

Chapter / Part	Division	Clause	THE FIRST SCHEDULE Gazette Finance Act 2020 New / inserted Omitted and deleted <u>Substituted</u>
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I	VII		CAPITAL GAINS ON DISPOSAL OF SECURITIES
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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 ,2019 , 2020 and onwards		
					Securities acquired before 01.07.2016	Securities acquired after 01.07.2016	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1	Where holding period of a security is less than twelve months	12.5%	15%	15%	15%	15%	
2	Where holding period of a security is twelve months or more but less than twenty-four Months	10%	12.5%	12.5%	12.50%	15%	
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%	7.5%	15%	
4	Where the security was acquired before 1st July, 2013	0%	0%	0%	0%	0%	
5	Future commodity contracts entered into by members of Pakistan Mercantile Exchange.	0%	0%	5%	5%	5%; and	

I	VIII		CAPITAL GAINS ON DISPOSAL OF IMMOVABLE PROPERTY
			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)
1	Where the gain does not exceed Rs. 5 million	2.5% 5%
2	Where the gain exceeds Rs. 5 million but does not exceed Rs. 10 million	5% 10%
3	Where the gain exceeds Rs. 10 million but does not exceed Rs. 15 million	7.5% 15%
4	Where the gain exceeds Rs. 15 million	10% 20% ; and

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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
(1)	(2)	(3)
1	Persons importing goods classified in Part I of the Twelfth Schedule	1% of the import value as increased by customs-duty, sales tax and federal excise duty
2	Persons importing goods classified in Part II of the Twelfth Schedule	2% of the import value as increased by customs-duty, sales tax and federal excise duty
3	Persons importing goods classified in Part III of the Twelfth Schedule	5.5% of the import value as increased by customs-duty, sales tax and federal excise duty";

		Provided that the rate specified in column (3),—
	(a)	in case of manufacturers covered under rescinded Notification No. S.R.O. 1125(I)/2011 dated the 31st December, 2011 as it stood on the 28th June, 2019 on import of items covered under the aforementioned S.R.O. shall be 1%;
	(b)	in case of persons importing finished pharmaceutical products that are not manufactured otherwise in Pakistan, as certified by the Drug Regulatory Authority of Pakistan shall be 4%;
		Provided further that the rate of tax on value of import of mobile phone by any person shall be as set out in the following table, namely:
TABLE		

S.No	C & F Value of mobile phone (in US Dollar)	Tax (in Rs.)	
		In CBU condition PCT Heading 8517.1219	In CKD / SKD condition under PCT Heading 8517.1211
(1)	(2)	(3)	(4)
1	Up to 30 except smart phones	70	0
2	Exceeding 30 and up to 100 and smart phones up to 100	100	0
3	Exceeding 100 and up to 200	930	0
4	Exceeding 200 and up to 350	970	0
5	Exceeding 350 and up to 500	3,000	5,000
6	Exceeding 500	5,200	11,500

Chapter / Part	Division	Clause	THE FIRST SCHEDULE <small>Gazette Finance Act 2020</small> New / inserted Omitted and deleted Substituted
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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 case of dividend paid by Independent Power Purchasers where such dividend is a pass through item under an Implementation Agreement or Power Purchase Agreement or Energy Purchase Agreement and is required to be re-imbursed by Central Power Purchasing Agency (CPPA-G) or its predecessor or successor entity.”;
- (b) 15% in mutual funds and cases other than those mentioned in clauses (a) and (ba); and ; and 12.5% other than mentioned in (a) above;
- (ba) 25% in case of a person receiving dividend from a company where no tax is payable by such company, due to exemption of income or carry forward of business losses under Part VIII of Chapter III or claim of tax credits under Part X of Chapter III.

Division IA

Profit on Debt

The rate of tax to be deducted under section 151 shall be 15% of the yield or profit:

Provided that the rate shall be 10% in cases where the taxpayer furnishes a certificate to the payer of profit that during the tax year yield or profit paid is rupees five hundred thousand rupees or less

Division IB

Return on Investment in Sukuks

The rate of tax to be deducted under section 150A shall be—

- (a) 25% 15% in case the sukuk-holder is a company;
- (b) 12.5% in case the sukuk-holder is an individual or an association of person, if the return on investment is more than one million;
- (c) 10% in case the sukuk-holder is an individual and an association of person, if the return on investment is less than one million; and

Chapter / Part	Division	Clause	THE FIRST SCHEDULE <small>Gazette Finance Act 2020</small> New / inserted Omitted and deleted Substituted
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Division II

Payments to non-residents

- (1) The rate of tax to be deducted from a payment referred to in sub-section (1A) of section 152 shall be 7% of the gross amount payable.
- (1A) The rate of tax to be deducted from payments referred to in sub-section (1AA) of section 152, shall be 5% of the gross amount paid.
- (2) The rate of tax to be deducted under sub-section (2) of section 152 shall be 20% of the gross amount paid.
- (3) The rate of tax to be deducted under sub-section (1AAA) of section 152, shall be 10% of the gross amount paid.
- (4) The rate of tax to be deducted from a payment referred to in clause (a) of sub-section (2A) of section 152 shall be—
 - (i) in case of a company, 4% of the gross amount payable,; and
 - (ii) in any other case, 4.5% of the gross amount payable,.
- (5) The rate of tax to be deducted from a payment referred to in clause (b) of sub-section (2A) of section 152 shall be—
 - (i) 3% of the gross amount payable, in the cases of transport services, freight forwarding services, air cargo services, courier services, manpower outsourcing services, hotel services, security guard services, software development services, IT services and IT enabled services as defined in clause (133) of Part I of the Second Schedule, tracking services, advertising services (other than by print or electronic media), share registrar services, car rental services, building maintenance services, services rendered by Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited inspection and certification, testing and training services;"; and in the case of transport services, two per cent of the gross amount payable; or
 - (ii) in cases other than transport sub-paragraph (i),—
 - (a) in case of a company, 8% of the gross amount payable,; and
 - (b) in any other case, 10% of the gross amount payable,;
- (6) The rate of tax to be deducted from a payment referred to in clause (c) of sub-section (2A) of section 152 shall be,—
 - (i) 10% of the gross amount payable in case of sportspersons;
 - (ii) 7% of the gross amount payable.;

Chapter / Part	Division	Clause	THE FIRST SCHEDULE <small>Gazette Finance Act 2020</small> New / inserted Omitted and deleted Substituted
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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 including toll manufacturing,— (i) in case of a company, 4% of the gross amount payable,; and (ii) in any other case, 4.5% of the gross amount payable,;</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. 3% of the gross amount payable, in the cases of transport services, freight forwarding services, air cargo services, courier services, manpower outsourcing services, hotel services, security guard services, software development services, IT services and IT enabled services as defined in clause (133) of Part I of the Second Schedule, tracking services, advertising services (other than by print or electronic media), share registrar services, engineering services, warehouse services, services rendered by asset management companies, data services provided under license issued by the Pakistan Telecommunication Authority, telecommunication infrastructure (tower) services, car rental services, building maintenance services, services rendered by Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited inspection, certification, testing and training services;</p>

Chapter / Part	Division	Clause	THE FIRST SCHEDULE Gazette Finance Act 2020 New / inserted Omitted and deleted <u>Substituted</u>
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PART IV

Division VIII

Advance tax at the time of sale by auction

The rate of collection of tax under section 236A shall be 10% of the gross sale price of any property or goods sold by auction.

Provided that in case of immovable property sold by auction, the rate of collection of tax under this section shall be 5% of the gross sale price.

IV			Deduction or Collection of Advance Tax
	X		Advance tax on sale or transfer of Immovable property
			The rate of tax to be collected under section 236C shall be 1 % of the gross amount of the consideration received.

IV			Deduction or Collection of Advance Tax
	XIII		The rate of tax to be collected under section 236F in the case of Cable Television Operator shall be as follows:—

IV			Deduction or Collection of Advance Tax
	XVII		Advance tax on dealers, commission agents and arhatis, etc.
			The amount of collection of tax under section 236J shall be as set out in the following Table, namely:—

TABLE

Group or Class	Amount of tax (per annum)
Group or Class A	Rs. 100,000
Group or Class B	Rs. 75,000
Group or Class C	Rs. 50,000
Any other category	Rs. 50,000

IV			Deduction or Collection of Advance Tax
	XXIV		Collection of advance tax on education related expenses remitted abroad
			Rate of collection of tax under section 236R shall be 5percent of the amount of total education related expenses.

Chapter / Part	Division	Clause	THE FIRST SCHEDULE Gazette Finance Act 2020 New / inserted Omitted and deleted Substituted
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IV			Deduction or Collection of Advance Tax
	XXV		ADVANCE TAX ON INSURANCE PREMIUM
			The rate of tax to be collected from the person whose name is not appearing in the active taxpayers' list under section 236U shall be as under:-

TABLE

S.No	Type of Premium	Rate
(1)	(2)	(3)
1.	General insurance premium	4%
2.	Life insurance premium if exceeding Rs 0.3 million in aggregate per annum	1%
3.	Others	0%

IV	XXVI		Advance Tax on Extraction of Minerals
			The rate of tax to be collected under section 236V shall be 5% of the value of the minerals for the person whose name is not appearing in the active taxpayers' list.