

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted <u>substituted</u> Finance Act 2017-18 update
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-
2			Definition
		(22A)	"fast moving consumer goods" means consumer goods which are supplied in retail marketing as per daily demand of a consumer ¹ "excluding durable goods"
		(30C)	"liaison office" means a place of business acting for the principal, head office or any entity of which it is a part, and <ul style="list-style-type: none"> a. its activities do not result in deriving income in Pakistan; and b. maintains itself out of any amount remitted from outside Pakistan received through normal banking channels. <p>Explanation - It is clarified that-</p> <ul style="list-style-type: none"> i. a place of business shall not be treated as liaison office if it engages in- <ul style="list-style-type: none"> a. commercial activities; b. trading or industrial activities; or c. the negotiation and conclusion of contracts; ii. the activities shall be treated to be commercial activities, if these include, <ul style="list-style-type: none"> a. Providing after sales services for goods or services; or b. Marketing or promoting pharmaceutical and medical products or services; iii. Subject to clause (i), a place of business shall be treated as a liaison office, if it undertakes activities of - <ul style="list-style-type: none"> a. an exploratory or preparatory nature, to investigate the possibilities of trading with, or in, Pakistan. b. exploring the possibility of joint collaboration and export promotion; c. promoting products where such products are yet to be supplied to, or sold in, Pakistan; d. promoting technical and financial collaborations between its principal and taxpayers in Pakistan; or e. provision of technical advice and assistance;
		35AA	"NCCPL" means National Clearing Company of Pakistan Limited, which is a company incorporated under the Companies Ordinance, 1984 (XLVII of 1984) and licensed as "Clearing House" by the Securities and Exchange Commission of Pakistan or any subsidiary of NCCPL notified by the Board for the purpose of this clause;
		(38A)	"Officer of Inland Revenue" means any Additional Commissioner Inland Revenue, Deputy Commissioner Inland Revenue, Assistant Commissioner Inland Revenue, Inland Revenue Officer, Inland Revenue Audit Officer, District Taxation Officer, Assistant Director Audit or any other officer however designated or appointed by the Board for the purposes of this Ordinance;

¹ goods, as household appliances, machinery, or sports equipment, that are not consumed or destroyed in use and can be used for a period of time, usually three or more years

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		(38B)	"online marketplace" means an information technology platform run by e-commerce entity over an electronic network that acts as a facilitator in transactions that occur between a buyer and a seller."; and
		(62A)	"startup" means <ul style="list-style-type: none"> i. a business of resident individual, AOP or a company incorporated or registered in Pakistan on or after first day of July, 2012 and the person is engaged in or intends to offer technology driven products or services to any sector of the economy provided that the person is registered with and duly certified by the Pakistan Software Export Board (PSEB) and having turnover of less than one hundred million in each of the last five tax years."; ii. any business of a person or class of persons, subject to the conditions as the Federal Government may, by notification in the official Gazette, specify.;"
4B			Super tax for rehabilitation of temporarily displaced persons
	1		A super tax shall be imposed for rehabilitation of temporarily displaced persons, for tax years 2015 and 2016 to 2017, at the rates specified in Division IIA of Part I of the First Schedule, on income of every person specified in the said Division.
5A			Tax on undistributed reserves profits
	1		Subject to this Ordinance, a tax shall be imposed at the rate of ten percent, on every public company other than a scheduled bank or a modaraba, that derives profits for a tax year but does not distribute cash dividends within six months of the end of the said tax year or distributes dividends to such an extent that its reserves, after such distribution, are in excess of hundred percent of its paid up capital, so much of its reserves as exceed hundred percent of its paid up capital shall be treated as income of the said company:
	(1)		Subject to this Ordinance, For tax year 2017 and onwards, a tax shall be imposed at the rate of ten seven and a half percent of its accounting profit before tax on every public company, other than a scheduled bank or a modaraba, that derives profit for a tax year but does not distribute at least forty percent of its after tax profits within six months of the end of the tax year through cash or bonus shares: Provided that for tax year 2015, cash dividends may be distributed before the due date mentioned in sub-section (2) of section 118, for filing of return for tax year 2015. Provided that for tax year 2017, bonus shares or cash dividends may be distributed before the due date mentioned in sub-section (2) of section 118, for filing of a return.

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5A	2		The provisions of sub-section (1) shall not apply to—
		(a)	a public company which distributes profit equal to either forty per cent of its after tax profits or fifty per cent of its paid up capital, whichever is less, within six months of the end of the tax year; a company qualifying for exemption under clause (132) of Part I of the Second Schedule; and
		(b)	a company qualifying for exemption under clause (132) of Part I of the Second Schedule; and a company in which not less than fifty percent shares are held by the Government.
		(c)	a company in which not less than fifty percent shares are held by the Government.
	3		For the purpose of this section, 'reserve' includes amounts set aside out of revenue or other surpluses excluding capital reserves, share premium reserves and reserves required to be created under any law, rules or regulations.
5AA			Tax on return on investments in sukus.
	1		Subject to this Ordinance, a tax shall be imposed, at the rate specified in Division IIIB of Part I of the First Schedule, on every person who receives a return on investment in sukus from a special purpose vehicle, or a company.
7C			Tax on builders
	4		This section shall apply to business or projects undertaken for construction and sale of residential, commercial or other buildings initiated and approved after the 1st July, 2016. This section shall apply to projects undertaken for construction development and sale of residential, commercial or other plots initiated and approved.
		(a)	during tax year 2017 only;
		(b)	for which payment under rule 135 of the Income Tax Rules, 2002 has been made by the developer during tax year 2017; and
		(c)	the Chief Commissioner has issued online schedule of advance tax installments to be paid by the developer in accordance with rule 13ZB 13U of the Income Tax Rules, 2002.

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7D	4		Tax on developers
7D	4		This section shall apply to projects undertaken for development and sale of residential, commercial or other plots initiated and approved after the 1st July, 2016. This section shall apply to projects undertaken for development and sale of residential, commercial or other plots initiated and approved.
		(a)	during tax year 2017 only;
		(b)	for which payment under rule 13S of the Income Tax Rules, 2002 has been made by the developer during tax year 2017; and
		(c)	the Chief Commissioner has issued online schedule of advance tax installments to be paid by the developer in accordance with rule 13U 13ZB of the Income Tax Rules, 2002.
8			General provisions relating to taxes imposed under sections 5, 6 and 7
	1		Subject to this Ordinance, the tax imposed under Sections 5, 5A, 5AA 6, 7, 7A, 7B, 7C and 7D and 7B shall be a final tax on the amount in respect of which the tax is imposed and—
		(d)	the tax payable by a person under section 5, 5A, 5AA, 6, 7, 7A, 7B, 7C and 7D and 7B shall not be reduced by any tax credits allowed under this Ordinance; and
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 profit on loan computed at the benchmark rate, where no profit on loan is payable by the employee, or 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 this sub-section shall not apply to loans not exceeding five hundred thousand one million rupees.
21			Deductions not allowed
		o	any expenditure in respect of sales promotion, advertisement and publicity in excess of five ten per cent of turnover incurred by pharmaceutical manufacturers.

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22			Depreciation
	15		In this section, — "depreciable asset" means any tangible movable property, immovable property (other than unimproved land), or structural improvement to immovable property, owned by a person that ; "Provided that where a depreciable asset is jointly owned by a taxpayer and an Islamic financial institution licensed by the State Bank of Pakistan or Securities and Exchange Commission of Pakistan, as the case may be, pursuant to an arrangement of Musharika financing or diminishing Musharika financing, the depreciable asset shall be treated to be wholly owned by the taxpayer.
62			Tax credit for investment in shares and insurance.
	1		A resident person other than a company shall be entitled to a tax credit for a tax year either—
		ia	in respect of cost of acquiring in the tax year, sukuku offered to the public by a public company listed and traded on stock exchange in Pakistan, provided the resident person is the original allottee of the sukuku; or";
		ii	in respect of any life insurance premium paid on a policy to a life insurance company registered by the Securities and Exchange Commission of Pakistan under the Insurance Ordinance, 2000 (XXXIX of 2000), provided the resident person is deriving income chargeable to tax under the head "salary" or "income from business" Provided that where tax credit has been allowed under this clause and subsequently the insurance policy is surrendered within two years of its acquisition, the tax credit 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 tax years and the provisions of this Ordinance, shall, so far as may, apply accordingly.
	2		Component C a. the total cost of acquiring the shares, or sukuku or the total contribution or premium paid by the person referred to in sub-section (1) in the year;

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53			Exemptions and tax concessions in the Second Schedule
	2		<p>The Board with the approval of Minister Incharge of the Federal Government may, from time to time pursuant to the approval of the Economic Coordination Committee of Cabinet, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations, protection of national economic interests in situations arising out of abnormal fluctuation in international commodity prices, removal of anomalies in taxes, development of backward areas, implementation of bilateral and multilateral agreements or granting an exemption from any tax imposed under this Ordinance including a reduction in the rate of tax imposed under this Ordinance or a reduction in tax liability under this Ordinance or an exemption from the operation of any provision of this Ordinance to any international financial institution or foreign Government owned financial institution operating under an agreement, memorandum of understanding or any other arrangement with the Government of Pakistan, by notification in the official Gazette, make such amendment in the Second Schedule by –</p> <p>(a) adding any clause or condition therein; (b) omitting any clause or condition therein; or (c) making any change in any clause or condition therein,</p> <p>as the Government may think fit, and all such amendments shall have effect in respect of any tax year beginning on any date before or after the commencement of the financial year in which the notification is issued</p>
	4		<p>Any notification issued under sub-section (2) after the commencement of the Finance Act, 2015, shall, if not earlier rescinded, stand rescinded on the expiry of the financial year in which it was issued ;</p> <p>Provided that all such notifications, except those earlier rescinded, shall be deemed to have been in force with effect from the first day of July, 2016 and shall continue to be in force till the thirtieth day of June, 2018, if not earlier rescinded;</p> <p>Provided further that all notifications issued on the first day of July, 2016 and placed before the National Assembly as required under sub-section (3) shall continue to be in force till the thirtieth day of June, 2018, if not earlier rescinded.</p>
64A 64C			Deductible allowance for profit on debt
64AB 64D			Deductible allowance for education expenses

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64D			Deductible allowance for education expenses
	1		Every individual shall be entitled to a deductible allowance in respect of tuition fee paid by the individual in a tax year provided that the taxable income of the individual is less than one and a half million rupees.
62A			Tax credit for investment in health insurance
	2		The amount of a person's tax credit allowed under sub-section (1) for a tax year shall be computed according to the following formula, namely: — (A/B) x C where— A is the amount of tax assessed to the person for the tax year before allowance of tax credit under this section; B is the person's taxable income for the tax year; and C is the lesser of — (a) the total contribution or premium paid by the person referred to in sub-section (1) in the year; (b) five per cent of the person's taxable income for the year; and (c) one hundred and fifty thousand rupees."
65A			Tax credit to a person registered under the Sales Tax Act, 1990.
	1		Every manufacturer, registered under the Sales Tax Act, 1990, shall be entitled to a tax credit of three per cent of tax payable for a tax year, if ninety per cent of his sales are to the person who is registered under the aforesaid Act during the said tax year.
	2		For claiming of the credit, the person shall provide complete details of the persons to whom the sales were made.
	3		No credit will be allowed to a person whose income is covered under final tax or minimum tax.
	4		Carry forward of any amount where full credit may not be allowed against the tax liability for the tax year, shall not be allowed.
65C			Tax credit for enlistment.
	1		Where a taxpayer being a company opts for enlistment in any registered stock exchange in Pakistan, a tax credit equal to twenty percent of the tax payable shall be allowed for the tax year in which the said company is enlisted and for the following tax year three tax years : Provided that the tax credit for the last two years shall be ten per cent of the tax payable.
94			Principles of taxation of companies
	3		A dividend paid by a non-resident company to a resident person shall be chargeable to tax under the head "Income from Business" or "Income from Other Sources", as the case may be, unless the dividend is exempt from tax.

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100			Special provisions relating to the production of oil and natural gas, and exploration and extraction of other mineral deposits.
	2		Sub-section (1) shall not apply to the profits and gains attributable to the production of petroleum including natural gas discovered before the 24th day of September, 1954. Provided that the for tax year 2017 and onward the provisions of this sub-section shall not apply on profit and gains derived from sui gas field.
100C			Tax credit for certain persons.
	1	(d)	the administrative and management expenditure does not exceed 15% of the total receipts."; and Provided that clause (d) shall not apply to a non-profit organization if - a. charitable and welfare activities of the non-profit organization have commenced for the first time within last three years; and b. total receipt of the non-profit organization during the tax year are less than one hundred million Rupees.";
	1A		Notwithstanding anything contained in sub-section (1), surplus funds of non-profit organization shall be taxed at a rate of ten percent.
	1B		For the purpose of sub-section (1A), surplus funds mean funds or monies:
		(i)	not spent on charitable and welfare activities during the tax year;
		(ii)	received during the tax year as donations, voluntary contributions, subscriptions and other incomes;
		(iii)	Which are or more than twenty five percent of the total receipts of the non-profit organization received during the tax year;
		(iv)	are not part of restricted funds: Explanation: For the purpose of this subsection, "restricted funds" mean any fund received by the organization but could not be spent and treated as revenue during the year due to any obligation placed by the donor.
113			Minimum tax on the income of certain persons. -
	1		This section shall apply to a resident company, an individual (having turnover of ten million rupees or above in the tax year 2017 or in any subsequent tax year) and an association of persons (having turnover of ten million rupees or above in the tax year 2017 or in any subsequent tax year)] where, for any reason whatsoever allowed under this Ordinance, including any other law for the time being in force—
		(e)	the claiming of allowances or deductions (including depreciation and amortization deductions) no tax is payable or paid by the person for a tax year or the tax payable or paid by the person for a tax year is less than one per cent the percentage as specified in column (3) of the table in Division IX of Part-I of the First Schedule of the amount representing the person's turnover from all sources for that year: "Explanation.-For the purpose of this sub-section, the expression "tax payable or paid" does not include-

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114			Return of income.
	6	(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, ² 122C , 129, 132, 133 or 221:-
115			Persons not required to furnish a return of income.
	3		The following persons shall not be required to furnish a return of income for a tax year solely by reason of sub-clause (iii), (iv), (v) and (vi) of clause (b) of sub-section (1) of section 114 -
		(a)	A widow;
		(b)	an orphan below the age of twenty-five years;
		(c)	a disabled person; or
		(d)	in the case of ownership of immovable property, a non-resident person.
116			Wealth statement
	2A		Where a person, being an individual or an association of persons, files a return in response to a provisional assessment order under section 122C, such return shall be accompanied by wealth statement along with a wealth reconciliation statement and an explanation of source of acquisition of assets specified therein in the case of an individual and wealth statements of all members in the case of an association of persons and such wealth statements shall be accompanied by wealth reconciliation statements and explanation of source of acquisition of assets specified therein.
	3		Where a person, who has furnished a wealth statement, discovers any omission or wrong statement therein, he may, without prejudice to any liability incurred by him under any provision of this Ordinance, furnish a revised wealth statement along with the revised wealth reconciliation and the reasons for filing revised wealth statement, at any time before an assessment, for the tax year to which it relates, is made under sub-section (1) or sub-section (4) of section 122. the receipt of notice under sub-section (9) of section 122, for the tax year to which it relates.
119			Extension of time for furnishing returns and other documents.
	4		An extension of time under sub-section (3) should not exceed fifteen days from the due date for furnishing the return of income, employer's certificate, or statement, as the case may be, unless there are exceptional circumstances justifying a longer extension of time. "Provided that where the Commissioner has not granted extension for furnishing return under sub-section (3) or sub-section (4), the Chief Commissioner may on an application made by the taxpayer for extension or further extension, as the case may be, grant extension or further extension for a period not exceeding fifteen days unless there are exceptional circumstances justifying a longer extension of time."

² Provisional assessment.

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121			Best judgment assessment
	1		Where a person fails to —
		(ab)	furnish return of income in response to notice under subsection (3) or sub-section (4) of section 114; or“;
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, by making such alterations or additions as the Commissioner considers necessary.
122C			Provisional assessment.
			OMITTED
127			Appeal to the Commissioner (Appeals)
	1		Any person dissatisfied with any order passed by a Commissioner or an Officer of Inland Revenue under section 121,122, 143, 144, 162, 170, 182, 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 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, except an assessment order under section 122C, may prefer an appeal to the Commissioner (Appeals) against the order.
130			Appointment of the Appellate Tribunal.—
	3		A person may be appointed as a judicial member of the Appellate Tribunal if the person -
		(e)	is an officer of Inland Revenue Service in BS-20 or above and is a law graduate.
137			Due date for payment of tax
	2		Where any tax is payable under an assessment order or an amended assessment order or any other order issued by the Commissioner under this Ordinance, a notice shall be served upon the taxpayer in the prescribed form specifying the amount payable and thereupon the sum so specified shall be paid within thirty days from the date of service of the notice: Provided that the tax payable as a result of provisional assessment order under section 122C, as specified in the notice under sub section (2) shall be payable immediately after a period of forty five days from the date of service of the notice:- Provided further that the taxpayer may pay the tax payable prior to expiry of the period of forty five days specified in the first proviso.

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146			Recovery of tax from persons assessed in Azad Jammu and Kashmir Gilgit-Baltistan.
	1		Where any person assessed to tax for any tax year under the law relating to income tax in the Azad Jammu and Kashmir Gilgit-Baltistan has failed to pay the tax and the income tax authorities of the Azad Jammu and Kashmir Gilgit-Baltistan cannot recover the tax because –
		(a)	the person's residence is in Pakistan; or
		(b)	the person has no movable or immovable property in the Azad Jammu and Kashmir Gilgit-Baltistan,
			the Deputy Commissioner in the Azad Jammu and Kashmir Gilgit-Baltistan may forward a certificate of recovery to the Commissioner and, on receipt of such certificate, the Commissioner shall recover the tax referred to in the certificate in accordance with this Part.
147			Advance tax paid by the taxpayer. –
	2		This section does not apply to an individual where the individual's latest assessed taxable income excluding income referred to in clauses (a), (b), (ba), (c) and (d) of sub-section (1) is less than five hundred thousand one million rupees.
	4B		Where the taxpayer is an individual having latest assessed income of five hundred thousand one million rupees or more as determined under sub-section (2), the amount of advance tax due for a quarter shall be computed according to the following formula, namely: -
148			Imports
	7		The tax required to be collected under this section shall be a final tax 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 of—
		(b)	fertilizer by manufacturer of fertilizer; and
	8		The tax collected under this section at the time of plastic raw material imported by an industrial undertaking falling under PCT heading 39.01 to 39.12, import of ships by ship-breakers shall be final tax.
150A			Deduction of tax by special purpose vehicle Return on investment in Sukuks
	1		Every special purpose vehicle, or a company, at the time of making payment of a return on investment in sukuks to a sukuk holder shall deduct tax from the gross amount of return on investment at the rate specified in Division IB of Part III of the First Schedule

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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 Division II of Part III of the First Schedule.
	1B		The tax [deductible] under sub-section (1A) shall be a final tax on the income of a non-resident person arising from a contract Provided that the provisions of this sub-section shall not apply in respect of a non-resident person unless he opts for the final tax regime.
	2A		Clause (i), (ii) and (iii) shall be re-numbered as (a), (b) and (c) respectively
	4A		The Commissioner may, on application made by the recipient of a payment referred to in sub-section (2A) and after making such inquiry as the Commissioner thinks fit, may allow in cases where the tax deductible under sub-section (2A) is adjustable, by order in writing, any person to make the payment, without deduction of tax or deduction of tax at a reduced rate.
	4A		The Commissioner may, on application made by the recipient of payment referred to in sub-section (1A) having permanent establishment in Pakistan, or by a recipient of payment referred to in sub-section (2A), as the case may be, and after making such inquiry as the Commissioner thinks fit, allow by order in writing, in cases where the tax deductible under sub-section (1) or sub-section (2A) is adjustable, any person to make the payment without deduction of tax or deduction of tax at a reduced rate.
153			Payments for goods, services and contracts.
	1	(c)	on the execution of a contract, including contract signed by a sports person but not including 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. Provided that where the recipient of the payment under clause (b) receives the payment through an agent or any other third person and the agent or, as the case may be, the third person retains service charges or fee, by whatever name called, from the payment remitted to the recipient, the agent or the third person shall be treated to have been paid the service charges or fee by the recipient and the recipient shall collect tax along with the payment received.
165			Statements.—
	2A		Any person who, having furnished statement under sub-section (1) or sub-section (2), discovers any omission or wrong statement there in, may file a revised statement within sixty days of filing of statement under sub-section (1) or sub-section (2), as the case may be.

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165B			Furnishing of information by financial institutions including banks.
	1		Notwithstanding anything contained in any law for the time being in force including but not limited to the Banking Companies Ordinance, 1962 (LVII of 1962), the Protection of Economic Reforms Act, 1992 (XII of 1992), the Foreign Exchange Regulation Act, 1947 (VII of 1947) and any regulations made under the State Bank of Pakistan Act, 1956 (XXXIII of 1956) on the subject, every financial institution shall make arrangements to provide information regarding non-resident or any other reportable persons to the Board in the prescribed form and manner for the purpose of automatic exchange of information under bilateral agreement or multilateral convention.
	3		for the purpose of this section, the terms "reportable person" and "financial institution" shall have the meaning as provided in Chapter XIIA of the Income Tax Rules, 2002.
176			Notice to obtain information or evidence. —
	1		the firm of chartered accountants or a firm of cost and management accountants as defined under the Cost and Management Accountants Act, 1966 (XIV of 1966), as appointed by the 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, 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).

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182			Offences and penalties.—		
	S. No.	Offences	Penalties	Section of the Ordinance to which offence has reference	
	(1)	(2)	(3)	(4)	
	7	Any person who fails to maintain records required under this Ordinance or the rules made thereunder.	Such person shall pay a penalty of ten thousand rupees or five per cent of the amount of tax on income whichever is higher.	174 ,108	
	9	Any person who fails to furnish the information required or to comply with any other term of the notice served under section 176.	Such person shall pay a penalty of twenty-five thousand rupees for the first default and fifty thousand rupees for each subsequent default	176 or 108	
	17	Any reporting financial institution or reporting entity who fails to furnish information or country-by-country report to the Board as required under section 107, 108 or 165B within the due date.	Such reporting financial institution or reporting entity shall pay a penalty of two thousand rupees for each day of default subject to a minimum penalty of twenty five thousand rupees.	107, 108 and 165B	
	18	Any person who fails to keep and maintain document and information required under section 108 or Income Tax Rules, 2002	1% of the value of transactions, the record of which is required to be maintained under section 108 and Income Tax Rules, 2002	108	

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191			Prosecution for non-compliance with certain statutory obligations.
	1		Any person who, without reasonable excuse, fails to—
		(a)	comply with a notice under sub-section (3) and sub-section (4) of section 114 or sub-section (1) of section 116;
		(c)	comply with the obligation under Part V of this Chapter or Chapter XII to collect or deduct tax and pay the tax to the Commissioner;
205			Default surcharge
	1B		Where, in respect of any tax year, any taxpayer fails to pay tax under sub-section (4A), or (6) of section 147 or the tax so paid is less than ninety per cent of the tax chargeable for the relevant tax year, he shall be liable to pay default surcharge at the rate of 12 per cent per annum on the amount of tax so chargeable or the amount by which the tax paid by him falls short of the ninety per cent, as the case may be; and such default 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. Provided that in the case of person having a special tax year, the default surcharge shall be calculated on and from the first day of the fourth quarter of the special tax year till the date on which assessment is made or the last day of special tax year, whichever is earlier.
206A			Advance ruling
	3		Where there is any inconsistency between a circular and an advance ruling, priority shall be given to the terms of the advance ruling. Provided that this section shall not apply to a non-resident taxpayer having a permanent establishment in Pakistan
207			Income tax authorities
	1		There shall be the following Income Tax authorities for the purposes of this Ordinance and rules made thereunder, namely:—
		(ia)	District Taxation Officer;
		(ib)	Assistant Director Audit;
	3A		Commissioners Inland Revenue, Additional Commissioners Inland Revenue, Deputy Commissioners Inland Revenue, Assistant Commissioners Inland Revenue, Inland Revenue Officers, Inland Revenue Audit Officer Officers, District Taxation Officer, Assistant Director Audit, Superintendents Inland Revenue, Auditors Inland Revenue and Inspectors Inland Revenue, shall be subordinate to the Chief Commissioners Inland Revenue.
	4		Subject to sub-section (5), Additional Commissioners Inland Revenue, Deputy Commissioner Inland Revenue, Assistant Commissioners Inland Revenue, Inland Revenue Officers, Inland Revenue Audit Officers, District Taxation Officer, Assistant Director Audit, Superintendents Inland Revenue, Auditors Inland Revenue and Inspectors Inland Revenue shall be subordinate to the Commissioners Inland Revenue.

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Finance Act 2017-18 update
207	4A		Deputy Commissioners Inland Revenue, Assistant Commissioners Inland Revenue, Inland Revenue Officers, Inland Revenue Audit Officers, District Taxation Officer, Assistant Director Audit, Superintendents Inland Revenue, Auditors Inland Revenue and Inspectors Inland Revenue shall be subordinate to the Additional Commissioners Inland Revenue.
208			Appointment of income tax authorities.
	1		The Board may appoint as many Chief Commissioners Inland Revenue, Commissioners Inland Revenue, Commissioners Inland Revenue (Appeals), Additional Commissioners Inland Revenue, Deputy Commissioners Inland Revenue, Assistant Commissioners Inland Revenue, Inland Revenue Officers, Inland Revenue Audit Officers, District Taxation Officer, Assistant Director Audit, Superintendents Inland Revenue, Inspectors Inland Revenue, Auditors Inland Revenue and such other executive or ministerial officers and staff as may be necessary.
216			Disclosure of information by a public servant. -
	3		Nothing contained in sub-section (1) shall preclude the disclosure of any such particulars -
		(ka)	Employees Old Age Benefit Institution in respect of information regarding salaries in statements furnished under section 165;" and
	5		Nothing contained in sub-section (1) shall prevent the Board from publishing, with the prior approval of Minister Incharge of the Federal Government, any such particulars as are referred to in that sub-section.
227A			Reward to officers and officials of Inland Revenue. —
	1		In cases (i) involving concealment or evasion of income tax and other taxes, cash reward shall, only after realization of part or whole of the taxes involved in such cases and (ii) for other meritorious services, be sanctioned to the officers and officials of Inland Revenue for their meritorious conduct in such cases and to the informer providing credible information leading to such detection.
227B			Reward to whistleblowers. —
	3		The claim for reward by the whistleblowers shall be rejected, if -
		(aa)	the information is not supported by any evidence.

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Finance Act 2017-18 update
230D			Directorate-General of Broadening of Tax Base.—
	1		The Directorate-General of Broadening of Tax Base shall consist of a Director-General and as many Directors, Additional Directors, Deputy Directors, 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, specify the functions, jurisdiction and powers of the Directorate-General of Broadening of Tax Base.
230E			Directorate-General of Transfer Pricing.—
	1		The Directorate-General of Transfer Pricing shall consist of a Director-General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.
	2		The function of the Directorate General of Transfer Pricing shall be to conduct transfer pricing audit: Explanation: For the removal of doubt, it is clarified that transfer pricing audit refers to the audit for determination of transfer price at arm's length in transactions between associates and is independent of audit under section 177, 214C or 214D which is audit of the income tax affairs of the taxpayer.
	3		The Board may, by notification in the official Gazette, specify the criteria for selection of the taxpayer for transfer pricing audit and may further specify functions, jurisdiction and powers of the Directorate-General of Transfer Pricing.
231B			Advance tax on private motor vehicles.—
	1A		Every leasing company or a scheduled bank or an investment bank or a development finance institution or a modaraba shall, at the time of leasing of a motor vehicle to a non filer, collect advance tax at the rate of three per cent of the value of the motor vehicle. Every leasing company or a scheduled bank or a nonbanking financial institution or an investment bank or a modaraba or a development finance institution, whether shariah compliant or under conventional mode, at the time of leasing of a motor vehicle to a non-filer, either through ijara or otherwise, shall collect advance tax at the rate of three four per cent of the value of the motor vehicle.

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Finance Act 2017-18 update
233			Brokerage and commission
	2A		Notwithstanding the provisions of sub-section (1), where the principal is making payment on account of commission to an advertising agent, directly or through electronic or print media, the principal shall deduct tax (in addition to tax required to be deducted under clause (b) of sub-section (1) of section 153 on advertising services excluding commission), at the rate specified in Division II of Part IV of the First Schedule on the amount equal to- $A \times 15 / 85$ Where A = amount paid or to be paid to electronic or print media for advertising services (excluding commission) on which tax is deductible under clause (b) of sub-section (I) of section 153.
	2B		Tax deducted under sub-section (2A) shall be final tax on the income of the advertising agent.";
233A			Collection of tax by a stock exchange registered in Pakistan.—
	2		The tax collected under clauses (a) to (b) of sub-section (1) shall be adjustable. The tax collected under sub-section (1) shall be final tax.

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Finance Act 2017-18 update
234A			CNG Stations.
	3		The tax collected under this section and under section 235 shall be a final tax on the income of a CNG station arising from the consumption of the gas referred to in sub-section (1). Explanation.— For removal of doubt, it is clarified that for the purposes of this section tax on income arising from consumption of gas referred to in sub-section (3) means the tax collected under sub-section (1) which is inclusive of sales tax and all incidental charges.
	4		The taxpayers shall not be entitled to claim any adjustment of withholding tax collected or deducted under any other head, during the tax year.
235			Electricity consumption
	2		The person preparing electricity consumption bill shall charge advance tax under sub-section (1) in the manner electricity consumption charges are charged. Explanation.— For removal of doubt, it is clarified that for the purposes of this section electricity consumption bill referred to in sub-section (2) means electricity bill inclusive of sales tax and all incidental charges.
	4		Under this section,—
		(a)	in the case of a taxpayer other than a company, tax collected upto bill amount of thirty thousand rupees per month three hundred and sixty thousand rupees per annum shall be treated as minimum tax on the income of such persons and no refund shall be allowed;
		(b)	in the case of a taxpayer other than a company, tax collected on monthly bill over and above thirty thousand rupees per month shall be adjustable; and
		(d) (c)	in the case of a company, tax collected shall be adjustable against tax liability
235A			Domestic electricity consumption.-
	1		There shall be collected advance tax at the rates specified in Division XIX of Part IV of the First Schedule on the amount of electricity bill of a domestic consumer. Explanation.— For removal of doubt, it is clarified that for the purposes of this section electricity consumption bill referred to in sub-section (2) means electricity bill inclusive of sales tax and all incidental charges.
235B			Tax on steel melters, re-rollers-ete and composite units
	1		There shall be collected tax from every steel melter, steel re-roller, and composite steel units, registered for the purpose of Chapter XI of Sales Tax Special Procedure Rules, 2007 at the rate of one rupee per unit of electricity consumed for the production of steel billets, ingots and mild steel (MS products) excluding stainless steel .

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Finance Act 2017-18 update
236C			Advance Tax on sale or transfer of immovable Property.
	1		<p>Any person responsible for registering, recording or attesting transfer of any immovable property shall at the time of registering or attesting the transfer shall collect from the seller or transferor advance tax at the rate specified in Division X of Part IV of the First Schedule :</p> <p>Provided that this sub-section shall not apply to a seller, being the dependant of a Shaheed belonging to Pakistan Armed Forces or a person who dies while in the service of the Pakistan Armed Forces or the service of Federal or Provincial Government, in respect of first sale of immovable property acquired from or allotted by the Federal Government or Provincial Government or any authority duly certified by the official allotment authority, and the property acquired or allotted is in recognition of or for services rendered by the Shaheed or the person who dies in service.</p> <p>Explanation,—For the removal of doubt, it is clarified that the person responsible for registering, recording or attesting transfer includes person responsible for registering, recording or attesting transfer for local authority, housing authority, housing society, co-operative society and registrar of properties.; and</p>
	2		<p>The Advance tax collected under sub-section (1) shall be adjustable.</p> <p>Provided further that immovable property referred to in subsection (1) is acquired and disposed of within the same tax year, the tax collected under this section shall be minimum tax.</p>
236G			Advance tax on sales to distributors, dealers and wholesalers.
	1		Every manufacturer or commercial importer of electronics, sugar, cement, iron and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint, batteries or foam sector, at the time of sale to distributors, dealers and wholesalers, shall collect advance tax at the rate specified in Division XIV of Part IV of the First Schedule, from the aforesaid person to whom such sales have been made.
236H			Advance tax on sales to retailers.
	1		Every manufacturer, distributor, dealer, wholesaler or commercial importer of electronics, sugar, cement, iron and steel products, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint, batteries or foam sector, at the time of sale to retailers ", and every distributor or dealer to another wholesaler in respect of the said sectors", shall collect advance tax at the rate specified in Division XV of Part IV of the First Schedule, from the aforesaid person to whom such sales have been made.

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Finance Act 2017-18 update
236K			Advance tax on purchase or transfer of immovable property. —
	1		Any person responsible for registering, recording or attesting transfer of any immovable property shall at the time of registering or attesting the transfer shall collect from the purchaser or transferee advance tax at the rate specified in Division XVIII of Part IV of the First Schedule. Explanation,—For the removal of doubt, it is clarified that the person responsible for registering, recording or attesting transfer includes person responsible for registering, recording or attesting transfer for local authority, housing authority, housing society, co-operative society and registrar of properties.
236W			Tax on purchase or transfer of immovable property
	1		Every person responsible for registering or attesting transfer of any immovable property shall at the time of registering, recording or attesting the transfer shall collect from the purchaser or transferee advance tax at the rate of three per cent of the amount computed under clause (c) of sub-section (4) of section 111. Explanation,—For the removal of doubt, it is clarified that the person responsible for registering, recording or attesting transfer includes person responsible for registering, recording or attesting transfer for local authority, housing authority, housing society, co-operative society and registrar of properties.
236X			Advance tax on tobacco. —
	1		Pakistan Tobacco Board, at the time of collecting cess on tobacco, directly or indirectly, shall collect advance tax at the rate of five percent of the purchase value of tobacco from every person purchasing tobacco including manufacturers of cigarettes.
	2		Tax collected under this section shall be adjustable
241			Validation. —
			All notifications and orders issued and notified, in exercise of the powers conferred upon the Federal Government, before the first day of July, 2017 shall be deemed to have been validly issued and notified in exercise of those powers, notwithstanding anything contained in any judgment of a High Court or the Supreme Court.