

Chapter / Part	Division	Clause	<b>THE FIRST SCHEDULE</b> Finance Act 2018-19 update New / inserted Omitted and deleted <u>Substituted</u>
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I	I	(i)	<p>Rates of Tax for Individuals <del>and Association of Persons</del>  <del>Subject to clause (1A), the rates of tax imposed on the taxable income of every individual and Association of Persons except a salaried taxpayer shall be as set out in the following table, namely:—</del></p> <p>The rates of tax imposed on the taxable income of every individual shall be as set out in the following table, namely:—</p>
<b>TABLE</b>			

S.No	Taxable Income	Rate of tax 2017-2018	Taxable Income	<u>Proposed Rate of tax 2018-2019</u>
1.	Where taxable income does not exceed Rs.400,000	0%	Where taxable income does not exceed Rs. 400,000	0%
2.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs. 500,000 Rs.	7% of the amount exceeding Rs.400,000	Where the taxable income exceeds Rs.4,00,000 but does not exceed Rs. 8,00,000	Rs. 1,000
3.	Where the taxable income exceeds Rs.500,000 but does not exceed Rs.750,000	Rs. 7,000 + 10% of the amount exceeding Rs.500,000	Where the taxable income exceeds Rs.8,00,000 but does not exceed Rs. 12,00,000	Rs. 2,000
4.	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.1,500,000	Rs.32,000+15% of the amount exceeding Rs. 750,000	Where the taxable income exceeds Rs.12,00,000 but does not exceed Rs.24,00,000	5% of the amount exceeding Rs.12,00,000
5.	Where the taxable income exceeds Rs.1,500,000 but does not exceed Rs.2,500,000	Rs.144,500 + 20% of the amount exceeding Rs.1,500,000.	Where the taxable income exceeds Rs.24,00,000 but does not exceed Rs.48,00,000	Rs. 60,000 + 10% of the amount exceeding Rs.24,00,000
6.	Where the taxable income exceeds Rs.2,500,000 but does not exceed Rs. 4,000,000	Rs.344,500 + 25% of the amount exceeding Rs.2,500,000	Where the taxable income exceeds Rs.48,00,000	Rs. 300,000 + 15% of the amount exceeding Rs.48,00,000

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7.	Where the taxable income exceeds Rs. 4,000,000 but does not exceed Rs. 6,000,000	Rs. 719,500 + 30% of the amount exceeding Rs. 4,000,000	
8.	Where the taxable income exceeds Rs. 6,000,000	Rs. 1,319,500 + 35% of the amount exceeding Rs. 6,000,000 and	

			Provided that where the taxable income exceeds eight hundred thousand rupees the minimum tax payable shall be two thousand rupees;

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		(ii)	<p><del>Subject to clause (1A), the rates of tax imposed on the taxable income of every individual and Association of Persons except a salaried taxpayer shall be as set out in the following table, namely:—</del></p> <p>The rates of tax imposed on the taxable income of every Association of Persons shall be as set out in the following table, namely:—</p>
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TABLE

S.No	Taxable Income	Rate of tax 2017-2018	Taxable Income	<u>Proposed Rate of tax 2018-2019</u>
1.	Where taxable income does not exceed Rs.400,000	0%	Where taxable income does not exceed Rs. 400,000	0%
2.	Where the taxable income exceeds Rs.400,000 but does not exceed Rs. 500,000 Rs.	7% of the amount exceeding Rs.400,000	Where the taxable income exceeds Rs.4,00,000 but does not exceed Rs. 1,200,000	5% of the amount exceeding Rs. 400,000
3.	Where the taxable income exceeds Rs.500,000 but does not exceed Rs.750,000	Rs. 7,000 + 10% of the amount exceeding Rs.500,000	Where the taxable income exceeds Rs.1,200,000 but does not exceed Rs.2,400,000	Rs.40,000 + 10% of the amount exceeding Rs.1,200,000
4.	Where the taxable income exceeds Rs.750,000 but does not exceed Rs.1,500,000	Rs.32,000+15% of the amount exceeding Rs. 750,000	Where the taxable income exceeds Rs. 2,400,000 but does not exceed Rs.3,600,000	Rs.160,000 + 15% of the amount exceeding Rs.2,400,000
5.	Where the taxable income exceeds Rs.1,500,000 but does not exceed Rs.2,500,000	Rs.144,500 + 20% of the amount exceeding Rs.1,500,000.	Where the taxable income exceeds Rs.3,600,000 but does Not exceed Rs.4,800,000	Rs.340,000 + 20% of the amount exceeding Rs.3,600,000
6.	Where the taxable income exceeds	Rs.344,500 + 25%	Where the taxable	Rs. 300,000 +

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	Rs.2,500,000 but does not exceed Rs. 4,000,000	of the amount exceeding Rs.2,500,000	income exceeds Rs.48,00,000	15% of the amount exceeding Rs.48,00,000
7.	Where the taxable income exceeds Rs. 4,000,000 but does not exceed Rs. 6,000,000	Rs. 719,500 + 30% of the amount exceeding Rs. 4,000,000	Where the taxable income exceeds Rs. 4,800,000 but does not exceed Rs.6,000,000	Rs.580,000 + 25% of the amount exceeding Rs.4,800,000
8.	Where the taxable income exceeds Rs. 6,000,000	Rs. 1,319,500 + 35% of the amount exceeding Rs. 6,000,000 and	Where the taxable income exceeds Rs.6,000,000	Rs.880,000 + 30% of the amount exceeding Rs.6,000,000;

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	II		Rates of Tax for Companies														
		(i)	<p>The rate of tax imposed on the taxable income of a company for the tax year 2007 and onward shall be 35%.</p> <p>Provided that the rate of tax imposed on the taxable income of a company other than a banking company, shall be 34% for the tax year 2014</p> <p>Provided further that the rate of tax imposed on the taxable income of a company, other than a banking company, shall be 33% for the tax year 2015</p> <p>Provided further that the rate of tax imposed on taxable income of a company, other than banking company shall be 32% for the tax year 2016, 31% for tax year 2017 and 30% for tax year 2018 and onwards thereafter as set out in the following Table namely :-</p> <table border="1"> <thead> <tr> <th colspan="2">TABLE</th> </tr> <tr> <th>Tax Year</th> <th>Rate of Tax</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>29%</td> </tr> <tr> <td>2020</td> <td>28%</td> </tr> <tr> <td>2021</td> <td>27%</td> </tr> <tr> <td>2022</td> <td>26%</td> </tr> <tr> <td>2023 and onwards</td> <td>25%</td> </tr> </tbody> </table>	TABLE		Tax Year	Rate of Tax	2019	29%	2020	28%	2021	27%	2022	26%	2023 and onwards	25%
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		(ii)	<p>Where the taxpayer is a small company as defined in section 2, tax shall be payable at the rate of 25%.</p> <p>Provided that for tax year 2019 and onwards tax rates shall be as set out in the following Table, namely :-</p> <table border="1"> <thead> <tr> <th colspan="2">TABLE</th> </tr> <tr> <th>Tax Year</th> <th>Rate of Tax</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>24%</td> </tr> <tr> <td>2020</td> <td>23%</td> </tr> <tr> <td>2021</td> <td>22%</td> </tr> <tr> <td>2022</td> <td>21%</td> </tr> <tr> <td>2023 and onwards</td> <td>20%</td> </tr> </tbody> </table>	TABLE		Tax Year	Rate of Tax	2019	24%	2020	23%	2021	22%	2022	21%	2023 and onwards	20%
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**DIVISION II**  
Rates of Super Tax

Table

S.No	Person	Rate of super tax			
		Rate (percentage of income)			
		Tax Year 2018	Tax Year 2019	Tax Year 2020	Tax Year 2021
(1)	(2)	(3)	(4)	(5)	(6)
1	Banking company	4% 0%	3% 4%	2% 3%	0% 2%
2	Person other than a banking company, having income equal to or exceeding Rs. 500 million	3%	2%	1%	0%
		Provided that in case of a banking company, super tax for tax year 2019 shall be payable, on estimate basis, by thirtieth day of June, 2018;			

**DIVISION III**  
Rate of Dividend Tax

The rate of tax imposed under section 5 on dividend received from a company shall be-

- (a) 7.5% in the case of dividends declared or distributed by purchaser of a power project privatized by WAPDA or on shares of a company set up for power generation or on shares of a company, supplying coal exclusively to power generation projects; and
- (b) 15%, in cases other than mentioned in clauses (a) and (c);
- (c) 12.5% in case of dividend received by a person from a mutual mutual fund if the amount of dividend is above 2.5 million and 10% if the amount of dividend is less than or equal to 2.5 million.

Provided that the dividend received by a person from a stock fund shall be taxed at the rate of 12.5% for tax year 2015 and onwards, if dividend receipts are less than capital gains:

Provided further that the dividend received by a company from a collective investment scheme, REIT Scheme or a mutual fund, other than a stock fund, shall be taxed at the rate of ~~25%~~ 15% for tax year 2015 and onwards:

Provided also that if a Developmental REIT Scheme with the object of development and construction of residential buildings is set up by thirtieth day of June, ~~2018~~ 2020, tax imposed on dividend received by a person from such Developmental REIT Scheme shall be reduced by fifty percent for three years from ~~thirtieth day of June, 2018~~ the date of setting up of the said scheme.

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## DIVISION IV

### Rate of Tax on Certain Payments to Non-residents

The rate of tax imposed under section 6 on payments to non-residents shall be 15% of the gross amount of the royalty or fee for technical services and 5% of the gross amount of the fee for offshore digital services.

I	VII	<b>CAPITAL GAINS ON DISPOSAL OF SECURITIES</b>
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The rate of tax to be paid under section 37A shall be as follows:-

TABLE

S.No	Period	Tax Year 2015	Tax Year 2016	Tax Year 2017		Tax Year 2018 and 2019			
				Filer	Non-filer	Securities acquired before 01.07.2016		Securities acquired after 01.07.2016	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Where holding period of a security is less than twelve months	12.5%	15%	15%	18%	15%	18%	15%	20%
2	Where holding period of a security is twelve months or more but less than twenty-four Months	10%	12.5%	12.5%	16%	15%	16%	15%	20%
3	Where holding period of a security is twenty-four months or more but the security was acquired on or after 1st July, 2013	0%	7.5%	7.5%	11%	15%	11%	15%	20%
4	Where the security was acquired before 1st July, 2013	0%	0%	0%	0%	0%	0%	0%	0%
5	Future commodity contracts entered into by members of Pakistan Mercantile Exchange.	0%	0%	5%	5%	5%	5%	5%	5%

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I	VIII		<b>CAPITAL GAINS ON DISPOSAL OF IMMOVABLE PROPERTY</b>
			The rate of tax to be paid under sub-section (1A) of section 37 shall be as follows:-
S.No	Period		Rate of Tax
(1)	(2)		(3)
For immovable property allotted to persons mentioned in <del>sub-section (4)</del> the proviso to sub-section (1) of section 236C.			
1	Immovable property is held irrespective of the holding period.		0%
For immovable property acquired on or after July 1, 2016, other than those mentioned against S. No. :			
2	Where holding period of immovable property is up to one year.		10%
3	Where holding period of immovable property is more than or equal to one year but less than two years.		7.5%
4	Where holding period of immovable property is more than or equal to two years but less than three years.		5%
5	Where holding period of immovable property is more than three years.		0%
For immovable property acquired before July 1, 2016, other than those mentioned against S. No. :			
6	Where holding period of immovable property is up to three years.		5%
7	Where holding period of immovable property is more than three years:		0%

Provided that gain arising on the disposal of immovable property by a person in a tax year to a Rental REIT Scheme shall be taxed at the rate of five percent upto thirtieth day of June, 2019, irrespective of the holding period.

Provided that rate of tax to be paid under sub-section (1A) of section 37 shall be reduced by fifty per cent on the first sale of immovable property acquired or allotted to ex-servicemen and serving personnel of Armed Forces or ex-employees or serving personnel of Federal and Provincial Governments, being original allottees of the immovable property, duly certified by the allotment authority.

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## PART II

### RATES OF ADVANCE TAX

(See Division II of Part V of Chapter X)

The rate of advance tax to be collected by the Collector of Customs under section 148 shall be-

S.No	Persons	Rate	
		Filer	Non-Filer
(1)	(2)	(3)	
1	(i) Industrial undertaking importing re-meltable steel PCT Heading 72.04 and directly reduced iron for its own use; (ii) Persons importing potassic fertilizers in pursuance of Economic Coordination Committee of the cabinet's decision No. ECC-155/12/2004 dated the 9th December, 2004; (iii) Persons importing urea; and (iv) Manufacturers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31st December, 2011 and importing items covered under S.R.O. 1125(I)/2011 dated the 31st December, 2011. (v) Person importing Gold; and (vii) <del>Person importing Cotton</del> Person importing LNG; and (viii) Designated buyer of LNG on behalf of Government of Pakistan to import LNG.	1% of import value as increased by customs-duty, sales tax and federal excise duty	1.5% of the import value as Increased by Customs duty, sales tax and Federal excise duty
2	Persons importing pulses	2% of import value as increased by customs-duty, sales tax and federal excise duty	3% of the import value as increased by customs duty, sales tax and federal excise duty
3	Commercial importers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31st December, 2011 and importing items covered under S.R.O. 1125(I)/2011 dated the 31 <sup>st</sup> December, 2011.	3% of import value as increased by customs-duty, sales tax and federal excise duty	4.5% of the Import value as Increased by Customs duty, sales tax and Federal excise duty
<b>3A</b>	<b>Persons importing coal</b>	<b>4%</b>	<b>6%</b>
4	Ship breakers on import of ships	4.5%	6.5%
5	Industrial undertakings not covered under S. Nos. 1 to 4	5.5%	8%
6	Companies not covered under S. Nos. 1 to 5	5.5%	8%
7	Persons not covered under S. Nos. 1 to 6	6%	9%

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## PART III

### DEDUCTION OF TAX AT SOURCE (See Division III of Part V of Chapter X)

#### Division I

##### Advance Tax on Dividend

The rate of tax to be deducted under section 150 and 236S shall be-

- (a) 7.5% in the case of dividends declared or distributed by purchaser of a power project privatized by WAPDA or on shares of a company set up for power generation or on shares of a company, supplying coal exclusively to power generation projects;
- (b) 12.5% for filers other than mentioned in (a) above;
- (c) 20% for non-filers other than mentioned in (a) above;

Provided that the rate of tax required to be deducted by a collective investment scheme, REIT Scheme or a mutual fund shall be;

Person	Stock Fund	Money market Fund, Income Fund or REIT scheme or any other fund	
		Filer	Non-Filer
Individual	12.5%	12.5%	15%
Company	12.5%	<del>25%</del> 15%	25%
AOP	12.5%	12.5%	15%

Provided further that in case of a stock fund if dividend receipts of the fund are less than capital gains, the rate of tax deduction shall be 12.5%

Provided further that if a Developmental REIT Scheme with the object of development and construction of residential buildings is setup by thirtieth day of June, ~~2018~~ 2020, rate of tax on dividend received by a person from such Developmental REIT Scheme shall be reduced by fifty percent for three years from ~~thirtieth day of June, 2018~~ the date of setting up of the said Scheme:

Provided further that the rate of tax on dividend received by a person, other than a company, from a money market mutual fund shall be 10%, if the amount of dividend does not exceed two and a half million Rupees.

**Provided also that the rate of tax on dividend received by an individual, from a Rental REIT Scheme shall be 7.5%**

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III	III		Payments for Goods or Services
		1	<p>The rate of tax to be deducted from a payment referred to in clause (a) of sub-section (1) of section 153 shall be -</p> <p>(a) in the case of the sale of rice, cotton seed or edible oils, 1.5% of the gross amount payable; or Explanation:- For the removal of doubt, it is clarified that "cotton seed and edible oils" means cotton seed oil and edible oils.</p> <p>(ab) in the case of supplies made by the distributor of fast moving consumer goods,— (i) in case of a company, 2% of the gross amount payable; and (ii) in any other case, 2.5% of the gross amount payable.</p> <p>(b) in the case of sale of goods,— (i) in case of a company, 4% of the gross amount payable, if the company is a filer and <del>7%</del> 8% if the company is a non-filer; and (ii) in any other case, 4.5% of the gross amount payable, if the person is a filer and <del>7.75%</del> 9% if the person is a non-filer:</p>
		2	<p>The rate of tax to be deducted from a payment referred to in clause (b) of sub-section (1) of section 153 shall be —</p> <p>(i) in the case of transport services, two per cent of the gross amount payable; or (ii) in the case of rendering of or providing of services, —</p> <p>(a) in case of a company, 8% of the gross amount payable, if the company is a filer and 14.50 % if the company is a non-filer; and (b) in any other case, 10% of the gross amount payable, if the person is a filer and 17.50% if the person is a non-filer; (c) in respect of persons making payments to electronic and print media for advertising services,—</p> <p>(i) in case of a filer, 1.5% of the gross amount payable; and (ii) in case of a non-filer, 12% of the gross amount payable, if the non-filer is a company and 15% if the non-filer is other than a company;</p>

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		3	The rate of tax to be deducted from a payment referred to in clause (c) of sub-section (1) of section 153 shall be-  (i) 10% of the gross amount payable in case of sportspersons; (ii) in case of a company, 7% of the gross amount payable, if the company is a filer and <del>12%</del> 14% if the company is a non-filer; and (iii) in any other case, 7.5% of the gross amount payable, if the person is a filer and <del>12.5%</del> 15% if the person is a non-filer.
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IV	XI		<b>Advance tax on functions and gatherings</b>
			The rate of tax to be collected under each sub-sections (1) and (2) of section 236D shall be 5 % ;  Provided that the rate for the function of marriage in a marriage hall, marquee, hotel, restaurant, commercial lawn, club, a community place or any other place used for such purpose shall be as set out in the Table below:

**TABLE**

S.No	Rate of Tax	
(1)	(2)	(3)
1.	5% of the bill ad valorem or Rs. 20,000 Per function, whichever is higher	For Islamabad, Lahore, Multan, Faisalabad, Rawalpindi, Gujranwala, Bahawalpur, Sargodha, Sahiwal, Shekhpura, Dera Ghazi Khan, Karachi, Hyderabad, Sukkur, Thatta, Larkana, Mirpur Khas, Nawabshah, Peshawar, Mardan, Abbottabad, Kohat, Dera Ismail Khan, Quetta, Sibi, Loralai, Khuzdar, Dera Murad Jamali and Turbat.
2	5% of the bill ad valorem or Rs. 10,000 per function, whichever is higher	For cities other than those mentioned above";

IV	XVA		<b>Advance tax on sale of certain petroleum products</b>
			The rate of collection of tax under section 236HA shall be 0.5% of ex-depot sale price for filers and 1% for non-filers."; and

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IV	XXI		Advance tax on Banking Transaction Otherwise Than through Cash
			The rate of tax to be collected under section 236P shall be <del>0.6%</del> 0.4% of the transaction for non-filers.
			Provided that the rate specified in this Division for the period it deems appropriate shall be 0.3 per cent for the period commencing from the 11th day of July, 2015 and ending on the 30th day of September, 2015 (both days inclusive) or till the date as the Board with the approval of Federal Minister-in-charge] may, by notification in the official Gazette on recommendation of the Economic Coordination Committee of the Cabinet, extend

<span style="background-color: yellow;">IV</span>	<span style="background-color: yellow;">XXVII</span>		<span style="background-color: yellow;">Advance tax on amount remitted abroad through credit, debit or prepaid cards</span>
			<span style="background-color: yellow;">The rate of tax to be deducted under section 236Y shall be 1% of the gross amount remitted abroad for filers and 3% for non-filers</span>