

Section	Subsection	Clause	<b>Amendment of Ordinance, XLIX of 2001 -</b> <b>NEW / inserted Omitted and deleted substituted</b>
			This Ordinance may be called the Income Tax (Amendment) Ordinance, 2018
111	2		<u>The amount referred to in sub-section (1) shall be included in the person's income chargeable to tax in the tax year to which such amount relates.</u>  The amount referred to in sub-section (1) shall be included in the person's income chargeable to tax-
		(a)	in the tax year to which such amount relates if the amount representing investment, money, valuable article or expenditure is situated or incurred in Pakistan or concealed income is Pakistan-source; and
		(b)	in the tax year immediately preceding the tax year in which the investment, money, valuable article or expenditure is discovered by the Commissioner and is situated or incurred outside Pakistan and concealed income is foreign-source.; and
	4		Sub-section (1) does not apply -
		(a)	to any amount of foreign exchange remitted from outside Pakistan through normal banking channels <b>not exceeding ten million Rupees in a tax year</b> that is encashed into rupees by a scheduled bank and a certificate from such bank is produced to that effect.
114			Return of income
	1	(b)	any person not covered by clause (a) , (ab), (ac) or (ad)-who - <b>(x) every resident person being an individual required to file foreign income and assets statement under section 116A.;</b>
	2		A return of income -
		(f)	<b>shall be accompanied with a foreign income and assets statement as required under section 116A.; and</b>
	5		A notice under sub-section (4) may be issued in respect of one or more of the last five completed tax years or assessment years  Provided that in case of a person who has not filed return for any of the last five completed tax years, notice under sub-section (4) may be issued in respect of one or more of the last ten completed tax years.  <b>Provided further that the time-limitation provided under this sub-section shall not apply if the Commissioner is satisfied on the basis of reasons to be recorded in writing that a person who failed to furnish his return has foreign income or owns foreign assets.;</b>

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<b>116A</b>			<b>Foreign income and assets statement</b>		
	1		Every resident taxpayer being an individual having foreign income equal to or in excess of ten thousand United States dollars or having foreign assets with a value of one hundred thousand United State dollars or more shall furnish a statement, hereinafter referred to as the foreign income and assets statement, in the prescribed form and verified in the prescribed manner giving particulars of ---		
		(a)	the person's total foreign assets and liabilities as on the last day of the tax year;		
		(b)	any foreign assets transferred by the person to any other person during the tax year and the consideration for the said transfer; and		
		(c)	complete particulars of foreign income, the expenditure derived during the tax year and the expenditure wholly and necessarily for the purpose of deriving the said income.		
	2		The Commissioner may, by a notice in writing, require any person being an individual, who in the opinion of the Commissioner on the basis of reasons to be recorded in writing, was required to furnish a foreign income and assets statement under sub-section (1) but who has failed to do so, to furnish the foreign income and assets statement on the date specified in the notice;.		
118			Method of furnishing returns and other documents.		
	1		A return of income under section 114 a statement required under sub-section (4) of section 115 <del>or</del> , a wealth statement under section 116 <b>or a foreign income and assets statement under 116A, if applicable</b> shall be furnished in the prescribed manner.		
	2A		Where salary income for the tax year is five hundred thousand rupees or more, the taxpayer shall file return of income electronically in the prescribed form and it shall be accompanied by the proof of deduction or payment of tax and wealth statement as required under section 116 <b>or a foreign income and assets statement under 116A, if applicable;</b>		
182			Offences and penalties		
		S.No	Offences	Penalties	Section of the Ordinance to which offence has reference
		<b>1AAA</b>	Where any person fails to furnish a foreign assets and income statement within the due date.	Such persons shall pay a penalty of 2% of the foreign income or value of the foreign assets for each year f default.	116A; and

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THE FIRST SCHEDULE  
PART I  
DIVISION I  
Rates of Tax for Individuals

1			With effect from 1 <sup>st</sup> day of July 2018, the rates of tax imposed on the taxable income of every individual shall be as set out in the following table. Namely-;

TABLE

S.No	Taxable income	Rate of tax
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs. 1,200,000	0%
2.	Where the taxable income exceeds Rs. 1,200,000 but does not exceeds Rs. 2,400,000	5% of the amount exceeding Rs. 1,200,000
3.	Where the taxable income exceeds Rs. 2,400,000 but does not exceeds Rs. 4,800,000	Rs. 60,000 + 10% of the amount exceeding Rs. 2,400,000
4.	Where the taxable income exceeds Rs. 4,800,000	Rs. 180,000 + 15% of the amount exceeding Rs. 4,800,000

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Rates of Tax for  
Association of Persons

2			The rates of tax imposed on the taxable income of every association of persons shall be as set out in the following Table, namely:-
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TABLE

S.No	Taxable income	Rate of tax
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs. 400,000	0%
2.	Where the taxable income exceeds Rs. 400,000 but does not exceeds Rs. 500,000	7% of the amount exceeding Rs. 400,000
3.	Where the taxable income exceeds Rs. 500,000 but does not exceeds Rs. 750,000	Rs. 7,000 + 10% of the amount exceeding Rs. 500,000
4.	Where the taxable income exceeds Rs. 750,000 but does not exceeds Rs. 1,500,000	Rs. 32,000 + 15% of the amount exceeding Rs. 750,000
5.	Where the taxable income exceeds Rs. 1,500,000 but does not exceeds Rs. 2,500,000	Rs. 144,500 + 20% of the amount exceeding Rs. 1,500,000
6.	Where the taxable income exceeds Rs. 2,500,000 but does not exceeds Rs. 4,000,000	Rs. 344,500 + 25% of the amount exceeding Rs. 2,500,000
7.	Where the taxable income exceeds Rs. 4,000,000 but does not exceeds Rs. 6,000,000	Rs. 719,500 + 30% of the amount exceeding Rs. 4,000,000
8.	Where the taxable income exceeds Rs. 6,000,000	Rs. 1,319,500 + 35% of the amount exceeding Rs. 6,000,000

			Provided that in the case of an association of persons that is a professional firm prohibited from incorporating by any law or the rules of the body regulating their professional, the 35% rate of tax mentioned against S.No. 8 of the Table shall be 32% for the tax year 2016 and onwards.
3			Where the taxable income in a tax year, other than income on which the deduction of tax is final, does not exceed one million Rupees of a person-
		(a)	holding a National Database Registration Authority's Computerised National Identity Card for disable persons; or
		(b)	a taxpayer of the age of not less than sixty years on the first day of that tax year,
			the tax liability on such income shall be reduced by fifty percent.