

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

2			Definitions
		(1B)	"amalgamation" means the merger of one or more banking companies or non-banking financial institutions, or insurance companies, or companies owning and managing industrial undertakings or companies engaged in providing services and not being a trading company or companies in either case at least one of them being a public company, or a company incorporated under any law, other than Companies Ordinance, 1984 (XLVII of 1984) Companies Act, 2017 (XIX of 2017) , for the time being in force, (the company or companies which so merge being referred to as the "amalgamating company" or companies and the company with which they merge or which is formed as a result of merger, as the "amalgamated company") in such manner that -
		(10A)	"business bank account" means a bank account utilized by the taxpayer for business transaction declared to the Commissioner through original or modified registration form prescribed under section 181;
		(13AA) (13AB)	"consumer goods" means goods that are consumed by the end consumer rather than used in the production of another good;
		(13AA)	concealment of income includes -
			<ul style="list-style-type: none"> a) the suppression of any item of receipt liable to tax in whole or in part, or failure to disclose income chargeable to tax; b) claiming any deduction or any expenditure not actually incurred; and c) any act referred to in sub-section (1) of section 111. d) claiming of any income or receipt as exempt which is otherwise taxable. <p>Explanation.- For the removal of doubt, it is clarified that where any item of receipt declared by the taxpayer is claimed as exempt from tax, or where any deduction in respect of any expenditure is claimed, mere disallowance of such claim shall not constitute concealment of income or the furnishing of inaccurate particulars of income, unless it is proved that the taxpayer deliberately claimed exemption from tax in respect of the aforesaid item of receipt or claimed deduction in respect of such expenditure not actually incurred by him."</p>
		(29)	"income" includes any amount chargeable to tax under this Ordinance, any amount subject to collection or deduction of tax under section 148,150, 152(1), 153, 154, 156, 156A, 233, 233A ¹ , sub-section (5) of section 234 and any amount treated as income under any provision of this Ordinance and any loss of income

¹ Collection of tax by a stock exchange registered in Pakistan.—

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		(29C)	<p>“Industrial undertaking” means —</p> <p>(a) an undertaking which is set up in Pakistan and which employs,—</p> <ol style="list-style-type: none"> i. ten or more persons in Pakistan and involves the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal energy; or ii. twenty or more persons in Pakistan and does not involve the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal energy; <p>and which is engaged in,—</p> <ol style="list-style-type: none"> (i) the manufacture of goods or materials or the subsection of goods or materials to any process which substantially changes their original condition; or (ii) ship-building; or (iii) generation, conversion, transmission or distribution of electrical energy, or the supply of hydraulic power; or (iv) the working of any mine, oil-well or any other source of mineral deposits; <p>(aa) from the 1st day of May, 2020, a person directly involved in the construction of buildings, roads, bridges and other such structures or the development of land, to the extent and for the purpose of import of plant and machinery to be utilized in such activity, subject to such conditions as may be notified by the Board;</p> <p>(ab) from the first day of July, 2020 a resident company engaged in the hotel business in Pakistan;</p> <p>(b) any other industrial undertaking which the Board may by notification in the official gazette, specify.</p> <p>(c) Telecommunication companies operating under the license of Pakistan Telecommunication Authority (PTA).</p>
		(30AD)	Information Technology (IT) services include software development, software maintenance, system integration, web design, web development, web hosting and network design; and
		(30AE)	IT enabled services include inbound or outbound call centres, medical transcription, remote monitoring, graphics design, accounting services, Human Resource (HR) services, telemedicine centers, data entry operations, cloud computing services, data storage services, locally produced television programs and insurance claims processing;

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		(59A) (59AB)	<p>"Small Company" means a company registered on or after the first day of July, 2005, under the Companies Ordinance, 1984 (XLVII) of 1984, which,—</p> <p>(i) has paid up capital plus undistributed reserves not exceeding fifty million rupees;</p> <p>(ia) has employees not exceeding two hundred and fifty any time during the year;</p> <p>(ii) has annual turnover not exceeding two hundred and fifty million rupees; and</p> <p>(iii) is not formed by the splitting up or the reconstitution of company already in existence; and</p> <p>(iv) is not a small and medium enterprise as defined in clause (59A)</p>
		(59A)	<p>"small and medium enterprise" means a person who is engaged in manufacturing as defined in clause (iv) of sub-section (7) of section 153 of the Ordinance and his business turnover in a tax year does not exceed two hundred and fifty million rupees:</p> <p>Provided that if annual business turnover of a small and medium enterprise exceeds two hundred and fifty million rupees, it shall not qualify as small and medium enterprise in the tax year in which annual turnover exceeds that turnover or any subsequent tax year.</p>
(7B)			Tax on profit on debt.—
	(3)		<p>This section shall not apply to a profit on debt that -</p> <p>(a) is exempt from tax under this Ordinance; or</p> <p>(b) exceeds thirty six five million Rupees.</p>
(12)			Salary.
	(2)		<p>Salary means any amount received by an employee from any employment, whether of a revenue or capital nature, including —</p>
		(c)	<p>the amount of any allowance provided by an employer to an employee including a cost of living, subsistence, rent, utilities, education, entertainment or travel allowance, but shall not include any allowance solely expended in the performance of the employee's duties of employment;</p> <p>"Explanation.- For removal of doubt, it is clarified that the allowance solely expended in the performance of employee's duty does not include -</p> <p>(i) allowance which is paid in monthly salary on fixed basis or percentage of salary; or</p> <p>(ii) allowance which is not wholly, exclusively, necessarily or actually spent on behalf of the employer;</p>

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			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

(15)			Income from property.—
	(6)		Income under this section derived by an individual or an association of persons shall be liable to tax at the rate specified in Division VIA of Part I of the First Schedule.
	(7)		The provisions of sub-section (1), shall not apply in respect of an individual or association of persons who derive income chargeable to tax under this section not exceeding two hundred thousand rupees in a tax year and does not derive taxable income under any other head.
(15A)			Deductions in computing income chargeable under the head "Income from Property".
	(1)		In computing the income of a ² company person chargeable to tax under the head "Income from Property" for a tax year, a deduction shall be allowed for the following expenditures or allowances, namely:-
	(7)		Notwithstanding sub-section (6) of section 15, the provisions of this section shall apply to an individual or an association of persons, who opts to pay tax at the rate specified in Division I of Part I of the First Schedule.
(18)			Income from business.—
	(1)		The following incomes of a person for a tax year, other than income exempt from tax under this Ordinance, shall be chargeable to tax under the head "Income from Business" —
		(b)	any income derived by any trade, professional or similar association from the sale of goods or provision of services to its members; "Explanation.- For the removal of doubt it is clarified that income derived by co-operative societies from the sale of goods, immovable property or provision of services to its members is and has always been chargeable to tax under the provisions of this Ordinance;
(20)			Deductions in computing income chargeable under the head "Income from Business".—
	(1A)		Subject to this Ordinance, where animals which have been used for the purposes of the business or profession otherwise than as stock-in-trade and have died or become permanently useless for such purposes a deduction shall be allowed equal to, the difference between the actual cost to the taxpayer of the animals and the amount, if any, realized in respect of the carcasses or animals.
(22)			Depreciation.—
	(13)		For the purposes of this section, —
		(d)	where ³ the consideration received on the disposal of immovable property exceeds the cost of the property the excess amount shall be taxable under section 37 , the consideration received shall be treated as the cost of the property.

² in sub section (1), for the word "company", wherever occurring, the word "person" shall be substituted;

³ Restore the condition

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

(23A)			First Year Allowance.—
	(1)		<u>Plant, machinery and equipment installed by any industrial undertaking set up in specified rural and under developed areas 3[for engaged in the manufacturing of cellular mobile phones and qualifying for exemption under clause (126N) of Part I of the Second Schedule] and owned and managed by a company shall be allowed first year allowance in lieu of initial allowance under section 23 at the rate specified in Part II of the Third Schedule against the cost of the "eligible depreciable assets" put to use after July 1, 2008.</u>
	(2)		<u>The provisions of section 23 except sub-sections (1) and (2) thereof, shall mutatis mutandis apply.</u>
	(3)		<u>The Federal Government may notify "specified areas" for the purposes of sub-section (1).</u>
(31)			Transfer to participatory reserve.
	(1)		Subject to this section, a company shall be allowed a deduction for a tax year for any amount transferred by the company in the year to a participatory reserve created under <u>section 120 of the Companies Ordinance, 1984 (XLVII of 1984)</u> ⁴ section 66 of the Companies Act, 2017 (XIX of 2017) in accordance with an agreement relating to participatory redeemable capital entered into between the company and a banking company as defined in the Financial Institutions (Recovery of Finances) Ordinance, 2001 (XLVI of 2001).]
(37)			Capital gains.—
	(1A)		Notwithstanding anything contained in sub-sections (1) and (3) gain under sub-section (3A) and (3B) by a person in a tax year, shall be chargeable to tax in that year under the head Capital Gains at the rates specified in Division VIII of Part I of the First Schedule.; and <u>Provided that where the taxable gain on disposal of immovable property exceeds five million rupees, it shall be chargeable to tax under sub-section (1) of this section and provisions of sub-section (3) shall not apply. However, the taxable gain shall be calculated while taking into consideration the benefit of holding period as provided in sub-section (3A).</u> <u>Explanation.- For removal of doubt, it is clarified that where a person is habitually engaged in transactions of sale and purchase of immovable property or such sale and purchase is adventure in the nature of trade and business, the provisions of this sub-section shall not apply and the income from such transactions shall be chargeable under the head Income from Business."</u>

⁴ Issue of securities and redeemable capital not based on interest

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			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-
(37)	(4A)		Where the capital asset becomes the property of the person – (a) under a gift from a relative as defined in sub section (5) of section 85, bequest or will; (b) by succession, inheritance or devolution; (c) a distribution of assets on dissolution of an association of persons; or (d) on distribution of assets on liquidation of a company, the fair market value of the asset, on the date of its transfer or acquisition by the person shall be treated to be the cost of the asset. Provided that, if the capital asset acquired through gift is disposed of within two years of acquisition and the Commissioner is satisfied that such gift arrangement is a part of tax avoidance scheme, then the provisions of sub-section (3) of section 79 shall apply for the purpose of determining the cost of asset in the hands of recipient of the gift.
(37A)			Capital gain on disposal of securities.—
	(3)		For the purposes of this section "security" means share of a public company, voucher of Pakistan Telecommunication Corporation, Modaraba Certificate, an instrument of redeemable capital ,debt Securities, unit of exchange traded fund and derivative products.
	(6)		To carry out purpose of this section, the Board may prescribe rules.
(39)			Income from other sources.
	(1)		Income of every kind received by a person in a tax year, if it is not included in any other head, other than income exempt from tax under this Ordinance, shall be chargeable to tax in that year under the head "Income from Other Sources", including the following namely:
		(1a)	subject to sub-section (3), any amount or fair market value of any property received without consideration or received as gift, other than gift received from grandparents, parents, spouse, brother, sister, son or a daughter relative as defined in sub-section (5) of section 85.
	(5)		This section shall not apply to any income received by a person in a tax year that is chargeable to tax under any other head of income or subject to tax under section 5, 6 or 7 5,5AA, 6, 7 or 7B.
(56)			Set off of losses.—
	(1)		Subject to sections 58 and 59, where a person sustains a loss for any tax year under any head of income specified in section 11, the person shall be entitled to have the amount of the loss set off against the person's income, if any, chargeable to tax under any other head of income except income under the head salary or income from property or income from property for the year.

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			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

(57)			Carry forward of business losses. —
	(4)		The loss attributable to deductions allowed under sections 22, 23, ⁵ 23A, 23B and 24 that has not been set off against income, the loss not set off shall be set off against fifty percent of the person's balance income chargeable under the head "income from business" after setting off loss under sub-section (1), in the following tax year and so on until completely set off:
	(5)		In determining whether a person's deductions under sections 22, 23, 23A, 23B and 24 have been set off against income, the deductions allowed under those sections shall be taken into account last.
(59B)			Group relief. —
	(1)		Subject to sub-section (2), any company, being a subsidiary of or a holding company, may surrender its assessed loss as computed in sub-section (1A) (excluding capital loss) for the tax year (other than brought forward losses and capital losses), in favour of its holding company or its subsidiary or between another subsidiary of the holding company:
(60A)			Workers' Welfare Fund. — A person shall be entitled to a deductible allowance for the amount of any Workers' Welfare Fund paid by the person in tax year under Workers' Welfare Fund Ordinance, 1971 (XXXVI of 1971) or under any law relating to the Workers' Welfare Fund enacted by Provinces after the eighteenth Constitutional amendment Act, 2010; Provided that this section shall not apply in respect of any amount of Workers' Welfare Fund paid to the Provinces by a trans-provincial establishment.
(60B)			Workers' Participation Fund. — A person shall be entitled to a deductible allowance for the amount of any Workers' Participation Fund paid by the person in a tax year in accordance with the provisions of the Companies Profit (Workers' Participation) Act, 1968 (XII of 1968) or under any law relating to the Workers' Profit Participation Fund enacted by Provinces after the eighteenth Constitutional amendment Act, 2010.; Provided that this section shall not apply in respect of any amount of Workers' Profit Participation Fund paid to the province by a trans-provincial establishment.
(61)			Charitable donations. —
	(1)		A person shall be entitled to a tax credit in respect of any sum paid, or any property given by the person in the tax year as a donation, voluntary contribution or subscription to
		(c)	any non-profit organization or any person eligible for tax credit under section 100C of this Ordinance; or.
		(d)	entities, organizations and funds mentioned in the Thirteenth Schedule to this Ordinance.

⁵ First Year Tax Allowance

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			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

(62)			Tax credit for investment in shares and insurance.
	(1)	(ib)	in respect of cost of acquiring in the tax year, unit of exchange traded fund offered to public and traded on stock exchange in Pakistan ; or
(64D)			Tax credit for point of sale machine.-
	(1)		Any person who is required to integrate with Board's computerized system for real time reporting of sale or receipt, shall be entitled to tax credit in respect of the amount invested in purchase of point of sale machine.
	(2)		The amount of tax credit allowed under sub-section (1) for a tax year in which point of sale machine is installed, integrated and configured with the Board's computerized system shall be lesser of - (a) amount actually invested in purchase of point of sale machine; or (b) rupees one hundred and fifty thousand per machine.
	(3)		For the purpose of this section, the term point of sale machine means a machine meant for processing and recording the sale transactions for goods or services, either in cash or through credit and debit cards or online payments in an internet enabled environment.
(65F)			Tax credit for certain persons.-
	(1)		Following persons or incomes shall be allowed a tax credit equal to one hundred per cent of the tax payable under any provisions of this Ordinance including minimum, alternate corporate tax and final taxes for the period, to the extent, upon fulfillment of conditions and subject to limitations detailed as under:- (a) persons engaged in coal mining projects in Sindh supplying coal exclusively to power generation projects; (b) a startup as defined in clause (62A) of section 2 for the tax year in which the startup is certified by the Pakistan Software Export Board and the next following two tax years; and (c) Income from exports of computer software or IT services or IT enabled services as defined in clause (30AD) and (30AE) of section (2) upto the period ending on the 30th day of June, 2025: Provided that eighty percent of the export proceeds is brought into Pakistan in foreign exchange remitted from outside Pakistan through normal banking channels.
	(2)		The tax credit under sub-section (1) shall be available subject to fulfillment of the following conditions, where applicable, namely:- (a) return has been filed ; (b) withholding tax statements for the relevant tax year have been filed in respect of those provisions of the Ordinance, where the person is a withholding agent; and

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			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

			(c) sales tax returns for the tax periods corresponding to relevant tax year have been filed if the person is required to file Sales Tax Return under any of the Federal or Provincial sales tax laws.
(65G)			Tax credit for specified industrial undertakings. -
	(1)		When making certain eligible capital investments as specified in sub-section (2), the eligible taxpayers defined in sub-section (3) shall be allowed to take an investment tax credit of twenty five percent of the eligible investment amount, against tax payable under the provisions of this Ordinance including minimum and final taxes. The tax credit not fully adjusted during the year of investment shall be carried forward to the subsequent tax year subject to the condition that it may be carried forward for a period not exceeding two years.
	(2)		For the purposes of this section, the eligible investment means investment made in purchase and installation of new machinery, buildings, equipment, hardware and software, except self-created software and used capital goods.
	(3)		For the purpose of this section, eligible person means – (a) green field industrial undertaking as defined in clause (27A) of section 2 engaged in – (i) the manufacture of goods or materials or the subjection of goods or materials to any process which substantially changes their original condition; or (ii) ship building: Provided that the person incorporated between the 30th day of June, 2019 and the 30th day of June, 2024 and the person is not formed by the splitting up or reconstitution of an undertaking already in existence or by transfer of machinery, plant or building from an undertaking established in Pakistan prior to commencement of the new business and is not part of an expansion project; and (b) industrial undertaking set up by the 30th day of June 2023 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 the date such industrial undertaking is set up.
(79)			Non-recognition rules. –
	(2)		Sub-section (1) shall not apply where the person acquiring the asset is a non-resident person at the time of the acquisition in respect of disposal of an asset as mentioned in clauses (d), (e) and (f).

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			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

(100C)			Tax credit for charitable organizations. —
	(1)		The persons mentioned in sub-section (2) shall be allowed a tax credit equal to one hundred percent of tax payable under any of the provisions of this Ordinance including minimum and final taxes in respect of incomes mentioned in sub-section (3) subject to the conditions and limitations laid down in sub-section (4).
	(2)		The provisions of this section shall apply to the following persons, namely:— <ul style="list-style-type: none"> (a) persons specified in Table - II of clause (66) of Part I of the Second Schedule to this Ordinance; (b) a trust administered under a scheme approved by the Federal Government and established in Pakistan exclusively for the purposes of carrying out such activities as are for the welfare of ex-employees and serving personnel of the Federal Government or a Provincial Government or armed forces including civilian employees of armed forces and their dependents where the said trust is administered by a committee nominated by the Federal Government or a Provincial Government; (c) a trust; (d) a welfare institution registered with Provincial or Islamabad Capital Territory (ICT) social welfare department; (e) a not for profit company registered with the Securities and Exchange Commission of Pakistan under section 42 of the Companies Act, 2017; (f) a welfare society registered under the provincial or Islamabad Capital Territory (ICT) laws related to registration of co-operative societies; (g) a waqf registered under Mussalman Waqf Validating Act, 1913 (VI of 1913) or any other law for the time being in force or in the instrument relating to the trust or the institution; (h) a university or education institutions being run by non-profit organization existing solely for educational purposes and not for the purposes of profit; (i) a religious or charitable institution for the benefit of public registered under any law for the time being in force; and (j) international non-governmental organizations (INGOs) approved by the Federal Government.

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			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

	(3)		<p>The following income is eligible for tax credit, namely:—</p> <ul style="list-style-type: none"> (a) income from donations, voluntary contributions and subscriptions; (b) income from house property; (c) income from investments in the securities of the Federal Government; (d) profit on debt from scheduled banks and microfinance banks; (e) grant received from Federal, Provincial, Local or foreign Government; (f) so much of the income chargeable under the head "income from business" as is expended in Pakistan for the purposes of carrying out welfare activities: <p>Provided that in the case of income under the head "income from business", only so much of such income shall be eligible for tax credit under this section that bears the same proportion as the said amount of business income bears to the aggregate of income from all sources; and</p> <ul style="list-style-type: none"> (g) any income of the persons mentioned in clauses (a), (b) and (h) of sub-section (2) of this section.
	(4)		<p>Eligibility for tax credit shall be subject to the following conditions, namely:-</p> <ul style="list-style-type: none"> (a) return has been filed; (b) tax required to be deducted or collected has been deducted or collected and paid; (c) withholding tax statements for the relevant tax year have been filed; (d) the administrative and management expenditure does not exceed 15% of the total receipts: <p>Provided that clause (d) shall not apply to a non-profit organization, if-</p> <ul style="list-style-type: none"> (i) charitable and welfare activities of the non-profit organization have commenced for the first time within last three years; or (ii) total receipts of the non-profit organization during the tax year are less than one hundred million Rupees; <ul style="list-style-type: none"> (e) approval of Commissioner has been obtained as per requirement of clause (36) of section 2: <p>Provided that the condition of approval in respect of persons mentioned in Table - II of clause (66) of Part I of the Second Schedule to this Ordinance, shall take effect from the first day of July, 2022 and the requirements of clause (36) of section 2, shall not be applicable for earlier years;</p> <ul style="list-style-type: none"> (f) none of the assets of trusts or welfare institutions confers, or may confer, a private benefit to the donors or family, children or author of the trust or his descendants or the maker of the institution or to any other person:

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			<p>Provided that where such private benefit is conferred, the amount of such benefit shall be added to the income of the donor; and</p> <p>(g) a statement of voluntary contributions and donations received in the immediately preceding tax year has been filed in the prescribed form and manner.</p>
	(5)		Notwithstanding anything contained in sub-section (1), surplus funds of organizations to which this section applies shall be taxed at a rate of ten percent.
	(6)		<p>For the purpose of sub-section (5), surplus funds mean funds or monies —</p> <p>(a) not spent on charitable and welfare activities during the tax year;</p> <p>(b) received during the tax year as donations, voluntary contributions, subscriptions and other incomes;</p> <p>(c) which are more than twenty-five percent of the total receipts of the non-profit organization received during the tax year; and</p> <p>(d) are not part of restricted funds.</p> <p>Explanation.- For the purpose of this clause, "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 or funds received in kind.";</p>
(100D)			Special provisions relating to builders and developers.
			Project completion date extended to 30th September, 2023 except clause (a) of sub-section (4) of section 100D
	(1)		For tax year 2020 and onwards, the tax payable by a builder or a developer, as defined in sub-section (9), who opt to pay tax under this section shall be computed and paid in accordance with the rules in the Eleventh Schedule on a project by project basis on the income, profits and gains derived from the sale of buildings or sale of plots, as the case may be, from-
		(b)	<p>an incomplete existing project to be completed by the 30th day of September, 2022:</p> <p>Provided that any income, profits and gains of a builder or developer of an incomplete existing project earned up to tax year 2019 or tax year 2020, shall be subject to the provisions of this Ordinance as were in force prior to the commencement of the Tax Laws (Amendment) Ordinance, 2020 (Ordinance I of 2020):</p> <p>Provided further that any income of a builders or developer other than income, profits and gains subject to this section shall be subject to tax as per the provisions of this Ordinance.</p>

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			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-
	(3)		The provisions of section 111 shall not apply to capital investment made in a new project under clause (a) of sub-section (1) in the form of money or land, subject to the following conditions, namely:- 31st day of December 2020 extended upto 30th day of June 2021 in sub-section (3) wherever occurring.
		(c)	a person making an investment under clause (a) or (b) shall submit a prescribed form on IRIS web portal by 30th day of June, 2021.
	(4)		The provisions of section 111 shall also not apply to.-
		(a)	the first purchaser of a building or a unit of the building purchased from the builder in respect of purchase price of the building or unit of the building subject to the following conditions, namely:- in this clause 30th day of September 2022 wherever occurring extended upto 31st day of March, 2023.
		(b)	the purchaser of a plot who intends to construct a building thereon, if- in sub clauses (i) and (ii) 31st day of December 2020 wherever occurring extended upto 30th day of June, 2021. in sub clause (iii) 31st day of December, 2020 wherever occurring extended upto 31st day of December, 2021.
	(9)		In this section.- 31st day of December 2020 wherever occurring extended upto 31st day of December, 2021.
		(d)	"existing project" means a construction or development project, which- (iv) a declaration is provided in the registration from under Eleventh Schedule to the effect of percentage of the project completed up to the last day of the accounting period pertaining to tax year 2019 or tax year 2020 at the option of the taxpayer;
(100E)			Special provisions relating to small and medium enterprises. -
	(1)		For tax year 2021 and onwards, the tax payable by a small and medium enterprise as defined in clause (59A) of section 2 shall be computed and paid in accordance with rules made under the Fourteenth Schedule.
	(2)		The Board may prescribe a simplified return for a small and medium enterprise.";

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(107)			Agreements for the avoidance of double taxation and prevention of fiscal evasion.
	(1)		The Federal Government may enter into a tax treaty, a tax information exchange agreement, a multilateral convention, an inter-governmental agreement or similar agreement or mechanism for the avoidance of double taxation or for the exchange of information for the prevention of fiscal evasion or avoidance of taxes or assistance in the recovery of taxes including automatic and spontaneous exchange of information with respect to taxes on income imposed under this Ordinance or any other law for the time being in force and under the corresponding laws in force in that country and may, by notification in the official Gazette, make such provisions as may be necessary for implementing the said instruments. And
(111)			Unexplained income or assets.
	(2)		The amount referred to in sub-section (1) shall be included in the person's income chargeable to tax:
		(ii)	in the tax year immediately preceding the tax year in which the investment, money, valuable article or expenditure is discovered by the Commissioner and is situated or incurred outside Pakistan and or concealed income is foreign-source. Explanation.—For the removal of doubt, it is clarified that where the investment, money, valuable article or expenditure is acquired or incurred outside Pakistan in a prior tax year and is liable to be included in the income of tax year 2018 and onwards on the basis of discovery made by the Commissioner during tax year 2019 and onwards and the person explains the acquisition of such asset or expenditure from sources relating to tax year in which such asset was acquired or expenditure was incurred, such explanation shall not be rejected on the basis that the source does not relate to the tax year in which the amount chargeable to tax is to be included.
	(4)		Sub-section (1) does not apply.—
		(a)	to any amount of foreign exchange remitted from outside Pakistan through normal banking channels not exceeding five million Rupees in a tax year that is encashed into rupees by a scheduled bank and a certificate from such bank is produced to that effect.
			Sub-section (1) does not apply to any amount of foreign exchange remitted from outside Pakistan through normal banking channels not exceeding five million Rupees in a tax year that is en-cashed into rupees by a scheduled bank and a certificate from such bank is produced to that effect.
	(5)		The Board may make rules under section 237 for the purposes of this section. "Explanation.- For the removal of doubt, a separate notice under this section is not required to be issued if the explanation regarding nature and sources of amount credited or the investment of money, valuable article, or the funds from which expenditure was made has been confronted to the taxpayer through a notice under sub-section (9) of section 122 of this Ordinance.

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

113			Minimum tax on the income of certain persons. -
	(1)		This section shall apply to a resident company, permanent establishment of a non-resident company, an individual (having turnover of ten hundred million rupees or above in the tax year 2017 or in any subsequent tax year) and an association of persons (having turnover of ten hundred 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—
	(2)	(a)	"Explanation.- For the removal of doubt, it is clarified that the definition of turnover covers receipts from all business activities in line with expression "turnover from all sources" used in sub-section (1) including but not limited to receipts from sale of immoveable property where such receipt is taxable under the head Income from Business;
		(c)	Provided that if tax is paid under sub-section (1) due to the fact that no tax is payable or paid for the year, the entire amount of tax paid under sub-section (1) shall be carried forward for adjustment in the manner stated aforesaid; Provided further that the amount under this clause shall be carried forward and adjusted against tax liability for five tax years immediately succeeding the tax year for which the amount was paid.
114			Return of income.
	(1)		Subject to this Ordinance, the following persons are required to furnish a return of income for a tax year, namely:-
		(ad)	any welfare institution approved under clause (58) of Part I of the Second Schedule;
		(c)	persons or classes of persons notified by the Board with the approval of the Minister in-charge.
	(5)		A notice under sub-section (4) may be issued in respect of one or more of the last five completed tax years or assessment years: Provided that in case of a person who has not filed return for any of the last five completed tax years, notice under sub-section (4) may be issued in respect of one or more of the last ten completed tax years.;
			Provided further that the time-limitation provided under this sub-section shall not apply if the Commissioner is satisfied on the basis of reasons to be recorded in writing that a person who failed to furnish his return has foreign income or owns foreign assets.; and
	(6)		Subject to sub-section (6A), any person who, having furnished a return, discovers any omission or wrong statement therein, may file revised return subject to the following conditions, namely: —

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

		(a)	it is accompanied by the revised accounts or revised audited accounts, as the case may be; Provided that Commissioner may waive this condition if Commissioner is satisfied that filing of revised accounts or audited accounts is not necessary;.
114A			Business bank account.—
	(1)		Every taxpayer shall declare to the Commissioner the bank account utilized by the taxpayer for business transactions.
	(2)		Business bank account shall be declared through original or modified registration form prescribed under section 181.
120			Assessments.—
	(1)		Where a taxpayer has furnished a complete return of income (other than a revised return under sub-section (6) of section 114) for a tax year ending on or after the 1st day of July, 2002,—
		(a)	the Commissioner shall be taken to have made an assessment of taxable income for that tax year, and the tax due thereon, equal to the respective amounts adjusted under sub-section (2A); and
		(b)	the return shall be taken for all purposes of this Ordinance to be an assessment order issued to the taxpayer by the Commissioner on the day the adjustments were made under sub-section (2A) return was furnished. Provided that until the date specified under the fourth proviso to sub-section (2A) is notified, this subsection shall be in force as if sub-section (2A) is not in operation; Provided further that once the date under the fourth proviso to sub-section (2A) is notified, clauses (a) and (b) shall only apply when the provisions of sub-section (2A), if invoked, are first complied with; Provided further once compliance is made under the second proviso,— <ul style="list-style-type: none"> (i) the adjusted amount under sub-section (2A) shall be construed to be the tax payable and due under clause (a);and (ii) the date of the compliance under sub-section (2A) shall be the date for the purposes of clause (b).

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-
120	(2A)		<p>A return of income furnished under sub-section (2) of section 114 shall be processed through automated system to arrive at correct amounts of total income, taxable income and tax payable by making adjustments for-</p> <p>Provided that no such adjustments shall be made unless a system generated notice is given to the taxpayer specifying the adjustments intended to be made:</p> <p>Provided further that the response received from the taxpayer, if any, shall be considered before making any adjustment, and in a case where no response is received within thirty days of the issue of such notice, adjustments shall be made.</p> <p>Provided also that where no such adjustments have been made within six month of filing of return, the amounts specified in the return as declared by the taxpayer shall be deemed to have been taken as adjusted amounts on the day the return was filed and the taxpayer shall be intimated automatically through Iris.</p> <p>Provided also that the provisions of this sub-section shall apply from the date notified by the Federal Board of Revenue in the official Gazette.</p>
122			Amendment of assessments.—
	(5A)		Subject to sub-section (9), the Commissioner may, <u>after making, or causing to be made, such enquiries as he deems necessary</u> , amend, or further amend, an assessment order, if he considers that the assessment order is erroneous in so far it is prejudicial to the interest of revenue.
	(9)		<p>No assessment shall be amended, or further amended, under this section unless the taxpayer has been provided with an opportunity of being heard.</p> <p>Provided that order under this section shall be made within one hundred and twenty days of issuance of show cause notice or within such extended period as the Commissioner may, for reasons to be recorded in writing, so however, such extended period shall in no case exceed ninety days. This proviso shall be applicable to a show cause notice issued on or after the first day of July, 2021.</p> <p>Provided further that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or agreed assessment proceedings under section 122D or the time taken through adjournment by the taxpayer not exceeding sixty days shall be excluded from the computation of the period specified in the first proviso.</p>
122A			Revision by the Commissioner.—
	(5)		If any order is remanded back to any lower authority by the Commissioner for modification, alteration, implementation of directions or de novo proceedings, the order giving effect to the directions of the Commissioner shall be issued within one hundred and twenty days.

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

127			Appeal to the Commissioner (Appeals).—
	(2)		No appeal under sub-section (1), shall be made by a taxpayer against an order of assessment unless the taxpayer has paid,—
		(a)	the amount of tax due under sub-section (1) of section 137 and
		(b)	no appeal under sub-section (1) shall be made by a taxpayer against an order of assessment unless the taxpayer has paid the amount of tax due under sub-section (1) of section 137.
			No appeal under sub-section (1), shall be made by a taxpayer against an order of assessment unless the taxpayer has paid the amount of tax due under sub-section (1) of section 137."; and
	(3A)		The Board may prescribe mechanism for electronic filing of the appeals.
134A			Alternative Dispute Resolution.—
	(1)		Notwithstanding any other provision of this Ordinance, or the rules made thereunder, an aggrieved person in connection with any dispute pertaining to— (a) the liability of tax against the aggrieved person, or admissibility of refunds, as the case may be; (b) the extent of waiver of default surcharge and penalty; or (c) any other specific relief required to resolve the dispute, may apply to the Board for the appointment of a committee for the resolution of any hardship or dispute mentioned in detail in the application, which is under litigation in any court of law or an Appellate Authority, except <u>where criminal proceedings have been initiated or</u> where interpretation of question of law is involved having effect on other cases. Provided that if the issue involves a mixed question of fact and law, the Board, while taking into consideration all relevant facts and circumstances, shall decide whether or not ADRC may be constituted.
	(1A)		The application for dispute resolution shall be accompanied by an initial proposition for resolution of the dispute, from which proposition; the taxpayer would not be entitled to retract.
	(2)		The Board may, after examination of the application of an aggrieved person, appoint a committee, within sixty thirty days of receipt of such application in the Board, comprising,—
	(4)		The Committee appointed under sub-section (2) shall examine the issue and may, if it deemed necessary, conduct inquiry, seek expert opinion, direct any officer of the Inland Revenue or any other person to conduct an audit and shall decide the dispute through consensus, within one hundred and twenty days of its appointment sixty days of its appointment extendable by another thirty days for the reasons to be recorded in writing.

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-
(134A)	(5)		<u>The Committee may, in case of hardship, stay recovery of tax payable in respect of dispute pending before it for a period not exceeding one hundred and twenty days in aggregate or till the decision of the committee or its dissolution, whichever is earlier.</u> The recovery of tax shall be stayed on the constitution of committee till the final decision or dissolution of the committee, whichever is earlier;
	(6A)		If the committee fails to decide within the period mentioned in sub section (4), the Board shall dissolve the committee by an order in writing and may re-constitute another committee and the provisions of sub-sections (2), (3), (4), (5) and (6) shall apply mutatis mutandis to the second committee"; and
	(7)		If <u>the Committee fails to decide within the period of one hundred and twenty days</u> <u>the Second Committee fails to decide within time limit prescribed</u> under sub-section (4), the Board shall dissolve the committee by an order in writing and the matter shall be decided by the court of law or the appellate authority where the dispute is pending.
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 due date for payment of tax payable under sub- section (7) of section 147 shall be the date specified in sub-section (5) or sub-section (5A) or first proviso to sub-section (5B) of section 147. <u>Provided further that due date for payment of tax payable specified in sub-section (2) of this section shall not apply in case of an assessment order passed under sub-section (1) or sub-section (4) of section ⁶124 of this Ordinance and that tax payable as a result of order passed under sub-section (1) or sub-section (4) of section 124 shall be payable immediately."; and</u>
146C			Assistance in the recovery and collection of taxes.-
			The provisions of sections 138, 138A, 138B, 139, 140, 141, 142, 143, 144, 145, 146, 146A, and 146B shall mutatis mutandis apply in respect of assistance in collection and recovery of taxes in pursuance of a request from a foreign jurisdiction under a tax treaty, a multilateral convention, an inter-governmental agreement or similar arrangement or mechanism."

⁶ Assessment giving effect to an order

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

147			Advance tax paid by the taxpayer.—
	(6)		<p>If any taxpayer who is required to make payment of advance tax under sub-section (1) estimates at any time before the last installment is due, that the tax payable by him for the relevant tax year is likely to be less than the amount he is required to pay under sub-section (1), the taxpayer may furnish to the Commissioner an estimate of the amount of the tax payable by him, and thereafter pay such estimated amount, as reduced by the amount, if any, already paid under sub-section (1), in equal installments on such dates as have not expired:</p> <p>Provided that an estimate of the amount of tax payable shall contain turnover for the completed quarters of the relevant tax year, estimated turnover of the remaining quarters along with reasons for any decline in estimated turnover, documentary evidence of estimated expenses or deductions which may result in lower payment of advance tax and the computation of the estimated taxable income of the relevant tax year:</p> <p><u>Provided further that where the Commissioner is not satisfied with the documentary evidence provided or where an estimate of the amount of tax payable is not accompanied by details mentioned in the first proviso, the Commissioner may reject the estimate after providing an opportunity of being heard to the taxpayer and the taxpayer shall pay advance tax according to the formula contained in sub-section (4).</u></p>
150			Dividends
			Every person paying a dividend shall deduct tax from the gross amount of the dividend paid collect tax from the amount of dividend in specie at the rate specified in Division I of Part III of the First Schedule.
151			Profit on debt.
	(1A)		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.;

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

152			Payments to non-residents.—
	(1B)		The tax deductible under sub-section (1A) shall be a minimum tax on the income of a non-resident person arising from a contract The tax deductible under sub-sections (1A), (1AA) and (1AAA) shall be a minimum tax on the income of the non-resident persons in respect of payments mentioned therein.
	(1BB) (1BA)		The tax deductible under sub-section (1AA) shall be a minimum tax on the income of the non-resident person arising out of such payment. Every person responsible for making payment directly or through an agent or intermediary to a non-resident person for foreign produced commercial for advertisement on any television channel or any other media, shall deduct tax at the rate of twenty percent from the gross amount paid. The tax deductible under this sub-section shall be final tax on the income of non-resident person arising out of such payment.;
	(1BBB)		The tax deductible under sub-section (1AAA) shall be minimum tax on the income of non-resident person arising out of such payment.
	(1DA)		Every banking company maintaining a Foreign Currency Value Account (FCVA) or a non-resident Pakistani Rupee Value Account (NRVA) of a non-resident individual holding Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) or Computerized National ID Card (CNIC) shall deduct tax from capital gain arising on the disposal of debt instruments and government securities and certificates (including Shariah compliant variant) invested through aforesaid accounts at the rate specified in Division II of Part III of the First Schedule.", and
	(1DB)		Every special purpose vehicle or a company, at the time of making payment of a return on investment in sukuks to a non-resident 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."; and
	(1E)		The tax deductible under sub-section (1D) shall be a final tax on the income of the non-resident company arising out of such capital gain. The tax deductible under sub-sections (1D), (1DA) and (1DB) shall be a final tax in respect of persons and income mentioned therein.;

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

153			Payments for goods, services and contracts.
	(4)		The Commissioner may, on application made by the recipient of a payment referred to in sub-section (1) and after making such inquiry as the Commissioner thinks fit, may allow in cases where tax deductible under sub-section (1) is [not minimum, by an order in writing, any person to make the payment,— (a) without deduction of tax; or (b) deduction of tax at a reduced rate; Provided that the Commissioner shall issue certificate for payment under clause (a) of sub-section (1) without deduction of tax within fifteen days of filing of application to a <u>public company listed on a registered stock exchange in Pakistan company</u> if advance tax liability has been discharged: Provided further that the Commissioner shall be deemed to have issued the exemption certificate upon the expiry of fifteen days to the aforesaid <u>public listed</u> company and the certificate shall be automatically processed and issued by Iris:
	(5)		Sub-section (1) shall not apply to —
		(a)	<u>payments made to traders of yarn by the taxpayers specified in the zero-rated regime of sales tax (as provided under clause (45A) of Part-IV of the Second Schedule);</u>
154A			Export of Services.-
	(1)		Every authorized dealer in foreign exchange shall, at the time of realization of foreign exchange proceeds on account of the following, deduct tax from the proceeds at the rates specified in Division IVA of Part III of the First Schedule -
		(a)	exports of computer software or IT services or IT enabled services in case tax credit under section 65F is not available;
		(b)	services or technical services rendered outside Pakistan or exported from Pakistan;
		(c)	royalty, commission or fees derived by a resident company from a foreign enterprise in consideration for the use outside Pakistan of any patent, invention, model, design, secret process or formula or similar property right, or information concerning industrial, commercial or scientific knowledge, experience or skill made available or provided to such enterprise;
		(d)	construction contracts executed outside Pakistan; and
		(e)	other services rendered outside Pakistan as notified by the Board from time to time;
	(2)		The tax deductible under this section shall be a final tax on the income arising from the transactions referred to in this section, upon fulfillment of the following conditions - (a) return has been filed;

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

			(b) withholding tax statements for the relevant tax year have been filed; and (c) sales tax returns under Federal or Provincial laws have been filed, if required under the law; (d) no credit for foreign taxes paid shall be allowed.
	(3)		The provisions of sub-section (2) shall not apply to a person who does not fulfill the specified conditions or who opts not to be subject to final taxation: Provided that the option shall be exercised every year at the time of filing of return under section 114.
	(4)		Where a taxpayer, while explaining the nature and source of any amount, investment, money, valuable article, expenditure, referred to in section 111, takes into account any source of income which is subject to final tax in accordance with the provisions of this section, he shall not be entitled to take credit of a sum that can be reasonably attributed to the business activity or activities mentioned in sub-section (1).
	(5)		The Board in consultation with State Bank of Pakistan shall prescribe mode, manner and procedure of payment of tax under this section.
	(6)		The Board shall have power to include or exclude certain services for applicability of provisions of this section.;
155			Income from Rent of immovable property.—
	(1)		Every prescribed person making a payment in full or part (including a payment by way of advance) to any person on account of rent of immovable property (including rent of furniture and fixtures, and amounts for services relating to such property) shall deduct tax from the gross amount of rent paid at the rate specified in Division V of Part III of the First Schedule. Explanation.- "gross amount of rent" includes the amount referred to in sub-section (1) or (3) of section 16, if any. Explanation.- For removal of doubt, it is clarified that the sub section (1) shall apply when a payment is made on account of rent of immovable property irrespective of head of income;

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

159			Exemption or lower rate certificate.—
	(1)		Where the Commissioner is satisfied that an amount to which Division II or III of this Part or Chapter XII applies is -
		(c)	is subject to hundred percent tax credit under <u>section 100C</u> under this Ordinance., Provided that in case of a company, the Commissioner shall issue exemption or lower rate certificate under this section within fifteen days of filing of application by the company: Provided further that the Commissioner shall be deemed to have issued the exemption certificate upon the expiry of fifteen days from filing of application by the aforesaid company and the certificate shall be automatically processed and issued by Iris: Provided also that the Commissioner 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.;
165			Statements
	(7)		Every prescribed person collecting tax under Division II of this Part, Chapter XII or the Tenth Schedule or deducting tax from a payment under Division III of this Part, Chapter XII or the Tenth Schedule shall, e-file to the Commissioner an annual statement for the relevant tax year within thirty days of the end of tax year in addition to statement to be filed under sub-section (6) of this section.
	(8)		Every prescribed person collecting tax under Division II of this Part or Chapter XII, the Tenth Schedule or deducting tax from a payment under Division III of this Part, Chapter XII or the Tenth Schedule shall also e-file to the Commissioner a statement in the prescribed form reconciling the amounts mentioned in annual statement filed under sub-section (7) with the amounts declared in the return, audited accounts or financial statements by the due date of filing of return of income as provided under section 118 of the Ordinance.
168			Credit for tax collected or deducted.
	(3)		No tax credit shall be allowed for any tax collected or deducted that is a final tax under— (ca) sub-section (1E) of section 152; (cb) sub-section (2) of section 152A; (e) sub-section (4) of section 154; (ea) sub-section (2) of section 154A (f) sub-section (3) of section 156; (g) sub-section (2) of section 156A;

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

169			Tax collected or deducted as a final tax.—
	(1)		This section shall apply where
		(b)	the tax required to be deducted is a final tax under sub-section (1E) of section 152, 152A, sub-section (4) of section 154, sub-section (2) of section 154A, sub-section

170A			Electronic processing and electronic issuance of Refunds by the Board.- Notwithstanding anything contained in section 170 of this Ordinance, commencing from tax year 2021, the Board may process and issue refund to the taxpayer who has filed the return of income without requiring refund application by the taxpayer to the extent of tax credit verified by the Board's computerized system as may be prescribed. The refund amount sanctioned under this section shall be electronically transferred in the taxpayer's notified bank account.";
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182	(1)		Offences and penalties.—
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S.No	Offences	Penalties	Section of the Ordinance to which offence has reference
(1)	(2)	(3)	(4)
1	Where any person fails to furnish a return of income as required under section 114 within the due date.	Such person shall pay a penalty equal to 0.1% of the tax payable in respect of that tax year for each day of default subject to a maximum penalty of 50% of the tax payable provided that if the penalty worked out as aforesaid is less than forty thousand rupees or no tax is payable for that tax year such person shall pay a penalty of forty thousand rupees: Provided that If seventy-five percent of the income is from salary and the amount of income under salary is less than five million Rupees, the minimum amount of penalty shall be five thousand Rupees. Provided further that if taxable income is up-to eight hundred thousand Rupees, the minimum amount of penalty shall be five thousand Rupees:	114 and 118

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

			<p>Provided also that the amount of penalty shall be reduced by 75%, 50% and 25% if the return is filed within one, two and three months respectively after the due date or extended due date of filing of return as prescribed under the law.</p> <p>Explanation.— For the purposes of this entry, it is declared that the expression "tax payable" means tax chargeable on the taxable income on the basis of assessment made or treated to have been made under section 120, 121, 122 or 122C.</p>	
	1A	Where any person fails to furnish a statement as required under section 165, or 165A, 165A or 165B within the due date.	<p>Such person shall pay a penalty of Rs.5000 if the person had already paid the tax collected or withheld by him within the due date for payment and the statement is filed within ninety days from the due date for filing the statement and, in all other cases, a penalty of Rs.2500 for each day of default from the due date subject to a minimum penalty of Rs. 10,000.</p> <p>Provided that where it stands established that no tax was required to be deducted or collected during the relevant period, minimum amount of penalty shall be ten thousand Rupees.</p>	165 and 165A, 165A and 165B
	<u>4A</u>	<u>Any person who is required to furnish or update a taxpayer's profile but fails to furnish or update within the due date.</u>	<u>Such a person shall pay a penalty of Rs. 2,500 for each day of default from the due date subject to a minimum penalty of Rs. 10,000.</u>	<u>114A</u>
	4B	Any person who contravenes the provisions of section 181AA.	Such a person shall pay a penalty at the rate of Rs. 10,000 Rs. 100,000 for each connection provided to an unregistered person.	181AA
	6	Any person who repeats erroneous calculation in the return for more than one year whereby amount of tax less than the actual tax paid is	Such person shall pay a penalty of thirty thousand rupees or three per cent of the amount of the tax involved, whichever is higher.	137

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

		payable under this Ordinance is paid .	Provided that no penalty shall be imposed to the extent of the tax shortfall occurring as a result of the taxpayer taking a reasonably arguable position on the application of this Ordinance to the taxpayer's position.;	
10	Any person who— (a) makes a false or misleading statement to an Inland Revenue Authority either in writing or orally or electronically including a statement in an application, certificate, declaration, notification, return, objection or other document including books of accounts made, prepared, given, filed or furnished under this Ordinance;	Such person shall pay a penalty of twenty five thousand rupees or 100% 50% of the amount of tax shortfall whichever is higher: Provided that in case of an assessment order deemed under section 120, no penalty shall be imposed to the extent of the tax shortfall occurring as a result of the taxpayer taking a reasonably arguable position on the application of this Ordinance to the taxpayers' position.	114, 116, 174, 176, 177 and general 118	
11	Any person who denies or obstructs the access of the Commissioner or any officer authorized by the Commissioner to the premises, place, accounts, documents, computers or stocks.	Such person shall pay a penalty of fifty thousand rupees or one hundred fifty per cent of the amount of tax involved, whichever, is higher.	175 and 177	
15	Any person who fails to collect or deduct tax as required under any provision of this Ordinance or fails to pay the tax collected or deducted as required under section 160.	Such person shall pay a penalty of forty thousand rupees or the 10% of the amount of tax which-ever is higher.	148, 149, 150, 151, 152, 153, 153A, 154, 155, 156, 156A, 156B, 158, 160, 231A, 231B, 233, 233A, 234, 234A, 235, 236, 236A, Division II or Division III of Part V of Chapter X or Chapter XII	
16	Any person who fails to display his NTN or business licence at the place of business as required under this Ordinance or the rules made thereunder.	Such person shall pay a penalty of five thousand rupees.	181C and 181D	

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

	19	<u>Where any manufacturer of a motor vehicle accepts or processes any application for booking or purchase of a locally manufactured motor vehicle in violation of the provisions of clause (a) of section 227C</u>	<u>Such person shall pay a penalty of 5 percent of the value of the motor vehicle</u>	<u>227C</u>
	20	<u>(i) Where any registering authority of Excise and Taxation Department accepts, processes or registers any application for registration of a locally manufactured motor vehicle or for the first registration of an imported vehicle in violation of the provisions of clause (a) of section 227C</u> <u>(ii) Where any authority responsible for registering, recording or attesting the transfer of immovable property accepts or processes the registration or attestation of such property in violation of the provisions of clause (b) of section 227C</u>	<u>Such person shall pay a penalty of 3 percent of the value of motor vehicle or immovable property.</u>	<u>227C</u>
	29	Where any person fails to declare business bank account(s), in his registration application or fails to amend his registration profile to declare existing business bank account(s).	Such person shall pay a penalty of Rs. 10,000 for each day of default since the date of submission of application for registration or date of opening of undeclared business bank account whichever is later: Provided that if penalty worked out as aforesaid is less than Rs.100,000 for each undeclared bank account, such person shall pay a penalty of Rs.100,000 for each undeclared business bank account: Provided further that this provision shall be applicable from the first day of October, 2021 during which period the taxpayer may update their registration forms.	181

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-
182	(2)		<p>The penalties specified under sub-section (1) shall be applied in a consistent manner and no penalty shall be payable unless an order in writing is passed by the Commissioner, Commissioner (Appeals) or the Appellate Tribunal after providing an opportunity of being heard to the person concerned:</p> <p>Provided that where the taxpayer admits his default he may voluntarily pay the amount of penalty due under this section.</p> <p>Explanation.- For the removal of doubt, it is clarified that establishing mens rea⁸ is not necessary for levying of penalty under this section.</p>
191			Prosecution for non-compliance with certain statutory obligations.
	(1)		<p>Any person who, without reasonable excuse, fails to –</p> <p>(e) comply with the requirements of 5[sub-section (3) or sub-section (4) of section 141; or</p> <p>(f) provide reasonable facilities and assistance as required under sub-section (3) of section 175; or</p> <p>(g) declare business bank account(s) in the registration form or updated registration form or return of income or wealth statement;</p> <p>shall commit an offence punishable on conviction with a fine or imprisonment for a term not exceeding one year, or both.</p>
203			Trial by Special Judge.
	(2)		<p>A Special Judge shall take cognisance of, and have jurisdiction to try, an offence triable under sub-section (1) only upon a complaint in writing made by the Commissioner.</p> <p>Provided that where the offence of concealment of income which has resulted in non-payment of tax of rupees one hundred and above in case of a filer and rupees twenty five million or above in case of non-filer, the procedure provided in section 203B shall be applicable.</p>

⁸ The literal translation from Latin is "guilty mind." The plural of mens rea is mentes reae. A mens rea refers to the state of mind statutorily required in order to convict a particular defendant of a particular crime. ... Establishing the mens rea of an offender is usually necessary to prove guilt in a criminal trial.

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

203B			Power to arrest and prosecute.-
	(1)		<p><u>An officer of Inland Revenue not below the rank of an Assistant Commissioner of Inland Revenue or any other officer of equal rank authorised by the Board in this behalf, who on the basis of material evidence has reason to believe that any person has committed offence of concealment of income or any offence warranting prosecution under this Ordinance, may cause arrest of such person.</u></p> <p>Where on the basis of material evidence brought on record, as a result of audit conducted by the auditors in terms of sub-section (8) of section 177 read with section 214C of this Ordinance, an assessment is made or amended under section 121 or 122 of this Ordinance, as the case may be, and the assessing officer records a finding that the taxpayer has committed the offence of concealment of income which has resulted in non-payment of tax of Rupees one hundred million and above in case of a filer and rupees twenty five million or above in case of non-filer, the taxpayer may be arrested after obtaining written approval of the committee specified under sub-section (2).</p>
	(2)		<p><u>All arrests made under this Ordinance shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (Act V of 1898).</u></p> <p>The committee under sub-section (1) shall comprise the Minister for Finance and Revenue, the Chairman of the Board and the senior most member of the Board.</p>
	(3)		<p><u>Notwithstanding anything contained in sub-sections (1) and (2) or any other provision of this Ordinance, where any person has committed offence of concealment of income or any offence warranting prosecution under this Ordinance, the Chief Commissioner with the prior approval of the Board may, either before or after the institution of any proceedings for recovery of tax, compound the offence if such person pays the amount of tax due along with such default surcharge and penalty as is determined under the provisions of this Ordinance.</u></p> <p>All arrests made under this Ordinance shall be carried out in accordance with the relevant provisions of the Code of Criminal Procedure, 1898 (Act V of 1898).</p>
	(4)		<p><u>Where the person suspected of offence of concealment of income or any offence warranting prosecution under this Ordinance is a company, every director or officer of that company whom the authorised officer has reason to believe is personally responsible for actions of the company contributing to offence of concealment of income or any offence warranting prosecution under this Ordinance shall be liable to arrest:</u></p> <p><u>Provided that any arrest under this sub-section shall not absolve the company from the liabilities of payment of tax, default surcharge and penalty imposed under this Ordinance.</u></p> <p>Notwithstanding anything contained in sub-sections (1) and (2) or any other provision of this Ordinance, where any person has committed offence of concealment of income or any offence warranting prosecution under this Ordinance, the Chief Commissioner with the prior approval of the Board may, either before or after the institution of any proceedings for recovery of tax, compound the offence if such person pays the amount of tax due along with such default surcharge and penalty as is determined under the provisions of this Ordinance.</p>

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

	(5)		<p>Where the person suspected of offence of concealment of income or any offence warranting prosecution under this Ordinance is a company, every director or officer of that company whom the authorised officer has reason to believe is personally responsible for actions of the company contributing to offence of concealment of income or any offence warranting prosecution under this Ordinance shall be liable to arrest:</p> <p>Provided that any arrest under this sub-section shall not absolve the company from the liabilities of payment of tax, default surcharge and penalty imposed under this Ordinance.”;</p>
203C			Procedure to be followed on arrest of a person.-
	(1)		When an officer of Inland Revenue authorized <u>in this behalf arrests a person</u> under sub-section (1) of section 203B in this behalf arrest a person under section 203B, he shall immediately intimate the fact of the arrest of that person to the Special Judge who may direct such officer to produce that person at such time and place and on such date as the Special Judge considers expedient and such Officer shall act accordingly.
	(2)		Notwithstanding anything contained in the sub-section (1), any person arrested under this Ordinance shall be produced before the Special Judge or, if there is no Special Judge within a reasonable distance, to the nearest Judicial Magistrate, within twenty-four hours of such arrest, excluding the time necessary for the journey from the place of arrest to the Court of the Special Judge or, as the case may be, of such Magistrate.
	(3)		<p>When any person is produced under sub-section (2) before the Special Judge, he may, on the request of such person, after perusing the record, if any and after giving the prosecution an opportunity of being heard, admit him to bail on his executing a bond, with or without sureties, or refuse to admit him to bail and direct his detention at such place as he deems fit:</p> <p>Provided that nothing herein contained shall preclude the Special Judge from cancelling the bail of any such person at a subsequent stage if, for any reason, he considers such cancellation necessary, but before passing such order he shall afford such person an opportunity of being heard, unless for reasons to be recorded he considers that the affording of such opportunity shall defeat the purposes of this Ordinance.</p>
	(4)		When such person is produced under sub-section (2) before a Judicial Magistrate, such Magistrate may, after authorising his detention in such custody at such place and for such period as he considers necessary or proper for facilitating his earliest production before the Special Judge, direct his production before the Special Judge on a date and time to be fixed by him or direct such person to be forthwith taken to, and produced before, the Special Judge and he shall be so taken.

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

203C	(5)		Nothing in sub-section (3) or sub-section (4) shall preclude the Special Judge or the Judicial Magistrate from remanding any such person to the custody of an officer of Inland Revenue holding inquiry against that person if such officer makes a request in writing to that effect, and the Special Judge or the Judicial Magistrate, after perusing the record, if any, and hearing such person, is of the opinion that for the completion of inquiry or investigation it is necessary to make such order: Provided that the period of such custody shall not exceed more than fourteen days.
	(6)		When any person is arrested under this Ordinance, an officer of Inland Revenue shall record the fact of arrest and other relevant particulars in the register specified in sub-section (10) and shall immediately proceed to inquire into the charge against such person and if he completes the inquiry within twenty four hours of his arrest, excluding the time necessary for journey as aforesaid, he may, after producing such person before the Special Judge or the nearest Judicial Magistrate, make a request for his further detention in his custody.
	(7)		While holding an inquiry under sub-section (6), an officer of Inland Revenue shall exercise the same powers as are exercisable by an officer in charge of a police station under the Code of Criminal Procedure, 1898 (Act V of 1898), but such officer shall exercise such powers subject to the foregoing provisions of this section while holding an inquiry under this Ordinance.
	(8)		If an officer of Inland Revenue, after holding an inquiry as aforesaid, is of the opinion that there is no sufficient evidence or reasonable ground for suspicion against such person, he shall release him on his executing a bond, with or without sureties, and shall direct such person to appear, as and when required, before the Special Judge, and make a report to the Special Judge for the discharge of such person and shall make a full report of the case to his immediate superior.
	(9)		The Special Judge to whom a report has been made under sub-section, (8) may, after the perusal of record of the inquiry, and hearing the prosecution, agree with such report and discharge the accused or, if he is of the opinion that there is sufficient ground for proceedings against such person, proceed with his trial and direct the prosecution to produce evidence.

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

203C	(10)		An officer of Inland Revenue empowered to hold inquiry under this section shall maintain a register to be called "Register of Arrests and Detentions" in the prescribed form in which he shall enter the name and other particulars of every person arrested under this Ordinance, together with the time and date of arrest, the details of the information received, the details of things, goods or documents, recovered from his custody, the name of the witnesses and the explanation, if any, given by him and the manner in which the inquiry has been conducted from day to day and, such register or authenticated copies of its aforesaid entries shall be produced before the Special Judge, whenever such Officer is so directed by him.
	(11)		After completing the inquiry, an officer of Inland Revenue shall, as early as possible, submit to Special Judge a complaint in the same form and manner in which the officer in-charge of a police station submits a report, before a court.
	(12)		Magistrate of the first class may record any statement or confession during inquiry under this Ordinance, in accordance with the provisions of section 164 of the Code of Criminal Procedure, 1898 (Act V of 1898).
	(13)		Without prejudice to the foregoing provisions of this section, Board, with the approval of the Federal Minister-in-charge, may, by notification in the official Gazette, authorize any other officer working under the Board to exercise the powers and perform the functions of an officer of Inland Revenue under this section, subject to such conditions, if any, that it may deem fit to impose.
203D			Special Judges. -
	(1)		The Federal Government shall by notification in the official Gazette, appoint as many Special Judges as it considers necessary and, where it appoints more than one Special Judge, it shall specify in the notification the headquarter of each Special Judge and the territorial limits within which he shall exercise jurisdiction under this Ordinance.
	(2)		No person shall be appointed as a Special Judge unless he is or has been a Sessions Judge.

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

203E			Cognizance⁹ of Offences by Special Judges.-
	(1)		Notwithstanding anything contained in this Ordinance or any other law for the time being in force, a Special Judge may, within the limits of his jurisdiction, take cognizance of any offence punishable under this Ordinance upon- <ul style="list-style-type: none"> (a) a report in writing made by an officer of Inland Revenue or by any other officer especially authorized in this behalf by the Federal Government; or (b) receiving a complaint or information of facts constituting such offence made or communicated by any person; or (c) his own knowledge acquired during any proceeding before him under this Ordinance or under any other law for the time being in force.
	(2)		Upon the receipt of report under clause (a) of sub-section (1), the Special Judge shall proceed with the trial of the accused.
	(3)		Upon the receipt of a complaint or information under clause (b), or acquired in the manner referred to in clause (c) of sub-section (1), the Special Judge may, before issuing a summon or warrant for appearance of the person complained against, hold a preliminary inquiry for the purpose of ascertaining the truth or falsehood of the complaint, or direct any magistrate or any officer of Inland Revenue or any police officer to hold such inquiry and submit a report, and such Magistrate or officer shall conduct such inquiry and make report accordingly.
	(4)		If, after conducting such inquiry or after considering the report of such Magistrate or officer, the Special Judge is of the opinion that there is - <ul style="list-style-type: none"> (a) no sufficient ground for proceeding, he may dismiss the complaint, or (b) Sufficient ground for proceeding, he may proceed against the person complained against in accordance with law.
	(5)		A special Judge or a Magistrate or an officer holding inquiry under sub-section (3) may hold such inquiry, as early as possible, in accordance with the provision of section 202 of the Code of Criminal Procedure, 1898 (Act V of 1898).
203F			Special Judge, etc. to have exclusive jurisdiction.-
			Notwithstanding anything contained in this Ordinance or in any other law for the time being in force no,- <ul style="list-style-type: none"> (a) court other than the Special Judge having jurisdiction, shall try an offence punishable under this Ordinance; (b) other court or officer, except in the manner and to the extent specifically provided for in this Ordinance, shall exercise any power, or perform any function under this Ordinance; (c) court, other than the High Court, shall entertain, hear or decide any application, petition or appeal under chapters XXXI and XXXII of the Code of Criminal Procedure, 1898 (Act V of 1898), against or in respect of any order or direction made under this Ordinance; and

⁹ noun. awareness, realization, or knowledge; notice; perception: The guests took cognizance of the snide remark.

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

			(d) no court, other than the Special Judge or the High Court, shall entertain any application or petition or pass any order or give any direction under chapters XXXVII, XXXIX, XLIV or XLV of the aforesaid Code.
203G			Provisions of Code of Criminal Procedure, 1898, to apply.-
	(1)		The provision of the Code of Criminal procedure, 1898 (Act V of 1898), so far as they are not inconsistent with the provisions of this Ordinance, shall apply to the proceedings of the court of a Special Judge and such court shall be deemed to be a court of Sessions for the purpose of the said Code and the provisions of Chapter XXIIA of the foresaid Code, so far as applicable and with the necessary modifications, shall apply to the trial of cases by the Special Judge under this Ordinance.
	(2)		For the purposes of sub-section (1), the Code of Criminal Procedure, 1898 (Act V of 1898), shall have effect as if an offence punishable under this Ordinance were one of the offences referred to in sub-section (1) of section 337 of the said Code.
203H			Transfer of cases.-
	(1)		Where more than one Special Judge are appointed within the territorial jurisdiction of a High Court, the High Court, and where not more than one Special Judge is so appointed, the Federal Government, may by order in writing direct the transfer, at any stage of the trial, of any case from the court of one Special Judge to the Court of another Special Judge for disposal, whenever it appears to the High Court or, as the case may be, the Federal Government, that such transfer may promote the ends of justice or tend to the general convenience of the parties or witnesses.
	(2)		In respect of a case transferred to a Special Judge under sub-section (1), such Special Judge shall not by reason of the said transfer, be bound to recall and rehear any witness whose evidence has been recorded in the case before the transfer and may act upon the evidence already recorded or produced before the court which tried the case before the transfer.
203I			Place of Sittings.-
			A Special Judge shall ordinarily hold sittings at his headquarters but, keeping in view the general convenience of the parties or the witnesses, he may hold sittings at any other place.;
222A			Fee and service charges.-
	(2)		The Board may authorize and prescribe the manner in which fee and service charges collected including by ventures of public-private partnership under this section are expended.;

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

227BA			Reward and benefits for certain persons.—
	(1)		The Board may sanction rewards to e-intermediaries for filing of returns of new taxpayers.
	(2)		The Board with the approval of Federal Minister in-charge may announce benefits, rebates, tax credits, allowances and any other incentive in cash or otherwise for class or classes of persons.
	(3)		The Board with the approval of the Federal Minister in-charge may, by notification in the official Gazette, prescribe the procedure in this behalf and also notify the class or classes of persons eligible under this section. The provisions of this section shall take effect from the date notified by the Board.
¹⁰ 227E			E-hearing.-
	(1)		The Board may design and prescribe e-hearing module for the purpose of conducting hearings, granting opportunity of being heard and electronically receiving any information for the purpose of this Ordinance.
	(2)		The recording of e-hearing proceedings shall be admissible as evidence before any forum or court of law for the purpose of this Ordinance.
	(3)		The Board may make rules for the purpose of this section.;
230I			Directorate General of Compliance Risk Management.-
	(1)		The Directorate General of Compliance Risk Management 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 - (a) specify the functions, jurisdiction and powers of the Directorate General of Compliance Risk Management and its officers; and (b) confer the powers of authorities specified in section 207 upon the Directorate General and its officers.";
231B			Advance tax on private motor vehicles.
	(2A)		Every motor vehicle registration authority of Excise and Taxation Department shall, at the time of registration, collect tax at the rates specified in Division VII of Part IV of the First Schedule, if the locally manufactured motor vehicle has been sold prior to registration by the person who originally purchased it from the local manufacturer.:

¹⁰ Draft SRO 636(1)/2021 dated 31st May 2021

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

233			Brokerage and commission.
	(1)		Where any payment on account of brokerage or commission is made by the Federal Government, a Provincial Government, Local Government, a company or an association of persons constituted by, or under any law association of person or individual having turnover of hundred million rupees or more (hereinafter called the "principal") to a person (hereinafter called the "agent"), the principal shall deduct advance tax at the rate specified in Division II of Part IV of the First Schedule from such payment.
235			Electricity consumption.
	(1)		There shall be collected advance tax at the rates specified in Division IV of Part-IV of the First Schedule on the amount of electricity bill of a commercial or industrial or domestic consumer.;
			Provided that the provisions of sub-section (1) shall not apply to a domestic consumer of electricity if his name appears on the Active Taxpayers' List."; and
	(3)		Advance tax under this section shall not be collected from a person who produces a certificate from the Commissioner that his income during tax year is exempt from tax or that he has discharged advance tax liability for the tax year under section 147 or whose entire income is subject to final tax regime or minimum tax regime under any provisions of this Ordinance other than this section.
236			Telephone and internet users. -
	(1)		Advance tax at the rates specified in Division V Part IV of the First Schedule shall be collected on the amount of -
236C			Advance Tax on sale 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 ,recording 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: Explanation,—For 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 , public and private real estate projects registered/governed under any law, joint ventures, private commercial concerns and registrar of properties.;

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-
			Provided further that if the seller or transferor is a non-resident individual holding Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) or Computerized National ID Card (CNIC) who had acquired the said immovable property through a Foreign Currency Value Account (FCVA) or NRP Rupee Value Account (NRVA) maintained with authorized banks in Pakistan under the foreign exchange regulations issued by the State Bank of Pakistan, the tax collected under this section from such persons shall be final discharge of tax liability in lieu of capital gains taxable under section 37 earned by the seller or transferor from the property so disposed of.;
236G			Advance tax on sales to distributors, dealers and wholesalers.
	(1)		Every manufacturer or commercial importer of pharmaceuticals, poultry and animal feed, edible oil and ghee, battery, tyers, varnishes, chemicals, cosmetics, IT equipment, electronics, sugar, cement, iron and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint 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 pharmaceuticals, poultry and animal feed, edible oil and ghee, battery, tyers, varnishes, chemicals, cosmetics, IT equipment, electronics, sugar, cement, iron and steel products, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint 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.
236K			Advance tax on purchase or transfer of immovable property.
	(1)		Any person responsible for registering 3[,recording] 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 specified in Division XVIII of Part IV of the First Schedule. Explanation,—For 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, public and private real estate projects registered/governed under any law, joint ventures, private commercial concerns and registrar of properties.

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-
	(2)		The advance tax collected under sub-section (1) shall be adjustable. Provided that if the buyer or transferee is a non-resident individual holding a Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) or Computerized National ID Card (CNIC) who has acquired the said immovable property through a Foreign Currency Value Account (FCVA) or NRP Rupee Value Account (NRVA) maintained with authorized banks in Pakistan under the foreign exchange regulations issued by the State Bank of Pakistan, the tax collected under this section from such persons shall be final discharge of tax liability for such buyer or transferee."; and
	(3)		Any person responsible for collecting payments in installments for purchase or allotment of any immovable property where the transfer is to be effected after making payment of all installments, shall at the time of collecting installments collect from the allottee or transferee advance tax at the rate specified in Division XVIII of Part IV of the First Schedule.; Provided that where tax has been collected along with installments, no further tax under this section shall be collected at the time of transfer of property in the name of buyer from whom tax has been collected in installments which is equal to the amount payable in this section.;
242			Benefits of repealed provisions.-
			The existing beneficiaries of exemptions or concessionary provisions of the Ordinance, already expired or expiring, on thirtieth day of June, 2021 or repealed by Tax Laws (Second Amendment) Ordinance, 2021 shall continue to enjoy benefits of the repealed provisions for the periods prescribed therein and subject to conditions and limitations specified therein.

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

Technical correction update			
Law section	Existing	Purposed	
(2)(19)(e)	Companies Ordinance, 1984 (XLVII of 1984)	Companies Act, 2017 (XIX of 2017)	
(2)(24)	Companies Ordinance, 1984 (XLVII of 1984)	Companies Act, 2017 (XIX of 2017)	
(2)(35AA)	Companies Ordinance, 1984 (XLVII of 1984)	Companies Act, 2017 (XIX of 2017)	
(2)(42A)	Companies Ordinance, 1984 (XLVII of 1984)	Companies Act, 2017 (XIX of 2017)	
(2)(59A)	Companies Ordinance, 1984 (XLVII of 1984)	Companies Act, 2017 (XIX of 2017)	
(8)	General provisions relating to taxes imposed under sections 5, 6 and 7	General provisions relating to taxes imposed under sections 5, 5AA, 6, 7, 7A and 7B	
(37)(3)	Companies Ordinance, 1984 (XLVII of 1984)	Companies Act, 2017 (XIX of 2017)	
(59AA)(1)	Companies Ordinance, 1984 (XLVII of 1984)	Companies Act, 2017 (XIX of 2017)	
(59AA)(3)	Companies Ordinance, 1984 (XLVII of 1984)	Companies Act, 2017 (XIX of 2017)	
(59B)(2)	Companies Ordinance, 1984 (XLVII of 1984)	Companies Act, 2017 (XIX of 2017)	
(64B)(3)(c)	Companies Ordinance, 1984 (XLVII of 1984)	Companies Act, 2017 (XIX of 2017)	
(80)(2)(b)(i)	Companies Ordinance, 1984 (XLVII of 1984)	Companies Act, 2017 (XIX of 2017)	
139(1)	Companies Ordinance, 1984 (XLVII of 1984)	Companies Act, 2017 (XIX of 2017)	
216(3)(k)	Companies Ordinance, 1984 (XLVII of 1984)	Companies Act, 2017 (XIX of 2017)	
225	section 316 of the Companies Ordinance, 1984 (XLVII of 1984)	section 310 of the Companies Act, 2017 (XIX of 2017)	
Shifting of power			
Law section	Existing	Purposed	
(2)(62A)	Federal Government	Board with the approval of Federal Minister-in-charge	
(53)	Federal Government may	Board with the approval of the Federal Minister-in-charge may, from time to time, pursuant to the approval of the Economic Coordination Committee of the Cabinet	
(99B)	Federal Government	Board with the approval of Federal Minister-in-charge	
(99C)	Federal Government	Board with the approval of Federal Minister-in-charge	
(100)(3)	Federal Government	Board with the approval of Federal Minister-in-charge	
130(4)(a)	Regional Commissioner	Chief Commissioner Inland Revenue	
130(4)(b)	or Collector	Omitted	
212	Regional Commissioner	Chief Commissioner Inland Revenue	

Section	Subsection	Clause	Amendment of Ordinance, XLIX of 2001 - NEW / inserted Omitted and deleted substituted Gazette Finance Act, 2021
			In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

	Omitted sections
(64C)	Tax credit for persons employing fresh graduates.
(65C)	Tax credit for enlistment.
(65D)	Tax credit for newly established industrial undertakings.
114A	Taxpayer Profile
150A	Return on investment in Sukuks
152A	Payment for foreign produced commercials.
153B	Payment of royalty to resident persons.
182A	Return not filed within due date.
202	Power to compound offences.
203	Trial by Special Judge.
231A	Cash withdrawal from a bank.
231AA	Advance tax on transactions in bank.
233A	Collection of tax by a stock exchange registered in Pakistan.
233AA	Collection of tax by NCCPL.
234A	CNG Stations.
235A	Domestic electricity consumption.
236B	Advance tax on purchase of air ticket.
236HA	Tax on sale of certain petroleum products.
236L	Advance tax on purchase of international air ticket.
236P	Advance tax on banking transactions otherwise than through cash.
236S	Dividend in specie.
236V	Advance tax on extraction of minerals.
236Y	Advance tax on persons remitting amounts abroad through credit or debit or prepaid cards.