

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-
2	35AA		“NCCPL” means
9			Taxable income The taxable income of a person for a tax year shall be the total income under clause (a) of section 10 of the person for the year reduced (but not below zero) by the total of any deductible allowances under Part IX of this Chapter of the person for the year.
10			Total Income The total income of a person for a tax year shall be the sum of the person’s income under each of the heads of income for the year.
		a	Person’s income under all heads of income for the year; and
		b	person’s income exempt from tax under any of the provisions of this Ordinance.
13			Value of perquisites
	7		Where a loan is made, on or after the 1st day of July, 2002, by an employer to an employee and either no profit on loan is payable by the employee or the rate of profit on loan is less than the benchmark rate, the amount chargeable to tax to the employee under the head —Salary for a tax year shall include an amount equal to— (a) the profit on loan computed at the benchmark rate, where no profit on loan is payable by the employee, or (b) the difference between the amount of profit on loan paid by the employee in that tax year and the amount of profit on loan computed at the benchmark rate, as the case may be Provided that this sub-section shall not apply to such benefit arising to an employee due to waiver of interest by such employee on his account with the employer; Provided further that the above sub-section shall not apply to loans not exceeding five hundred thousand rupees.; and
14			In this section,— (a) “benchmark rate” means —

			<p>(i) for the tax year commencing on the first day of July, 2002, a rate of five percent per annum; and</p> <p>(ii) for the tax years next following the tax year referred to in sub-clause (i), the rate for each successive year taken at one percent above the rate applicable for the immediately preceding tax year, but not exceeding such rate, if any, as the Federal Government may, by notification, specify ten percent per annum in respect of any tax year;</p> <p>(b) “services” includes the provision of any facility; and</p> <p>(c) “utilities” includes electricity, gas, water and telephone</p>
37			Capital gains
	1A		Notwithstanding anything contained in sub-sections (1) and (3), gain arising on the disposal of immovable property, held for a period up to two years, 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
	5		<p>In this section, “capital asset” means property of any kind held by a person, whether or not connected with a business, but does not include —</p> <p>(a) any stock-in-trade, consumable stores or raw materials held for the purpose of business;</p> <p>(b) any property with respect to which the person is entitled to a depreciation deduction under section 22 or amortisation deduction under section 24; or</p> <p>(c) any immovable property; or</p> <p>(d) any movable property excluding capital assets specified in sub-section (5) of section 38 held for personal use by the person or any member of the person’s family dependent on the person.</p>
37A			Capital gain on disposal of securities.
	1		The capital gain arising on or after the first day of July 2010, from disposal of securities held for a period of less than a year, other than a gain that is exempt from tax under this Ordinance shall be chargeable to tax at the rates specified in Division VII of Part I of the First Schedule:
	1A		<p>The gain arising on the disposal of a security by a person shall be computed in accordance with the following formula, namely:-</p> <p>A - B</p> <p>Where – A is the consideration received by the person on disposal of the security; and</p> <p>B is the cost of acquisition of the security.;</p>
39			Income from other sources.
	1	cc	additional payment on delayed refund under any tax law

53			Exemptions and tax concessions in the Second Schedule.
	1A		Where any income which is exempt from tax under any provision of the Second Schedule, such income, as may be specified in the said Schedule and subject to such conditions as may be specified therein, shall be included in the total income, however the tax shall not be payable in respect of such income.
59A			Limitations on set off and carry forward of losses
	1		In case of an association of persons to which sub-section (3) of section 92 applies, any loss which cannot be set off against any other income of the association of persons in accordance with section 56, shall be dealt with as provided under sub-section (2) of section 93.
	2		Nothing contained in section 57, section 58 or section 59 shall entitle an association of persons, to which sub-section (3) of section 92 applies to have its loss carried forward and set off there under.
	3		In case of association of persons, to which sub-section (3) of section 92 does not apply, any loss of such association any loss shall be set off or carried forward and set off only against the income of the association.
	4		Nothing contained in section 56, 57, 58 or 59 shall entitle - (a) any member of an association of persons to which sub-section (3) of section 92 does not apply , to set off any loss sustained by such association of persons, as the case may be, or have it carried forward and set off, against his income; or (b) any person who has succeeded, in such capacity, any other person carrying on any business or profession, otherwise than by inheritance, to carry forward and set off against his income, any loss sustained by such other person.
62			Tax credit for investment in shares and insurance.
	2	b	fifteen twenty per cent of the person's taxable income for the year; or
		c	five hundred thousand rupees one million rupees
	3	b	the person has made a disposal of the share within thirty-six twenty four months of the date of acquisition, the amount of tax payable by the person for the tax year in which the shares were disposed of shall be increased by the amount of the credit allowed.
65B			Tax credit for investment
	1		Where a taxpayer being a company invests any amount in the purchase of plant and machinery, for the purposes of balancing, modernization and replacement of the plant and machinery, already installed therein, in an industrial undertaking set up in Pakistan and owned by it, credit equal to ten per cent of the amount so invested shall be allowed against the tax payable, including on account of minimum tax and final taxes payable under any of the provisions of this Ordinance , by it in the manner hereinafter provided.

65B	4	<p>Where no tax is payable by the taxpayer in respect of the tax year in which such plant or machinery is installed, or where the tax payable is less than the amount of credit, the amount of the credit or so much of it as is in excess thereof, as the case may be, shall be carried forward and deducted from the tax payable by the taxpayer in respect of the following tax year, and so on, but no such amount shall be carried forward for more than two tax years; however, the deduction made under sub-section (2) and this sub-section shall not exceed in aggregate the limit specified in sub-section (1).</p> <p>The provisions of this section shall apply mutatis mutandis to a company setup in Pakistan before the first day of July, 2011, which makes investment during first day of July, 2011 and 30th day of June, 2016, for the purposes of balancing, modernization and replacement of the plant and machinery already installed in an industrial undertaking owned by the company. However, credit equal to twenty per cent of the amount so invested shall be allowed against the tax payable, including on account of minimum tax and final taxes payable under any of the provisions of this Ordinance. The credit shall be allowed in the year in which the plant and machinery in the purchase of which the investment as aforesaid is made, is installed therein.</p>
	5	<p>Where any credit is allowed under this section and subsequently it is discovered by the Commissioner Inland Revenue that any one or more of the conditions specified in this section was, or were, not fulfilled, as the case may be, the credit originally allowed shall be deemed to have been wrongly allowed and the Commissioner Inland Revenue may, notwithstanding anything contained in this Ordinance, re-compute the tax payable by the taxpayer for the relevant year and the provisions of this Ordinance shall, so far as may be, apply accordingly.</p> <p>Where no tax is payable by the taxpayer in respect of the tax year in which such plant or machinery is installed, or where the tax payable is less than the amount of credit as aforesaid, the amount of the credit or so much of it as is in excess thereof, as the case may be, shall be carried forward and deducted from the tax payable by the taxpayer in respect of the following tax year and so on, but no such amount shall be carried forward for more than two tax years in the case of investment referred to in sub-section (1) and for more than five tax years in respect of investment referred to in sub-section (4), however, the deduction made under this section shall not exceed in aggregate the limit specified in sub-section (1) or sub-section (4), as the case may be.</p>
	6	<p>Where any credit is allowed under this section and subsequently it is discovered by the Commissioner Inland Revenue that any one or more of the conditions specified in this section was, or were, not fulfilled, as the case may be, the credit originally allowed shall be deemed to have been wrongly allowed and the Commissioner, notwithstanding anything contained in this Ordinance, shall re-compute the tax payable by the taxpayer for the relevant year and the provisions of this Ordinance shall, so far as may be, apply accordingly.;</p>

65D			Tax credit for newly established industrial undertakings.
	1		Where a taxpayer being a company formed for establishing and operating a new industrial undertaking for manufacturing in Pakistan including corporate dairy farming sets up a new industrial undertaking including a corporate dairy farm, it shall be given a tax credit equal to hundred per cent of the tax payable, including on account of minimum tax and final taxes payable under any of the provisions of this Ordinance, on the taxable income arising from such industrial undertaking for a period of five years beginning from the date of setting up or commencement of commercial production, whichever is later.
	2	d	the industrial undertaking is set up with hundred per cent equity owned by the company ; raised through issuance of new shares for cash consideration;
			Provided that short term loans and finances obtained from banking companies or non-banking financial institutions for the purposes of meeting working capital requirements shall not disqualify the taxpayer from claiming tax credit under this section.
	3		The amount of credit admissible under this section shall be deducted from the tax payable by the taxpayer in respect of the tax year in which the plant or machinery referred in sub-section (1) is purchased and installed.
	4		Where any credit is allowed under this section and subsequently it is discovered, on the basis of documents or otherwise, by the Commissioner Inland Revenue that any of the condition conditions specified in this section was were not fulfilled, the credit originally allowed shall be deemed to have been wrongly allowed and the Commissioner Inland Revenue may, notwithstanding anything contained in this Ordinance, re-compute the tax payable by the taxpayer for the relevant year and the provisions of this Ordinance shall, so far as may be, apply accordingly
	5		For the purposes of this section and sections 65B and 65E an industrial undertaking shall be treated to have been setup on the date on which the industrial undertaking is ready to go into production, whether trial production or commercial production
65E			Tax credit for industrial undertakings established before the first day of July, 2011
	1		Where a taxpayer being a company invests any amount, with hundred per cent equity investment, in the purchase and installation of plant and machinery for the purposes of balancing, modernization, replacement, or for expansion of the plant and machinery already installed in an industrial undertaking setup in Pakistan before the first day of July 2011, a tax credit shall be allowed against the tax payable in the manner provided here in after, in the same proportion, which exists between the total investment and such equity investment made by the industrial undertaking.

		<p>Where a taxpayer being a company, setup in Pakistan before the first day of July, 2011, invests any amount, with hundred per cent new equity raised through issuance of new shares, in the purchase and installation of plant and machinery for an industrial undertaking, including corporate dairy farming, for the purposes of-</p> <p>(i) expansion of the plant and machinery already installed therein; or (ii) undertaking a new project,</p> <p>a tax credit shall be allowed against the tax payable in the manner provided in sub-section (2) and sub-section (3), as the case may be, for a period of five years beginning from the date of setting up or commencement of commercial production from the new plant or expansion project, whichever is later.</p>
	2	<p>The provisions of sub-section (1) shall apply if the plant and machinery is purchased and installed at any time between the first day of July, 2011, and the 30th day of June, 2016.</p> <p>Where a taxpayer maintains separate accounts of an expansion project or a new project, as the case may be, the taxpayer shall be allowed a tax credit equal to one hundred percent of the tax payable, including minimum tax and final taxes payable under any of the provisions of this Ordinance, attributable to such expansion project or new project.</p>
	3	<p>The amount of credit admissible under this section shall be deducted from the tax payable by the taxpayer in respect of the tax year in which the plant or machinery referred in sub-section (1) is purchased and installed and for the subsequent four years.</p> <p>In all other cases, the credit under this section shall be such proportion of the tax payable, including minimum tax and final taxes payable under any of the provisions of this Ordinance, as is the proportion between the new equity and the total equity including new equity.</p>
	4	<p>Where no tax is payable by the taxpayer in respect of the tax year in which such plant or machinery is installed, or where the tax payable is less than the amount of tax credit, the amount of such credit or so much of it as is in excess thereof, shall be carried forward and deducted from the tax payable by the taxpayer in respect of the following tax year:</p> <p>Provided that no such amount shall be carried forward for more than four tax years:</p> <p>Provided further that deduction made under sub-section (1) and under this sub-section shall not exceed in aggregate the limit of the tax credit specified in sub-section (1).</p> <p>The provisions of sub-section (1) shall apply if the plant and machinery is installed at any time between the first day of July, 2011 and the 30th day of June, 2016.</p>

	5		The amount of credit admissible under this section shall be deducted from the tax payable, including minimum tax and final taxes payable under any of the provisions of this Ordinance, by the taxpayer in respect of the tax year in which the plant or machinery referred to in sub-section (1) is installed and for the subsequent four years.; and
	5 6		Where any credit is allowed under this section and subsequently it is discovered, on the basis of documents or otherwise, by the Commissioner Inland Revenue that any of the condition specified in this section was not fulfilled, the credit originally allowed shall be deemed to have been wrongly allowed and the Commissioner Inland Revenue may, notwithstanding anything contained in this Ordinance, re-compute the tax payable by the taxpayer for the relevant year and the provisions of this Ordinance shall apply accordingly
	7		For the purposes of this section, ‘new equity’ means equity raised through fresh issue of shares against cash by the company and shall not include loans obtained from shareholders or directors: Provided that short term loans and finances obtained from banking companies or non-banking financial institutions for the purposes of meeting working capital requirements shall not disqualify the taxpayer from claiming tax credit under this section.
76			COST
	11		Notwithstanding anything contained in this section, the Board may prescribe rules for determination of cost for any asset.
77			Consideration received
	6		Notwithstanding anything contained in this section, the Board may prescribe rules for determination of consideration received for any asset.
100			Special provisions relating to the production of oil and natural gas, and exploration and extraction of other mineral deposits
100B			Special provision relating to capital gain tax
	1		Capital gains on disposal of listed securities and tax thereon, subject to section 37A, shall be computed, determined, collected and deposited in accordance with the rules laid down in the Eighth Schedule.
	2		The provisions of sub-section (1) shall not apply to the following persons or class of persons, namely:- (a) a mutual fund; (b) a banking company, a non-banking finance company, and an insurance company subject to tax under the Fourth Schedule; (c) a modaraba; (d) a “foreign institutional investor” being a person registered with NCCPL as a foreign institutional investor; and (e) any other person or class of persons notified by the Board.

101			Geographical source of income
	6		A dividend shall be Pakistan-source income if it is paid by a resident company: (a) paid by a resident company; or (b) dividend as per provisions of sub-clause (f) of clause (19) of section 2.
113			Minimum tax on the income of certain persons.
	1		Explanation.- For the purpose of this sub-section, the expression “tax payable or paid” does not include tax already paid or payable in respect of deemed income which is assessed as final discharge of the tax liability under section 169 or under any other provision of this Ordinance.
114			Return of income-
	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, and
		b	the reasons for revision of return, in writing, duly signed, by the taxpayers are filed with the return; and
		c	taxable income declared is not less than and loss declared is not more than income or loss, as the case may be, determined by an order issued under sections 121, 122, 122A, 122C, 129, 132, 133 or 221; Provided that if any of the above conditions is not fulfilled, the return furnished shall be treated as an invalid return as if it had not been furnished
120			Assessments
	6		No notice under sub-section (3) shall be issued after the end of the financial year in which return was furnished expiry of one hundred and eighty days from the end of the financial year in which return was furnished, and the provisions of sub-section (1) shall apply accordingly.
121			Best judgment assessment
	1		Where a person fails to (aa) furnish a statement as required by a notice under sub-section (5) of section 115; or] (b) furnish a return as required under section 143 or section 144; or (c) furnish the statement as required under section 116; or (d) produce before the Commissioner, or any person employed by a firm of chartered accountants 4[or a firm of cost and management accountants] under section 177, accounts, documents and records required to be maintained under section 174, or any other relevant document or evidence that may be required by him for the purpose of making assessment of income and determination of tax due thereon,

Comment [I1]:

121 – Best judgment assessment.
122- Amendment of assessment.
122A- Revision by the Commissioner.
122B – Revision by the Regional Commissioner.
122C – Provisional assessment.
129 – Decision in appeal.
132 – Disposal of appeals by the Appellate Tribunal.
133 – Reference to High Court.
221 – Rectification of mistakes.

			the Commissioner may, based on any available information or material and to the best of his judgment, make an assessment of the taxable income 5[or income] of the person and the tax due thereon and the assessment, if any, treated to have been made on the basis of return or revised return filed by the taxpayer shall be of no legal effect
122			Amendment of assessments
	1		Subject to this section, the Commissioner may amend an assessment order treated as issued under section 120 or issued under section 121 or issued under section 122C, or issued under section 59, 59A, 62, 63 or 65 of the repealed Ordinance, by making such alterations or additions as the Commissioner considers necessary.
	5A		Subject to sub-section (9), the Commissioner may, after making, or causing to be made, such enquiries as he deems necessary, amend, or further amend, an assessment order, if he considers that the assessment order is erroneous in so far it is prejudicial to the interest of revenue.
122C			Provisional Assessment.
	2		Notwithstanding anything contained in this Ordinance, the provisional assessment order completed under sub-section (1) shall be treated as the final assessment order after the expiry of sixty days from the date of service of order of provisional assessment and the provisions of this Ordinance shall apply accordingly: Provided that the provisions of sub-section (2) shall not apply if return of income along with wealth statement, wealth reconciliation statement and other documents required under sub-section (2A) of section 116 are filed by the person being an individual or an association of persons for the relevant tax year during the said period of sixty days. Provided further that the provisions of sub-section (2) shall not apply to a company if return of income tax along with audited accounts or final accounts, as the case may be, for the relevant tax year are filed by the company electronically during the said period of sixty days
127			Appeal to the Commissioner (Appeals).
	1		Any person dissatisfied with any order passed by a Commissioner or an 2[Officer of Inland Revenue] under section 121, 122, 143, 144, 3[162,] 170, 182, 4[] 5[or 205], or an order under sub-section (1) of section 161 holding a person to be personally liable to pay an amount of tax, or an order under clause (f) of sub-section (3) of section 172 6[declaring] a person to be the representative of a non-resident person [or an order giving effect to any finding or directions in any order made under this Part by the Commissioner (Appeals), Appellate Tribunal, High Court or Supreme Court], or an order under section 221 refusing to rectify the mistake, either in full or in part, as claimed by the taxpayer or an order having the effect of enhancing the assessment or reducing a refund or otherwise increasing the liability of the person 7[, except a provisional an assessment order under section 122C,] may prefer an appeal to the Commissioner (Appeals) against the order.

128			Procedure in appeal.
	1A		Where in a particular case, the Commissioner (Appeals) is of the opinion that the recovery of tax levied under this Ordinance, shall cause undue hardship to the taxpayer, he, after affording opportunity of being heard to the Commissioner against whose order appeal has been made, may stay the recovery of such tax for a period not exceeding thirty days in aggregate.
129			Decision in appeal
	5		Where the Commissioner (Appeals) has not made an order on an appeal before the expiration of 4[four] months from the end of the month in which the appeal was lodged, the relief sought by the appellant in the appeal shall be treated as having been given and all the provisions of this Ordinance shall have effect accordingly.
	6		For the purposes of sub-section (5), any period during which the hearing of an appeal is adjourned on the request of the appellant shall be excluded in the computation of the period of 5[four] months referred to in that sub-section.
	7		The provisions of sub-section (5) shall not apply unless a notice by the appellant stating that no order under sub-section (1) has been made is personally served by the appellant on the Commissioner (Appeals) not less than thirty days before the expiration of the period of 1[four] months.
130			Appointment of the Appellate Tribunal
	4	(a)	A person may be appointed as an accountant member of an appellate tribunal if,— he is an officer of Inland Revenue Service equivalent to the rank of Regional Commissioner; or
		(b)	a Commissioner Inland Revenue or Commissioner Inland Revenue (Appeals) having at least five three years experience as Commissioner or Collector.
	5		The Federal Government shall appoint a member of the Appellate Tribunal as Chairperson of the Tribunal and, except in special circumstances, the person appointed should be a judicial member.
131			Appeal to the Appellate Tribunal.
	5		Notwithstanding that an appeal has been filed under this section, tax shall, unless recovery thereof has been stayed by the Appellate Tribunal, be payable in accordance with the assessment made in the case: Provided that where recovery of tax has been stayed by the Appellate Tribunal by an order, such order shall cease to have effect on the expiration of a period of three months following the date on which it is made, unless the appeal is decided, or such order be withdrawn by the Appellate Tribunal earlier. Provided further that the Appellate Tribunal shall not make an order which has the effect of staying the recovery of tax beyond the period of six months in aggregate.

		<p>Provided further that the Appellate Tribunal may stay the recovery of the tax on filing the appeal which order will remain operative for thirty days and during which period a notice shall be issued to the respondent and after hearing the parties, order may be confirmed or varied as the Tribunal deems fit but stay order shall in no case remain operative for more than one hundred and eighty days.</p> <p>Provided that if on filing of application in a particular case, the Appellate Tribunal is of the opinion that the recovery of tax levied under this Ordinance and upheld by the Commissioner (Appeals), shall cause undue hardship to the taxpayer, the Tribunal, after affording opportunity of being heard to the Commissioner, may stay the recovery of such tax for a period not exceeding one hundred and eighty days in aggregate:</p> <p>Provided further that in computing the aforesaid period of one hundred and eighty days, the period, if any, for which the recovery of tax was stayed by a High Court, shall be excluded.</p>
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 6[fifteen] days from the date of service of the notice:</p> <p>Provided that the tax payable as a result of provisional assessment 8[order] under section 122C, as specified in the notice under sub-section (2) shall be payable 9[immediately] after a period of sixty days from the date of service of the notice.</p> <p>Provided further that the taxpayer may pay the tax payable prior to expiry of the period of sixty days specified in the first proviso.</p>
148		Imports
	7	The tax required to be collected under this section shall be a final tax 1[except as provided under sub-section (8)] on the income of the importer arising from the imports subject to sub-section (1) and this sub-section shall not apply in the case of import—
	8	The tax required to be collected from a person under this section on the import of edible oil 2[and packing material] for a tax year shall be [minimum] tax.]
151		Profit on debts
	3	Tax deducted deductible under this section shall be a final tax on the profit on debt arising to a taxpayer other than a company 8[.].]

152		Payments to non-residents
	1AAA	Every person making a payment for advertisement services to a non-resident media person relaying from outside Pakistan shall deduct tax from the gross amount paid at the rate specified in Division IIIA of Part III of the First Schedule.
	2	Subject to sub-section (3), every person paying an amount to a non-resident person (other than an amount to which sub-section (1) 5[or sub-section (1A) 6[, (1AA), (1AAA) or (2A)] applies] shall deduct tax from the gross amount paid at the rate specified in Division II of Part III of the First Schedule.
	2A	Sub-section (1AA) shall not apply to an amount, with the written approval of the Commissioner, that is taxable to a permanent establishment in Pakistan of the non-resident person
	1B	The tax deducted deductible under sub-section (1A) shall be a final tax on the income of a non-resident person arising from a contract.
	1BB	The tax deducted deductible under sub-section (1AA) shall be a final tax on the income of the non-resident person arising out of such payment.
	3	Sub-section (2) does not apply to an amount — (a) that is subject to deduction of tax under section 149, 150, 153 , 155 7[,] 156 8[or 233]; (b) with the written approval of the Commissioner, that is taxable to a permanent establishment in Pakistan of the non-resident person; (c) that is payable by a person who is liable to pay tax on the amount as representative of the non-resident person under sub-section (3) of section 172; or (d) where the non-resident person is not chargeable to tax in respect of the amount.
153		Payments for goods, services and contracts.—
153	1	Every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person — (a) for the sale of goods; (b) for the rendering of or providing of services; and (c) on the execution of a contract, other than a contract for the sale of goods or the rendering of or providing services, shall, at the time of making the payment, deduct tax from the gross amount payable (including sales tax, if any) at the rate specified in Division III of Part III of the First Schedule.

Comment [12]:
The rate of tax to be deducted under sub-section (1AAA) of section 152 shall be 10% of the gross amount paid.

Comment [13]:
Every person making a payment of insurance premium or re-insurance premium to a non-resident person shall deduct tax from the gross amount paid at the rate specified in Division II of Part III of the First Schedule

Comment [14]:
Every person making a payment in full or part (including a payment by way of advance) to a non-resident person on the execution of —
 (a) a contract or sub-contract under a construction, assembly or installation project in Pakistan, including a contract for the supply of supervisory activities in relation to such project; or
 (b) any other contract for construction or services rendered relating thereto; or
 (c) a contract for advertisement services rendered by T.V. Satellite Channels, shall deduct tax from the gross amount payable under the contract at the rate specified in Division II of Part III of the First Schedule.

153	3		The tax deducted deductible under clauses (a) and (c) of sub-section (1) and under sub-section (2) of this section, on the income of a resident person or permanent establishment of a non-resident person , shall be final tax. Provided that,— (a) tax deducted under clause (a) of sub-section (1) shall be adjustable where payments are received on sale or supply of goods, by a, — (i) company being a manufacturer of such goods; or (ii) public company listed on a registered stock exchange in Pakistan; (b) tax deducted deductible shall be a minimum tax on transactions referred to in clause (b) of sub-section (1); and
153A			Payments to non-resident media persons.— Every person making a payment for advertisement services to a non-resident media person relaying from outside Pakistan shall deduct tax from the gross amount paid at the rate specified in Division IIIA of Part III of the First Schedule.] Payment to Traders and Distributors.- Every manufacturer, at the time of sale to distributors, dealers and wholesalers, shall collect tax at the rate specified in Part IIA of the First Schedule, from the aforesaid persons, to whom such sales have been made. (1) (2) Tax credit for the tax collected under sub-section (1) shall be allowed in computing the tax due by the person on the taxable income for the tax year in which the tax was collected.
154			Exports
	4		The tax deducted deductible under 4[this section] shall be a final tax on the income arising from the 5[transactions referred to in this section].
156			Prizes and winnings
	3		The tax deducted deductible under sub-section (1) or collected under section (2) shall be final tax on the income from prizes or winnings referred to in the said sub-sections.
156A			Petroleum Products
	2		The tax deducted deductible under sub-section (1) shall be a final tax on the income arising from the sale of petroleum products to which sub-section (1) applies.
169			Tax collected or deducted as a final tax.
	1	a	The collection of advance tax advance tax required to be collected is a final tax under sub-section (7) of section 148 3[or sub-section (5) of section 234 4[or section 234A]] on the income to which it relates; or
	1	b	the deduction of tax tax required to be deducted is a final tax under 5[sub-section (3) of section 151], sub-section (1B) 6[or sub-section (1BB)] of section 152,] 7[clauses (a), (c) and (d) of sub-section (3) of section 153], 8[section 153A sub-section (1AAA) of section 152,] sub-section (4) of section 154, 9[] sub-section (3) of section 156, 1[] 2[sub-section (2) of section 156A or sub-section 3[(1) and] (3) of section 233 4[]] on the income from which it has been deducted was deductible .

Comment [15]:
The rate of tax to be collected under section 153A shall be 1% of the gross amount of sales.

	2		<p>Where this section applies —</p> <p>(a) the income shall not be chargeable to tax under any head of income in computing the taxable income of the person;</p> <p>(b) no deduction shall be allowable under this Ordinance for any expenditure incurred in deriving the income;</p> <p>(c) the amount of the income shall not be reduced by —</p> <p>(i) any deductible allowance under Part IX of Chapter III; or</p> <p>(ii) the set off of any loss;</p> <p>(d) the tax deducted shall not be reduced by any tax credit allowed under this Ordinance; and;</p> <p>(e) there shall be no refund of the tax collected or deducted 5[unless the tax so collected or deducted is in excess of the amount for which the taxpayer is chargeable under this Ordinance; and</p> <p>(f) tax deductible has not been deducted, or short deducted, the said non-deduction or short deduction may be recovered under section 162, and all the provisions of this Ordinance shall apply accordingly.</p>
171			<p>Additional payment for delayed refunds.—</p> <p>Where a refund due to a taxpayer is not paid within three months of the date on which it becomes due, the Commissioner shall pay to the taxpayer a further amount by way of compensation at the rate of 2%KBOR fifteen per annum of the amount of the refund computed for the period commencing at the end of the three month period and ending on the date on which it was paid 3[:]</p> <p>4[Provided that where there is reason to believe that a person has claimed the refund which is not admissible to him, the provision regarding the payment of such additional amount shall not apply till the investigation of the claim is completed and the claim is either accepted or rejected.]</p>
176	1	c	<p>Notice to obtain information or evidence. —</p> <p>the firm of chartered accountants, as appointed by the 4[Board or the Commissioner], to conduct audit under section 177, for any tax year, may with the prior approval of the Commissioner concerned, enter the business premises of a taxpayer, selected for audit, to obtain any information, require production of any record, on which the required information is stored and examine it within such premises; and such firm may if specifically delegated by the Commissioner, also exercise the powers as provided in sub-section (4).</p>
181			<p>Taxpayer's registration.—</p>
181B			<p>Tax Payer Card.-</p> <p>Subject to this Ordinance, the Board may make a scheme for introduction of a tax payer honor card for individual taxpayers, who fulfill a minimum criteria to be eligible for the benefits as contained in the scheme.</p>

182		Offences and penalties.—
	2	The penalties specified under sub-section (1) shall be applied in a consistent manner and no penalty shall be payable unless an order in writing is passed by the Commissioner, Commissioner (Appeals) or the Appellate Tribunal after providing an opportunity of being heard to the person concerned; Provided that where the taxpayer admits his default he may voluntarily pay the amount of penalty due under this section.
202		Power to compound offences. —
		Notwithstanding any provisions of this Ordinance, where any person has committed any offence, the Director General Chief Commissioner may, with the prior approval of the Board, either before or after the institution of proceedings, compound such offence subject to payment of tax due along with 1[default surcharge] and penalty as is determined under the provisions of this Ordinance.
205		Default surcharge
	1	A person who fails to pay – (a) any tax, excluding the advance tax under section 147 and 4[default surcharge] under this section;] (b) any penalty; or (c) any amount referred to in section 140 or 141, (d) on or before the due date for payment shall be liable for 5[default surcharge] at a rate equal to 6[KIBOR plus three per cent per quarter] 18 per cent per annum on the tax, penalty or other amount unpaid computed for the period commencing on the date on which the tax, penalty or other amount was due and ending on the date on which it was paid; Provided that if the person opts to pay the tax due on the basis of an order under section 129 on or before the due date given in the notice under sub-section (2) of section 137 issued in consequence of the said order, and does not file an appeal under section 131, he shall not be liable to pay default surcharge for the period beginning from the due date of payment in consequence of an order appealed against to the date of payment in consequence of notice under sub-section (2) of section 137.
	1A	A person who fails to pay advance tax under section 147 shall be liable for 8[default surcharge] at a rate equal to 9[KIBOR plus three per cent per quarter] 18 per cent per annum on the amount of tax unpaid computed for the period commencing on the date on which it was due and ending on the date on which it was paid or date on which the return of income for the relevant tax year was due, whichever is earlier.]
	1B	Where, in respect of any tax year, any taxpayer fails to pay tax under sub-section 2[(4A), or] (6) of section 147 or the tax so paid is less than 3[ninety] per cent of the tax chargeable for the relevant tax year, he shall be liable to pay 4[default surcharge] at the rate of 5[KIBOR plus three per cent per quarter] 18 per cent per annum on the the amount of tax so chargeable or the

			amount by which the tax paid by him falls short of the 6[ninety] per cent, as the case may be; and such 7[default surcharge] surcharge] shall be calculated from the first day of April in that year to the date on which assessment is made or the thirtieth day of June of the financial year next following, whichever is the earlier.]
	3		A person who fails to 9[collect tax, as required under Division II of Part V of this Chapter or Chapter XII or deduct tax as required under Division III of Part V of this Chapter or Chapter XII or fails to] pay an amount of tax collected or deducted as required under section 160 on or before the due date for payment shall be liable for 10[default surcharge] at a rate equal to 11[KIBOR plus three per cent per quarter] 18 per cent per annum on the amount unpaid computed for the period commencing on the date the amount was required to be collected or deducted and ending on the date on which it was paid to the Commissioner ; Provided that if the person opts to pay the tax due on the basis of an order under section 129 on or before the due date given in the notice under sub-section (2) of section 137 issued in consequence of the said order and does not file an appeal under section 131, he shall not be liable to pay default surcharge for the period beginning from the date of order under section 161 to the date of payment.
207			Income tax authorities.-
	3		The Chief Commissioners Inland Revenue and Commissioners Inland Revenue (Appeals) shall be subordinate to the Board and Commissioners Inland Revenue, shall be subordinate to the Chief Commissioner Inland Revenue. income tax authorities specified in sub-section (1) except in clause (a) shall be subordinate to the Board"; and
	3A		Commissioners Inland Revenue, Additional Commissioners Inland Revenue, Deputy Commissioners Inland Revenue, Assistant Commissioners Inland Revenue, Inland Revenue Officers, Inland Revenue Audit Officer, Superintendents Inland Revenue, Auditors Inland Revenue and Inspectors Inland Revenue, shall be subordinate to the Chief Commissioners Inland Revenue.
210			Delegation
	1B		The Commissioner may delegate the powers to a firm of chartered accountants 5[or a firm of Cost and Management Accountants] appointed by the 6[Board or the Commissioner] to conduct the audit of persons selected for audit under section 177.]
211			Power or function exercised. —
	3		the Board or with the approval of the Board an authority appointed under this Ordinance, shall be competent to exercise all powers conferred upon any authority subordinate to it.

214A			<p>Condonation of time limit. —</p> <p>Where any time or period has been specified under any of the provisions of the Ordinance or rules made there-under within which any application is to be made or any act or thing is to be done, the Board may, in any case or class of cases, permit such application to be made or such act or thing to be done within such time or period as it may consider appropriate:</p> <p>Provided that the Board may, by notification in the official Gazette, and subject to such limitations or conditions as may be specified therein, empower any Commissioner or Director General Chief Commissioner under this Ordinance to exercise the powers under this section in any case or class of cases ;</p> <p>Explanation,- For the purpose of this section, the expression “any act or thing is to be done” includes any act or thing to be done by the taxpayer or by the authorities specified in section 207.</p>
230			<p>Directorate General (Intelligence and Investigation), Inland Revenue.-</p>
	1		The Directorate General (Intelligence and Investigation) Inland Revenue 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.
	2		The Board may, by notification in the official Gazette,- (a) specify the functions and jurisdiction of the Directorate General and its officers; and (b) confer the powers of authorities specified in section 207 upon the Directorate General and its officers.
231A			<p>Cash withdrawal from a bank. —</p>
	1		Every banking company shall deduct tax at the rate specified in Division VI of Part IV of the First Schedule, if the payment for cash withdrawal, or the sum total of the payments for cash withdrawal in a day, exceeds twenty-five fifty thousand rupees.
233			<p>Brokerage and commission.-</p> <p>Where any tax is required to be collected from a person under sub-section (1), the tax so collected such tax shall be the final tax on the income of such persons.</p>

233A			Collection of tax by a stock exchange registered in Pakistan.—
	1		<p>A stock exchange registered in Pakistan shall collect advance tax,—</p> <p>(a) at the rates specified in Division IIA of Part IV of First Schedule from its Members on purchase of shares in lieu of 1[tax on] the commission earned by such Members, and</p> <p>(b) at the rates specified in Division IIA of Part IV of First 2[Schedule] from its Members on sale of shares in lieu of 3[tax on] the commission earned by such Members.</p> <p>(c) from its 4[Members] in respect of trading of shares by the Members at the rates specified in Division IIA of Part IV of First Schedule; and</p> <p>(d) from its 5[Members] in respect of financing of carryover trades 6[] in share business at the rate specified in Division IIA of Part IV of First schedule.</p>
	2		The tax collected under clauses (a) to (c) (b) of sub-section (1) shall be 8[adjustable].]
233AA			Collection of tax by NCCPL.- NCCPL shall collect advance tax from the members of Stock Exchange registered in Pakistan, in respect of margin financing in share business at the rate specified in Division IIA of Part IV of First Schedule.