

Chapter / Part	Division	Clause	THE SECOND SCHEDULE (Amended Bill 2015-16) NEW / inserted Omitted and deleted Substituted
I			EXEMPTIONS FROM TOTAL INCOME
		20	Any income received by a person from an annuity issued under the Pakistan Postal Annuity Certificate Scheme on or after the 27th July, 1977, not exceeding ten thousand rupees per annum
		57(3)	Any income of the following funds and institution, namely:-
		(xiv)	Punjab General Provident Investment Fund established under the Punjab General Provident Investment Fund Act, 2009 (V of 2009) and the trust established thereunder;
		61	Any amount paid as donation to the following institution, foundations, societies, boards, trusts and funds, namely: —
		(xiv)	The Indus Hospital, Karachi.
		66	Any income derived by—
		*** xxxii	Greenstar Social Marketing Pakistan (Guarantee) Limited.
		xxxiii	The Indus Hospital, Karachi.
		99A	Profits and gains accruing to a person on sale of immovable property to a REIT Scheme upto thirtieth day of June, 2015 ; "Provided that profit and gains on sale of immovable property to a Developmental REIT Scheme with the object of development and construction of residential buildings shall be exempt upto thirtieth day of June, 2020"
		103A	Any income derived from inter-corporate dividend within the group companies entitled to group taxation under section 59AA or section 59B <u>subject to the condition that return of the group has been filed for the tax year.</u>
		113	Any income chargeable under the head "capital gains", being income from the sale of shares of a public company set up in any Special Industrial Zone referred to in clause (126) of this Schedule, derived by a person for a period of five years from the date of commencement of its commercial production: Provided that the exemption under this clause shall not be available to a person from the sale of shares of such companies
		126A	income derived by China Overseas Ports Holding Company Limited from Gwadar Port operations for a period of twenty <u>three</u> years, with effect from the sixth day of February, 2007.
		126F	Profits and gains derived by a taxpayer located in the most affected and moderately affected areas of Khyber Pakhtunkhwa, FATA and PATA for a period of three years starting from the tax year 2010: Provided that this concession shall not be available to the manufacturers and suppliers of cement, sugar, beverages and cigarettes.

Chapter / Part	Division	Clause	THE SECOND SCHEDULE (Amended Bill 2015-16) NEW / inserted Omitted and deleted Substituted
		<u>126I</u>	Profits and gains derived by a taxpayer, from an industrial undertaking set up by 31st day of December, 2016 and engaged in the manufacture of plant, machinery, equipment and items with dedicated use (no multiple uses) for generation of renewable energy from sources like solar and wind, for a period of five years beginning from first day of July, 2015.
		126J	Profits and gains derived by a taxpayer, from an industrial undertaking set up between 1st day of July, 2015 and 30th day of June, 2016 engaged in operating warehousing or cold chain facilities for storage of agriculture produce for a period of three years beginning with the month in which the industrial undertaking is set up or commercial operations are commenced, whichever is later.
		126K	<p>Profits and gains derived by a taxpayer, from an industrial undertaking set up between 1st day of July, 2015 and 31st day of December, 2016 which is engaged in operating halal meat production and has obtained halal certification, for a period of four years beginning with the month in which the industrial undertaking is set up or commercial production is commenced, whichever is later.</p> <p>Profits and gains derived by a taxpayer, from an industrial undertaking set up between the first day of July, 2015 and the 30th day of June, 2017 for establishing and operating a halal meat production unit, for a period of four years beginning with the month in which the industrial undertaking commences commercial production. The exemption under this clause shall apply if the industrial undertaking is -</p> <ul style="list-style-type: none"> (a) owned and managed by company formed for operating the said halal meat production unit and registered under the Companies Ordinance, 1984(XLVII of 1984), and having its registered office in Pakistan; (b) not formed by the splitting up, or the re construction or re constitution, of a business already in existence or by transfer to a new business of any machinery or plant used in a business which was being carried on in Pakistan at any time before the commencement of the new business; and (c) halal meat production unit is established and obtains a halal certificate within the period between the first day of July, 2015 and the 30th day of June, 2017.

Chapter / Part	Division	Clause	THE SECOND SCHEDULE (Amended Bill 2015-16) NEW / inserted Omitted and deleted Substituted
		126L	Profits and gains derived by a taxpayer, from a manufacturing unit set up in Khyber Pukhtunkhwa Province between 1st day of July, 2015 and 30th day of June, 2018 for a period of five years beginning with the month in which the industrial undertaking is set up or commercial production is commenced, whichever is later: Provided that exemption under this clause shall be admissible where— (a) the manufacturing unit is setup between the first day of July, 2015 and 30th day of June, 2018, both days inclusive; and (b) the manufacturing unit is not established by the splitting up or reconstruction or reconstitution of an undertaking already in existence or by transfer of machinery or plant from an undertaking established in Pakistan at any time before 1st July 2015.
		126M	Profits and gains derived by a taxpayer from a transmission line project set up in Pakistan on or after the 1st day of July, 2015. The exemption under this clause shall apply to such project which is— (a) owned and managed by a company formed for operating the said project and registered under the Companies Ordinance, 1984 (XLVII of 1984), and having its registered office in Pakistan; (b) not formed by the splitting up, or the reconstruction or reconstitution, of a business already in existence or by transfer to a new business of any machinery or plant used in a business which was being carried on in Pakistan at any time before the commencement of the new business; and (c) owned by a company fifty per cent of whose shares are not held by the Federal Government or Provincial Government or a Local Government or which is not controlled by the Federal Government or a Provincial Government or a Local Government:
			Provided that the exemption under this clause shall not apply to projects set up on or after the thirtieth day of June, 2018.”; and
		126N	Profits and gains derived by a taxpayer from an industrial undertaking, duly certificate by the Pakistan Telecommunication Authority, engaged in the manufacturing of cellular mobile phones, for a period of five years, from the month of commencement of commercial production; Provided that the industrial undertaking has been set up and commercial production has commenced between the first day of July, 2015 and the thirtieth day of June, 2017 and the industrial undertaking is not formed by the splitting up, or the reconstruction or reconstitution, of a business already in existence or by transfer to a new business of any machinery or plant used in a business which was being carried on in Pakistan.; and

Chapter / Part	Division	Clause	THE SECOND SCHEDULE (Amended Bill 2015-16) NEW / inserted Omitted and deleted Substituted
		141	Profit and gains derived by LNG Terminal Operators and Terminal Owners for a period of five years beginning from the date when commercial operations are commenced.
		142	Income from social security contributions derived by Balochistan Employees' Social Security Institution, Employees' Social Security Institution Khyber Pakhtunkhwa, Punjab Employees' Social Security Institution and Sindh Employees' Social Security Institution. Explanation.- For the removal of doubt, it is clarified that all incomes other than social security contributions shall not be exempt
II			REDUCTION IN TAX RATES
		13C	In respect of manufacturers of cooking oil or vegetable ghee or both, the rate of income tax on purchase of locally produced edible oil shall be 2% of the purchase price.
		14	In case of owners of [goods transport vehicles], the rate of tax as specified in clause (i) of Division III of Part IV of First Schedule shall be reduced to Rs.2 per kilogram of the laden weight
		14B	In case of owners of goods transport vehicles, the rate of tax as specified in clause (i) of Division III of Part IV of First Schedule shall be reduced to two Rupees per kilogram of the laden weight for the period commencing on the 1st July, 2012 and ending on the 17th November, 2012 (both days inclusive): Provided that owners of the passenger transport vehicles may pay tax for the period 1st day of July, 2012 to 30th day of June, 2013 at the rates under this clause, if the tax is paid by the 30th day of June, 2014: Provided further that the tax already paid from 1st day of July, 2012, as per rates specified in Division III of part IV of the First Schedule, shall not be refunded.

Chapter / Part	Division	Clause	THE SECOND SCHEDULE (Amended Bill 2015-16) NEW / inserted Omitted and deleted Substituted
		21	<p>In the case of any resident person engaged in the business of shipping, a presumptive income tax shall be charged in the following manner, namely:-</p> <p>(a) ships and all floating crafts including tugs, dredgers, survey vessels and other specialized craft purchased or bare-boat chartered and flying Pakistan flag shall pay tonnage tax of an amount equivalent to one US \$ per gross registered tonnage per annum; and</p> <p>(b) ships, vessels and all floating crafts including tugs, dredgers, survey vessels and other specialized craft not registered in Pakistan and hired under any charter other than bare-boat charter shall pay tonnage tax of an amount equivalent to fifteen US cents per tonne of gross registered tonnage per chartered voyage provided that such tax shall not exceed one US \$ per tonne of gross registered tonnage per annum:</p> <p>Provided that the reduction under this clause shall not be available after the 30th June, 2020.</p> <p>Explanation.- For the purpose of this clause the expression "equivalent amount" means the rupee equivalent of a US dollar according to the exchange rate prevalent on the first day of December in the case of a company and the first day of September in other cases in the relevant assessment year.</p>
		28B	<p>The rate of tax shall be 0.15% under section 231A on cash withdrawal by an exchange company, duly licensed and authorized by the State Bank of Pakistan, exclusively dedicated for its authorized business related transactions, subject to the condition that a certificate issued by the concerned Commissioner Inland Revenue for a financial year mentioning details and particulars of its Bank Account being used entirely for business transactions is provided.</p>
III			REDUCTION IN TAX LIABILITY
		16	<p>The minimum penalty for failure to furnish statement under section 115, 165 or 165A as mentioned in column (3) against serial No. (1A) in the Table given in sub-section (1) of section 182 shall be reduced to ten thousand rupees.</p>

Chapter / Part	Division	Clause	THE SECOND SCHEDULE (Amended Bill 2015-16) NEW / inserted Omitted and deleted Substituted
IV			EXEMPTION FROM SPECIFIC PROVISIONS
		11A	The provisions 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 , <u>Regulations, 2015</u> [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;
		(iv)	KotAddu Power Company Limited (KAPCO) for the period it continues to be entitled to exemption under clause (138) of Part-I of this Schedule;
		(v)	companies, qualifying for exemption under clause (132) and clause (132B) of Part-I of this Schedule, in respect of receipts from sale of electricity;
		(xvi)	a morabaha bank or a financial institution approved by the State Bank of Pakistan or the Securities and Exchange Commission of Pakistan (SECP), as the case may be, for the purpose of Islamic Banking and Finance in respect of turnover under a morabaha arrangement; and
		(xvii)	WAPDA First Sukuk Company Limited; and
		(xviii)	companies, qualifying for exemption under clause (132B) of Part-I of this Schedule, in respect of receipts from a coal mining project in Sindh, <u>supplying coal exclusively to power generation projects.</u>
		(xiv)	LNG Terminal Operators and LNG Terminal Owners.
		(xx)	taxpayers located in the most affected and moderately affected areas of Khyber Pakhtunkhwa, FATA and PATA for tax year 2010, 2011 and 2012 excluding manufacturers and suppliers of cement, sugar, beverages and cigarettes.
		(xxi)	Rice Mills for the Tax Year 2015.
		(xxii)	taxpayers qualifying for exemption under clauses (126I) of Part-I of this Schedule in respect of income from manufacture of equipment with dedicated use for <u>generation of renewable energy.</u>
		(xxiii)	taxpayers qualifying for exemption under clauses (126J) of Part-I of this Schedule in respect of income from operating warehousing or cold chain facilities for storage of agriculture produce.
		(xxiv)	taxpayers qualifying for exemption under clauses (126K) of Part-I of this Schedule in respect of income from operating halal meat production, during the period mentioned in clause (126K).
		(xxv)	taxpayers qualifying for exemption under clauses (126L) of Part-I of this Schedule in respect of income from a manufacturing unit set up in Khyber Pukhtunkhwa Province between 1st day of July, 2015 and 30th day of June, 2018.

Chapter / Part	Division	Clause	THE SECOND SCHEDULE (Amended Bill 2015-16) NEW / inserted Omitted and deleted Substituted
		11B	The provisions of section 150 shall not apply in respect of inter-corporate dividend within the group companies entitled to group taxation under section 59AA or section 59B <u>subject to the condition that the return of the group has been filed for the latest completed tax year.</u>
		11C	The provisions of section 151 shall not apply in respect of inter-corporate profit on debt within the group companies entitled to group taxation under section 59AA or section 59B <u>subject to the condition that the return of the group has been filed for the latest completed tax year.</u>
		11D	The provisions of section 113C shall not apply to LNG Terminal Operators and LNG Terminal Owners.
		16A	The provisions of section 153(1)(b) shall not be applicable to the persons making payments to electronic and print media in respect of the advertising services.
		46	The provisions of sub-section (1) of section 153 shall not apply to any payment received by an oil distribution company or an oil refinery or <u>and</u> <u>provisions of sub-section (2A) of section 152 shall not apply to</u> Permanent Establishment of Non-resident Petroleum Exploration and Production (E&P) Companies for supply of its petroleum products.
		56	The provisions of section 148, regarding withholding tax on imports shall not apply in respect of— (i) goods classified under Pakistan Customs Tariff falling under Chapters 27, 86 and 99 <u>Chapter 86 and 99 except PCT Heading 9918;</u> (ia) Petroleum oils and oils obtained from bituminous minerals crude (PCT Code 2709.0000), Furnace-oil (PCT Code 2710.1941), High speed diesel oil (PCT) Code 2710.1931), Motor spirit (PCT Code 2710.1210), J.P.1 (PCT Code 2710.1912), base oil for lubricating oil (PCT Code 2710.1993) imported by Pakistan State Oil Company Limited, Shell Pakistan Limited, Attock Petroleum Limited, Byco Petroleum Pakistan Limited, Admore Gas Private Limited, Chevron Pakistan Limited, Total-PARCO Pakistan(Private) Limited, Hascol Petroleum Limited, and oil refineries.
		56B	Provisions of section 148 shall not apply in respect of import of potatoes between 5th of May, 2014 and 31st of July, 2014, provided that such imports shall not exceeds 200,000 metric tons in aggregate during the said period.
		56H	Omitted

Chapter / Part	Division	Clause	THE SECOND SCHEDULE (Amended Bill 2015-16) NEW / inserted Omitted and deleted Substituted
		57(ii)	It is further clarified that in-house preparation and processing of food and allied items for sale to customers shall not disqualify a company from being treated as a Trading House, provided that all the conditions in this clause are fulfilled and sale of such items does not exceed two per cent of the total sales.
		59	The provisions of section 151, regarding withholding tax on profit on debt, shall not apply—
		(iii)	to Pak rupee accounts or certificates referred to in clause (83) of Part-I of this Schedule; and
		61A	The provisions of section 231A shall not apply in respect of any cash withdrawal by exchange companies duly licensed and authorized by the State Bank of Pakistan on their bank account exclusively dedicated for their authorized business related transaction: Provided that.— (a) exemption under this clause shall be available to exchange companies who are issued exemption certificate by the concerned Commissioner Inland Revenue for a financial year; and (b) the Commissioner shall issue the exemption certificate after obtaining relevant details and particulars of the Bank Accounts.
		67A	The provisions of section 100B and Eight Schedule shall not apply to transactions carried on upto 30 th June, 2015, on any Stock Exchange of Pakistan, by International Finance Corporation established under the International Finance Corporation Act, 1956(XXVIII of 1956);
		72	The provisions of sections 150, 151, 152, 153 and 233 shall not apply in respect of payments made to The ECO Trade and Development Bank.
		72A	The provisions of clause (l) and section 21, sections 113 and 152 shall not apply in case of a Hajj Group Operator in respect of Hajj operations provided that the tax has been paid at the rate of Rs.3,500 per Hajji for the tax year 2013 and Rs.5,000 per Hajji for the tax year 2014 and 2015 in respect of income from Hajj operations.
		77	Provisions of sections 148 and 153 shall not be applicable on import and subsequent supply of items with dedicated use of renewable sources of energy like solar and wind etc., even if locally manufactured, which include induction lamps, SMD, LEDs with or without ballast with fittings and fixtures, wind turbines including alternator and mast, solar torches, <u>tubular day lighting devices such as solatube</u> , lanterns and related instruments, PV modules with or without the related components including invertors, charge controllers and batteries.
		79	The provisions of clause (b) of proviso to sub-section (3) of section 153 shall not be applicable to the tax withheld on payments received by a company for providing or rendering of services.

Chapter / Part	Division	Clause	THE SECOND SCHEDULE (Amended Bill 2015-16) NEW / inserted Omitted and deleted Substituted
		83	The provision of sub-section (4) of section 116 shall not apply for the tax year 2013 to a person other than a company or a member of an association of person falling under final tax regime (FTR) and has paid tax less than thirty five thousand rupees.
		86(a)	The provisions of section 111 shall not apply to-
		(iii)	investment made by a company in an industrial undertaking; If the said investment is made on or after the 1st day of January, 2014, and commercial production commences on or before the 30th day of June, 2016 <u>2017</u> .
		89	The Provisions of section 236I shall not apply to- (a) the Federal Government or a Provincial Government; (b) an individual entitled to privileges under the United Nations (Privileges and Immunities) Act, 1948 (XX of 1948); (c) a foreign diplomat or a diplomatic mission in Pakistan; or (d) a person who is a non-resident and- (i) furnishes copy of passport as an evidence to the educational institution that during previous tax year, his stay in Pakistan was less than one hundred eighty-three days; (ii) furnishes a certificate that he has no Pakistan-source income; and (iii) fee is remitted directly from abroad through normal banking channels to the bank account of the educational institution.]
		90	The provisions of section 236D shall not apply to- (a) the Federal Government or a Provincial Government; (b) an individual entitled to privileges under the United Nations (Privileges and Immunities) Act, 1948(XX of 1948); or (c) a foreign diplomat or diplomatic mission in Pakistan.

Chapter / Part	Division	Clause	THE SECOND SCHEDULE (Amended Bill 2015-16)		
			NEW / inserted	Omitted and deleted	Substituted
		91	The provisions of section 148 shall not apply to-		
		(i)	Tillage and seed bed preparation equipment as specified below		
			Equipment		PCT Code
			(i)	Rotavator	8432.8010
			(ii)	Cultivator	8432.2910
			(iii)	Ridger	8432.8090
			(iv)	Sub soiler	8432.3090
			(v)	Rotary slasher	8432.8090
			(vi)	Chisel plow	8432.1010
			(vii)	Ditcher	8432.1090
			(viii)	Border disc	8432.2990
			(ix)	Disc harrow	8432.2100
			(x)	Bar harrow	8432.2990
			(xi)	Mould board plow	8432.1090
			(xii)	Tractor rear or front blade	8430.6900
			(xiii)	Land leveller or land planer	8430.6900
			(xiv)	Rotary tiller	8432.8090
			(xv)	Disc plow	8432.1090
			(xvi)	Soil-scrapper	8432.8090
			(xvii)	K.R.Karundi	8432.8090
			(xviii)	Tractor mounted trancher	8701.9020
			(xix)	Land leveler	8430.6900
		91(ii)	Seeding or planting equipment		
			Equipment		PCT Code
			(i)	Seed-cum-fertilizer drill (wheat, rice barley, etc.)	8432.3010
			(ii)	Cotton or maize planter with fertilizer attachment	8432.3090
			(iii)	Potato planter	8432.3090
			(iv)	Fertilizer or manure spreader or broadcaster	8432.4000
			(v)	Rice transplanter	8432.3090
			(vi)	Canola or sunflower drill	8432.3010
			(vii)	Sugarcane planter	8432.3090

Chapter / Part	Division	Clause	THE SECOND SCHEDULE (Amended Bill 2015-16)		
			NEW / inserted	Omitted and deleted	Substituted
		91(iii)	Irrigation, drainage and agro-chemical application equipment		
				Equipment	PCT Code
			(i)	Tubewells filters or strainers	8421.2100, 8421.9990
			(ii)	Knapsack sprayers	8424.2010
			(iii)	Granular applicator	8424.2010
			(iv)	Boom or field sprayers	8424.2010
			(v)	Self propelled sprayers	8424.2010
			(vi)	Orchard sprayer	8424.2010
		91(iv)	Harvesting, threshing and storage equipment		
				Equipment	PCT Code
			(i)	Wheat thresher	8433.5200
			(ii)	Maize or groundnut thresher or sheller	8433.5200
			(iii)	Groundnut digger	8433.5900
			(iv)	Potato digger or harvester	8433.5300
			(iv)	Sunflower thresher	8433.5200
			(v)	Post hole digger	8433.5900
			(vi)	Straw balers	8433.4000
			(vii)	Fodder rake	8433.5900
			(viii)	Wheat or rice reaper	8433.5900
			(ix)	Chaff or fodder cutter	8433.5900
			(x)	Cotton picker	8433.5900
			(xi)	Onion or garlic harvester	8433.5200
			(xii)	Sugar harvester	8433.5200
			(xiii)	Tractor trolley or forage wagon	8716.8090
			(xiv)	Reaping machines	8433.5900
			(xv)	Combined harvesters	8433.5100
			(xvi)	Pruner/shears	8433.5900
		91(v)	Post-harvest handling and processing & miscellaneous machinery		
				Equipment	PCT Code
			(i)	Vegetables and fruits cleaning and sorting or grading equipment	8437.1000
			(ii)	Fodder and feed cube maker equipment	8433.4000

Chapter / Part	Division	Clause	THE SECOND SCHEDULE (Amended Bill 2015-16) NEW / inserted Omitted and deleted Substituted														
		92	<p>The provisions of section 148 shall not apply to.-</p> <table border="1"> <thead> <tr> <th>Equipment</th> <th>PCT Code</th> </tr> </thead> <tbody> <tr> <td>Aircraft, whether imported or acquired on wet or dry lease</td> <td>8802.2000, 8802.3000, 8802.4000</td> </tr> <tr> <td>Maintenance kits for use in trainer aircrafts of PCT headings 8802.2000 and 8802.3000</td> <td>Respective Headings</td> </tr> <tr> <td>Spare parts for use in aircrafts, trainer aircrafts or simulators</td> <td>Respective Headings</td> </tr> <tr> <td>Machinery, equipment and tools for setting up maintenance, repair and overhaul (MRO) workshop by MRO company recognized by Aviation Division</td> <td>Respective Headings</td> </tr> <tr> <td>Operational tools, machinery, equipment and furniture and fixtures on one-time basis for setting up Greenfield airports by a company authorized by Aviation Division</td> <td>Respective Headings</td> </tr> <tr> <td>Aviation simulators imported by airline company recognized by Aviation Division</td> <td>Respective headings</td> </tr> </tbody> </table>	Equipment	PCT Code	Aircraft, whether imported or acquired on wet or dry lease	8802.2000, 8802.3000, 8802.4000	Maintenance kits for use in trainer aircrafts of PCT headings 8802.2000 and 8802.3000	Respective Headings	Spare parts for use in aircrafts, trainer aircrafts or simulators	Respective Headings	Machinery, equipment and tools for setting up maintenance, repair and overhaul (MRO) workshop by MRO company recognized by Aviation Division	Respective Headings	Operational tools, machinery, equipment and furniture and fixtures on one-time basis for setting up Greenfield airports by a company authorized by Aviation Division	Respective Headings	Aviation simulators imported by airline company recognized by Aviation Division	Respective headings
Equipment	PCT Code																
Aircraft, whether imported or acquired on wet or dry lease	8802.2000, 8802.3000, 8802.4000																
Maintenance kits for use in trainer aircrafts of PCT headings 8802.2000 and 8802.3000	Respective Headings																
Spare parts for use in aircrafts, trainer aircrafts or simulators	Respective Headings																
Machinery, equipment and tools for setting up maintenance, repair and overhaul (MRO) workshop by MRO company recognized by Aviation Division	Respective Headings																
Operational tools, machinery, equipment and furniture and fixtures on one-time basis for setting up Greenfield airports by a company authorized by Aviation Division	Respective Headings																
Aviation simulators imported by airline company recognized by Aviation Division	Respective headings																
		93	The provisions of sub-section (1) of section 154 shall not apply to taxpayers operating halal meat production and qualifying for exemption under clause (126K) of Part-I of this Schedule for the period specified in clause (126K).														