

| Chapter / Part | Clause | Sub-Clause | <p align="center">THE SECOND SCHEDULE NEW / inserted Omitted and deleted Substituted The Tax Laws (Second Amendment) Ordinance 2019</p> |
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| I | | | <p align="center">EXEMPTIONS FROM TOTAL INCOME</p> |
| | 103C | | <p><u>Dividend income derived by a company, if the recipient of the dividend, for the tax year is eligible for group relief under section 59B, computed according to the following formula-</u></p> <p><u>AxB/C</u></p> <p><u>Where</u></p> <p><u>A is the amount of dividend;</u></p> <p><u>B is the shareholding of the company receiving the dividend in the company distributing the dividend; and</u></p> <p><u>C is the total ordinary share capital of the company distributing the dividend.</u></p> |
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| II | | | <p align="center">REDUCTION IN TAX RATES</p> |
| | 28D | | <p>The rate of minimum tax under section 113 for tax year 2020 shall be 0.5% in the case of a trader having turnover upto one hundred million Rupees;</p> <p>Provided that the tax liability of traders for tax year 2019 and 2020 in case of traders who filed return of income for tax year 2018 shall not be less than the tax paid for the tax year 2018.</p> <p>Explanation - For the purpose of this clause, "trader" shall mean an individual engaged in business of buying and selling of goods in the same state including a retailer and a wholesaler but shall not include a distributor.</p> |
| | (28E) | | <p>The rate of minimum tax under section 113 for tax year 2020 shall be 0.50% in case of trader of yarn being an individual.'</p> |
| III | | | <p align="center">REDUCTION IN TAX LIABILITY</p> |
| | (9A) | | <p>The amount of tax payable on income chargeable under the head, "Capital Gains" on disposal of immovable property shall be reduced by fifty percent 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.";</p> <p>Provided that for capital gains arising after completion of three years from the date of acquisition of immovable property the amount of the payable shall be reduced by seventy-five percent.";</p> |

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| IV | | | EXEMPTION FROM SPECIFIC PROVISIONS |
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| | (45A) | (a) | <p>The rate of deduction of withholding tax under clauses (a) and (b) of sub-section (1) of section 153 shall be one per cent on local sales, supplies and services provided or rendered to the 3[taxpayers falling in the]following categories namely:-</p> <p>(i) textile and articles thereof; (ii) carpets; (iii) leather and articles thereof including artificial leather footwear; (iv) surgical goods; and (v) sports goods;</p> <p><u>Provided that withholding tax under clauses (a) and (b) of sub-section (1) of section 153 shall not be deducted from sales, supplies and services made by traders of yarn to the above mentioned categories of taxpayers. Such traders of yarn shall pay minimum tax @ 0.1% on their annual turnover on monthly basis on 30th day of each month and monthly withholding tax statement shall be e-filed under the provisions of section 165 of this Ordinance.</u></p> <p>Provided that the rate of deduction of withholding tax under clauses (a) and (b) of sub-section (1) of section 153 shall be 0.5% on local sales, supplies and services made by traders of yarn to the above mentioned categories of taxpayers."</p> |
| | | (b) | <p>provisions of clause (a) of sub-section (1) of section 111 of this Ordinance shall not apply to the amounts credited in the books of accounts maintained for the period ending on the 30th June 2011, by the sellers, suppliers, service providers to the categories of sales tax zero-rated taxpayers, as mentioned in sub-clause (a); and</p> |
| | | (c) | <p><u>provisions of sub-clauses (a) and (b) shall be applicable only to the cases of sellers, suppliers, service providers of the above mentioned categories of sales tax zero-rated taxpayers, who are already registered and to those taxpayers who get themselves registered by the 30th June, 2011.</u></p> |
| | (66) | | <p>The provisions of section 235 shall not be applicable to the taxpayers <u>who fall under the zero rated regime of sales tax and</u> registered with sales tax as exporters or manufacturer of –</p> <p>(a) carpets; (b) leather and articles thereof including artificial leather footwear; (c) surgical goods; (d) sports goods; and (e) textile and articles thereof.</p> |

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| | (72B) | | <p>The provisions of section 148 shall not apply to an industrial undertaking if the tax liability for the current tax year, on the basis of determined tax liability for any of the preceding two tax years, whichever is the higher, has been paid in the manner as may be prescribed and a certificate to this effect is issued by the concerned Commissioner.</p> <p>Provided that the certificate shall only be issued by the Commissioner if an application for the said certificate is filed before the Commissioner, in the manner and after fulfilling the conditions as specified by notification in the official Gazette, issued by the Board for the purpose of this clause;</p> <p>Provided further that the Commissioner shall be deemed to have issued the exemption certificate in case where the certificate is automatically processed and issued by IRIS upon expiry of prescribed time period;</p> <p>Provided also that the Commissioner may modify or cancel the certificate may modify or cancel the certificate issued automatically by IRIS on the basis of reasons to be recorded in writing after providing an opportunity of being heard.";</p> <p>"Provided further that the quantity of raw material to be imported which is sought to be exempted from tax under section 148 shall not exceed 6[125] per cent of the quantity of raw material imported and consumed during the previous tax year:</p> <p>Provided also that the Commissioner shall conduct audit of taxpayer's accounts during the financial year in which the certificate is issued in respect of consumption, production and sales of the latest tax year for which return has been filed and the taxpayer shall be treated to have been selected for audit under section 214C:</p> <p>Provided also if the taxpayer fails to present accounts or documents to the Commissioner or the officer authorized by the Commissioner, the Commissioner shall, by an order in writing, cancel the certificate issued and shall proceed to recover the tax not collected under section 148 for the period prior to such cancellation and all the provisions of the Ordinance shall apply accordingly;</p> <p>Provided also that exemption certificate shall not be issued to an industrial undertaking importing raw materials, specified in sub-section (8) of section 148.</p> |
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| | (112) | | The provision of section 236P shall not apply in special convertible rupee account (SCRA) of a non resident company having no permanent establishment in Pakistan. |
| | (113) | | The provision of sub-section (5B) of sections 147 shall not apply in respect of capital gains arising to a non-resident company having no permanent establishment in Pakistan from investment in debt instruments and Government securities including treasury bills and Pakistan investment bonds through special convertible rupee account (SCRA) maintained with a banking company or financial institution in Pakistan. |
| | (114) | | The provisions of section 115(4) and 181 shall not apply to a non-resident company having no permanent establishment in Pakistan solely by reason of capital gain or profit on debt earned from investments in debt securities and Government securities including treasury bills and Pakistan investment bonds through special convertible rupee account maintained with a banking company or financial institution in Pakistan. |
| | (115) | | The provisions of section 153 shall not apply to traders being individuals having turnover upto on hundred million Rupees as a prescribed person. Explanation - Trader in this clause shall have the meaning as provided in clause (28D) of Part II of the Second Schedule."; and |
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