithstanding non
issuance of share

National Power
Parks

Management
Company (Private)
Limited

Already accounted for
in Tax Credit Section

certificates or any restructuring of its ownership pattern or debt to equity ratio prior to privatization as part of the privatization process.

The provisions of section 111 regarding un-explained income or assets shall not apply in respect of foreign exchange deposited in a private Foreign Currency account held ...

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

Foreign currency
account holders

Not applicable

Ship breakers

--

the 1st July 2014.

6	Part IV of Second Schedule	Clause 11A	Pakistan Red Crescent Society	Pakistan Red Crescent Society	0.00
7	Part IV of Second Schedule	Clause 11A	Corporate and Industrial Restructuring Corporation (CIRC)	Corporate and Industrial Restructuring Corporation (CIRC)	0.00
8	Part IV of Second Schedule	Clause 11A	China Overseas Port Holding Company Limited	China Overseas Port Holding Company Limited	0.05
9	Part IV of Second Schedule	Clause 36C	The provisions of section 151 shall not apply to profit on debt paid on Pakistan Banao Certificate,	Persons who have invested in such securities	107.58
10	Part IV of Second Schedule	Clause 42	The provisions of sub- section 3 of section 153 shall not apply in respect of payments received by a resident person for providing services by way of	persons who are providing services by way of operation of container or chemical or oil terminal at a sea-	0.00

operation of container port in Pakistan or
or chemical or oil of an infrastructure
terminal at a sea-port in project
Pakistan or of an
infrastructure project
covered by the
Government's
Investment Policy,
1997.

Persons / entities
covering under
Chapter 86 &
chapter 99 of
Pakistan Customs

The provisions of Tariff, POL
section 148, regarding Products under
withholding tax on specified PCT
imports shall not apply Codes, imports
in respect of Certain under specified
Individuals / Entities conditions,
manufacturing
bonds, Federal,
Provincial, Local
Government,
goods exported

11 Part IV of
Second Clause 56
Schedule

67,039.08

				under export facilitation schemes, etc	
			The provisions of section 151, regarding withholding tax on profit on debt, shall not apply in the case of any resident individual, no tax shall be deducted from income or profits paid on investment in monthly income Savings Accounts Scheme of Directorate of National Savings, where monthly installment in an account does not exceed one thousand rupees	Resident Individuals receiving profit not exceeding Rs. 1,000/- from Monthly Savings Accounts of Directorate of National Savings	52.2
12	Part IV of Second Schedule	Clause 59(iv)(b)			
13	Part IV of Second Schedule	Clause 60A	The provisions of section 148 shall not apply for import of	M/s China State Construction Engineering	1.34

plant, machinery and Corporation Ltd.
equipment in the case (M/s CSCEC); and
of:- (a) M/s China State M/s China
Construction Communication
Engineering Construction
Corporation Ltd. (M/s Company (M/s
CSCEC); and (b) M/s CCCC).
China Communication
Construction Company
(M/s CCCC);

The provision of
section 148 shall not
apply on import of
equipment to be
furnished or installed
for Rail Based Mass
Transit Projects in
Lahore, Karachi,
Peshawar and Quetta
under CPEC.

Contractors of Rail
Based Mass
Transit Projects in
Lahore, Karachi,
Peshawar and
Quetta under
CPEC

The provisions of
section 148 shall not
apply on import of
firefighting equipments
by industrial

Industrial
undertakings set
up in the special
economic zones

14 Part IV of
Second
Schedule

Clause
60C

0.00

15 Part IV of
Second
Schedule

Clause
60D

6.40

undertakings set up in
the special economic
zones established by
the Federal
Government

The provisions of
sections 150, 151, 152,
153 and 233 shall not
apply in respect of
payments made to the
Asian Development
Bank established under
the Asian Development
Bank Ordinance, 1971
(IX of 1971).

The provisions of this
Ordinance shall not be
applicable to the M/s
TAISEI Corporation
under the agreement
with National Highway
Authority, GOP

Provisions of sections
148 and 153 shall not
be applicable on import
with dedicated use

16	Part IV of Second Schedule	Clause 69	Asian Development Bank established under the Asian Development Bank Ordinance, 1971 (IX of 1971).	Asian Development Bank	0.00
17	Part IV of Second Schedule	Clause 71	TAISEI Corporation under the agreement with National Highway Authority, GOP	M/s TAISEI Corporation	0.00
18	Part IV of Second Schedule	Clause 77	Provisions of sections 148 and 153 shall not be applicable on import	Importers and suppliers of items with dedicated use	1,254.08

and subsequent supply of renewable
of items with dedicated sources of energy
use of renewable
sources of energy

(i) The dividend income
of the shareholders of
“Coal Mining and Coal
based Power
Generation Projects in
Sindh” shall be exempt
from provisions of
section 150 from the

date of commencement Shareholders of
of business till 30 years coal mining and

from such date; and (ii) coal based power
The payments made on generation projects
account of sale or in Sindh
supply of goods or
providing or rendering
of services during
project construction
and operations, shall
be exempt from the
provisions of section
152(2A) and section

0.00

Part IV of
19 Second Clause 78
Schedule

153”;

The provisions of
clause (b) of sub-
section (1) of section
153 shall not apply to
payments received by
National

Telecommunication

Corporation against
provision of
telecommunication
services including
ancillary services
specified in subsection
(3) of section 41 of the
Pakistan

Telecommunication
(Re-organization) Act,
1996 (XVII of 1996)

20	Part IV of Second Schedule	Clause 79A	Telecommunication Corporation (NTC)	242.00
----	----------------------------------	---------------	--	--------

The provisions of section 148 shall not apply to- (i) Tillage and seed bed preparation equipment (ii) Seeding or planting equipment (iii) Irrigation, drainage and agro-chemical application equipment (iv) Harvesting, threshing and storage equipment (v) Post-harvest handling and processing & miscellaneous machinery;

Importers of specified equipment under farming sector

138.14

The provisions of section 148 shall not apply to import of ships and other floating crafts including tugs, survey vessels and other specialized crafts purchased or bare-boat chartered by a

Shipping Companies

0.00

21 Part IV of Second Schedule Clause 91

22 Part IV of Second Schedule Clause 98

Pakistani entity and flying Pakistani flag: Provided that exemption under this clause shall be available up to the year 2 [2030], subject to the condition that the ships and crafts are used for the purpose for which they were procured, and in case such ships and crafts are used for demolition purposes, tax collectible under section 148, applicable to ships and crafts purchased for demolition purposes, shall be chargeable.]

The provisions of section 231B (1A) shall not apply to light commercial vehicles leased under the Prime

Beneficiaries of PM's Youth Business Loan Scheme

Not applicable

23 Part IV of Second Clause 102 Schedule

Minister's Youth
Business Loan Scheme

The provisions of
section 7B shall not
apply to yield or profit
on investment in
Bahbood Savings

Certificate or Persons who are
Pensioner's Benefit beneficiaries of
Account, provided that Bahbood Saving
tax on the said yield or Certificate or
profit on debt is paid at Pensioner's Benefit
the rates specified in Account

Division I of Part I of
the First Schedule
subject to clause (6) of
Part III of Second
Schedule

The provisions of All those
section 5A shall not companies where
apply to a company a restriction has
where a restriction has been imposed on
been imposed on distribution of
distribution of dividend dividend on
on account of an account of an

--

Not applicable

			agreement with the Government of Pakistan	agreement with the Government of Pakistan	
26	Part IV of Second Schedule	Clause 107 of Part 4 of Second Schedule	The provisions of section 111 relating to unexplained income or assets shall not apply in respect of any contribution paid to the Supreme Court of Pakistan – Diamer Bhasha & Mohmand Dams – Fund.	Persons who have donated their unexplained incomes to the Supreme Court of Pakistan – Diamer Bhasha & Mohmand Dams – Fund	--
27	Part IV of Second Schedule	Clause 108 of Part 4 of Second Schedule	The provisions of sections 113 and 151 shall not apply to the Supreme Court of Pakistan – Diamer Bhasha & Mohmand Dams – Fund.	Supreme Court of Pakistan – Diamer Bhasha & Mohmand Dams – Fund	--
28	Part IV of Second Schedule	Clause 111 of Part 4 of Second Schedule	The provisions of section 4B shall not apply to so much of the income of banking company as defined in	Banking Companies	--

the said section subject to reduced rate of tax at 20% under rules 7D, 7E and 7F of the Seventh Schedule for tax years 2020 to 2023.

The provisions of section 100BA and rule 1 of the Tenth Schedule shall not apply to the extent of payment of dividend to non-resident persons.

The provisions of section 100BA and rule 1 of the Tenth Schedule shall not apply to non-resident individual holding Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) or Computerized National ID Card (CNIC)

Non-resident persons as recipients of Dividends

--

non-resident individuals maintaining a Foreign Currency Value Account (FCVA) or Non-resident Pakistani Rupee Value Account (NRVA) with authorized banks in Pakistan

--

29

Part IV of Second Schedule

Clause 111A of Part 4 of Second Schedule

30

Part IV of Second Schedule

Clause 111B of Part 4 of Second Schedule

maintaining a Foreign
Currency Value
Account (FCVA) or
Non-resident Pakistani
Rupee Value Account
(NRVA) with authorized
banks in Pakistan
under the foreign
exchange regulations
issued by the State
Bank of Pakistan.]

The provision of sub-
section (5B) of sections
147 shall not apply in non-resident
respect of capital gains company having
arising to a non- no permanent
resident company establishment in
having no permanent Pakistan from
establishment in investment in debt
Pakistan from instruments and
investment in debt Government
instruments and securities including
Government securities treasury bills
including treasury bills
and Pakistan

31 Part IV of
Second
Schedule

Clause 113
of Part 4 of
Second
Schedule

--

investment bonds
through special
convertible rupee
account (SCRA)
maintained with a
banking company or
financial institution in
Pakistan.

The provisions of
section "clause (ae) of
sub-section (a) of
section 114" and 181
shall not apply to a
non-resident company
having no permanent
establishment in
Pakistan solely by
reason of capital gain
or profit on debt earned
from investments in
debt securities and
Government securities
including treasury bills
and Pakistan
investment bonds

non-resident
company having
no permanent
establishment in
Pakistan from
investment in debt
instruments and
Government
securities including
treasury bills

--

32 Part IV of
Second
Schedule
Clause 114
of Part 4 of
Second
Schedule

through special
convertible rupee
account maintained
with a banking
company or financial
institution in Pakistan

The provisions of non-resident
clause (ae) of sub- individual holding
section (1) of section Pakistan Origin
114 and section 181 Card (POC) or
shall not apply to a National ID Card
non-resident individual for Overseas
holding Pakistan Origin Pakistanis (NICOP)
Card (POC) or National or Computerized
ID Card for Overseas National ID Card
Pakistanis (NICOP) or (CNIC) maintaining
Computerized National a Foreign Currency
ID Card (CNIC) Value Account
maintaining a Foreign (FCVA) or a
Currency Value Nonresident
Account (FCVA) or a Pakistani Rupee
Nonresident Pakistani Value Account
Rupee Value Account (NRVA) with
(NRVA) with authorized authorized banks
banks in Pakistan in Pakistan

Part IV of
33 Second
Schedule
Clause
114A

--

under the foreign
exchange regulations
issued by the State
Bank of Pakistan:

The provisions of
section 151 and 236P
shall not apply to The
Prime Minister's
COVID-19 Pandemic
Relief Fund-2020.

Beneficiaries of
Prime Minister's
COVID-19
Pandemic Relief
Fund-2020

34	Part IV of Second Schedule	Clause 116	--
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Total Tax Expenditure from Specific Provisions given in Part IV of Second Schedule of ITO, 2001	68,840.87
Grand Total of Second Schedule of ITO, 2001	330,421.22
Grand Total of Income Tax Expenditure	423,894.44

4.1.2 Details of Sales Tax Expenditure

4.1.2.1 Zero Rating under Fifth Schedule on Local Supplies

						(Rs. In Million)
S.No.	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure	
1	Fifth Schedule	2	Supply to diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various Acts, Orders, Rules, Regulations and	Diplomats	873.63	

Agreements passed by the Parliament or issued or agreed by the Government of Pakistan.

2	Fifth Schedule	5	Supplies of raw materials [components and goods for further manufacture of goods in the Export Processing Zones.]	Manufacturer, General Masses	1,349.45
3	Fifth Schedule	6(A)	Supplies of locally manufactured plant and machinery of the following specifications, to manufacturers in the Export Processing Zone, subject to the conditions, restrictions and procedure given below, namely:- plant and machinery operated by any description as it is used for the manufacture or production...	Manufacturer, Industrial Sector	3.23
4	Fifth Schedule	6(A)(ii)	Apparatus, appliances and equipment specifically meant or adapted for use in conjunction with the machinery specified in clause (i);	Manufacturer, Industrial Sector	0.19

5	Fifth Schedule	7	Supplies made to exporters under the Duty and Tax Remission Rules, 2001 subject to the observance of procedures, restrictions and conditions prescribed therein	Exporters	118.89
6	Fifth Schedule	8	Imports or supplies made to Gwadar Special Economic Zone, excluding vehicles falling under heading 87.02 of the Pakistan Customs Tariff, subject to such conditions, limitations and restrictions as the 3 [Board] may impose.	Gwadar EPZ	28.71
7	Fifth Schedule	9	Goods exempted under section 13, if exported by a manufacturer	Importer, Exporter	25.47
8	Fifth Schedule	12(xvii)	Preparations suitable for infants, put up for retail sale (PCT Heading 1901.1000)	Manufacturer, General Masses	10,404.42
9	Fifth Schedule	12(xix)	Bicycles (PCT heading 87.12).	Manufacturer, General Masses	212.88
10	Fifth Schedule	12(xx)	Colors in sets (PCT heading 3213.1000).	Manufacturer, General Masses	7.95

11	Fifth Schedule	12(xxi)	Writing, drawing and marking inks (PCT heading. 3215.9010 and 3215.9090)	Manufacturer, General Masses	64.80
12	Fifth Schedule	12(xxii)	Erasers (PCT heading 4016.9210 and 4016.9290)	Manufacturer, General Masses	59.64
13	Fifth Schedule	12(xxiii)	Exercise books (PCT heading 4820.2000)	Manufacturer, General Masses	499.90
14	Fifth Schedule	12(xxiv)	Pencil sharpeners (PCT heading 8214.1000)	Manufacturer, General Masses	600.56
15	Fifth Schedule	12(xxv)	Geometry boxes (PCT heading 9017.2000)	Manufacturer, General Masses	41.11
16	Fifth Schedule	12(xxvi)	Pens, ball pens, markers and porous tipped pens (PCT heading 96.08)	Manufacturer, General Masses	793.05
17	Fifth Schedule	12(xxvi i)	Pencils including color pencils (PCT heading 96.09)	Manufacturer, General Masses	501.27
18	Fifth Schedule	13	Supplies of raw materials, components and goods for further manufacture of goods in the Gwadar Free Zone and export	Gwadar EPZ	4.62

thereof, provided that in case of supply to tariff area of Pakistan, tax shall be charged on the value assessed on the Goods Declaration for import

19	Fifth Schedule	14	Supplies of locally manufactured plant and machinery of the following specifications, to manufacturers in the Gwadar Free Zone, subject to the conditions, restrictions and procedure given below, namely:–	Gwadar EPZ	629.81
20	Fifth Schedule	15	Local supplies of raw materials, components, parts and plant and machinery to registered exporters authorized under Export Facilitation Scheme, 2021 notified by the Board with such conditions, limitations and restrictions	General Masses	1.85
21	Fifth Schedule	16	Milk (PCT heading 04.01)	General Masses	15,312.08
22	Fifth Schedule	17	Fat filled milk excluding that sold in retail packing under a brand name or a trademark (PCT heading 1901.9090)	General Masses	7,971.22

23	Fifth Schedule	18	(i) Supply, repair or maintenance of any ship which is neither; (a) a ship of gross tonnage of less than 15 LDT; nor (b) a ship designed or adapted for use for recreation or pleasure. (ii) Supply of spare parts and equipment for ships falling under (i) above.(iii) Supply of equipment and machinery for salvage or towage services. (iv) Supply of equipment and machinery for other services provided for the handling of ships in a port.]	Shipping Industry Airline	201.64
24	Fifth Schedule	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 3005.000	Health, General Masses	63,145.22
25	Fifth Schedule	20	Petroleum Crude Oil (PCT heading 2709.0000)]	Petroleum Sector	15,949.23
Total of Zero Rating under Fifth Schedule on Local Supplies					118,800.84

4.1.2.1 Zero Rating under Fifth Schedule at Import Stage

					(Rs. In Million)
S. No.	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure
1	Fifth Schedule	12	(Finished goods)(import of color sets (3213.1000), writing, drawing and marking inks (3215.9010 and 3215.9090), erasers (4016.9210 and 4016.9290), exercise books (4820.2000), pencil sharpener (8214.1000), geometry boxes (9017.2000), pen, ball pens, markers and porous tipped pens (96.08), pencils including color pencils (96.09)	Manufacturer, General Masses	78.14
2	Fifth Schedule	12	(Raw materials etc.)Raw materials, packing materials, sub-components, components, sub-assemblies and assemblies imported or purchased locally for the manufacture of the goods specified at s.no. 12 of 5th schedule to sales tax act, 1990, subject to the conditions, limitations and restrictions as specified in chapter xiv of the sales tax special	Manufacturer, General Masses	860.30

procedure rules, 2007.

3	Fifth Schedule	13	Supplies of raw materials, components and goods for further manufacture of goods in the Gwadar free zone and export thereof, provided that in case of supply to tariff area of Pakistan, tax shall be charged on the value assessed on the goods declaration for import	Gwadar EPZ	14.77
4	Fifth Schedule	15	Local supplies of raw materials, components, parts and plant and machinery to registered exporters authorized under export facilitation scheme, 2021 notified by the board with such conditions, limitations and restrictions.	Export Sector	0.04
5	Fifth Schedule	16	Milk (PCT heading 04.01).	General Masses	2.89
6	Fifth Schedule	17	Fat filled milk (PCT heading 1901.9090).	General Masses	824.70

7	Fifth Schedule	19	Drugs registered under the drugs act, 1976 (xxxii 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.	Health/General Masses	18,866.26
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Total of Zero Rating under Fifth Schedule at Import Stage	20,647.11
Total of Zero Rating under Fifth Schedule on Local Supplies	118,800.84
Total of Zero Rating under Fifth Schedule at Import Stage	20,647.11
Total Sales Tax Expenditure of Zero Rating under Fifth Schedule	139,447.94

4.1.2.2 Exemption given on POL Products through various SROs

(Rs. In Million)

S.No.	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure
1	SROs		POL Products	General Masses	632,950
Total exemption given on POL Products through various SROs					632,950

4.1.2.3 Exemption under Sixth Schedule Table I on Local Supplies

							(Rs. In Million)	
S.No	Schedule	Serial	Description				Intended Beneficiary	Tax Expenditure
1	Sixth Schedule Table I	1	Live	Animals	and	live	General Masses	2,856.64
				poultry				
2	Sixth Schedule Table I	2	Meat	of	bovine	animals,	General Masses	209.53
				sheep	and	goat, excluding		
				poultry	and	offal, whether		
				or	not	fresh, frozen		
				or		otherwise, preserved		
						[or		
						packed].		
3	Sixth Schedule Table I	3	Fish	and	crustaceans		General Masses	44.49
				excluding	live	fish whether		
				or	not	fresh, frozen		
				or		otherwise preserved		
						or		
						packed		
4	Sixth Schedule Table I	11	Eggs	including	eggs	for	General Masses	577.59
				hatching				
5	Sixth Schedule Table I	12	Live	plants	including		General Masses	21.53
				bulbs,	roots	and the like.		
6	Sixth	13	Edible		vegetables		General Masses	95.17

	Schedule		including roots and tubers,		
	Table I		except ware potato and		
			onions, whether fresh,		
			frozen or otherwise		
			preserved (e.g. in cold		
			storage) but excluding		
			those bottled or canned.		
7	Sixth	14	Pulses	General Masses	4,580.42
	Schedule				
	Table I				
8	Sixth	15	Edible fruits excluding	General Masses	214.63
	Schedule		imported fruits (except		
	Table I		fruits imported from		
			Afghanistan) whether		
			fresh, frozen or otherwise		
			preserved but excluding		
			those bottled or canned.		
9	Sixth	16	Red chilies excluding	General Masses	105.70
	Schedule		those sold in retail packing		
	Table I		bearing brand names and		
			trademarks.		
10	Sixth	17	Ginger excluding those	General Masses	23.48
	Schedule		sold in retail packing		
	Table I		bearing brand names and		
			trademarks.		

11	Sixth Schedule Table I	18	Turmeric excluding those sold in retail packing bearing brand names and trademarks.	General Masses	29.07
12	Sixth Schedule Table I	19	Cereals and products of milling industry excluding the products of milling industry, other than wheat and meslin flour, as sold in retail packing bearing brands name or a trade mark.	General Masses	6,200.53
13	Sixth Schedule Table I	20	Seeds, fruit and spores of a kind used for sowing.	Agriculture	721.90
14	Sixth Schedule Table I	21	Cinchona bark.	Agriculture	1,271.06
15	Sixth Schedule Table I	31	Holy Quran, complete or in parts, with or without translation; Quranic Verses recorded on any analogue or digital media; other Holy books.	General Masses	205.26

16	Sixth Schedule Table I	32	Newsprint, newspapers, journals, periodicals, books but excluding directories	General Masses	946.63
17	Sixth Schedule Table I	33	Currency notes, bank notes, shares, stocks and bonds.	General Masses	3,348.40
18	Sixth Schedule Table I	45	Dextrose and saline infusion giving sets along with empty non-toxic bags for infusion solution, Dextrose and saline infusion giving sets, Artificial parts of the body, Intra-Ocular lenses and Glucose testing equipment	Health, General Masses	1,651.47
19	Sixth Schedule Table I	46	Goods imported by various agencies of the United Nations, diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various Acts and, Orders, rules and regulations	UN Organizations	5.22

made thereunder; and
 agreements by the
 Federal Government
 provided that such goods
 are charged to zero-rate of
 customs duty under
 Customs Act, 1969 (IV of
 1969), and the conditions
 laid therein

20	Sixth Schedule Table I	47	Import of articles of General Masses household and personal effects including vehicles and also the goods for donation to projects established in Pakistan imported by any of the rulers of Gulf Sheikhdoms who is in possession of residential accommodation in Pakistan and goods including vehicles by the United Arab Emirates dignitaries as are listed in column (2) ...	0.58
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21	Sixth Schedule Table I	48	Goods imported or supplied under grants-in-aid for which a specific consent has been obtained from the 1 [Board]; supplies and imports under agreements signed by the Government of Pakistan before the 30th June, 1996, provided the agreements contained the provision for exemption of tax at the time of signing of agreement.	General Masses	2.93
22	Sixth Schedule Table I	50	Articles imported through post as unsolicited gifts, subject to the same conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969. (IV of 1969).	General Masses	0.59

23	Sixth Schedule Table I	52	Goods imported by or donated to hospitals run by the Federal Government or a Provincial Government; and non-profit making educational and research institutions subject to the similar restrictions, limitations, conditions and procedures as are envisaged for the purpose of applying zero rate of customs duty on such goods under the Customs Act, 1969, (IV of 1969)	Health, Masses	General	322.58
24	Sixth Schedule Table I	52A	Goods excluding electricity and natural gas] supplied to hospitals run by the Federal or Provincial Governments or charitable operating hospitals of fifty beds or more or the teaching hospitals of statutory	Health, Masses	General	695.67

universities of two
hundred or more beds.

25	Sixth Schedule Table I	53	Import of all such gifts as are received, and such equipment for fighting tuberculosis, leprosy, AIDS and cancer and such equipment and apparatus for the rehabilitation of the deaf, the blind, crippled or mentally retarded as are purchased or otherwise secured by a charitable non-profit making institution solely for the purpose of advancing declared objectives of such institution,	Health, Masses	General	29.76
26	Sixth Schedule	59	Artificial kidneys, eye cornea, hemodialysis	Health, Masses	General	143.47

Table I

machines, hemodialyzers, A.V. fistula needles, hemodialysis fluids and powder, blood tubing lines for dialysis and reverse osmosis plants for dialysis, double lumen catheter for dialysis, catheter for renal failure patient and peritoneal dialysis solution, 2 [cochlear implants systems]and angioplasty equipment (balloons, catheters, wires and stents), subject to the similar conditions and procedures as are envisaged for the purpose of applying zero-rate of customs duty on these goods under the Customs Act, 1969 (IV of 1969).

27	Sixth Schedule Table I	60	Contraceptives and Health, accessories thereof. Masses	General	29.56
28	Sixth Schedule Table I	61	Goods produced or Manufacturer, manufactured in and Exporters exported from Pakistan which are subsequently imported in Pakistan within one year of their exportation, provided conditions of section 22 of the Customs Act, 1969 (IV of 1969)		16.03
29	Sixth Schedule Table I	72	Uncooked poultry Meat 3 [whether or not fresh, Masses frozen or otherwise, preserved or packed]	Poultry/General	1,033.47
30	Sixth Schedule Table I	81	Cotton seed	General Masses	5,489.98
31	Sixth Schedule Table I	84	Preparations suitable for Manufacturer, infants, put up for retail General Masses sale		604.46
32	Sixth Schedule	86	Colors in sets (Poster Manufacturer, General colors) Masses		0.44

Table I

33	Sixth Schedule Table I	88	Erasers	Manufacturer, General Masses	7.10
34	Sixth Schedule Table I	89	Exercise books	Manufacturer, General Masses	23.02
35	Sixth Schedule Table I	90	Pencil sharpeners	Manufacturer, General Masses	10.76
36	Sixth Schedule Table I	92	Sewing machines of the household type	Manufacturer, General Masses	2.79
37	Sixth Schedule Table I	94	Wheelchairs	Manufacturer, General Masses	7.96
38	Sixth Schedule Table I	96	Other drawing, marking out or mathematical calculating instruments (geometry box)	Manufacturer, General Masses	10.63
39	Sixth Schedule Table I	97	Pens, ball pens, markers and porous tipped pens	Manufacturer, General Masses	21.84

40	Sixth Schedule Table I	98	Pencils including color pencils	Manufacturer, General Masses	294.42
41	Sixth Schedule Table I	99	Compost (non-commercial fertilizer) produced and supplied locally	Fertilizer sector	73.87
42	Sixth Schedule Table I	100	Construction materials to Gwadar Export processing Zone's investors and to Export Processing Zone Gwadar for development of Zone's infrastructure	Gwadar EPZ	873.22
43	Sixth Schedule Table I	100A	Materials and equipment (plant, machinery, equipment, appliances and accessories) for construction and operation of Gwadar Port and development of Free Zone for Gwadar Port as imported by or supplied to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies...	Gwadar EPZ	1.81

44	Sixth Schedule Table I	100A((i)	This exemption shall be import/export admissible only to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies, their contractors and subcontractors which hold the Concession Agreement;	2.79
45	Sixth Schedule Table I	100B	Supplies made by the Gwadar EPZ businesses to be established in the Gwadar Free Zone for a period of twenty-three years within the Gwadar Free Zone, subject to the condition that the sales and supplies outside the Gwadar Free Zone and into the territory of Pakistan shall be subjected to sales tax.	3.49
46	Sixth Schedule Table I	100C	Vehicles imported by China Overseas Ports China Overseas Ports Holding Company Holding Company Limited Limited	0.71

(COPHCL) and its operating companies namely (i) China Overseas Ports Holding Company Pakistan (Private) Limited (ii) Gwadar International Terminal Limited, (iii) Gwadar Marine Services Limited and (iv) Gwadar Free Zone Company Limited, for a period of twenty-three years for construction, development...

47	Sixth Schedule Table I	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	Manufacturer, Exporters EPZ	3.34
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machinery, equipment, 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.

48	Sixth Schedule Table I	104	Substances registered as Pharmaceutical drugs under the Drugs Industry 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:-	42,640.77
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49	Sixth Schedule Table I	105	Raw materials for the Pharmaceutical basic manufacture of Industry 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 1 [eleven] per cent ad valorem, either under the First Schedule 2 [or Fifth Schedule] to the Customs Act, 1969 (IV of 1969) or under a notification issued under section 19 thereof	8,056.34
50	Sixth Schedule Table I	107	Import and supply of Importer/General iodized salt bearing brand Masses names and trademarks whether or not sold in retail packing.	326.80

51	Sixth Schedule Table I	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	Importer, Exporter	0.00
52	Sixth Schedule Table I	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 1 [for the period ending on the 30th June, 2023]:	Energy Sector, General Masses	210.83
53	Sixth Schedule Table I	110(a)	Solar PV panels;	Energy Sector, General Masses	203.25
54	Sixth Schedule Table I	110(c)	SMD, LEDs, with or without ballast, with fittings and fixtures;	Energy Sector, General Masses	4.57

55	Sixth Schedule Table I	110(g)	PV modules along with related components, including invertors, charge controllers and batteries.	Energy General Masses	Sector,	119.91
56	Sixth Schedule Table I	112	Following cardiology/cardiac surgery, neurovascular, electrophysiology, endosurgery, endoscopy, oncology, urology, gynecology, disposables and other equipment:	Health, Masses	General	438.54
57	Sixth Schedule Table I	112A	Angioplasty Products	Health, Masses	General	0.05
58	Sixth Schedule Table I	112B	Angiography Products	Health, Masses	General	0.78
59	Sixth Schedule Table I	112H (viii)	Cardiac Electrophysiology Products Remote Ep Monitoring Device And Accessories	Health, Masses	General	0.03
60	Sixth Schedule Table I	112J(x)	Cardiac Surgery Products Minimally Invasive Surgery Equipment &	Health, Masses	General	0.10

Instruments

61	Sixth Schedule Table I	113	High Efficiency Irrigation Equipment (If used for agriculture sector)	Agriculture	43.79
62	Sixth Schedule Table I	113(i)	Submersible pumps (up to 75 LBS and head 150 meters)	Agriculture	2.89
63	Sixth Schedule Table I	114	Green House Framing and Other Green House Equipment (If used for Agriculture Sector)	Agriculture	37.02
64	Sixth Schedule Table I	114(i)	Tunnel farming equipment [consisting of plastic covering and mulch film, anti-insect net and shade net]	Agriculture	46.03
65	Sixth Schedule Table I	116	Plant, machinery and equipment imported for setting up industries in FATA upto 30th June 2019 subject to the same conditions and procedure as are applicable for import of such plant, machinery and equipment	Industrial Undertakings	1.71

under the Customs Act,
1969 (IV of 1969).

66	Sixth Schedule Table I	120	Diagnostic kits or Health, equipment Masses	General	904.64
67	Sixth Schedule Table I	121	Blood Bag CPDA-1 with Health, blood transfusion set pack Masses in aluminum foil with set.	General	467.56
68	Sixth Schedule Table I	122	Urine drainage bags Health, Masses	General	0.72
69	Sixth Schedule Table I	127	Operational tools, Airlines machinery, equipment and furniture and fixtures on one-time basis for setting up Greenfield airports by a company authorized by Aviation Division.		10.64
70	Sixth Schedule Table I	130	Sodium Iron (Na Fe Health, EDTA), and other Masses premises of vitamins, minerals and micro- nutrients (food grade) and subject to conditions imposed for importation	General	1.69

under the Customs Act,
1969]

71	Sixth Schedule Table I	131	Laptop computers, notebooks whether or not incorporating multimedia kit	General Masses	203.14
72	Sixth Schedule Table I	132	Personal computers	General Masses	22.69
73	Sixth Schedule Table I	133	Pesticides and their active ingredients registered by the Department of Plant Protection under the Agricultural Pesticides Ordinance, 1971(II of 1971), stabilizers, emulsifiers and solvents specified therein...	Agriculture	16,286.45
74	Sixth Schedule Table I	135	Sunflower and canola hybrid seeds meant for sowing	Agriculture	124.34
75	Sixth Schedule Table I	136	Combined harvesters upto five years old	Agriculture	8.19
76	Sixth	137	Paper weighing 60 g/m ² 2	General Masses	4.18

Schedule
Table I
[, art paper and printing
paper] for printing of Holy
Quran imported by
Federal or Provincial
Governments and
Nashiran-e-Quran as per
quota determined by
IOCO

77 Sixth 138 Fish Feed General Masses 73.88

Schedule
Table I

78 Sixth 139 Fans for dairy farms Dairy Sector, General
Masses 1.38

Schedule
Table I

79 Sixth 140 Bovine semen Dairy Sector, General
Masses 29.93

Schedule
Table I

80 Sixth 141 Preparations for making Dairy Sector, General
animal feed Masses 550.47

Schedule
Table I

81 Sixth 142 Promotional and General Masses 0.14

Schedule
Table I
advertising material
including technical
literature, pamphlets,
brochures and other

giveaways of no
commercial value,
distributed free of cost by
the exhibitors

82	Sixth Schedule Table I	143(i)(c)	Hearing aids (all types and kinds), ABR.	General Masses	0.01
83	Sixth Schedule Table I	144	Liquefied Natural Gas imported by fertilizer manufacturers for use as feed stock	Fertilizer sector	0.92
84	Sixth Schedule Table I	145	Plant, machinery, equipment including dumpers and special purpose motor vehicles, if not manufactured locally, imported by M/s China State Construction Engineering Corporation Limited (M/s CSCECL) for the construction of Karachi – Peshawar Motorway (Sukkur – Multan Section) and M/s China Communication	China State Construction Engineering Corporation Limited	4.39

Construction Company
(M/s CCCC) for the
construction of Karakorum
Highway (KKH) Phase-II -
(Thakot - Havellian
Section) subject to the
conditions mentioned
therein ...

85	Sixth Schedule Table I	147	Goods supplied to German Development German Development Agency (GIZ) Agency (Deutsche Gesellschaft für International Zusammenarbeit) GIZ	0.67
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86	Sixth Schedule Table I	148	Imported materials imported by State Engineering Corporation Limited (M/s CSCECL), whether or not locally manufactured, for construction of Karachi-Peshawar Motorway (Sukkur-Multan Section) subject to fulfilment of same conditions, limitations and restrictions as are specified under S. No. 145 of this table, provided that total incidence of exemptions of all duties and taxes in respect of construction materials and goods imported for the project shall not exceed ten thousand eight hundred	construction and goods M/s China Construction Corporation Limited	China Construction Corporation Limited	State	6.57
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87	Sixth Schedule Table I	150	Plant and machinery excluding consumer durable goods and office equipment as imported by greenfield industries, intending to manufacture taxable goods, during their construction and installation period subject to conditions noted below and issuance of exemption certificate by the Commissioner Inland Revenue having jurisdiction:-	Greenfield Industries	6.97
88	Sixth Schedule Table I	150(a)	The importer is registered under the Act on or after the first day of July, 2019;	Greenfield Industries	125.65
89	Sixth Schedule Table I	150(b)	The industry is not established by splitting up or reconstruction or reconstitution of an undertaking already in existence or by transfer of machinery or plant from	Greenfield Industries	1.15

another
industrial undertaking in
Pakistan

90	Sixth Schedule Table I	151(a)	Supplies	Manufacturer, General Masses	20,704.87
91	Sixth Schedule Table I	151(b)	Imports of plant, machinery, equipment for installation in tribal areas and of industrial inputs by the industries located in the tribal areas, as defined in the Constitution of Islamic Republic of Pakistan,— as made till 30th June, 2023, to which the provisions of the Act or the notifications issued thereunder, would have not applied had Article 247 of the Constitution not been omitted under the	Manufacturer, General Masses	1,779.06

Constitution (Twenty fifth
Amendment) Act, 2018
(XXXVII of 2018)

92	Sixth Schedule Table I	152	Supplies of electricity, as made from the day of assent to the Constitution (Twenty-fifth Amendment) Act, 2018, till 30th June, 2023, to all residential and commercial consumers in tribal areas, and to such industries in the tribal areas which were set and started their industrial production before 31st May, 2018, but excluding steel and ghee or cooking oil industries	Residential and commercial consumers of electricity in tribal areas except steel and ghee/cooking oil industries	17.73
93	Sixth Schedule Table I	155	Oil cake and other solid residues, whether or not ground or in the form of pellets	General Masses	3,941.04
94	Sixth Schedule Table I	156	Import of CKD kits by local manufacturers of following Electric Vehicles: –	Local manufacturers of Electric Vehicles, General Masses	5.67

(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

Sub-total of Exemption under Sixth Schedule Table I on Local Supplies	130,234.14
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4.1.2.4 Exemption under Sixth Schedule Table II on Local Supplies

							(Rs. In Million)
S.No.	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure		
1	Sixth Schedule Table II	1	Supply of cottonseed exclusively meant for sowing purposes, subject to such conditions as the Board may specify.	Cotton Growers, Agriculture Sector	281.71		
2	Sixth Schedule Table II	2	Supply of locally produced crude vegetable oil obtained from the locally produced seeds [other than cotton seed], except cooking oil, without having undergone any process except the process of washing.	Milling Industry	1,581.29		
3	Sixth Schedule Table II	3	Supplies made by cottage industry.	General Masses	51.54		
4	Sixth Schedule Table II	4	Raw material and intermediary goods manufactured or produced, and services provided or rendered, by a registered person, consumed in-house for the manufacture of	Manufacturers	4.06		

goods subject to sales tax.

5	Sixth Schedule Table II	6	Supply of fixed assets against which input tax adjustment is not available under a notification issued in terms of clause (b) of subsection (1) of section 8 of the Sales Tax Act, 1990.	General Masses	69.49
6	Sixth Schedule Table II	7	Breads prepared in tandoors and bakeries, vermicillies, nans, chapattis, sheer mal, bun, rusk	General Masses	4,997.93
7	Sixth Schedule Table II	8	Foodstuff cooked or prepared in-house and served in messes run on the basis of mutuality and industrial canteens for workers.	General Masses	3.37
8	Sixth Schedule Table II	9	Foodstuff and other eatables prepared in the flight kitchens and supplied for consumption on-board in local flights.	General Masses	0.25

9	Sixth Schedule Table II	10	Agricultural produce of Pakistan, not subjected to any further process of manufacture.	Agriculture/General Masses	1,584.63
10	Sixth Schedule Table II	11	Supply of ware potato and [Supply of ware potato and onions	General Masses	115.53
11	Sixth Schedule Table II	15(a)	Sprinkler Equipment	Agriculture	16.68
12	Sixth Schedule Table II	15(b)	Drip Equipment	Agriculture	0.05
13	Sixth Schedule Table II	15(c.)	Spray Pumps and nozzles	Agriculture	0.58
14	Sixth Schedule Table II	21	Poultry feed, cattle feed, sunflower seed meal, rape seed meal and canola seed meal	Poultry/General Masses	41,064.58
15	Sixth Schedule Table II	22	Single cylinder agriculture diesel engines (compression ignition internal combustion piston engines) of 3 to 36 HP.	Agriculture	301.39
16	Sixth Schedule	23	Match boxes	General Masses	795.35

Table II

17	Sixth Schedule Table II	30	Milk and cream, concentrated or containing added sugar or other sweetening matter, excluding that sold in retail packing under a brand name	General Masses	1,385.17
18	Sixth Schedule Table II	33	Whey	General Masses	11.78
19	Sixth Schedule Table II	34	Butter	General Masses	53.59
20	Sixth Schedule Table II	35	Desi Ghee	General Masses	15.71
21	Sixth Schedule Table II	36	Cheese	General Masses	403.34
22	Sixth Schedule Table II	40	Live Animals And Live Poultry	Agriculture	1,933.58
23	Sixth Schedule Table II	41	Meat of bovine animals, sheep, goat and uncooked poultry meat excluding those sold in	General Masses	2,142.89

retail packing under a brand
name

24	Sixth Schedule Table II	42	Fish and crustaceans excluding those sold in retail packaging under a brand name	General Masses	2.95
25	Sixth Schedule Table II	43	Live plants including bulbs, roots and the like	General Masses	2.67
26	Sixth Schedule Table II	44	Cereals other than rice, wheat, wheat and meslin flour	General Masses	1,300.56
27	Sixth Schedule Table II	45	wheat and meslin flour Respective headings 45 Edible vegetables including roots and tubers, except ware potato and onions, whether fresh, frozen or otherwise preserved (e.g. in cold storage) but excluding those bottled or canned.	General Masses	13.68
28	Sixth Schedule Table II	46	Edible fruits	General Masses	19.13
29	Sixth Schedule	47	Sugar cane	General Masses	101.40

Table II

30	Sixth Schedule	48	Eggs including eggs for hatching	General Masses	221.31
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Table II

31	Sixth Schedule	49	Compost (non-commercial fertilizer	Agriculture sector	83.98
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Table II

32	Sixth Schedule	50	Locally manufactured laptops, computers, notebooks whether or not incorporating multimedia kit and personal computers	Information Technology/Gen eral Masses	1.51
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33	Sixth Schedule	51	Newspaper	General Masses	0.92
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Table II

Sub-total of Exemption under Sixth Schedule Table II on Local Supplies					58,562.59
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4.1.2.5 Exemption under Sixth Schedule Table III on Local Supplies

						(Rs. In Million)
S.No.	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure	
1	Sixth Schedule Table III	1	Machinery and equipment for initial installation, balancing, modernization, replacement or expansion of desalination plants, coal firing system, gas processing plants and oil and gas field prospecting.	Petroleum Sector	70.27	
2	Sixth Schedule Table III	2A(iv)	Emergency Operating Lights.	General Masses	1.79	
3	Sixth Schedule Table III	2B(iii)	Intravenous cannula catheter.	General Masses	2.44	
4	Sixth Schedule Table III	2C	Disposable Medical Devices	General Masses	3.38	

5	Sixth Schedule Table III	3(i)	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.	Industrial Undertakings	0.54
6	Sixth Schedule Table III	5(i)	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.	Energy Sector/General Masses	0.34
7	Sixth	6(i)	Machinery, equipment	Industrial Sector	0.06

	Schedule		and spares meant for		
	Table III		initial installation,		
			balancing, modernization,		
			replacement or expansion		
			of projects for power		
			generation through gas,		
			coal, hydel, and oil		
			including under		
			construction projects.		
8	Sixth	6(ii)	Construction machinery,	Industrial Sector	0.51
	Schedule		equipment and		
	Table III		specialized vehicles,		
			excluding passenger		
			vehicles, imported on		
			temporary basis as		
			required for the		
			construction of project.		
9	Sixth	7(i)	Machinery, equipment	Industrial Sector	57.65
	Schedule		and spares meant for		
	Table III		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.

1 [This exemption in relation to renewable energy shall remain in force up to the 30th June, 2023.]

10	Sixth Schedule Table III	7(ii)	Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project	Industrial Sector	0.16
11	Sixth Schedule Table III	8	Machinery and equipment meant for power transmission and grid stations including under construction projects. Explanation.- For the purpose of this serial number, "machinery and	Energy Sector, General Masses	47.22

equipment” shall mean,--

12	Sixth Schedule Table III	8(i)(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;	Energy Sector/General Masses	13.99
13	Sixth Schedule Table III	9	Following machinery, equipment and other education and research related items imported by technical, training	Education/General Masses	0.02

institutes, research
institutes, schools,
colleges and universities:-

14	Sixth Schedule Table III	9(i)	Quartz reactor tubes and holders designed for insertion into diffusion and oxidation furnaces for production of semiconductor wafers.	Education/General Masses	0.01
15	Sixth Schedule Table III	11(i)	Polishing cream or material	Industrial Sector	47.18
16	Sixth Schedule Table III	11(ii)	Fiber glass mesh	Industrial Sector	0.02
17	Sixth Schedule Table III	11(iii)	Chain saw/diamond wire saw in all sizes and dimensions and spares thereof, diamond wire joints all types and dimensions, chain for chain saw and diamond wires for wire saw and spare widia.	Industrial Sector	3.78

18	Sixth Schedule Table III	11(iv)	Gin saw blades	Industrial Sector	1.60
19	Sixth Schedule Table III	12	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	Gwader Port Development	47.29
20	Sixth Schedule Table III	13	Effluent treatment plants	General Masses	0.15
21	Sixth Schedule Table III	14	Items for use with solar energy:- Solar Power Systems	Energy Sector/General Masses	249.93
22	Sixth Schedule Table III	14(1)	Off-grid/On-grid solar power system (with or without provision for USB/charging port) comprising of :	Energy Sector/General Masses	42.68

23	Sixth Schedule Table III	14(1)(i)	PV Module.	Energy Sector/General Masses	244.46
24	Sixth Schedule Table III	14(1)(ii)	Charge controller)	Energy Sector/General Masses	0.18
25	Sixth Schedule Table III	14(1)(v)	Inverters (off-grid/ on-grid/ hybrid with provision for direct connection/ input renewable energy source and with Maximum Power Point Tracking (MPPT).	Energy Sector/General Masses	0.19
26	Sixth Schedule Table III	14A	Following systems and items for dedicated use with renewable source of energy like solar, wind, geothermal 1 [as imported on or before the 30th June, 2023.]	Energy Sector/General Masses	20.93
27	Sixth Schedule Table III	14A(9)	Pyranometers and accessories for solar data collection	Energy Sector	142.92
28	Sixth Schedule Table III	14A(10)	Solar chargers for charging electronic devices	Energy Sector/General Masses	0.05

29	Sixth Schedule Table III	14A(12)	Wind Turbines.	Energy Sector/General Masses	7.11
30	Sixth Schedule Table III	14A(3b) (ii)	Cooling towers.	Energy Sector/General Masses	0.30
31	Sixth Schedule Table III	14A(6a)	Solar Water Heaters with accessories.	Energy Sector/General Masses	4.25
32	Sixth Schedule Table III	14A(6c) (i)	Electronic controller	Energy Sector/General Masses	0.04
33	Sixth Schedule Table III	14A(6c) (ii)	Assistant/ Feeding tank	Energy Sector/General Masses	3.48
34	Sixth Schedule Table III	14A(6c) (iii)	Circulation Pump	Energy Sector/General Masses	3.57
35	Sixth Schedule Table III	14A(7a)	PV Modules.	Energy Sector/General Masses	13.59
36	Sixth Schedule Table III	15(i)	SMD/LED/LVD lights with or without ballast, fittings and fixtures.	Energy Sector/General Masses	87.71

37	Sixth Schedule Table III	15(ii)	SMD/LED/LVD lights, with or without ballast, PV module, fitting and fixtures	Energy Sector/General Masses	8.65
38	Sixth Schedule Table III	15(iii)	Tubular Day lighting Device	Energy Sector/General Masses	27.87
39	Sixth Schedule Table III	15(ix)	PV module, with or without, the related components including invertors (off-grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT), charge controllers and solar batteries.	Energy Sector/General Masses	249.26
40	Sixth Schedule Table III	15(vii)	Energy saver lamps of varying voltages	Energy Sector/General Masses	0.00
41	Sixth Schedule Table III	15(viii)	Energy Saving Tube Lights.	Energy Sector/General Masses	1.73

42	Sixth Schedule Table III	15(xi)	Water pumps operating on solar energy along with solar pump controllers	Energy Sector/General Masses	1.67
43	Sixth Schedule Table III	15(xv)	Invertors (off-grid/on grid/hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT).	Energy Sector/General Masses	1.84
44	Sixth Schedule Table III	15(xvi)	Charge controller/ Current controller.	Energy Sector/General Masses	0.21
45	Sixth Schedule Table III	15A(i)	Housing /shell. Shell cover and base cap for all kinds of LED lights and bulbs	Energy Sector/General Masses	2.54
46	Sixth Schedule Table III	15A(ii)	Bare and stuffed Metal Clad Printed Circuit Boards (MCPCB) for LED	Energy Sector/General Masses	30.12
47	Sixth Schedule Table III	15A(iii)	Constant Current Power Supply for of LED Lights and Bulbs (1-300W)	Energy Sector/General Masses	10.80
48	Sixth	16	Plant, machinery,	Energy Sector	0.03

	Schedule		equipment and specific		
	Table III		items used in production		
			of bio-diesel.		
49	Sixth	18(xiv)	Power supply	General Masses	0.10
	Schedule				
	Table III				
50	Sixth	19	Plant and machinery,	Special Economic	2.71
	Schedule		except the items listed	Zone (SEZ)	
	Table III		under Chapter 87 of the		
			Pakistan Customs Tariff,		
			imported for setting up of		
			a Special Economic Zone		
			(SEZ) by zone developers		
			and for installation in that		
			zone by zone enterprises,		
			on one time basis as		
			prescribed in the SEZ Act,		
			2012 and rules thereunder		
			subject to such condition,		
			limitations and restriction		
			as a Federal Board of		
			Revenue may impose		
			from time to time		
51	Sixth	20	Plant and machinery for	General Masses	0.66
	Schedule		the assembly/		

Table III manufacturing of electric
vehicles

Sub-total of Exemption under Sixth Schedule Table III on Local Supplies	1,457.99
Total of Exemption under Sixth Schedule on Local Supplies	190,254.71
Less 30% adjustment on account of value addition of Local Supplies	57,076.41
Total of Exemption under Sixth Schedule on Local Supplies after Adjustment	133,178.30

4.1.2.6 Exemption under Sixth Schedule Table I at Import Stage

(Rs. In Million)					
S. No.	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure
1	Sixth Schedule Table I	1	Live animals and live poultry	General Masses	714.87
2	Sixth Schedule Table I	2	Meat of bovine animals, sheep and goat, excluding poultry and offal, whether or not fresh, frozen or otherwise, preserved or packed	General Masses	30.61
3	Sixth Schedule Table I	3	Fish and crustaceans excluding live fish whether or not fresh, frozen or otherwise preserved or packed	General Masses	13.75
4	Sixth Schedule	11	Eggs including eggs for hatching	General Masses	22.17

Table I

5	Sixth Schedule Table I	12	Live plants including bulbs, roots and the like.	General Masses	21.17
6	Sixth Schedule Table I	13	Edible vegetables imported from Afghanistan including roots and tubers, except ware potato and onions, whether fresh, frozen or otherwise preserved (e.g. in cold storage) but excluding those bottled or canned.	General Masses	3,695.90
7	Sixth Schedule Table I	14	Pulses.	General Masses	17,820.97
8	Sixth Schedule Table I	15	Edible fruits imported from Afghanistan (excluding fresh apples 0808.1000) whether fresh, frozen or otherwise preserved but excluding those bottled or canned.	General Masses	2,965.13
9	Sixth Schedule Table I	16	Red chilies excluding those sold in retail packing bearing brand names and trademarks.	General Masses	52.55

10	Sixth Schedule Table I	17	Ginger excluding those sold in retail packing bearing brand names and trademarks.	General Masses	1,978.51
11	Sixth Schedule Table I	18	Turmeric excluding those sold in retail packing bearing brand names and trademarks.	General Masses	11.03
12	Sixth Schedule Table I	19	Rice, wheat, wheat and muslin flour (respective headings)	General Masses	19,425.80
13	Sixth Schedule Table I	20	Seeds, fruit and spores of a kind used for sowing.	Agriculture Sector	1,939.17
14	Sixth Schedule Table I	21	Cinchona bark.	Agriculture Sector	0.06
15	Sixth Schedule Table I	24	Edible oils and vegetable ghee, including cooking oil, on which federal excise duty is charged, levied and collected by a registered manufacturer or importer as if it were a tax payable under section 3 of the act. Explanation.— exemption of this entry shall not be available on local supply made by	General Masses	403.24

importers, distributors,
wholesalers or retailers.

16	Sixth Schedule Table I	31	Holy Quran, complete or in parts, with or without translation; Quranic verses recorded on any analogue or digital media; other holy books.	General Masses	27.88
17	Sixth Schedule Table I	32	Newsprint and books but excluding brochures, leaflets and directories (respective headings)	General Masses	1,289.00
18	Sixth Schedule Table I	45	Dextrose and saline infusion giving sets along with empty non-toxic bags for infusion solution, dextrose and saline infusion giving sets, artificial parts of the body, intra-ocular lenses and glucose testing equipment.	Health/General Masses	1,209.47
19	Sixth Schedule Table I	46	Goods imported by various agencies of the united nations, diplomats, diplomatic missions, privileged persons and privileged organizations which are covered	UN Organizations	114.17

under various acts and orders, rules and regulations made there under by the federal government provided that said goods are charged at zero rate of custom duty under custom act 1969(iv of 1969) and the condition laid therein.

20	Sixth Schedule Table I	47	Import of articles of household and personal effects including vehicles and also the goods for donation to projects established in Pakistan imported by any of the rulers of gulf sheikhdoms who is in possession of residential accommodation in Pakistan and goods including vehicles by the united Arab Emirates dignitaries as are listed in column (2) against heading no. 99.05 in column (1) of the first schedule to the customs act, 1969 (iv of 1969) for their personal use and for donation to welfare projects established in	Gulf Dignitaries	0.01
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Pakistan subject to the similar conditions as are envisaged for the purposes of applying zero-rate of customs duty on such goods under the said act. (pct 99.05)

21	Sixth Schedule Table I	48	Goods imported or supplied under grants-in-aid for which a specific consent has been obtained from the board; supplies and imports under agreements signed by the government of Pakistan before the 30th June, 1996, provided the agreements contained the provision for exemption of tax at the time of signing of agreement. (PCT 99.03)	International Aid	1,172.35
22	Sixth Schedule Table I	52	Goods imported by or donated to hospitals run by the federal or provincial government; and non-profit making educational and research institutions, limitations,	Health/General Masses	33.38

conditions and procedures as are envisaged for the purpose of applying zero-rate of customs duty on such goods under the customs act, 1969 (iv of 1969)

23	Sixth Schedule Table I	59	Artificial kidneys, eye cornea, hemodialysis machine hemodialyzers, a.v. fistula needles, hemodialysis fluids and powder, blood tubing lines for dialysis and reverse osmosis plants for dialysis, double lumen catheter for dialysis, catheter for renal failure patient and peritoneal dialysis solution, cochlear implants systems] and angioplasty equipment (balloons, catheters, wires and stents), subject to the similar conditions and procedures as are envisaged for the purpose of applying zero-rate of customs duty on these goods under the customs act, 1969 (iv of 1969) (PCT 99.24, 99.25, 99.37 and	Health/General Masses	383.22
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99.38)

24	Sixth Schedule Table I	60	Contraceptives and accessories thereof.	Health/General Masses	229.81
25	Sixth Schedule Table I	61	Goods produced or manufactured in and exported from Pakistan which are subsequently imported in Pakistan within one year of their exportation.	Manufacturing/ Exporters	1,880.39
26	Sixth Schedule Table I	72	Uncooked poultry meat whether or not fresh, frozen or otherwise, preserved or packed	Poultry/General Masses	2.52
27	Sixth Schedule Table I	84	Preparations suitable for infants, put up for retail sale	Manufacturer/G eneral Masses	1,816.83
28	Sixth Schedule Table I	86	Colors in sets (poster colors)	Manufacturer/G eneral Masses	28.05
29	Sixth Schedule	87	Writing, drawing and marking inks	Manufacturer/G eneral Masses	50.54

Table I

30	Sixth Schedule Table I	88	Erasers	Manufacturer/G eneral Masses	96.27
31	Sixth Schedule Table I	89	Exercise books	Manufacturer/G eneral Masses	6.40
32	Sixth Schedule Table I	90	Pencil sharpeners	Manufacturer/G eneral Masses	7.81
33	Sixth Schedule Table I	92	Sewing machines of the household type	Manufacturer/G eneral Masses	8.10
34	Sixth Schedule Table I	94	Wheelchairs	Manufacturer/G eneral Masses	199.73
35	Sixth Schedule Table I	96	Other drawing, marking out or mathematical calculating instruments (geometry box)	Manufacturer/G eneral Masses	9.15
36	Sixth Schedule Table I	97	Pens, ball pens, markers and porous tipped pen	Manufacturer/G eneral Masses	143.65
37	Sixth Schedule	98	Pencils including color pencils	Manufacturer/G eneral Masses	513.41

Table I

38	Sixth Schedule Table I	99	Compost (non-chemical fertilizer) produced and supplied locally	Fertilizer Sector	0.06
39	Sixth Schedule Table I	100	Construction materials to Gwadar export processing zone's investors and to export processing zone Gwadar for development of zone's infrastructure	Gwadar EPZ	131.37
40	Sixth Schedule Table I	100A	Materials and equipment (plant, machinery, equipment, appliances and accessories) for construction and operation of Gwadar port and development of free zone for Gwadar port as imported by or supplied to china overseas ports holding company international limited (COPHCL) and its operating companies namely (i) china overseas ports holding company Pakistan (private) limited (ii) Gwadar international terminal limited, (iii) Gwadar free zone	(i) China overseas ports holding company (ii) Gwadar international terminal limited (iii) Gwadar free zone	5.67

marine services limited and (iv) company
Gwadar free zone company limited,
limited, their contractors and
sub-contractors; and ship bunker
oils bought and sold to the ships
calling on/visiting Gwadar port,
by the aforesaid operating
companies having concession
agreement with the Gwadar port
authority, for a period of forty
year, subject to conditions and
procedures ...

41	Sixth Schedule Table I	100C	Vehicles imported by china (i) china overseas ports holding company overseas ports limited (COPHCL) and its holding operating companies namely (i) company china overseas ports holding Pakistan company Pakistan (private) (private) limited limited (ii) Gwadar international (ii) Gwadar terminal limited, (iii) Gwadar international marine services limited and (iv) terminal limited Gwadar free zone company (iii) Gwadar limited, for a period of twenty- marine three years for construction, services limited development and operations of (iv) Gwadar	4.56
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Gwadar port and free zone area free zone
subject to limitations, conditions company
prescribed ... limited,

42	Sixth Schedule Table I	100D	<p>Machinery, equipment, materials and goods imported either for exclusive use within the limits of Gwadar free zone, or for making exports therefrom, subject to the conditions that such machinery, equipment, materials and goods, are imported by investors of Gwadar free zone, and all the procedures, limitations and restrictions as are applicable on such goods under the customs act, 1969 (act iv of 1969) and rules made thereunder shall, mutatis mutandis, apply. Provided also that if any of such goods is taken out of the zone for purpose other than the export, the tax on the same shall be paid by the importer. This sr</p>	Gwadar EPZ	3.03
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has been added through presidential ordinance named tax law (amendment) ordinance 2019

43	Sixth Schedule Table I	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 mac	Manufacturer/E xporters EPZ	329.70
44	Sixth Schedule Table I	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	Pharmaceutical Industries	73,747.19

45	Sixth Schedule Table I	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 11% advalorem, either under the first or fifth schedule to the customs act, 1969 (iv of 1969) or under a notification issued under section 19 thereof.	Pharmaceutical Industries	15,350.53
46	Sixth Schedule Table I	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:- as listed at sub-serial number (a) to (j).	Energy Sector/General Masses	21.99
47	Sixth Schedule Table I	112	Cardiology/cardiac surgery, neurovascular, electrophysiology, endosurgery,	Health/General Masses	1,052.79

endoscopy, oncology, urology, gynaecology, disposables and other equipment as stated in serial 112 of table i of 6th schedule.

48	Sixth Schedule Table I	113	High efficiency irrigation equipment. (if used for agriculture sector) 1 submersible pumps (up to 75 lbs and head 150 meters) 2) sprinklers including high and low pressure (center pivotal) system, conventional sprinkler equipment, water reel travel. Hs code 8424.8200 inserted in the light of clarification issued vide c.no.4/24-stb/2017 /86031-r dated 14.07.2017	Agriculture Sector	115.17
49	Sixth Schedule Table I	114	Green house farming and other greenhouse equipment consisting of plastic covering and mulch film, anti-insect net and shade net (if used for agriculture sector) 1) tunnel farming equipment. 2) greenhouses	Agriculture Sector	37.84

(prefabricated).

50	Sixth Schedule Table I	120	Diagnostic kits or equipment specified therein ...	Health/General Masses	3,845.73
51	Sixth Schedule Table I	121	Blood bag cpda-1 with blood transfusion set pack in ammonium foil with set	Health/General Masses	170.54
52	Sixth Schedule Table I	122	Urine drainage bags	Health/General Masses	46.47
53	Sixth Schedule Table I	126	Machinery, equipment and tools for setting up maintenance, repair and overhaul (MRO) workshop by MRO company recognized by aviation division	Industrial Undertakings	0.01
54	Sixth Schedule Table I	127	Operational tools, machinery, equipment and furniture and fixtures on one-time basis for setting up greenfield airports by a company authorized by aviation division	Airlines	0.25
55	Sixth Schedule	129	Import of plant, machinery and production line equipment used	Manufacturer/G eneral Masses	98.73

	Table I		for the manufacturing of mobile phones by the local manufacturers of mobile phones duly certified by Pakistan telecommunication authority		
56	Sixth Schedule Table I	130	Sodium iron (na fe edta), and other premixes of vitamins, minerals and micro-nutrients (food grade) and subject to conditions imposed for importation under the customs act, 1969	Health/General Masses	105.47
57	Sixth Schedule Table I	131	Laptop computers, notebooks whether or not incorporating multimedia kit	General Masses	2,878.07
58	Sixth Schedule Table I	132	Personal computers	General Masses	2,599.18
59	Sixth Schedule Table I	133	Pesticides and their active ingredients registered by the department of plant protection under the agricultural pesticides ordinance, 1971 (ii of 1971), stabilizers, emulsifiers and solvents specified therein ...	Agriculture Sector	14,049.79

60	Sixth Schedule Table I	134	Goods received as gift or donation from a foreign government or organization by the federal or provincial governments or any public sector organization subject to recommendations of the cabinet division and concurrence by the federal board of revenue	General Masses	223.63
61	Sixth Schedule Table I	135	Sunflower and canola hybrid seeds meant for sowing	Agriculture Sector	96.38
62	Sixth Schedule Table I	136	Combined harvesters up to five years old	Agriculture Sector	31.26
63	Sixth Schedule Table I	137	Paper weighing 60 g/m ² , art paper, printing paper and art card for printing of holy Quran imported by federal or provincial governments and Nashiran-e-Quran as per quota determined by IOCO	General Masses	74.94
64	Sixth Schedule Table I	138	Fish feed	General Masses	1.90

65	Sixth Schedule Table I	139	Fans for dairy farms	Dairy Sector/General Masses	9.86
66	Sixth Schedule Table I	140	Bovine semen	Dairy Sector/General Masses	54.33
67	Sixth Schedule Table I	141	Preparation for making animal feed	Dairy Sector/General Masses	1,457.40
68	Sixth Schedule Table I	142	Promotional and advertising material including technical literature, pamphlets, brochures and other giveaways of no commercial value, distributed free of cost by the exhibitors	General Masses	1.65
69	Sixth Schedule Table I	143	Hearing aids (all types and kinds) hearing assessment equipment; (a) audiometers (b) tympanometer (c) ABR (d) OTO acoustic omission	Health/General Masses	205.94

70	Sixth Schedule Table I	150	Plant and machinery excluding consumer durable goods and office equipment as imported by greenfield industries, intending to manufacture taxable goods, during their construction and installation period subject to conditions noted below and issuance of exemption certificate by the commissioner inland revenue having jurisdiction:- conditions: (a) the importer is registered under the act on or after the first day of July, 2019; and (b) the industry is not established by splitting up or reconstruction or reconstitution of an undertaking already in existence or by transfer of machinery or plant from another industrial undertaking in Pakistan	Agriculture Sector	314.57
71	Sixth Schedule Table I	151(I)	Supplies and imports of plant, machinery, equipment for installation in tribal areas and of industrial inputs by the industries	Manufacturing Sector/General Masses	15,307.22

			located in the tribal areas, as defined in the constitution of Islamic Republic of Pakistan subject to furnishing of security		
72	Sixth Schedule Table I	151(II)	Imports of plant, machinery, equipment for installation in tribal areas and of industrial inputs by the industries located in the tribal areas, as defined in the constitution of Islamic Republic of Pakistan subject to furnishing of security with reference to STGO 14 of 2022 dated 16-04-2022.	Manufacturing Sector/General Masses	1,384.96
73	Sixth Schedule Table I	154	Dietetic foods intended for consumption by children suffering from inherent metabolic disorder subject to the conditions that the importer shall acquire approval and quota from ministry of national health services, regulations and coordination.	Health/General Masses	20.04
74	Sixth Schedule Table I	156(II)	Electric buses (respective heading)	General Masses	3.81

75	Sixth Schedule Table I	156(III)	Three wheeler electric rickshaw (respective heading)	General Masses	4.41
76	Sixth Schedule Table I	156(IV)	Three wheeler electric loader (respective heading)	General Masses	11.82
77	Sixth Schedule Table I	156(VI)	Electric motorcycle(respective heading)	General Masses	18.32
78	Sixth Schedule Table I	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.	General Masses	1.92
79	Sixth Schedule Table I	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	International Athletes	3.72
80	Sixth Schedule	159	Import of auto disable syringes till 30th June, 2021 (i) with	Health/General Masses	1.54

	Table I		needles (9018.3110) (ii) without needles (9018.3120)		
81	Sixth Schedule Table I	160	Import of following raw materials for the manufacturers of auto disable syringes till 30th June, 2021 (i)tubular metal needles (9018.3200) (ii) rubber gaskets (4016.9310)	Manufacturer/General Masses	5.85
82	Sixth Schedule Table I	160	Import of following raw materials for the manufacturers of auto disable syringes till 31st December 2021 (i) tubular metal needles (ii) rubber gaskets	Health/General Masses	8.64
83	Sixth Schedule Table I	161	Import of plant, machinery, equipment and raw materials for consumption of these items within special technology zone by the special technology zone authority, zone developers and zone enterprises.	Special Technology Zones	38.95
84	Sixth Schedule Table I	162	Import of raw materials, components, parts and plant and machinery by registered persons authorized under export facilitation scheme, 2021 notified	Export Sector	9.82

by the board with such conditions, limitations and restrictions.

Sub-total of Exemption under Sixth Schedule Table I at Import Stage 192,204.16

4.1.2.7 Exemption under Sixth Schedule Table III at Import Stage

(Rs. In Million)

S.No.	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure
1	Sixth Schedule Table III	1	Exemption of sales tax on machinery and equipment for initial installation, balancing, modernization, replacement or expansion of desalination plants, coal-firing system, gas processing plants and oil and gas field prospecting. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Petroleum Sector	14.55
2	Sixth Schedule Table III	2	Exemption of sales tax @ 0% on machinery, equipment, apparatus, and medical, surgical, dental and veterinary furniture, materials, fixture	Health/Gener al Masses	1.41

and fittings imported by hospitals and medical or diagnostic institutes - subject to condition given at s.no. 2 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

3	Sixth Schedule Table III	2.A5	Exemption of sales tax @ 0% on 5) hospital beds with mechanical fittings. -medical equipment- machinery, equipment, apparatus, and medical, surgical, dental and veterinary furniture, materials, fixtures and fittings imported by hospitals and medical or diagnostic institutes-subject to conditions. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Health/General Masses	0.66
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4	Sixth Schedule Table III	2.A9	Exemption of sales tax @ 0% on 9) contrast media injections (for use in angiography & MRI etc). - medical equipment- machinery, equipment, apparatus, and medical, surgical, dental and veterinary furniture, materials, fixtures and fittings imported by hospitals and medical or diagnostic institutes-subject to conditions. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Health/Gener al Masses	0.02
5	Sixth Schedule Table III	2.C1	Exemption of sales tax @ 0% on self-disabling safety sterile syringes. -disposable medical devices imported by hospitals and medical or diagnostic institutes--subject to conditions. Subject to conditions given in the	Health/Gener al Masses	1.26

			preamble of table-3 of 6th schedule to the sales tax act, 1990.		
6	Sixth Schedule Table III	2.D2	Exemption of sales tax @ 0% on fixtures & fittings for hospitals. -other related equipment's imported by hospitals and medical or diagnostic institutes-subject to conditions. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Health/Gener al Masses	0.04
7	Sixth Schedule Table III	3.1	Exemption of sales tax @ 5% on 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 subject to condition given at s.no. 3 of	Industrial Undertakings	178.43

annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

8	Sixth Schedule Table III	4	Exemption of sales tax @ 0% on coal mining machinery, equipment, spares including vehicles for site use i.e single or double cabin pick-ups and dump trucks imported for thar coal field - subject to condition given at s.no. 4 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Mining Sector	1,849.89
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9	Sixth Schedule Table III	5.1	Exemption of sales tax @ 0% on 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. -subject to condition given at s.no. 5 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Industrial Sector	10,639.94
10	Sixth Schedule Table III	5.2	Exemption of sales tax @ 0% on construction machinery, equipment and specialized vehicles, excluding passenger	Industrial Sector	10.93

vehicles, imported on temporary basis as required for the construction of project. -subject to condition given at s.no. 5 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

11	Sixth Schedule Table III	6.1	Exemption of sales tax @ 0% on machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through gas, coal, hydel, and oil including under construction projects. -subject to condition given at s.no. 6 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the	Industrial Sector	21,276.25
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preamble of table-3 of 6th
schedule to the sales tax act,
1990.

12	Sixth Schedule Table III	6.2	Exemption of sales tax @ 0% on construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project. -subject to condition given at s.no. 6 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Industrial Sector	89.87
13	Sixth Schedule Table III	7.1	Exemption of sales tax @ 0% on machinery, equipment and spares meant for initial installation, balancing, modernization, replacement	Industrial Sector	14,557.87

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. -subject to condition given at s.no. 7 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

14	Sixth Schedule Table III	7.2	Exemption of sales tax @ 0% on construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project. -the expression "projects for power generation" means any project for generation of electricity whether small,	Industrial Sector	185.74
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medium or large and whether for supply to the national grid or to any other user or for in house consumption. -subject to condition given at s.no. 7 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

15	Sixth Schedule Table III	8.1	Exemption of sales tax @ 0% on machinery and equipment meant for power transmission and grid stations including under construction projects. Subject to condition given at s.no. 8 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Energy Sector/Gener al Masses	4,189.34
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16	Sixth Schedule Table III	9.13	Exemption of sales tax @ 0% on 13) networking equipment's like routers, land bridges, hubs excluding switches and repeaters.- machinery, equipment and other education and research related items imported by technical, training institutes, research institutes, schools, colleges and universities- subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Education/General Masses	0.04
17	Sixth Schedule Table III	9.14	Exemption of sales tax @ 0% on 14) other furnaces and ovens.- machinery, equipment and other education and research related items imported by technical, training institutes, research institutes, schools, colleges and universities-subject to conditions given in the	Education/General Masses	0.04

preamble of table-3 of 6th
schedule to the sales tax act,
1990.

18	Sixth Schedule Table III	9.23	Exemption of sales tax @ 0% on 23) spares, accessories and reagents for scientific equipment's.- machinery, equipment and other education and research related items imported by technical, training institutes, research institutes, schools, colleges and universities- subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Education/Ge neral Masses	0.00
19	Sixth Schedule Table III	9.5	Exemption of sales tax @ 0% on 5) personal weighing machines, including baby scales; household scales.- machinery, equipment and other education and research related items imported by	Education/Ge neral Masses	0.02

technical, training institutes, research institutes, schools, colleges and universities- subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

20	Sixth Schedule Table III	11.2	Exemption of sales tax @ 0% on 2) fiber glass mesh- machinery and equipment for marble, granite and gem stone extraction and processing industries. - subject to condition given at s.no. 11 of annexure of table- iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Industrial Sector	0.22
21	Sixth Schedule Table III	11.5	Exemption of sales tax @ 0% on 5) gang saw blades/ diamond saw blades/ multiple blades or all types and	Industrial Sector	1.15

dimensions. -machinery and equipment for marble, granite and gem stone extraction and processing industries. - subject to condition given at s.no. 11 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

22	Sixth Schedule Table III	11.7	Exemption of sales tax @ 0% on 7) machine and tool for stone work; sand blasting machines; tungsten carbide tools; diamond 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	Industrial Sector	23.29
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rods and spring (all sizes and dimensions), whole finding system with accessories, manual portable rock drills, cross cutter and bridge cutters.-machinery and equipment for marble, granite and gem stone extraction and processing industries. Subject to condition given at s.no. 11 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

23	Sixth Schedule Table III	12	Exemption of sales tax @ 0% on 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	Gwadar Port Development	43.79
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around the zero point in Gwadar. Subject to condition given at s.no. 12 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

24	Sixth Schedule Table III	13	Exemption of sales tax @ 0% on effluent treatment plants- subject to conditions. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	General Masses	29.65
25	Sixth Schedule Table III	14	Following items for use with solar energy, solar power systems	Energy Sector/General Masses	666.06
26	Sixth Schedule Table III	14.1.I	Off-grid/on-grid solar power system (with or without provision for usb/charging port) comprising of : i. PV module.	Energy Sector/General Masses	827.15

27	Sixth Schedule Table III	14.1.II	Charge controller.	Energy Sector/Gener al Masses	2.07
28	Sixth Schedule Table III	14.1.III	Batteries for specific utilization with the system (not exceeding 50 ah in case of portable system).	Energy Sector/Gener al Masses	0.73
29	Sixth Schedule Table III	14.1.IV	Essential connecting wires (with or without switches).	Energy Sector/Gener al Masses	0.40
30	Sixth Schedule Table III	14.1.V	Inverters (off-grid/ on-grid/ hybrid with provision for direct connection/ input renewable energy source and with maximum power point tracking (MPPT).	Energy Sector/Gener al Masses	695.53
31	Sixth Schedule Table III	14A.1.A	Following systems and items for dedicated use with renewable source of energy like solar, wind, geothermal etc. 1. (a) solar parabolic trough power plants.	Energy Sector/Gener al Masses	8.62
32	Sixth Schedule Table III	14A.1.B. V	Sun tracking control system.	Energy Sector/Gener al Masses	0.34

33	Sixth Schedule Table III	14A.1.B. VI	Control panel with other accessories.	Energy Sector/Gener al Masses	0.97
34	Sixth Schedule Table III	14A.2.B.I	Parts for solar dish sterling engine. (i). Solar concentrating dish.	Energy Sector/Gener al Masses	4.55
35	Sixth Schedule Table III	14A.3.B.I I	Cooling towers.	Energy Sector/Gener al Masses	0.92
36	Sixth Schedule Table III	14A.3.B. VI	Charging & testing equipment.	Energy Sector/Gener al Masses	0.44
37	Sixth Schedule Table III	14A.4.B.I	Parts for solar desalination system, (i). Solar photo voltaic panels.	Energy Sector/Gener al Masses	569.40
38	Sixth Schedule Table III	14A.4.B.I V	Charge controllers.	Energy Sector/Gener al Masses	4.15
39	Sixth Schedule Table III	14A.4.B. V	Inverters (off grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with maximum power point tracking (MPPT)	Energy Sector/Gener al Masses	57.19

40	Sixth Schedule Table III	14A.5	Solar thermal power plants with accessories.	Energy Sector/Gener al Masses	10.87
41	Sixth Schedule Table III	14A.6.B.I V	Copper and aluminum tubes	Energy Sector/Gener al Masses	14.12
42	Sixth Schedule Table III	14A.6.C.I	Accessories: (i). Electronic controller	Energy Sector/Gener al Masses	1.27
43	Sixth Schedule Table III	14A.6.C.I I	Assistant/ feeding tank	Energy Sector/Gener al Masses	0.00
44	Sixth Schedule Table III	14A.6.C.I II	Circulation pump	Energy Sector/Gener al Masses	12.49
45	Sixth Schedule Table III	14A.6.C.I V	Electric heater/ immersion rod (one piece with one solar water heater)	Energy Sector/Gener al Masses	3.94
46	Sixth Schedule Table III	14A.6.C. V	Solenoid valve (one piece with one solar water heater)	Energy Sector/Gener al Masses	0.02
47	Sixth Schedule Table III	14A.6.C. VI	Selective coating for absorber plates	Energy Sector/Gener al Masses	0.32

48	Sixth Schedule Table III	14A.7.A	PV modules.	Energy Sector/Gener al Masses	5,513.84
49	Sixth Schedule Table III	14A.7.B.I	Parts for PV modules, (i). Solar cells.	Energy Sector/Gener al Masses	199.73
50	Sixth Schedule Table III	14A.7.B.I I	Tempered glass.	Energy Sector/Gener al Masses	15.92
51	Sixth Schedule Table III	14A.7.B.I II	Aluminum frames.	Energy Sector/Gener al Masses	3.46
52	Sixth Schedule Table III	14A.7.B.I V	O-ring.	Energy Sector/Gener al Masses	0.01
53	Sixth Schedule Table III	14A.7.B. V	Flux.	Energy Sector/Gener al Masses	0.25
54	Sixth Schedule Table III	14A.7.B. VII	Junction box & cover.	Energy Sector/Gener al Masses	0.57
55	Sixth Schedule Table III	14A.7.B. VIII	Sheet mixture of paper and plastic	Energy Sector/Gener al Masses	0.91

56	Sixth Schedule Table III	14A.7.B.I X	Ribbon for PV modules (made of silver & lead).	Energy Sector/Gener al Masses	4.35
57	Sixth Schedule Table III	14A.7.B. XI	Eva (ethyl vinyl acetate) sheet (chemical).	Energy Sector/Gener al Masses	2.17
58	Sixth Schedule Table III	14A.8.VII I	Aluminum and silver paste.	Energy Sector/Gener al Masses	0.01
59	Sixth Schedule Table III	14A.9	Pyrometers and accessories for solar data collection.	Energy Sector/Gener al Masses	0.68
60	Sixth Schedule Table III	14A.12.B .I	Turbine with generator/ alternator.	Energy Sector/Gener al Masses	14.48
61	Sixth Schedule Table III	14A.12.B .III	Blades.	Energy Sector/Gener al Masses	0.37
62	Sixth Schedule Table III	14A.12.B .IV	Pole/ tower.	Energy Sector/Gener al Masses	0.11
63	Sixth Schedule Table III	14A.12.B .V	Inverter for use with wind turbine.	Energy Sector/Gener al Masses	1.72

64	Sixth Schedule Table III	14A.15	Any other item approved by the alternative energy development board (AEDB) and concurred to by the FBR.	Energy Sector/Gener al Masses	23.89
65	Sixth Schedule Table III	15.I	Following items for promotion of renewable energy technologies or for conservation of energy: - (i). SMD/LED/LVD lights with or without ballast, fittings and fixtures.	Energy Sector/Gener al Masses	1.63
66	Sixth Schedule Table III	15.II	SMD/LED/LVD lights, with or without ballast, pv module, fitting and fixtures	Energy Sector/Gener al Masses	1.08
67	Sixth Schedule Table III	15.V	Solar torches.	Energy Sector/Gener al Masses	4.03
68	Sixth Schedule Table III	15.VI	Lanterns and related instruments.	Energy Sector/Gener al Masses	4.53
69	Sixth Schedule Table III	15.VIII	Led bulb/tube lights.	Energy Sector/Gener al Masses	6.67

70	Sixth Schedule Table III	15.IX	PV module, with or without, the related components including invertors (off-grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with maximum power point tracking (MPPT), charge controllers and solar batt	Energy Sector/Gener al Masses	817.76
71	Sixth Schedule Table III	15.X	Light emitting diodes (light emitting in different colors).	Energy Sector/Gener al Masses	1.02
72	Sixth Schedule Table III	15.XI	Water pumps operating on solar energy along with solar pump controllers	Energy Sector/Gener al Masses	16.49
73	Sixth Schedule Table III	15.XII	Energy saver lamps of varying voltages	Energy Sector/Gener al Masses	6.09
74	Sixth Schedule Table III	15.XIII	Energy saving tube lights.	Energy Sector/Gener al Masses	9.81
75	Sixth Schedule Table III	15.XV	Invertors (off-grid/on grid/hybrid) with provision for direct connection/input from renewable energy source and	Energy Sector/Gener al Masses	325.91

with maximum power point tracking (MPPT).

76	Sixth Schedule Table III	15.XVI	Charge controller/ current controller. Provided that exemption under this serial shall be available with effect from 01.07.2016. (xvi). Charge controller/ current controller. Provided that exemption under this serial shall be available with effect	Energy Sector/Gener al Masses	0.32
77	Sixth Schedule Table III	15A.I	Parts and components for manufacturing led lights: - (i). Housing /shell. Shell cover and base cap for all kinds of led lights and bulbs if imported by led light manufacturers registered under the sales tax act, 1990 subject to annual quota determination by the input output co-efficient organization (IOCO)	Energy Sector/Gener al Masses	721.20

78	Sixth Schedule Table III	15A.II	Bare and stuffed metal clad printed circuit boards (MCPCB) for led if imported by led light manufacturers registered under the sales tax act, 1990 subject to annual quota determination by the input output co-efficient organization (IOCO)	Energy Sector/Gener al Masses	77.98
79	Sixth Schedule Table III	15A.III	Constant current power supply for of led lights and bulbs (1-300w) if imported by led light manufacturers registered under the sales tax act, 1990 subject to annual quota determination by the input output co-efficient organization (IOCO)	Energy Sector/Gener al Masses	335.89
80	Sixth Schedule Table III	15A.IV	Lenses for led lights and bulbs if imported by led light manufacturers registered under the sales tax act, 1990 subject to annual quota determination by the input output co-efficient	Energy Sector/Gener al Masses	187.02

organization (IOCO)”

81	Sixth Schedule Table III	15B	CKD kits for single cylinder agriculture diesel engines (compression-ignition internal combustion piston engines) of 3 to 36 hp.	Energy Sector/Gener al Masses	183.23
82	Sixth Schedule Table III	15.2	Exemption of sales tax @ 0% on 2. SMD, LEDS with or without ballast with fittings and fixtures. -items for promotion of renewable energy technologies. Subject to conditions. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Energy Sector/Gener al Masses	5.65
83	Sixth Schedule Table III	15.4	Exemption of sales tax @ 0% on 4. Solar torches. -items for promotion of renewable energy technologies. Subject	Energy Sector/Gener al Masses	0.01

to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

84	Sixth Schedule Table III	15.6	Exemption of sales tax @ 0% on 6. Pv module, with or without, the related components including invertors, charge controllers and batteries-items for promotion of renewable energy technologies subject to certification by alternative energy development board (AEDB), Islamabad that the inverters, charge controllers and batteries being imported are in quantities which commensurate with the pv modules being imported. - subject to conditions. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act,	Energy Sector/Gener al Masses	49.52
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1990.

85	Sixth Schedule Table III	17	Machinery, equipment, raw materials, components and other capital goods for use in building, fittings, repairing or refitting of ships, boats or floating structures imported by Karachi shipyard and engineering works limited.	Industrial Undertakings	17.46
86	Sixth Schedule Table III	18	The following parts for assembling and manufacturing of personal computers and laptops: (i) bare PCBS (ii) power amplifier (iii) microprocessor/ controllers (iv) equipment for	General Masses	1.01

SMT manufacturing (v) laptop
batteries (vi) adopters (vii)
cooling fans (viii)

87	Sixth Schedule Table III	19	Plant and machinery, except the items listed under chapter 87 of the Pakistan customs tariff, imported for setting up of a Special Economic Zone (SEZ) by zone developers and for installation in that zone by zone enterprises, on one time basis as prescribe	Special Economic Zones	654.66
88	Sixth Schedule Table III	20	Plant and machinery for the assembly/ manufacturing of electric vehicles the exemption shall be admissible on one time basis for setting up the new assembly and/or manufacturing facility of the vehicles and expansion in the existing units to the extent of electric vehicles specific plant and machinery, duly	General Masses	40.20

approved/ certified and
determined by the
engineering development
board (EDB)

89	Sixth Schedule Table III	21	Import of pos machines General including credit/debit cards Masses terminals and retailer cash register	105.68
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Sub-total of Exemption under Sixth Schedule Table III at Import Stage 65,333.30

Total of Exemption under Sixth Schedule at Import Stage 257,537.45

Total of Exemption under Sixth Schedule on Local Supplies 133,178.30

Total of Exemption under Sixth Schedule at Import Stage 257,537.45

Total Sales Tax Expenditure of Sixth Schedule 390,715.75

4.1.2.8 Reduced Rates under Eighth Schedule Table I on Local Supplies

(Rs. In Million)

S.No	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure
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1	Eighth Schedule Table I	2	Oil cake and other solid residues, whether or not ground or in the form of pellets	Agriculture sector	9.49
2	Eighth Schedule Table I	4	Oilseeds meant for sowing.	Agriculture sector	1.03
3	Eighth Schedule Table I	6	Plant and machinery not manufactured locally and having no compatible local substitutes	Manufacturing Inputs	28.02
4	Eighth Schedule Table I	7	Flavored milk	Food Items/General Masses	313.66
5	Eighth Schedule Table I	8	Yogurt	Food Items/General Masses	139.70
6	Eighth Schedule Table I	9	Cheese	Food Items/General Masses	109.85
7	Eighth Schedule Table I	10	Butter	Food Items/General Masses	50.37
8	Eighth Schedule Table I	11	Cream	Food Items/General Masses	303.40

9	Eighth Schedule Table I	12	Desi ghee	Food Items/General Masses	34.15
10	Eighth Schedule Table I	13	Whey	Food Items/General Masses	0.71
11	Eighth Schedule Table I	14	Milk and cream, concentrated or containing added sugar or other sweetening matter	Food Items/General Masses	91.06
12	Eighth Schedule Table I	15	Ingredients of poultry feed, cattle feed, except soya bean meal of PCT heading 2304.0000 and oilcake of cotton-seed falling under PCT heading 2306.1000	Agriculture sector	435.19
13	Eighth Schedule Table I	16	Incinerators of disposal of waste management, motorized sweepers and snow ploughs	Agriculture sector	2.58
14	Eighth Schedule Table I	23	Secondhand and worn clothing or footwear	Agriculture sector	129.15
15	Eighth Schedule Table I	25	Agricultural tractors	Agriculture sector	5,054.30
16	Eighth Schedule	26(i)	Rotavator	Agriculture sector	19.70

Table I

17	Eighth Schedule	26(ii)	Cultivator	Agriculture sector	4.86
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Table I

18	Eighth Schedule	26(iii)	Ridger	Agriculture sector	0.67
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Table I

19	Eighth Schedule	26(iv)	Sub soiler	Agriculture sector	0.16
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Table I

20	Eighth Schedule	26(v)	Rotary slasher	Agriculture sector	0.86
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Table I

21	Eighth Schedule	26(vi)	Chisel plow	Agriculture sector	0.62
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Table I

22	Eighth Schedule	26(vii)	Ditcher	Agriculture sector	0.02
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Table I

23	Eighth Schedule	26(viii))	Border disc	Agriculture sector	4.68
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Table I

24	Eighth Schedule	26(ix)	Disc harrow	Agriculture sector	0.32
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Table I

25	Eighth	26(x)	Bar harrow	Agriculture	0.85
	Schedule			sector	

Table I

26	Eighth	26(xi)	Mould board plow	Agriculture	0.06
	Schedule			sector	

Table I

27	Eighth	26(xii)	Tractor rear or front blade	Agriculture	0.90
	Schedule			sector	

Table I

28	Eighth	26(xiii)	Land leveller or land planer	Agriculture	2.32
	Schedule)		sector	

Table I

29	Eighth	26(xiv)	Rotary tiller	Agriculture	0.29
	Schedule)		sector	

Table I

30	Eighth	26(xv)	Disc plow	Agriculture	0.01
	Schedule			sector	

Table I

31	Eighth	26(xvi)	Soil-scrapper	Agriculture	4.34
	Schedule)		sector	

Table I

32	Eighth	26(xix)	Land leveller	Agriculture	5.96
	Schedule)		sector	

Table I

33	Eighth Schedule	27(i)	Seed-cum-fertilizer drill (wheat, rice barley, etc.)	Agriculture sector	6.89
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Table I

34	Eighth Schedule	27(ii)	Cotton or maize planter with fertilizer attachment	Agriculture sector	0.98
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Table I

35	Eighth Schedule	27(iii)	Potato planter	Agriculture sector	0.02
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Table I

36	Eighth Schedule	27(v)	Rice transplanter	Agriculture sector	7.01
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Table I

37	Eighth Schedule	27(vii)	Sugarcane planter	Agriculture sector	0.01
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Table I

38	Eighth Schedule	28(i)	Tubewells filters or strainers	Agriculture sector	0.07
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Table I

39	Eighth Schedule	28(ii)	Knapsack sprayers	Agriculture sector	4.18
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Table I

40	Eighth Schedule	29(i)	Harvesting, threshing and storage equipment:	Agriculture sector	4.64
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Table I

41	Eighth Schedule	29(ii)	Wheat thresher	Agriculture sector	4.17
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Table I

42	Eighth Schedule	29(vi)	Potato digger or harvester	Agriculture sector	0.17
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Table I

43	Eighth Schedule	29(viii))	Post hole digger	Agriculture sector	0.09
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Table I

44	Eighth Schedule	29(ix)	Straw balers	Agriculture sector	27.95
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Table I

45	Eighth Schedule	29(xi)	Wheat or rice reaper	Agriculture sector	6.29
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Table I

46	Eighth Schedule	29(xiv))	Onion or garlic harvester	Agriculture sector	1.57
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Table I

47	Eighth Schedule	29(xvi))	Onion or garlic harvester	Agriculture sector	3.60
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Table I

48	Eighth Schedule	29(xvii))	Reaping machines	Agriculture sector	0.09
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Table I

49	Eighth Schedule Table I	30(ii)	Fodder and feed cube maker equipment	Agriculture sector	2.15
50	Eighth Schedule Table I	43	Natural gas	Agriculture sector	9,111.62
51	Eighth Schedule Table I	44	Phosphoric acid	Chemical Industry	0.14
52	Eighth Schedule Table I	45(i)	Machinery for preparing feeding stuff	Poultry/General Masses	1.45
53	Eighth Schedule Table I	45(iv)	Poultry sheds	Poultry/General Masses	0.49
54	Eighth Schedule Table I	45(v)	Evaporative air cooling system	Poultry/General Masses	1.49
55	Eighth Schedule Table I	45(vi)	Evaporative cooling pad	Poultry/General Masses	0.75
56	Eighth Schedule	47	Locally produced coal	General Masses	-33.17

Table I

57	Eighth	52	Fertilizers (all types)	Agriculture	38,382.19
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Schedule

Table I

58	Eighth	53(i)	Projector	Media/General	0.00
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Schedule

masses

Table I

59	Eighth	53(vi)	3D Glasses	Media/General	0.11
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Schedule

masses

Table I

60	Eighth	54	lithium iron phosphate battery (Li-	Energy	1,391.97
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Schedule

Fe-PO4)

Sector/General

Table I

Masses

61	Eighth	57	Rock Phosphate	Manufacturing	6.23
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Schedule

(Industrial

Table I

Inputs)

62	Eighth	58	LPG	Energy sector	723.19
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Schedule

Table I

63	Eighth	59	Products of milling industry except	Agriculture	38.69
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Schedule

wheat and meslin flour

Table I

64	Eighth	60	Fat filled milk	Food	750.88
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Schedule

Items/General

Table I			Masses		
65	Eighth Schedule Table I	61	Silver, in unworked condition	General Masses	24.35
66	Eighth Schedule Table I	62	Gold, in unworked condition	General Masses	2.29
67	Eighth Schedule Table I	63	Articles of jewelry, or parts thereof, of precious metal or of metal clad with precious metal.	General Masses	10.44
68	Eighth Schedule Table I	64	Prepared Food, foodstuff and sweetmeats supplied by restaurants, bakeries, caterers and sweetmeat shops	Food Sector/General Masses	165.94
69	Eighth Schedule Table I	66	Supplies as made from retail outlets as are integrated with Board's computerized system for real-time reporting of sales	General Masses	134.96
70	Eighth Schedule Table I	68	Frozen prepared or preserved sausages and similar products of poultry meat or meat offal	Food Sector/General Masses	119.14
71	Eighth Schedule Table I	69	Meat and similar products of prepared frozen or preserved meat or meat offal of all types	Food Sector/General Masses	459.55

including poultry, meat and fish

72	Eighth Schedule Table I	70	Following locally manufactured electric vehicles	Manufacturing Inputs/General Masses	30.43
73	Eighth Schedule Table I	70(i)	Road Local supplies only] Tractors for semitrailers (Electric Prime Movers)	Agriculture sector	13.08
74	Eighth Schedule Table I	70(vi)	Electric Motorcycle	General Masses	25.90
75	Eighth Schedule Table I	74	Goods supplied from tax-exempt areas of erstwhile FATA/PATA to the taxable areas	FATA/PATA	0.11
76	Eighth Schedule Table I	75	Import of electric vehicle in CBU conditions	General Masses	2,544.75
77	Eighth Schedule Table I	77	Personal computers and Laptops	General Masses	130.24

Sub-total of Reduced Rates under Eighth Schedule Table I on Local

60,856.39

Supplies

4.1.2.9 Reduced Rates under Eighth Schedule Table II on Local Supplies

(Rs. In Million)

S.No.	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure
1	Eighth Schedule Table II	1	Machinery and equipment for development of grain handling and storage facilities including silos.	Agriculture	0.72
2	Eighth Schedule Table II	2	Cool chain machinery and equipment	Agriculture	33.00
3	Eighth Schedule Table II	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.	General Masses	0.03
4	Eighth Schedule Table II	5	Complete plants for relocated industries.	Manufacturing Inputs	0.80
5	Eighth Schedule Table II	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	Industrial Sector	2.41

6	Eighth Schedule Table II	9	Capital goods otherwise not exempted, for Transmission Line Projects.	Energy Sector/General Masses	2,026.42
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Sub-total of Reduced Rates under Eighth Schedule Table II on Local Supplies 2,063.38

Total of Reduced Rates under Eighth Schedule on Local Supplies 62,919.77

4.1.2.10 Reduced Rates under Eighth Schedule Table I at Import Stage

(Rs. In Million)

S.No.	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure
1	Eighth Schedule Table I	6	Sales tax @ 10% on the import of plant, machinery not manufactured locally & having no compatible local substitutes, subject to conditions given in s.no. 6 of table i of 8th schedule to sales tax act, 1990.	Manufacturing Inputs	8,329.25
2	Eighth Schedule Table I	8	Yogurt, sold in retail packing under a brand name	Food Items/General Masses	0.67
3	Eighth Schedule Table I	9	Cheese, sold in retail packing under a brand name	Food Items/General Masses	11.52
4	Eighth Schedule Table I	10	Butter, sold in retail packing under a brand name	Food Items/General Masses	4.63

5	Eighth Schedule Table I	11	Cream, sold in retail packing under a brand name	Food Items/General Masses	1.59
6	Eighth Schedule Table I	15	Ingredients of poultry feed, cattle feed, except soya bean meal of PCT heading 2304.0000 and oil-cake of cotton seed falling under PCT heading 2306.1000. Besides, benefit of this s.no. Will also be available to specified therein ...	Agriculture Sector	922.56
7	Eighth Schedule Table I	16	Incinerators of disposal of waste management, motorized sweepers and snow ploughs	Agriculture Sector	7.23
8	Eighth Schedule Table I	17	Re-importation of foreign origin goods which were temporarily exported out of Pakistan subject to similar conditions as are envisaged for the purposes of customs duty under the customs act,1969, and taxable value shall be the value determined under PCT heading 99.18 of the said act increased by customs duty payable	Exporters	14.72
9	Eighth Schedule	20	Plant. Machinery and equipment used in production of bio-diesel	Agriculture Sector	2.71

	Table I		subject to conditions mentioned against s.no. 20 of table i of 8th schedule to the sales tax act, 1990		
10	Eighth Schedule	23	Second hand and worn clothing or footwear	Agriculture Sector	5,081.52
	Table I				
11	Eighth Schedule	25	Agricultural tractors Hs code 8701.9220 & 8701.9320 are added in the system in pursuance of letter c.no. 4/24-stb/2017 dated 21.07.2017	Agriculture Sector	489.87
	Table I				
12	Eighth Schedule	26(I)	Rotavator	Agriculture Sector	0.12
	Table I				
13	Eighth Schedule	26(II)	Cultivator	Agriculture Sector	0.15
	Table I				
14	Eighth Schedule	26(V)	Rotary slasher	Agriculture Sector	0.25
	Table I				
15	Eighth Schedule	26(XIV)	Rotary tiller	Agriculture Sector	22.91
	Table I				
16	Eighth Schedule	26(XX)	Laser land leveler comprising of laser transmitter, laser receiver,	Agriculture Sector	17.68

	Table I		control box, rigid mast pack, with or without scrapper under respective heading		
17	Eighth Schedule	27(II)	Seeding or planting equipment: cotton or maize planter with fertilizer attachment	Agriculture Sector	1.21
18	Eighth Schedule	27(IV)	Seeding or planting equipment: fertilizer or manure spreader or broadcaster	Agriculture Sector	0.15
19	Eighth Schedule	27(V)	Seeding or planting equipment: rice transplanted	Agriculture Sector	10.00
20	Eighth Schedule	27(VI)	Seeding or planting equipment: canola or sunflower drill	Agriculture Sector	3.37
21	Eighth Schedule	27(VII)	Seeding or planting equipment: sugarcane planter	Agriculture Sector	1.35
22	Eighth Schedule	28(I)	Irrigation drainage and agrochemical application equipment: tube wells filters or strainers	Agriculture Sector	1.79
23	Eighth Schedule	28(II)	Irrigation drainage and agrochemical application equipment: knapsack sprayers	Agriculture Sector	49.65

24	Eighth Schedule Table I	28(IV)	Irrigation drainage and agrochemical application equipment: boom or field sprayers	Agriculture Sector	1.84
25	Eighth Schedule Table I	28(VI)	Irrigation drainage and agrochemical application equipment: orchard sprayer	Agriculture Sector	10.88
26	Eighth Schedule Table I	29(III)	Harvesting threshing and storage equipment: maize or groundnut thresher or Sheller	Agriculture Sector	0.07
27	Eighth Schedule Table I	29(IV)	Harvesting threshing and storage equipment: groundnut digger	Agriculture Sector	4.68
28	Eighth Schedule Table I	29(IX)	Harvesting threshing and storage equipment: fodder rake	Agriculture Sector	1.83
29	Eighth Schedule Table I	29(V)	Harvesting threshing and storage equipment: potato digger or harvester	Agriculture Sector	0.40
30	Eighth Schedule Table I	29(VII)	Harvesting threshing and storage equipment: post hole digger	Agriculture Sector	0.53
31	Eighth Schedule Table I	29(VIII)	Harvesting threshing and storage equipment: straw balers	Agriculture Sector	10.64

32	Eighth Schedule Table I	29(X)	Harvesting threshing and storage equipment: wheat or rice reaper	Agriculture Sector	6.35
33	Eighth Schedule Table I	29(XI)	Harvesting threshing and storage equipment: chaff or fodder cutter	Agriculture Sector	20.56
34	Eighth Schedule Table I	29(XV)	Harvesting threshing and storage equipment: tractor trolley or forage wagon	Agriculture Sector	0.54
35	Eighth Schedule Table I	29(XVI)	Harvesting threshing and storage equipment: reaping machines	Agriculture Sector	3.63
36	Eighth Schedule Table I	29(XVII)	Harvesting threshing and storage equipment: combined harvesters	Agriculture Sector	203.76
37	Eighth Schedule Table I	29(XVIII)	Harvesting threshing and storage equipment: pruner/shears	Agriculture Sector	0.01
38	Eighth Schedule Table I	30(I)	Postharvest handling and processing & miscellaneous machinery: vegetables and fruits cleaning and sorting or grading equipment	Agriculture Sector	7.77
39	Eighth Schedule	30(II)	Postharvest handling and processing & miscellaneous	Agriculture Sector	0.47

	Table I		machinery: fodder and feed cube maker equipment		
40	Eighth Schedule	44	Sales tax @ 5% of phosphoric acid if imported by fertilizer company for manufacturing of dap	Chemical Industries	10,692.88
41	Eighth Schedule	45(I)	Machinery for preparing feeding stuff @ 7%	Poultry/General Masses	30.09
42	Eighth Schedule	45(II)	Incubators, brooders and other poultry equipment @ 7%	Poultry/General Masses	129.69
43	Eighth Schedule	45(III)	Insulated sand wish panels @ 7%	Poultry/General Masses	81.32
44	Eighth Schedule	45(IV)	Poultry sheds @ 7%	Poultry/General Masses	3.91
45	Eighth Schedule	45(V)	Evaporative air cooling system	Poultry/General Masses	26.69
46	Eighth Schedule	45(VI)	Evaporative cooling pad @ 7%	Poultry/General Masses	5.72
47	Eighth Schedule	46	Multimedia projectors @ 10%	Media/General Masses	20.49

Table I

48	Eighth Schedule Table I	52	Fertilizers (all types)	Agriculture Sector	22,239.97
49	Eighth Schedule Table I	55	Fish babies / seedlings	Agriculture Sector	0.01
50	Eighth Schedule Table I	56	Potassium chlorate (kclo3) -- (respective headings) rate: 17% along with rupees 60 per kilogram condition: import and supply thereof. Provided that rate of rupees 60 per kilogram shall not apply on imports made by and supplies made to organizations under the control of ministry of defense production.	Chemical Industries	0.00
51	Eighth Schedule Table I	57	Rock phosphate if imported by fertilizer manufacturers for use in the manufacturing of fertilizers	Manufacturing Sector (industrial inputs)	880.81
52	Eighth Schedule Table I	58	Reduced rate of 10% on import of lpg	Energy Sector/General Masses	8,090.74

53	Eighth Schedule Table I	60	Fat filled milk if sold in retail packing under a brand name or trademark	Food Items/General Masses	10.00
54	Eighth Schedule Table I	66B	Import of remittable scrap (respective PCT headings) @ 14% if imported by steel millers."	Steel sector	3,601.65
55	Eighth Schedule Table I	68	Frozen prepared or preserved sausages and similar products of poultry meat or meat offal, if sold in retail packing under a brand name or trademark	Food Sector/General Masses	1.10
56	Eighth Schedule Table I	69	Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry, meat and fish, if sold in retail packing under a brand name or trademark	Food Sector/General Masses	1.18
57	Eighth Schedule Table I	73 (A)	Hybrid electric vehicles (87.03): (a) up to 1800 cc	General Masses	215.91
58	Eighth Schedule Table I	73 (B)	Hybrid electric vehicles (87.03): (b) from 1801 cc to 2500 cc	General Masses	160.61
59	Eighth Schedule	75	Sales tax @ 12.5% on import of electric vehicle in CBU condition	General Masses	686.82

Table I (8703.8090)

60	Eighth	77	Personal computers and laptop General	3,170.80
	Schedule		computers, notebooks whether or Masses	
	Table I		not incorporating multimedia kit if	
			imported in CBU condition	

Sub-total of Reduced Rates under Eighth Schedule Table I at Import Stage 65,299.25

4.1.2.11 Reduced Rates under Eighth Schedule Table II at Import Stage

(Rs. In Million)

S.No	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure
1	Eighth Schedule Table II	1	Machinery and equipment for development of grain handling and storage facilities including silos.	Agriculture	767.34
2	Eighth Schedule Table II	2	Cool chain machinery and equipment. - subject to conditions. Subject to conditions given in preamble of table-2 of 8th schedule to the sales tax act, 1990.	Agriculture Sector	46.21
3	Eighth Schedule Table II	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. - subject to conditions given against s.no. 4 of annexure of table-ii of 8th schedule to the sales tax act, 1990. Subject to conditions given in preamble of table-2 of 8th schedule to the sales tax act, 1990.	Agriculture Sector	7.53

4	Eighth Schedule Table II	4.2	Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the exploration phase. - subject to conditions given against s.no. 4 of annexure of table-ii of 8th schedule to the sales tax act, 1990. Subject to conditions given in preamble of table-2 of 8th schedule to the sales tax act, 1990.	Agriculture Sector	7.37
5	Eighth Schedule Table II	5	Complete plants for relocated industries. - subject to condition. Subject to conditions given in preamble of table-2 of 8th schedule to the sales tax act, 1990.	Manufacturing Inputs	26.94
6	Eighth Schedule Table II	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	Industrial Sector	797.51

fibers and heavy chemical industry,
cryogenic facility for ethylene
storage and handling. - subject to
conditions. Subject to conditions
given in preamble of table-2 of 8th
schedule to the sales tax act, 1990.

7	Eighth Schedule Table II	8	(Chapter 84 and 85) if imported by General registered manufacturer who is Masses member of Pakistan dairy association	34.58
Sub-total of Reduced Rates under Eighth Schedule Table II at Import Stage				1,687.48
Total of Reduced Rates under Eighth Schedule at Import Stage				66,986.73
Total of Reduced Rates under Eighth Schedule on Local Supplies				62,919.77
Total of Reduced Rates under Eighth Schedule at Import Stage				66,986.73
Total Sales Tax Expenditure of Reduced Rates under Eighth Schedule				129,906.49

4.1.2.12 Sales Tax on Cellular Mobile Phones under Ninth Schedule on Local Supplies

						(Rs. In Million)
S.No	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure	
1	Ninth Schedule Table II	1C	Cellular mobile phones or satellite phones to be charged on the basis of import value per set, or equivalent value in rupees in case of supply by the manufacturer, at the rate exceeding US\$ 30 but not exceeding US\$100	Manufacturer / Importers of mobile phones / General Masses		2.41
2	Ninth Schedule Table II	1D	Cellular mobile phones or satellite phones to be charged on the basis of import value per set, or equivalent value in rupees in case of supply by the manufacturer, at the rate exceeding US\$ 100 but not exceeding US\$200	Manufacturer / Importers of mobile phones / General Masses		0.24

3	Ninth	Column	Sales tax on supply of Manufacturer /	1,018.24
	Schedule	5 of item	locally manufactured Importers of	
	Table II	1	mobile phones in CBU mobile phones /	
			condition in addition to tax General Masses	
			applied on imports in	
			CKD/SKD condition	

Total of Sales Tax on Cellular Mobile Phones under Ninth Schedule on
Local Supplies **1,020.88**

Sales Tax Expenditure on Local Supplies **948,869.78**

Sales Tax Expenditure at Import Stage **345,171.29**

Total Sales Tax Expenditure **1,294,041.07**

4.1.3 Details of Customs Duty Expenditure

4.1.3.1 Chapter - 99 Exemptions

(Rs. In Million)

S.	Exemption	Statutory			Intended	Tax
No.	Order	(Benchmark)		Description	Beneficiary	Expenditur e
		Rate of				
		CD/RD/ACD				
1	9901.0000	Statutory tariff	Chapter-99 Exemptions:	Agencies under the	955.42	
		rates under	Goods imported by	United Nations		
		Chapter 1-97	various agencies of the			
			United Nations			
2	9902.0000	Statutory tariff	Chapter-99 Exemptions:	Diplomats/Embassi	1,215.07	
		rates under	Goods imported by	es/Consulates		

		Chapter 1-97	Diplomats/Embassies	under the	
			/Consulates	Diplomatic and	
				Consular Privileges	
				Act, 1972	
3	9903.0000	Statutory tariff rates under Chapter 1-97	Chapter-99 Exemptions: Goods imported by privileged personnel or by organizations or by any person authorized by the contracting parties, under grant-in-aid agreements	Privileged personnel or by organizations or by any person authorized by the contracting parties, under grant-in-aid agreements (including those agreements which cover off budget foreign contributions or funds brought by registered INGO's without any financial liabilities to the Government of Pakistan).	2,735.44
4	9904.0000	Statutory tariff rates under	Chapter-99 Exemptions: Vehicles in CKD condition, imports	Vehicles in CKD condition, imports	13.84

		Chapter 1-97	condition, imported by by recognized local recognized local manufacturer for manufacturer for supply supply to diplomat, to diplomat, diplomatic diplomatic mission, mission, and privileged privileged person person.	
5	9905.0000	Statutory tariff rates under Chapter 1-97	Chapter-99 Exemptions: Dignitaries of UAE, import by Dignitaries of Qatar and Bahrain UAE, Qatar and Bahrain	0.00
6	9906.0000	Statutory tariff rates under Chapter 1-97	Chapter-99 Exemptions: The President and Goods imported under the Prime Minister the President/Prime of Pakistan. The Minister/Governors/Salar Governors and the y, Allowances and Acting Governors Privileges Act, 1975. of the Provinces.	6.40
7	9908.0000	Statutory tariff rates under Chapter 1-97	Goods received as gift by Goods received as Pakistani organizations gift by Pakistani from Church World organizations Services or the Catholic Relief Services as are certified by the Ministry of National Health Services Regulation and Coordination (NHSRC), that these imports are	778.66

made under agreements
signed by the
Government of Pakistan
with the Church World
Service and with the
Catholic Relief Service

8	9909.0000	Statutory tariff rates under Chapter 1-97	Articles, value of which does not exceed Rs.20,000/- per parcel, if imported through post or courier service as unsolicited gift parcel	Articles, value of which does not exceed Rs.20,000/- per parcel, if imported through post or courier service as unsolicited gift parcel	74.97
9	9910.0000	Statutory tariff rates under Chapter 1-97	Samples of no commercial value imported by manufacturers	Samples of no commercial value imported by manufacturers	6.30
10	9911.0000	Statutory tariff rates under Chapter 1-97	Relief goods donated for free distribution among the victims of natural disaster or other catastrophe, as are certified by the	(i) Relief goods donated for free distribution among the victims of natural disaster or other catastrophe,	4,013.10

authorized officer of as are certified by
Federal/Provincial the authorized
Government, Plant, officer of
machinery and Federal/Provincial
equipment imported by Government.

way of donation for (ii) Plant,
installation in the machinery and
earthquake hit districts equipment

imported by way of
donation for
installation in the
earthquake hit
districts as certified
by ERRA/National
Disaster
Management
Authority.

11	9912.0000	Statutory tariff Imports by Edhi Imports by Edhi 0.02 rates under Foundation Foundation Chapter 1-97
12	9913.0000	Statutory tariff Gifts or donations Gifts or donations 7,220.87 rates under received by a charitable received by a Chapter 1-97 non-profit making charitable non- hospital or institution profit making hospital or

				institution		
13	9914.0000	Statutory tariff rates under Chapter 1-97	Imports by Charitable Institutions and Hospitals	Imports by Charitable Institutions and Hospitals	1,697.76	
14	9915.0000	Statutory tariff rates under Chapter 1-97	Goods imported by or donated to non-profit making educational and research institutions	Goods imported by or donated to non-profit making educational and research institutions	268.02	
15	9916.0000	Statutory tariff rates under Chapter 1-97	Goods supplied free of cost as replacement of identical goods previously imported	Goods supplied free of cost as replacement of identical goods previously imported	184.01	
16	9922.0000	Statutory tariff rates under Chapter 1-97	Ship spares, stores and equipment imported for use in ships registered in Pakistan	Ship spares, stores and equipment imported for use in ships registered in Pakistan	8.61	
17	9924.0000	Statutory tariff rates under Chapter 1-97	Eye cornea	Eye cornea	0.23	
18	9925.0000	Statutory tariff	Artificial kidneys,	Artificial kidneys,	619.12	

rates under hemodialysis machines, hemodialysis
Chapter 1-97 hemodialyzers, A.V. machines,
fistula needles, hemodialyzers,
hemodialysis fluids and A.V. fistula
powder, blood tubing needles,
tines for dialysis, reverse hemodialysis fluids
osmosis plants for and powder, blood
dialysis, double lumen tubing tines for
catheter for dialysis, dialysis, reverse
catheters for renal failure osmosis plants for
patients, peritoneal dialysis, double
dialysis solution and lumen catheter for
cardiac catheters. dialysis, catheters
for renal failure
patients, peritoneal
dialysis solution
and cardiac
catheters.

19	9927.0000	Statutory tariff	Pharmaceutical raw Pharmaceutical	113.84
		rates under	materials if imported for raw materials if	
		Chapter 1-97	manufacture of imported for	
			contraceptives in manufacture of	
			accordance with the input contraceptives in	
			output ratios determined accordance with	
			by the Directorate of the input output	

			Input Output Co-efficient ratios determined Organization. Contraceptives and of Input Output Co- accessories thereof efficient Organization. Contraceptives and accessories thereof	
20	9930.0000	Statutory tariff rates under Chapter 1-97	Any goods, including vehicles, specified in the First schedule to the Customs Act, 1969 (IV of 1969) imported by the Federal/Provincial/ Local Government Departments, Municipal bodies and Development authorities subject to the condition that the goods are donated to the importers for use in an approved foreign grant funded project under a proper grant relating to Capital Aid-Technical	Any goods, including vehicles, specified in the First schedule to the Customs Act, 1969 (IV of 1969) imported by Federal/Provincial/ Local Government Departments, Municipal bodies and Development authorities subject to the condition that the goods are donated to the importers for use
				707.58

Assistant Agreement in an approved
signed between the foreign grant
Government of Pakistan funded project
and a foreign
government or agency
subject to concurrence of
the Federal Board of
Revenue

21	9931.0000	Statutory tariff	Ground handling	Ground handling	30.81
		rates under	equipment, service and	equipment	
		Chapter 1-97	operation vehicles, imported by airlines		
			catering equipment and		
			fuel trucks not		
			manufactured locally,		
			imported by domestic		
			airlines or by any other		
			service company to		
			which a license has been		
			issued by the Civil		
			Aviation Authority for		
			such purposes.		
22	9937.0000	Statutory tariff	Items relating to disabled	Certain items	170.36
		rates under	persons like Wheel	imported by the	
		Chapter 1-97	chairs, Artificial human	Disabled persons	
			parts. Items used for		

			rehabilitation of blind persons etc.	
23	9938.0000	Statutory tariff rates under Chapter 1-97	Disposables, as are not manufactured locally, for Cardiology/cardiac surgery, Neurovascular, locally, for Electrophysiology, Endo-surgery, Endoscopy, Oncology, Urology, Neurovascular, Gynecology; and following equipment:-	Certain disposables, as are not manufactured locally, for Cardiology/cardiac surgery, Endoscopy, surgery, Neurovascular, Electrophysiology, and Endo-surgery, Endoscopy, Oncology, Urology, Gynecology; and following equipment:-
				647.37
24	9939.0000	Statutory tariff rates under Chapter 1-97	Diagnostic kits for HIV and Hepatitis	
				763.78
25	9941.0000	Statutory tariff rates under Chapter 1-97	goods imported by or donated to municipal authorities including development authorities, Federal Government, Provincial Government,	
				8.52

Government of Azad
Jammu and Kashmir,
Government of Gilgit-
Baltistan, National
Disaster Management
Authority (NDMA),
Provincial Disaster
Management Authority
(PDMA) and Government
Emergency/Rescue
services,

Total of Chapter-99 Exemptions

22,240.14

**4.1.3.2 FTA & PTA Exemption Bilateral arrangements with different Government
/Regional commitments**

(Rs. In Million)

Statutory						
S.	Exemption	(Benchmark)	Description		Intended	Tax
No.	Order	Rate of			Beneficiary	Expenditure
		CD/RD/ACD				
1	558(I)/2004 Table II	CD 3%, 11%, 16%, 20% and Rs.10200/Mton	section 19		FTA: General exemption on import from ECO	18.55
2	558(I)/2004 Table II	CD 3%, 11%, 16%, 20% and Rs. 9050/MT	section 19		FTA: General concession on import from	-

		and Rs.10800/Mton				SAARC	
3	1296(I)/200 5 Table I	CD and 20%	3%, 16%	section 19		FTA: China Early Harvest Program (prescribes FTA CD rate)	2.78
4	1296(I)/200 5 Table II	CD and 20%	3%, 16%	section 19		FTA: China Early Harvest Program (prescribes FTA CD rate)	-
5	1274(I)/200 6 Table-I	CD 16% and 20%	3%, 11%, 16%	section 19		FTA General exemption on import from SAARC countries under SAFTA Agreement	257.21
6	1274(I)/200 6 Table-II	CD 16% and 20%	3%, 11%, 16%	section 19		FTA General exemption on import from SAARC countries under SAFTA Agreement	-
7	659(I)/2007 Table I	CD 16%, 20% and 30%	3%, 11%, 16%	section 19		FAT: General exemption on import from China	5.92

					under Pak-China FTA	
8	1640(I)/2019	CD 3%, 11%, 16%, 20% and 30%	section 19		FAT: General exemption on import from China under Pak-China FTA	91,472.99
9	659(I)/2007 Table II	CD 3%, 11%, 16% and 20%	section 19		FAT: General exemption on import from China under Pak-China FTA	-
10	1151(I)/2007 Table	CD 3%, 11% and 20%	section 19		FTA; General exemption on import from Mauritius under PTA	-
11	1261(I)/2007 Table I	CD 11%, 20% Rs.10800/MT, and Rs. 9050(I)/MT	section 19		FTA; General exemption on import from Malaysia under PTA	3,923.07
12	1261(I)/2007 Table II	CD 11%, 20% Rs.10800/MT, and Rs.	section 19		FTA; General exemption on import from	-

		9050(I)/MT				Malaysia	under	
						PTA		
13	741(I)/2013 Table	CD 3%, 11%, 16%, Rs.10800/MT, and Rs.9050/MT	section 19			PTA:	General exemption on import from Indonesia under Pak-Indonesia PTA	4,096.47
14	280(I)/2014 d	CD 3%, 11%, 16% and Rs.600/Kg	section 19			FTA:	General exemption on import from Sri Lanka under Pak- Srilanka FTA	2,886.46
15	280(I)/2014 I		section 19			FTA:	General exemption on import from Sri Lanka under Pak- Srilanka FTA	-
16	280(I)/2014 Table I	CD 3%, 11%, 16% and R.600/Kg	section 19			FTA;	General exemption on import from Sri Lanka under Pak- Sri Lanka FTA	-
17	280(I)/2014 Table III	CD 3%, 11%, 16% and R.600/Kg	section 19			FTA;	General exemption on import from Sri	-

	Lanka under Pak-
	Sri Lanka FTA
Total FTA & PTA Exemption Bilateral arrangements with different Government	102,657.54
/Regional commitments	

4.1.3.3 Fifth Schedule Exemptions and Concessions

(Rs. In Million)

S. No.	Exemption Order	Statutory (Benchmark)			Description	Intended Beneficiary	Tax Expenditure
		Rate of					
		CD/RD/ACD					
1	Fifth Schedule (Customs Duty) Part I	CD	3%, 11%, 16% 20% and 35%	Exemption under the Customs Act, 1969	Import of Plant, Machinery, equipment and apparatus, including Capital Goods for various industries/sectors	37,736.03	
2	Fifth Schedule (Customs Duty) Part II Table-A	CD	3% and 11%	Exemption under the Customs Act, 1969	Import of Active pharmaceutical Ingredients by pharma sector	6,093.16	
3	Fifth Schedule (Customs Duty) Part II Table B	CD	16%, 20% and Fixed Rs.10200/MT	Exemption under the Customs Act, 1969	Excipients/Chemicals by pharmaceutical sector	698.55	
4	Fifth Schedule	CD	11% and 20%	Exemption under the Customs Act, 1969	Drugs (mostly lifesaving) by	6,941.85	

	(Customs Duty) Part II Table C						pharmaceutical sector	
5	Fifth Schedule (Customs Duty) Part II Table-D	CD 20%	16%and	Exemption under the Customs Act, 1969		Packing Materials/Raw materials for packing by pharmaceutical sector	1,592.24	
6	Fifth Schedule (Customs Duty) Part II Table E	CD 20%		Exemption under the Customs Act, 1969		Diagnostic Kits/Equipment by pharmaceutical sector	4,555.21	
7	Fifth Schedule (Customs Duty) Part III	CD 3%, 11%, 16% and 20%		Exemption under the Customs Act, 1969		Poultry and Textile sectors	65,767.12	
8	Fifth Schedule (Customs Duty) Part IV	CD 3%		Exemption under the Customs Act, 1969		Machinery and equipment for Textile Sector	369.27	
9	Fifth	CD 11%, 16%,		Exemption under the		Automotive	2,189.38	

	Schedule (Customs Duty) Part V	20% and 30%	Customs Act, 1969			manufacturing sector (Auto Policy)	
10	Fifth Schedule (Customs Duty) Part V(A)	CD 11%, 16%, 20% and 30%	Exemption under the Customs Act, 1969			Electric vehicles	4,592.73
11	Fifth Schedule (Customs Duty) Part V(B)	CD 11%, 16%, 20% and 30%	Exemption under the Customs Act, 1969			For CKD & EV specific parts	6.37
12	Fifth Schedule (Customs Duty) Part VI	CD 3%	Exemption under the Customs Act, 1969			Aviation Sector (Aviation Policy)	309.71
13	Fifth Schedule (Customs Duty) Part VII	CD 11%, 16% and 20%	Exemption under the Customs Act, 1969			Essential edible items like pulses, potato etc. Oil and Oil products, Inputs of export sectors etc.	42,126.40
14	Fifth	Cd 3%, 11% ,	Exemption under the			Miscellaneous	

Schedule 16% and 20% Customs Act, 1969
(Customs
Duty) Part
VIII

Total Fifth Schedule Exemptions and Concessions

172,978.02

4.1.3.4 General Concessions: Automobile sector, E&Ps, CPEC etc.

(Rs. In Million)

S. No.	Exemption Order	Statutory (Benchmark) Rate of CD/RD/ACD	Description	Intended Beneficiary	Tax Expenditure
1	268(I)/2015	CD 3%, 30% and 60%	Section 19	Mining equipment & machinery imported by Thar Coal Field	679.87
2	565(I)/2006	CD 3%, 11%, 16%, 20% and Rs.9050/MT	Section 19	Raw material of survey based local industries: Stationary /Electrical Capacitor/ Pesticides/ Distilled Fatty Acids/CRC & GI Coils/ Fans/	2,323.23

						Transformers/ Electric Motors manufacturers		
3	499(I)/2013	CD 60% and 100%	Section 19		Auto Sector: General concession for import of Hybrid Electric Vehicles		3,011.83	
4	678(I)/2014	CD 3%, 11%, 16%, 20%, 30%, 35%, 50%, 60% and 100%	Section 19		Exploration and Production companies		7,120.80	
5	107(I)/2019 and 48(I)/2018	CD 3%	Section 19		Textile Sector (Local Yarn Producers) Import of Cotton		-	
6	642(I)/2016	All tariff rates	Section 19		Imports by M/s. CSCEL for Karachi-Peshawar Motorway		20.89	

7	644(I)/2018	CD 50%	Section 19	General: Concession of CD on import of electric motor vehicles	9.15
8	40(I)/2017	CD 3%, 11%, 16% and 20%	Section 19	Lahore Orange Metro Train Project	-
9	655(I)/2006	CD 3%, 11%, 16%, 20%, 30%, 35%, 50%, 55%, 60%, 75% and 100%	Section 19	Vendors of automotive sector	66,315.69
10	656(I)/2006	CD 3%, 11%, 16%, 20%, 30%, 35%, 50%, 55%, 60%, 75% and 100%	Section 19	OEMs of automotive sector	113,468.48
Total of General Concessions: Automobile sector, E&Ps, CPEC etc.					192,949.94

4.1.3.5 Export Related Exemptions

(Rs. In Million)

S. No.	Exemption Order	Statutory (Benchmark) Rate of CD/RD/ACD	Description	Intended Beneficiary	Tax Expenditure
1	450(I)/2001	CD 3%, 11%, 16% and 20%	Section 19	DTRE/Temporary Imports/IOCO/Manufacturing Bonds	19,420.00
2	41(I)/2009	CD 3%, 11%, 16% and 20%	Section 19	Special Industrial and Economic Zones	434.25
3	30(I)/2017 Table	CD 3% and 20%	Section 19	Textile Sector (under PM package)	-
4	9919	All tariff rates	Chapter 99 Exemptions	Temporary Import	1,974.96
5	9920	All tariff rates	Chapter 99 Exemptions	Temporary Import	17.65
6	9917	All tariff rates	Chapter 99 Exemptions	EPZ and SEZs	9,003.10
7	9918	All tariff rates	Chapter 99 Exemptions	Re-importation	27.80
Total of Export Related Exemptions					30,877.76
Total of Customs Duty Expenditure					521,703.40

4.2 Appendix B – List of New Insertions/Omissions in FA 2021

4.1.4 4.2.1 Insertions

Table 11: List of Insertions in FA 2021 (ITO, 2001)

S. No.	Clause No. / Schedule / Part	Description of Clause	Inserted by
1	Clause 132AA of Part I of Second Schedule	Profits and gains derived from sale of electricity by National Power Parks Management Company (Private) Limited or demerged entities of National Power Parks Management Company (Private) Limited commencing from the commercial operation dates and continuing after the date of change of ownership as a result of privatization by the Privatization Commission of Pakistan	Inserted by the Finance Act, 2021
2	Clause 9AA of Part II of Second Schedule	In respect of import of white sugar from the 25th day of August, 2020 to the 15th day of November, 2020 both days inclusive, tax under section 148 shall be collected at the rate of 0.25% as per quantity, quality, mode and manner prescribed by Ministry of Commerce during the said period.	Inserted by the Finance Act, 2021
3	Clause 9AB of Part II of Second Schedule	Tax under section 148 on commercial import of the white sugar shall be collected at the rate of 0.25% from the 26th day of January 2021 till the 30th day of June, 2021.	Inserted by the Finance Act, 2021

Subject to quota allotment by Commerce Division,
tax under section 148 shall be collected at the rate
of 0.25% on import of raw sugar imported by
sugar mills from the 26th day of January, 2021 to
the 30th day of June, 2021 both days inclusive
provided that such imports shall not exceed fifty
thousand metric tons per sugar mill and three
hundred thousand metric tons in aggregate by the
sugar industry.

Clause 9AC of Part
II of Second
Schedule

4

Inserted by the
Finance Act,
2021

The rate of tax as specified in Division-III of Part-I
of First Schedule shall be reduced to 7.5% in case
of dividends declared by a company as are
“attributable” to profits and gains derived from a
bagasse and biomass based cogeneration power
project qualifying for exemption under clause
(132C) of Part-I of this Schedule: Provided that
the amount of “attributable” dividends shall be
computed in accordance with the following
formula, namely:- AXB/C Where- A is the
total amount of dividend for the year; B is the
accounting profit for the year attributable to the
bagasse and biomass based cogeneration power
project qualifying for exemption under clause
(132C) of Part-I of this Schedule; and C is the
total accounting profit before tax for the year.

Clause 18C of Part
II of Second
Schedule

5

Inserted by the
Finance Act,
2021

6	Clause 20 of Part III of Second Schedule	The tax payable by a person other than a banking or insurance company in respect of profit on debt from investment in Federal Government securities shall be fifteen percent of the gross amount of the profit on debt: Provided that tax so payable shall be final tax on the income representing profit on debt from investment in Federal Government securities.]	Inserted by the Finance Act, 2021
7	Clause 79A of Part IV of Second Schedule	The provisions of clause (b) of sub-section (1) of section 153 shall not apply to payments received by National Telecommunication Corporation against provision of telecommunication services including ancillary services specified in subsection (3) of section 41 of the Pakistan Telecommunication (Re-organization) Act, 1996 (XVII of 1996)	Inserted by the Finance Act, 2021

4.1.5 4.2.2 Omissions

Table 12: List of Omissions in FA 2021 (ITO, 2001)

S. No.	Clause No. / Schedule / Part	Description of Clause	Omitted by
1	Clause 4 of Part I of Second Schedule	Any income chargeable under the head "Salary" received by- (a) a Pakistani seafarer, working on Pakistan flag vessels for one hundred and eighty three days or	Omitted by the Finance Act, 2021

more during a tax year; or
(b) a Pakistani seafarer working on a foreign vessel provided that such income is remitted to Pakistan, not later than two months of the relevant 3[tax year], through normal banking channels.

2	Clause 39 of Part I of Second Schedule	Any special allowance or benefit (not being entertainment or conveyance allowance) or other perquisite within the meaning of section 12 specially granted to meet expenses wholly and necessarily incurred in the performance of the duties of an office or employment of profit;	Omitted by the Finance Act, 2021
3	Clause 61 of Part I of Second Schedule	Any amount paid as donation to certain institutions, foundations, societies, boards, trusts and funds	Omitted by the Finance Act, 2021
4	Clause 64A of Part I of Second Schedule	Any amount donated to the Prime Minister's Special Fund for victims of terrorism	Omitted by the Finance Act, 2021
5	Clause 64B of Part I of Second Schedule	Any amount donated to the Chief Minister's (Punjab) Relief Fund for Internally Displaced Persons (IDPs) of NWFP	Omitted by the Finance Act, 2021
6	Clause 64C of Part I of Second Schedule	Prime Minister's Flood Relief Fund 2010 and Provincial Chief Ministers' Relief Funds, for victims of flood 2010	Omitted by the Finance Act, 2021

7	Clause 72A of Part I of Second Schedule	Any income derived by Sukuk holder in relation to Sukuk issued by “The Second Pakistan International Sukuk Company Limited” and the Third Pakistan International Sukuk Company Limited, including any gain on disposal of such Sukuk.	Omitted by the Finance Act, 2021
8	Clause 74 of Part I of Second Schedule	Profit on debt derived by Hub Power Company Limited on or after the first day of July, 1991	Omitted by the Finance Act, 2021
9	Clause 80 of Part I of Second Schedule	Income derived from a private foreign currency account held with an authorized bank in Pakistan, or certificate of investment issued by investment banks, by a resident individual who is a citizen of Pakistan: (This exemption is not available in respect of any incremental deposits made in the said accounts on or after the 16th day of December, 1999)	Omitted by the Finance Act, 2021
10	Clause 90 of Part I of Second Schedule	Profit on debt payable by an industrial undertaking in Pakistan — (i) on moneys borrowed by it under a loan agreement with a financial institution in a foreign country (ii) on moneys borrowed or debts incurred by it in a foreign country in respect of the purchase of capital plant and machinery;	Omitted by the Finance Act, 2021

11	Clause 90A of Part I of Second Schedule	Any profit on debt derived by any person on bonds issued by Pakistan Mortgage Refinance Company to refinance the residential housing mortgage market	Omitted by the Finance Act, 2021
12	Clause 91 of Part I of Second Schedule	Any income of a text-book board of a Province	Omitted by the Finance Act, 2021
13	Clause 98 of Part I of Second Schedule	Any income derived by any Board or other organization established by Government in Pakistan for the purposes of controlling, regulating or encouraging major games and sports recognised by Government, except Pakistan Cricket Board;	Omitted by the Finance Act, 2021
14	Clause 100 of Part I of Second Schedule	Income, except income from manufacturing or trading activity, of a registered modaraba, provided not less than ninety per cent of its total profits are distributed amongst the shareholders;	Omitted by the Finance Act, 2021
15	Clause 101 of Part I of Second Schedule	Venture capital companies and venture capital funds registered under Venture Capital Companies and Funds Management Rules, 2000 and a Private Equity and Venture Capital Funds	Omitted by the Finance Act, 2021
16	Clause 103 of Part I of Second Schedule	Any distribution received by a taxpayer from a collective investment scheme out of the capital gains of the said scheme. This exemption is available to only such mutual funds, collective	Omitted by the Finance Act, 2021

investment schemes that are debt or money market funds and these do not invest in shares;

17	Clause 104 of Part I of Second Schedule	Income derived by the Libyan Arab Foreign Investment Company being dividend of the Pak-Libya Holding Company;	Omitted by the Finance Act, 2021
18	Clause 105 of Part I of Second Schedule	Income derived by the Government of Kingdom of Saudi Arabia being dividend of the Saudi-Pak Industrial and Agricultural Investment Company Limited;	Omitted by the Finance Act, 2021
19	Clause 105A of Part I of Second Schedule	Income derived by Kuwait Foreign Trading Contracting and Investment Company or Kuwait Investment Authority being dividend of the Pak Kuwait Investment Company in Pakistan;	Omitted by the Finance Act, 2021
20	Clause 110B of Part I of Second Schedule	Gain on transfer of a capital asset, being a membership right held by a member of an existing stock exchange, for acquisition of shares and trading or clearing rights acquired by such member in new corporatized stock exchange in the course of corporatization of an existing stock exchange;	Omitted by the Finance Act, 2021
21	Clause 110C of Part I of Second Schedule	Any gain by a person on transfer of a capital asset, being a bond issued by Pakistan Mortgage Refinance Company to refinance the residential housing mortgage market	Omitted by the Finance Act, 2021

22	Clause 114 of Part I of Second Schedule	Income under the head "capital gains" derived by industrial undertakings set up in a "Zone" within the meaning of the Export Processing Zones Authority Ordinance, 1980;	Omitted by the Finance Act, 2021
23	Clause 126BA of Part I of Second Schedule	Profits and gains derived by a refinery set up between the 1st day of July, 2018 and the 30th day of June, 2023 with minimum 100,000 barrels per day production capacity. Exemption under this clause is also available to existing refineries, if— (a) existing production capacity is enhanced by at least 100,000 barrels per day; (b) the refinery maintains separate accounts for income arising from aforesaid additional production capacity; and (c) the refinery is a deep conversion refinery;	Omitted by the Finance Act, 2021
24	Clause 126C of Part I of Second Schedule	Profits and gains derived by a taxpayer from an industrial undertaking set up in Larkano Industrial Estate from 2008 to 2013;	Omitted by the Finance Act, 2021
25	Clause 126G of Part I of Second Schedule	Profits and gains derived by the following companies from the projects mentioned against each that have been declared 'Pioneer Industry' by Economic Coordination Committee of the	Omitted by the Finance Act, 2021

Cabinet:-

1. Income of Astro Plastics (Pvt) Limited derived from their project Biaxially Oriented Polyethylene Terephthalate (BOP ET) Project; and
2. Income of Novatex Limited derived from their project Biaxially Oriented Polyethylene Terephthalate (BOPET) Project;

26	Clause 126H of Part I of Second Schedule	Income from fruit processing or preservation units 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;	Omitted by the Finance Act, 2021
27	Clause 126I of Part I of Second Schedule	Industrial undertakings set up by 31st day of December, 2016 and engaged in the manufacture of plant, machinery, equipment and items with dedicated use for generation of renewable energy;	Omitted by the Finance Act, 2021
28	Clause 126J of Part I of Second Schedule	Profits and gains derived by a taxpayer, from an industrial undertaking set up between 1st day of July, 2015 and 30th day of June, 2016 engaged in operating warehousing or cold chain facilities for storage of agriculture produce	Omitted by the Finance Act, 2021
29	Clause 126K of Part I of Second Schedule	Profits and gains derived by a taxpayer, from an industrial undertaking set up between the first day of July, 2015 and the 30th day of June, 2017 for	Omitted by the Finance Act, 2021

establishing and operating a halal meat production unit

30	Clause 126L of Part I of Second Schedule	Industrial undertakings set up in the Provinces of Khyber Pukhtunkhwa and Baluchistan between 1st day of July, 2015 and 30th day of June, 2018;	Omitted by the Finance Act, 2021
31	Clause 126N of Part I of Second Schedule	Profits and gains derived by a taxpayer from an industrial undertaking, duly certified by the Pakistan Telecommunication Authority, engaged in the manufacturing of cellular mobile phones setup and commercial production has commenced between the first day of July, 2015 and the thirtieth day of June, 2017;	Omitted by the Finance Act, 2021
32	Clause 126O of Part I of Second Schedule	Profits and gains of a company from a green field industrial undertaking incorporated on or after the first day of July, 2019;	Omitted by the Finance Act, 2021
33	Clause 131 of Part I of Second Schedule	Royalty, commission or fees earned from a foreign enterprise in consideration for the use outside Pakistan of any patent, invention, model, design, secret process or formula or similar property right or information concerning industrial, commercial or scientific knowledge, experience or skill made available or provided to such enterprise by the company or in the consideration of technical services rendered outside Pakistan to such enterprise by the company under an agree	Omitted by the Finance Act, 2021

ment in this behalf;

34	Clause 132A of Part I of Second Schedule	Profit and gains derived by Bosicor Oil Pakistan Limited	Omitted by the Finance Act, 2021
35	Clause 132B of Part I of Second Schedule	Profits and gains derived by a taxpayer from Coal mining projects in Sindh, supplying coal exclusively to power generation projects	Omitted by the Finance Act, 2021
36	Clause 133 of Part I of Second Schedule	Income from exports of computer software or IT services or IT enabled services. Provided that eighty per cent of the export proceeds is brought into Pakistan in foreign exchange remitted from outside Pakistan through normal banking channels	Omitted by the Finance Act, 2021
37	Clause 135A of Part I of Second Schedule	Income derived by non-residents from investment in OGDCL exchangeable bonds issued by the Federal Government	Omitted by the Finance Act, 2021
38	Clause 136 of Part I of Second Schedule	Income of a special purpose vehicle as defined in the Asset Backed Securitization Rules, 1999;	Omitted by the Finance Act, 2021
39	Clause 141 of Part I of Second Schedule	Profit and gains derived by LNG Terminal Operators and Terminal Owners;	Omitted by the Finance Act, 2021

40	Clause 143 of Part I of Second Schedule	Profit and gains derived by a start-up as defined in clause (62A) of section 2;	Omitted by the Finance Act, 2021
41	Clause 3B of Part II of Second Schedule	The income of Pakistan Cricket Board derived from sources outside Pakistan shall be taxed at a rate of four per cent of the gross receipts from such sources	Omitted by the Finance Act, 2021
42	Clause 18 of Part II of Second Schedule	In the case of a modaraba the rate of income tax shall be 25% of total income excluding such part of total income to which Division III of Part I of the First Schedule or section 153 or section 154 applies	Omitted by the Finance Act, 2021
43	Clause 18A of Part II of Second Schedule	The rate of tax 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;	Omitted by the Finance Act, 2021
44	Clause 18B of Part II of Second Schedule	The rate of tax shall be reduced by 2% in case of a company whose shares are traded on stock exchange if it fulfills prescribed shari'ah compliant	Omitted by the Finance Act, 2021

criteria approved by State Bank of Pakistan, Securities and Exchange Commission of Pakistan and the Board, and derives income from manufacturing activities only

<p>45</p> <p>Clause 28A of Part II of Second Schedule</p>	<p>The rate of tax under section 148 on import of hybrid cars shall be reduced as below:—</p> <p>Upto 1200 cc - 100%</p> <p>1201 to 1800 cc - 50%</p> <p>1801 to 2500 cc - 25%;</p>	<p>Omitted by the Finance Act, 2021</p>
<p>46</p> <p>Clause 7 of Part III of Second Schedule</p>	<p>The amount of tax payable by foreign film-makers from making films in Pakistan shall be reduced by fifty percent on income from film-making in Pakistan</p>	<p>Omitted by the Finance Act, 2021</p>
<p>47</p> <p>Clause 8 of Part III of Second Schedule</p>	<p>The amount of tax payable by resident companies deriving income from film-making shall be reduced by seventy percent on income from film-making</p>	<p>Omitted by the Finance Act, 2021</p>

4.3 Appendix C – Data Sources

Estimates for tax expenditures of sales tax and customs are based on data obtained from FBR's official database (PRAL). However, for estimations of income tax expenditure, data from FBR's official database, i.e., from income tax returns, has certain limitations, and therefore, it is not sufficient for calculating the tax expenditures. Therefore, additional data was requested from FBR's field formations, while in many other cases, data was collected from various third-party sources. A list of these sources is given as under:

Federal Government and Semi-Autonomous Departments:

1. Accountant General Pakistan Revenue
2. Alternative Energy Development Board
3. Aviation Division
4. Board of Investment
5. Bureau of Emigration
6. Controller General of Accounts
7. Economic Affairs Division
8. Employees' Old-Age Benefits Institution
9. Engineering Development Board
10. Export Processing Zones Authority
11. Federal Employees Benevolent and Group Insurance Fund
12. Finance Division
13. Military Accountant General, Rawalpindi
14. Military Lands & Cantonment Headquarters, Rawalpindi
15. Ministry of Energy (Power Division)
16. Ministry of Foreign Affairs

17. Ministry of Maritime Affairs,
18. Ministry of Textile Industry
19. National Logistic Cell, Rawalpindi
20. National Transmission & Dispatch Company (NTDC)
21. Oil & Gas Development Company Limited (OGDCL)
22. Oil & Gas Regulatory Authority (OGRA)
23. Pakistan Agricultural Research Council
24. Pakistan Centre for Philanthropy (PCP)
25. Pakistan Council of Scientific and Industrial Research
26. Pakistan National Shipping Corporation
27. Pakistan Railway Headquarters, Lahore
28. Pakistan Software Export Board (PSEB)
29. Pakistan Telecommunication Authority (PTA)
30. Pakistan Water & Power Development Authority
31. Petroleum Division
32. Prime Ministers' Office (Prime Minister's Youth Program)
33. Private Power and Infrastructure Board (PPIB)
34. Registrar of Ships & Superintendent of Light Houses
35. Securities & Exchange Commission of Pakistan (SECP)
36. State Bank of Pakistan (SBP)

Provincial Government Departments:

37. Accountant General, Balochistan
38. Accountant General, KPK
39. Accountant General, Punjab
40. Accountant General, Sindh

41. Board of Revenue, Balochistan
42. Board of Revenue, KPK
43. Board of Revenue, Punjab
44. Board of Revenue, Sindh
45. Directorate of Postal Accounts, Lahore
46. Energy Department, Sindh
47. Finance Department, Balochistan
48. Finance Department, KPK
49. Finance Department, Punjab
50. Finance Department, Sindh
51. Mines & Mineral Development Department (Sindh)
52. Provincial Sports Boards
53. Provincial Textbook Boards
54. Social Security Institutions

Financial Institutions

55. Asset Management / Mutual Funds Institutions
56. Commercial Banks
57. Real Estate Investment Trust (Dolmen City)
58. Health Insurance Companies
59. National Investment Trust Limited
60. Pakistan Mortgage Refinance Company Limited,
61. Pakistan Stock Exchange
62. Pension Funds (registered under Voluntary Pension System)
63. Private pension funds and trusts (registered with FBR)
64. Provident Fund Institutions (those registered under Provident Fund Act 1925)

Private/Others

- 65. Agha Khan Development Network
- 66. Association of Builders and Developers (ABAD)
- 67. China North Industries Corps
- 68. China Overseas Ports holding Company (Pakistan) Pvt. Ltd.,
- 69. Gwadar Free Zone Company (GFZC)
- 70. Pakistan Film Producers Association
- 71. Pakistan Science Foundation
- 72. Pakistan Software Houses Association for IT & ITES (P@SHA)
- 73. Shipping Companies

Websites

- 74. Finance Division, Government of Pakistan
- 75. Accountant Generals
- 76. State Bank of Pakistan
- 77. Pakistan Bureau of Statistics

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