

Chapter / Part	Clause	Sub-Clause	THE SECOND SCHEDULE Gazette Finance Act 2021 NEW / inserted Omitted and deleted Substituted
----------------	--------	------------	--

I			EXEMPTIONS FROM TOTAL INCOME
	(22)		<p>Any payment from a provident fund to which the Provident Funds Act, 1925 (XIX of 1925) applies.</p> <p><u>Provided that exemption under this clause shall not be available to the payments representing profit on debt earned on provident fund contributions exceeding rupees five hundred thousand. The profit on debt exceeding rupees five hundred thousand shall be chargeable to tax @ 10% as separate block of income and the person making payment shall deduct tax at the said rate.</u></p>
	(23)		<p>The accumulated balance due and becoming payable to an employee participating in a recognized provident fund.</p> <p><u>Provided that exemption under this clause shall not be available to the payments representing profit on debt earned on provident fund contributions exceeding rupees five hundred thousand. The profit on debt exceeding rupees five hundred thousand shall be chargeable to tax @ 10% as separate block of income and the person making payment shall deduct tax at the said rate."</u></p>
	(23C)		<p>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.</p> <p><u>Provided that exemption under this clause shall not be available to the payments representing profit on debt earned on accumulated balance in an approved pension fund. This profit on debt shall be chargeable to tax @ 10% as separate block of income."</u></p>
	¹ (40)		<p>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, published in Part II of the Gazette of Pakistan, Extraordinary, dated the 28th June, 1980.</p>
	² (53A)		<p>The following perquisites received by an employee by virtue of his employment, namely:-</p> <ul style="list-style-type: none"> (ii) free or subsidized food provided by hotels and restaurants to its employees during duty hours; (iii) free or subsidized education provided by an educational institution to the children of its employees; (iv) free or subsidized medical treatment provided by a hospital or a clinic to its employees; and (v) any other perquisite or benefit for which the employer does not have to bear any marginal cost, as notified by the Board.

¹ Restore the exemption omitted in Finance bill 2021-22

² Restore the exemption omitted in Finance bill 2021-22

Chapter / Part	Clause	Sub-Clause	THE SECOND SCHEDULE Gazette Finance Act 2021 NEW / inserted Omitted and deleted Substituted
----------------	--------	------------	--

	(66)	(1)	Any income derived by the following institutions, foundations, societies, boards, trusts and funds, namely: —

Table 1

Sr.No	Name
(1)	(2)
(xixi)	<u>Political Parties registered with Election Commission of Pakistan.</u>
(xlxi)	Layton Rahmatullah Benevolent Trust (LRBT).
(xlxii)	Baluchistan Education Endowment Fund (BEEF).
(xlxiii)	Saylani Welfare International Trust.
(xlxiv)	Chiniot Anjuman Islamia.
(xlxv)	Army Welfare Trust.

	66	(2)	Subject to the provisions of section 100C, any income derived by the following institution, foundations, societies, boards, trusts and funds, namely:
--	----	-----	---

TABLE 2

S.No	Name
(1)	(2)
(xx)	Federal Board of Revenue Foundation.
(xxxi)	The Prime Minister's COVID-19 Pandemic Relief Fund-2020.
(xxxiii)	International Parliamentarians' Congress.

Chapter / Part	Clause	Sub-Clause	THE SECOND SCHEDULE <small>Gazette Finance Act 2021</small> NEW / inserted Omitted and deleted Substituted
----------------	--------	------------	--

	126B		<p><u>Profit and gains derived by Khalifa Coastal Refinery for a period of twenty years beginning in the month in which the refinery is setup or commercial production is commenced, whichever is the later.</u></p> <p>Profits and gains derived by a refinery -</p> <p>(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</p> <p>(b) for the purpose of upgradation, modernization or expansion project of deep conversion refinery of at least 100,000 barrels per day of any existing refinery which makes undertaking to the Federal Government in writing before the 31st day of December, 2021 in this regard:</p> <p>Provided that this exemption shall be available for a period of ten years beginning from the date of commencement of commercial production in the case of new refinery and from the date of completion of up gradation, modernization or expansion project of existing refinery.;</p> <p>Provided further that the exemption under this clause shall only be available to those refineries whose products fulfill Euro 5 standards.</p>
	³ 139		<p>(a) The benefit represented by free provision to the employee of medical treatment or hospitalization or both by an employer or the reimbursement received by the employee of the medical charges or hospital charges or both paid by him, where such provision or reimbursement is in accordance with the terms of employment:</p> <p>Provided that National Tax Number of the hospital or clinic, as the case may be, is given and the employer also certifies and attests the medical or hospital bills to which this clause applies;</p> <p>(g) any medical allowance received by an employee not exceeding ten per cent of the basic salary of the employee if free medical treatment or hospitalization or reimbursement of medical or hospitalization charges is not provided for in the terms of employment; or</p>

³ Restore the exemption omitted in Finance bill 2021-22

Chapter / Part	Clause	Sub-Clause	THE SECOND SCHEDULE Gazette Finance Act 2021 NEW / inserted Omitted and deleted Substituted
----------------	--------	------------	--

	149		<p>Any sum—</p> <ul style="list-style-type: none"> (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. <p>Explanation.—For the purpose of this clause international buying house means persons acting as buying offices, buyers' agents, or representatives of international buyers for facilitating exports from Pakistan and are registered as liaison offices with Board of Investment or companies registered with SECP. Provided that such buying houses act as cost centers with the sole purpose to bring export orders to Pakistan on behalf of their principals and do not enter into any local business transactions in Pakistan and their expenses are remitted to Pakistan."</p>
--	-----	--	---

Chapter / Part	Clause	Sub-Clause	THE SECOND SCHEDULE <small>Gazette Finance Act 2021</small> NEW / inserted Omitted and deleted Substituted
----------------	--------	------------	---

II			REDUCTION IN TAX RATES
----	--	--	------------------------

	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.
--	-----	--	---

III			REDUCTION IN TAX LIABILITY
-----	--	--	----------------------------

	20		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.”;
--	----	--	--

Chapter / Part	Clause	Sub-Clause	THE SECOND SCHEDULE Gazette Finance Act 2021 NEW / inserted Omitted and deleted Substituted
----------------	--------	------------	--

IV			EXEMPTION FROM SPECIFIC PROVISIONS
	4A		No provisions of law shall apply for recouping of tax credit already allowed to National Power Parks Management Company Limited for investment in plant and machinery notwithstanding non issuance of share certificates or any restructuring of <u>in the eve of privatization merely for the reasons of change in</u> its ownership pattern or debt to equity ratio prior to privatization as part of the privatization process.
		(xli)	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.
		<u>(xli)</u>	<u>new entity taking over National Power Parks Management Company Limited in the eve of privatization;</u>
	46AA		<p>The provisions of section 153 shall not apply to the following persons as recipients of payment, namely:—</p> <p>(iv) <u>persons receiving payments from a company or an association of persons having turnover of fifty million rupees or more or from an individual having turnover of fifty million rupees or more exclusively for the supply of agriculture produce including fresh milk, fish by any person engaged in fish farming, live chicken, birds and eggs by any person engaged in poultry farming and by an industrial undertaking engaged in poultry processing which has not been subjected to any process other than that which is ordinarily performed to render such produce fit to be taken to market;</u></p> <p>subject to fulfillment of procedure laid down in clause (12) of Part IV of Second Schedule, persons receiving payments exclusively for the supply of agriculture produce including following -</p> <ol style="list-style-type: none"> I. fresh milk; II. fish by any person engaged in fish farming; III. live chicken, birds and eggs by any person engaged in poultry farming; IV. live animals by any person engaged in cattle farming; V. unpackaged meat; and VI. raw hides; <p>Provided that this clause shall not apply to the payments for agriculture produce which has been subjected to any process other than that which is ordinarily performed to render such produce to be fit to be taken to the market;</p> <p><u>(v) companies receiving payments for the supply of electricity and gas;</u> Companies receiving payments for the supply of electricity and gas including companies receiving payments for the transmission of electricity and gas.;</p>

Chapter / Part	Clause	Sub-Clause	THE SECOND SCHEDULE <i>Gazette Finance Act 2021</i> NEW / inserted Omitted and deleted Substituted
----------------	--------	------------	---

	56	(xiv)	plant and machinery imported for setting up of a bagasse/biomass based cogeneration power project qualifying for exemption under clause (132C) of Part-I of this Schedule.;
		(xv)	persons authorized under Export Facilitation Scheme 2021 notified by the Board with such scope, conditions, limitation, restrictions and specification of goods.;
		(xvi)	motor vehicles upto 850cc in CBU condition;
		(xvii)	Printed books excluding brochures, leaflets and similar printed matter, whether or not in single sheets.(PCT code 49.01); and
		(xviii)	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material (PCT code 49.02) ";
		(xix)	blind talking mobile phones imported by blind persons as per rules issued by the Board (respective PCT headings) ;"