

Section	Subsection	Clause	Amendment of Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (XLII of 2001).	Gazette Finance Act 2023 NEW / inserted Deletion or Omitted Substituted
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			In the Islamabad Capital Territory (Tax on Services) Ordinance (XLII of 2001), the following further amendments shall be made, namely:-
3			Scope of tax.
	(2A)		The following provisions of the Sales Tax Act, 1990, shall apply, mutandis mutandis, to the services rendered or provided under this Ordinance, namely:
		(a)	<del>clause (b) of sub-section (2) and sub-sections (6) and (7) of section 3 sub-clause (d) of clause (5AB) of section 2 to the extent of freelance exporter exclusively dealing in export of IT and IT enabled services;</del>
			<del>Explanation.- For the purpose of this clause, freelance exporter means a person who works on per job and on self-employed basis without being attached to or under employment of any other person, having the liberty to work on various tasks simultaneously;</del>
		(aa)	<del>clause (b) of sub-section (2) and sub-sections (6) and (7) of section 3;" and</del>
		(b)	serial number 2 and serial number 8A, in column (1), and the entries relating thereto of the Fifth Schedule read with section 4;

TABLE - 1

S.No	Description	PCT Heading, if applicable	Rate of Tax
1	<p><del>Services provided or rendered by hotels, motels, guest houses, farmhouses, restaurants, marriage halls, lawns, clubs and caterers.</del></p> <p><del>Services provided or rendered by hotels motels, guest houses and farmhouses.</del></p> <p><del>Services provided or rendered by restaurants.</del></p> <p><del>Services provided or rendered by marriage halls and lawns.</del></p> <p><del>Services provided or rendered by clubs.</del></p> <p><del>Services provided or rendered by caterers, suppliers of food and drinks</del></p> <p>(i) Services provided or rendered by hotels, motels, guest houses, farmhouses, marriage halls, lawns, clubs and caterers.</p> <p>(ii) Services provided by restaurants including cafes, food (including ice-cream), parlors, coffee, houses, coffee, shops, deras, food huts, eateries, resorts ,and similar ,cooked, prepared or ready-to-eat food service outlets etc.</p>	98.01	<p>(i)Fifteen percent</p> <p>(ii) (a) Five percent where payment against services is received through debit or credit cards, mobile wallets or QR scanning subject to the condition that no input tax adjustment or refund shall be admissible; and (b) Fifteen percent where payment received in cash."</p>

<sup>1</sup> Clause (a) restore and recommendation withdrawn

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11	<p><u>Services provided by software or IT-based system development consultants.</u></p> <p>IT services and IT-enabled services.</p> <p>Explanation:- For the purpose of this entry-</p> <p>(a) "IT services" include but not limited to software development, software maintenance, system integration, web design, web development, web hosting and network design; and</p> <p>(b) "IT enabled services" include but not limited to inbound or outbound call centres, medical transcription, remote monitoring, graphics design, accounting services, human resources (HR) services, telemedicine centres, data entry operations, cloud computing services, data storage services, locally television programs and insurance claims processing.</p>	9815.6000	<p>Sixteen percent</p> <p>Fifteen percent</p>
60	Electric Power Transmission Services	---	15%