

Chapter / Part	Division	Clause	THE SECOND SCHEDULE
I		61	1[Any] amount paid as donation to the following institution, foundations, societies, boards, trusts and funds, namely: —
		xi	Bank of Commerce and Credit International Foundation for Advancement of Science and Technology;
		xxv	BCCI Foundation;
I		74A	Any profit on debt, payable to National Bank of Pakistan, on foreign currency loan of US \$ 100 million, given to Pakistan State Oil Company Limited (PSO) under agreement executed at Bahrain on the 29th May, 2001, approved by the Federal Government vide Finance Division's letter No.F.3(3)EF(B-III)/2001, dated the May 29, 2001.
I		93	Profits and gains derived by a taxpayer from the running of any computer training institution or computer training scheme, recognized by a Board of Education or a University or the University Grant Commission, as the case may be, set up between the first day of July, 1997, and the thirtieth day of June, 2005, both days inclusive, for a period of five years beginning with the month in which such institution is set up: Provided that a computer training institution or computer training scheme approved by the Central Board of Revenue before the first day of July, 2000 shall continue to avail exemption under this clause till the expiry of the specified period.
I		107A	Any income derived by the Islamic Development Bank from its operations in Pakistan in connection with its social and economic development activities.”; and
I		114A	Any income chargeable under the head — capital gains, derived by a person from sale of ships and all floating crafts including tugs, dredgers, survey vessels and other specialized craft upto tax year ending on the thirtieth day of June, 2011.
II			Reduction in tax rates
		5A	The rate of tax to be deducted under sub-section (2) of section 152, in respect of payments 2[from] profit on debt payable to a non-resident person having no permanent establishment in Pakistan, shall be 10% of the gross amount paid. 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.”;

III			Reduction in tax liabilities
		4	In respect of old and used automotive vehicles specified in Notification No. S.R.O. 932(I)/2004, dated the 20th November, 2004, the tax under section 148 of the Income Tax Ordinance, 2001, shall not exceed the amount specified in column (3) of the Table below, namely: 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.”;
IV			Exemption from specific provision
		11A	The provision of section 113, regarding minimum tax, shall not apply to:
		(i)	National Investment (Unit) Trust or a collective investment scheme authorized or registered under the Non-banking Finance Companies (Establishment and Regulation) Rules, 2003 or a real estate investment trust approved and authorized under the Real Estate Investment Trust Rules, 2006, or a pension fund registered under the Voluntary Pension System Rules, 2005 or any other company in respect of turnover representing transactions in shares, or securities listed on a registered stock exchange;
		38c	The provisions of section 151, 152, 153 and 233 shall not apply to the Islamic Development Bank.
		42	The provisions of 7[sub-section (6) (3) of section 153] shall not apply in respect of payments received by a resident person for providing services by way of operation of container or chemical or oil terminal at a sea-port in Pakistan or of an infrastructure project covered by the Government’s Investment Policy, 1997.
		47D	The provisions of sub-section (6A) of section 153 shall not apply to cotton ginners. The provisions of clause (a) of sub-section (3) of section 153 shall not apply to cotton ginners”; and
		45A	S.R.O 333 (1) /2011 dated 2nd May 2011. In exercise of power conferred by sub-section (2) of section 53 of the Income Tax Ordinance 2001(XLIX of 2001), the Federal Government is pleased to direct that the following amendments shall be made in the Second Schedule to the said Ordinance, namely:- In the aforesaid schedule, in Part-IV, for clause (45A), the following shall be substituted, namely:- (45A) (a) The rate of deduction of withholding tax under clauses (a) and (b) of sub-section (1) of section 153 shall be one percent on local sales, supplies and services provided or rendered to the following categories of sales tax zero-rated taxpayers, namely:-

			<p>(i) textile and articles thereof; (ii) carpets; (iii) leather and articles thereof including artificial leather footwear, (iv) surgical goods; and (v) sports goods;</p> <p>Provided that withholding tax under clauses (a) and (b) of sub-section (1) of section 153 shall not be deducted from sales, supplies and services made by traders of yarn to the above mentioned categories of taxpayers. Such traders of yarn shall pay minimum tax @0.1% on their annual turnover on monthly basis on 30th day of each month and monthly withholding tax statement shall be e-filled under the provisions of section 165 of this Ordinance.</p> <p>(b) Provisions of clause (a) of sub-section (1) of section 111 of this Ordinance shall not apply to the amounts credited in the books of accounts maintained for the period ending on the 30th June 2011, by the sellers suppliers, service providers to the categories of sales tax zero-rated taxpayers, as mentioned in sub-clause (a);and</p> <p>(c) provisions of sub-section (a) and (b) shall be applicable only to the cases of sellers, suppliers, service providers of the above mentioned categories of sales tax zero-rated taxpayers, who are already registered and to those taxpayers who get themselves registered by the 30th June, 2011.</p> <p>Circular No 6 dated 18th June 2011 Board has received a number of requests for clarification on sub-clause (b) of clause (45A) of Part-IV of Second Schedule to the Income Tax Ordinance 2001, inserted through SRO 333(1)2011 dated 2nd May 2011.</p> <p>It is clarified that under the provision of sub-clause (b) of clause (45A) of Part-IV of Second Schedule to the Income Tax Ordinance, 2001, where the seller, supplier or service provider to the five categories specified under the Sales Tax Zero Rating Regime is already registered or gets himself registered before 30th June 2011, then any amount credited in such person's business books of accounts (maintained for the period ending 30th June 2011), or any investment made by such person in his business or any business expenditure incurred by him, shall be exempt from the provision of <u>section 111(1)(a)</u> of the Ordinance.</p>
53	2	2 nd Schedule Part IV, Clause (78)	<p>SRO 609 13, JUNE 2011- With respect to a project situated in the Special Economic Zone at Thar coalfield” the words “Coals mining and Coal based Power Generation Projects in Sindh”. Shall be substituted.</p>

Comment [IZR1]:

Unexplained income or assets – (1) where –
(a) any amount is credit in a person's books of account;

21 153	1 1(a)	2 nd Schedule Part IV, Clause (12)a	SRO 787 22, August 2011 – The provision of clause (1) of section 21 and clause (a) of Sub-section 1 of section 153 shall not apply where agriculture produce is purchased directly from the grower of such produce, subject to provision of a certificate by the grower to the withholding agent in the following format, namely:-
		(12)b	The provision of clause (a) of sub-section (1) of section 153 shall not apply only in case of cash payments made for meeting the incidental expenses of a business trip to the crew of oil tanker. This exemption shall not apply in case of any other payments made by owners of oil tankers; and
		(12)c	Withholding tax under clause (a) of sub-section 1 of section 153 shall be deductible at one percent on local purchase of steel scrap by those steel melters who have opted under Sales Tax Special Procedures and are compliantly filing returns under the said scheme.”.