

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

2			Definitions
		(13AA)	concealment of income includes -
			<ul style="list-style-type: none"> a) the suppression of any item of receipt liable to tax in whole or in part, or failure to disclose income chargeable to tax; b) claiming any deduction or any expenditure not actually incurred; and c) any act referred to in sub-section (1) of section 111. d) claiming of any income or receipt as exempt which is otherwise taxable. <p>Explanation.- For the removal of doubt, it is clarified that where any item of receipt declared by the taxpayer is claimed as exempt from tax, or where any deduction in respect of any expenditure is claimed, mere disallowance of such claim shall not constitute concealment of income or the furnishing of inaccurate particulars of income, unless it is proved that the taxpayer deliberately claimed exemption from tax in respect of the aforesaid item of receipt or claimed deduction in respect of such expenditure not actually incurred by him."</p>
(22)			Depreciation.—
	(13)		For the purposes of this section, —
		(d)	where ¹ the consideration received on the disposal of immovable property exceeds the cost of the property the excess amount shall be taxable under section 37 , the consideration received shall be treated as the cost of the property.
(37)			Capital gains.—
	(1A)		<p>Notwithstanding anything contained in sub-sections (1) and (3) gain under sub-section (3A) and (3B) by a person in a tax year, shall be chargeable to tax in that year under the head Capital Gains at the rates specified in Division VIII of Part I of the First Schedule.; and</p> <p><u>Provided that where the taxable gain on disposal of immoveable property exceeds five million rupees, it shall be chargeable to tax under sub-section (1) of this section and provisions of sub-section (3) shall not apply. However, the taxable gain shall be calculated while taking into consideration the benefit of holding period as provided in sub-section (3A).</u></p> <p><u>Explanation.- For removal of doubt, it is clarified that where a person is habitually engaged in transactions of sale and purchase of immoveable property or such sale and purchase is adventure in the nature of trade and business, the provisions of this sub-section shall not apply and the income from such transactions shall be chargeable under the head Income from Business."</u></p>

¹ Restore the condition

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(37A)			Capital gain on disposal of securities. –
	(3)		For the purposes of this section "security" means share of a public company, voucher of Pakistan Telecommunication Corporation, Modaraba Certificate, an instrument of redeemable capital ,debt Securities, unit of exchange traded fund and derivative products.
	(6)		To carry out purpose of this section, the Board may prescribe rules.
(62)			Tax credit for investment in shares and insurance.
	(1)	(ib)	in respect of cost of acquiring in the tax year, unit of exchange traded fund offered to public and traded on stock exchange in Pakistan ; or
(65F)			Tax credit for certain persons. –
	(1)		Following persons or incomes shall be allowed a tax credit equal to one hundred per cent of the tax payable under any provisions of this Ordinance including minimum, alternate corporate tax and final taxes for the period, to the extent, upon fulfillment of conditions and subject to limitations detailed as under:- <ul style="list-style-type: none"> (a) persons engaged in coal mining projects in Sindh supplying coal exclusively to power generation projects; (b) a startup as defined in clause (62A) of section 2 for the tax year in which the startup is certified by the Pakistan Software Export Board and the next following two tax years; and (c) Income from exports of computer software or IT services or IT enabled services as defined in clause (30AD) and (30AE) of section (2) upto the period ending on the 30th day of June, 2025: <p>Provided that eighty percent of the export proceeds is brought into Pakistan in foreign exchange remitted from outside Pakistan through normal banking channels.</p>
	(2)		The tax credit under sub-section (1) shall be available subject to fulfillment of the following conditions, where applicable, namely:- <ul style="list-style-type: none"> (a) return has been filed ; (b) withholding tax statements for the relevant tax year have been filed in respect of those provisions of the Ordinance, where the person is a withholding agent; and (c) sales tax returns for the tax periods corresponding to relevant tax year have been filed if the person is required to file Sales Tax Return under any of the Federal or Provincial sales tax laws.

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114			Return of income.
	(1)		Subject to this Ordinance, the following persons are required to furnish a return of income for a tax year, namely:-
		(ad)	any welfare institution approved under clause (58) of Part I of the Second Schedule;
		(c)	persons or classes of persons notified by the Board with the approval of the Minister in-charge.
	(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.;
			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.; and
	(6)		Subject to sub-section (6A), any person who, having furnished a return, discovers any omission or wrong statement therein, may file revised return subject to the following conditions, namely: —
		(a)	it is accompanied by the revised accounts or revised audited accounts, as the case may be; Provided that Commissioner may waive this condition if Commissioner is satisfied that filing of revised accounts or audited accounts is not necessary.;
114A			Business bank account.—
	(1)		Every taxpayer shall declare to the Commissioner the bank account utilized by the taxpayer for business transactions.
	(2)		Business bank account shall be declared through original or modified registration form prescribed under section 181.

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

137			Due date for payment of tax.—
	(2)		<p>Where any tax is payable under an assessment order or an amended assessment order or any other order issued by the Commissioner under this Ordinance, a notice shall be served upon the taxpayer in the prescribed form specifying the amount payable and thereupon the sum so specified shall be paid within thirty days from the date of service of the notice:</p> <p>Provided that the due date for payment of tax payable under sub- section (7) of section 147 shall be the date specified in sub-section (5) or sub-section (5A) or first proviso to sub-section (5B) of section 147.</p> <p><u>Provided further that due date for payment of tax payable specified in sub-section (2) of this section shall not apply in case of an assessment order passed under sub-section (1) or sub-section (4) of section ²124 of this Ordinance and that tax payable as a result of order passed under sub-section (1) or sub-section (4) of section 124 shall be payable immediately.”; and</u></p>
203			Trial by Special Judge.
	(2)		<p>A Special Judge shall take cognisance of, and have jurisdiction to try, an offence triable under sub-section (1) only upon a complaint in writing made by the Commissioner.</p> <p><u>Provided that where the offence of concealment of income which has resulted in non-payment of tax of rupees one hundred and above in case of a filer and rupees twenty five million or above in case of non-filer, the procedure provided in section 203B shall be applicable.</u></p>

² Assessment giving effect to an order

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

203B			Power to arrest and prosecute.-
	(1)		<p><u>An officer of Inland Revenue not below the rank of an Assistant Commissioner of Inland Revenue or any other officer of equal rank authorised by the Board in this behalf, who on the basis of material evidence has reason to believe that any person has committed offence of concealment of income or any offence warranting prosecution under this Ordinance, may cause arrest of such person.</u></p> <p>Where on the basis of material evidence brought on record, as a result of audit conducted by the auditors in terms of sub-section (8) of section 177 read with section 214C of this Ordinance, an assessment is made or amended under section 121 or 122 of this Ordinance, as the case may be, and the assessing officer records a finding that the taxpayer has committed the offence of concealment of income which has resulted in non-payment of tax of Rupees one hundred million and above in case of a filer and rupees twenty five million or above in case of non-filer, the taxpayer may be arrested after obtaining written approval of the committee specified under sub-section (2).</p>
	(2)		<p><u>All arrests made under this Ordinance shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (Act V of 1898).</u></p> <p>The committee under sub-section (1) shall comprise the Minister for Finance and Revenue, the Chairman of the Board and the senior most member of the Board.</p>
	(3)		<p><u>Notwithstanding anything contained in sub-sections (1) and (2) or any other provision of this Ordinance, where any person has committed offence of concealment of income or any offence warranting prosecution under this Ordinance, the Chief Commissioner with the prior approval of the Board may, either before or after the institution of any proceedings for recovery of tax, compound the offence if such person pays the amount of tax due along with such default surcharge and penalty as is determined under the provisions of this Ordinance.</u></p> <p>All arrests made under this Ordinance shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (Act V of 1898).</p>
	(4)		<p><u>Where the person suspected of offence of concealment of income or any offence warranting prosecution under this Ordinance is a company, every director or officer of that company whom the authorised officer has reason to believe is personally responsible for actions of the company contributing to offence of concealment of income or any offence warranting prosecution under this Ordinance shall be liable to arrest:</u></p> <p><u>Provided that any arrest under this sub-section shall not absolve the company from the liabilities of payment of tax, default surcharge and penalty imposed under this Ordinance.</u></p> <p>Notwithstanding anything contained in sub-sections (1) and (2) or any other provision of this Ordinance, where any person has committed offence of concealment of income or any offence warranting prosecution under this Ordinance, the Chief Commissioner with the prior approval of the Board may, either before or after the institution of any proceedings for recovery of tax, compound the offence if such person pays the amount of tax due along with such default surcharge and penalty as is determined under the provisions of this Ordinance.</p>

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

	(5)		Where the person suspected of offence of concealment of income or any offence warranting prosecution under this Ordinance is a company, every director or officer of that company whom the authorised officer has reason to believe is personally responsible for actions of the company contributing to offence of concealment of income or any offence warranting prosecution under this Ordinance shall be liable to arrest: Provided that any arrest under this sub-section shall not absolve the company from the liabilities of payment of tax, default surcharge and penalty imposed under this Ordinance.”;
203C			Procedure to be followed on arrest of a person.-
	(1)		When an officer of Inland Revenue authorized in this behalf arrests a person under sub-section (1) of section 203B in this behalf arrest a person under section 203B, he shall immediately intimate the fact of the arrest of that person to the Special Judge who may direct such officer to produce that person at such time and place and on such date as the Special Judge considers expedient and such Officer shall act accordingly.
227BA			Reward and benefits for certain persons. —
	(1)		The Board may sanction rewards to e-intermediaries for filing of returns of new taxpayers.
	(2)		The Board with the approval of Federal Minister in-charge may announce benefits, rebates, tax credits, allowances and any other incentive in cash or otherwise for class or classes of persons.
	(3)		The Board with the approval of the Federal Minister in-charge may, by notification in the official Gazette, prescribe the procedure in this behalf and also notify the class or classes of persons eligible under this section. The provisions of this section shall take effect from the date notified by the Board.