

Chapter / Part	Clause	Sub-Clause	THE SECOND SCHEDULE - FINANCE ACT 2025 NEW / inserted Omitted and deleted Substituted
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I			EXEMPTIONS FROM TOTAL INCOME
	(8)		Any pension received by a citizen of Pakistan from a former employer, other than where the person continues to work for the employer (or an associate of the employer). Provided that where the person receives more than one such pension, the exemption applies only to the higher of the pensions received.
	(9)		Any pension - (i) received in respect of services rendered by a member of the Armed Forces of Pakistan or Federal Government or a Provincial Government; ¹ (ii) granted under the relevant rules to the families and dependents of public servants or members of the Armed Forces of Pakistan who die during service.
	² (12)		Any payment in the nature of commutation of pension received from Government or under any pension scheme approved by the Board for the purpose of this clause.
	(13)		Any income representing any payment received by way of gratuity ³ or commutation of pension by an employee on his retirement or, in the event of his death, by his heirs as does not exceed -
	⁴ (23A)		the accumulated balance upto 50% received from the voluntary pension system offered by a pension fund manager under the Voluntary Pension System Rules, 2005 at the time of eligible person's- (a) retirement; or (b) disability rendering him unable to work; or (c) death by his nominated survivors:
	(23C)		Any withdrawal of accumulated balance from approved pension fund that represent the transfer of balance of approved provident fund to the said approved pension fund under the Voluntary Pension System Rules , 2005 ⁵

¹ Deleted clause restored² Deleted clause restored³ Deleted clause restored⁴ Deleted clause restored⁵ Deleted clause restored

Chapter / Part	Clause	Sub-Clause	THE SECOND SCHEDULE - FINANCE ACT 2025 NEW / inserted Omitted and deleted Substituted
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	(57)	(4)	any income of the following funds, institutions, foundations and trusts, namely:-

TABLE

Sr. No.	Name
(1)	(2)
i.	Pension of a former President of Pakistan and his widow.
ii.	State Bank of Pakistan and State Bank of Pakistan Banking Services Corporation.
iii.	Federal Board of Revenue Foundation.
iv.	Pakistan Council of Scientific and Industrial Research.
v.	The Pakistan Water and Power Development Authority established under the Pakistan Water and Power Development Authority Act, 1958 (W. P. Act XXXI of 1958).
vi.	Pakistan Agricultural Research Council.
vii.	The corporatized entities of Pakistan Water and Power Development Authority from the date of their creation upto the date of completion of the process of corporatization i.e. till the tariff is notified.
viii.	The Prime Minister's Special Fund for victims of terrorism.
ix.	Chief Minister's (Punjab) Relief Fund for Internally Displaced Persons (I DPs) of NWFP.
x.	Supreme Court of Pakistan - Diamer Bhasha & Mohmand Dams - Fund.
xi.	National Disaster Risk Management Fund.
xii.	The Prime Minister's COVID-19 Pandemic Relief Fund-2020.
xiii.	National Endowment Scholarship for Talent (NEST).
xiv.	Securities and Exchange Commission of Pakistan.
xv.	Privatisation Commission of Pakistan.
xvi.	Fauji Foundation.
xvii.	Audit Oversight Board.
xviii.	Supreme Court Water Conservation Account.
xix.	Baluchistan Education Endowment Fund (BEEF).
xx.	Army Welfare Trust.
xxi.	Public Private Partnership Authority for tax year 2022 and subsequent four tax years
xxii.	The Prime Minister's Relief Fund for Flood, Earthquake and Other Calamities with effect on and from the 5th August, 2022.
xxiii.	Export-Import Bank of Pakistan
xxiv.	Deposit Protection Corporation established under sub-section (I) of section 3 of Deposit Protection Corporation Act, 2016 (XXXVII of 2016).
xxv.	WAPDA First Sukuk Company Limited.
xxvi.	Pakistan Domestic Sukuk Company Ltd.
xxvii.	WAPDA on issuance of twenty billion rupees TFC's/SUKUK certificates for consideration of Diamer Bhasha Dam Projects.

Chapter / Part	Clause	Sub-Clause	THE SECOND SCHEDULE - FINANCE ACT 2025 NEW / inserted Omitted and deleted Substituted
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viii.	WAPDA Second Sukuk Company Limited.
xix.	Pakistan International Sukuk Company Limited.
xxx.	Second Pakistan International Sukuk Company Limited.
xxi.	Third Pakistan International Sukuk Company Limited.
xxii.	Islamic Naya Pakistan Certificates Company Limited (INPCCL).
xiii.	Pakistan Mortgage Refinance Company Limited.;
xiv.	The Pakistan Global Sukuk Programme Company Limited.
xxv.	Shaheed Mohtarma Benazir Bhutto Institute of Trauma, Karachi
xvi.	National Memorial Bab-e-Pakistan Trust.
xvii.	Pakistan Poverty Alleviation Fund.
viii.	National Rural Support Programme.
xix.	Karandaaz Pakistan from Tax Year 2015 onwards
xl.	The Institutions of the Agha Khan Development Network (Pakistan) as contained in Schedule 1 of the Accord and Protocol, dated November 13, 1994, executed between the Government of the Islamic Republic of Pakistan and the Agha Khan Development Network.
xli.	International Finance Corporation established under the International Finance Corporation Act, 1956 (XXVIII of 1956) and provided in section 9 of Article VI of Articles of Agreement 1955 as amended through April 1993.
xlii.	Asian Infrastructure Investment Bank and persons as provided in Article 51 of Chapter IX of the Articles of Agreement signed and ratified by Pakistan and entered into force on the 25th December, 2015.
xliii.	SAARC Energy Centre.
xliv.	The Asian Development Bank established under the Asian Development Bank Ordinance, 1971 (IX of 1971).
xlv.	International Islamic Trade Finance Corporation.
xlvi.	Islamic Corporation for Development of Private Sector.
lvii.	ECO Trade and Development Bank.
lviii.	The Islamic Chamber of Commerce and Industry under the Organization of Islamic Conference (OIC).
xlix.	Commission on Science and Technology for Sustainable Development in the South (COMSATS) formed under International Agreement signed on 5th October, 1994.
i.	Saarc Arbitration Council (SARCO).
ii.	International Parliamentarians' Congress.
lii.	Army Officers Benevolent Fund/Benevolent Fund/Bereaved Family Scheme.;

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	(65B)		Any monetary award received from the Federal or Provincial Government or from a Public Office holder by a sportsperson winning a medal in international Olympic Games representing Pakistan: Provided that this clause shall be applicable from tax year 2025.;
	(66)		Subject to the provisions of section 100C, any income derived by the following institution, foundations, societies, boards, trusts and funds, namely: —

TABLE

Sr. No.	Name
(1)	(2)
(i)	Al-Shifa Trust.
(ii)	Fatimid Foundation.
(iii)	Pakistan Engineering Council.
(iv)	The Institution of Engineers.
(v)	Liaquat National Hospital Association.
(vi)	Greenstar Social Marketing Pakistan (Guarantee) Limited.
(vii)	Gulab Devi Chest Hospital.
(viii)	National Academy of Performing Arts.
(ix)	Pakistan Bar Council.
(x)	Pakistan Centre for Philanthropy.
(xi)	Aziz Tabba Foundation.
(xii)	The Kidney Centre Post Graduate Training Institute.
(xiii)	Pakistan Disabled Foundation.
(xiv)	Forman Christian College.
(xv)	Habib University Foundation.
(xvi)	Begum AkhtarRukhsana Memorial Trust Hospital.
(xvii)	Al-Khidmat Foundation.
(xviii)	Sardar Trust Eye Hospital, Lahore.
(xix)	Akhuwat.
(xx)	Al-Shifa Trust Eye Hospital.
(xxi)	Sarmaya-E-Pakistan Limited.
(xxii)	Lahore University of Management Sciences, Lahore.
(xxiii)	Ghulam Ishaq Khan Institute of Engineering Sciences and Technology.
(xxiv)	Society for the Promotion of Engineering Sciences and Technology in Pakistan (SOPREST).
(xxv)	Businessmen Hospital Trust.

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(xxvi)	Baitussalam Welfare Trust.		
(xxvii)	Alamgir Welfare Trust International.		
(xxviii)	Foundation University.		
(xxix)	Burhani Qarzan Hasnan Trust		
(xxx)	Saiffee Hospital Karachi		
(xxxix)	Saifiyah Girls Taalim Trust]		
(xxxii)	Balochistan Bar Council		
(xxxiii)	Islamabad Bar Council		
(xxxiv)	Khyber Pakhtunkhwa Bar Council		
(xxxv)	Punjab Bar Council		
(xxxvi)	Sindh Bar Council		
(xxxvii)	Shaheed Zulfikar Ali Bhutto Foundation (SZABF)]		
(xxxviii)	Pakistan Sweet Homes Angels and Fairies Place.		
(xxxix)	Sindh Institute of Urology and Transplantation, SIUT Trust and Society for the Welfare of SIUT.		
(xl)	Shaukat Khanum Memorial Trust.		
(xli)	Abdul Sattar Edhi Foundation.		
(xlii)	Patient's Aid Foundation.		
(xliii)	Indus Hospital and Health Network.		
(xliv)	Sundus Foundation.		
(xlv)	Ali Zaib Foundation		
(xlvi)	Layton Rahmatullah Benevolent Trust (LRBT).		
(xlvii)	Dawat-e-Hadiya, Karachi.		
(xlviii)	The Citizens Foundation.		
(xlix)	Make a Wish Foundation		
(l)	Saylani Welfare International Trust.		
(li)	Dawat-e-Islami Trust		
(lii)	Chiniot Anjuman Islamia.		
(liii)	Hamdard Laboratories (Waqf) Pakistan		
(liv)	Film and Drama Finance Fund		
(lv)	Shaheed Zulfikar Ali Bhutto Institute of Science and Technology		
(lvi)	Beaconhouse National University		
(lvii)	Federal Ziauddin University		
(lviii)	Punjab Police Welfare Organization, Lahore.];		

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	(98AA)		Any income derived by ICC Business Corporation (IBC) or International Cricket Council (ICC) or employees, officials, agents and representatives of IBC and ICC, officials from ICC members, players, coaches, medical doctors and officials of member countries, IBC partners and media representatives, other than persons who are resident of Pakistan, from ICC champions Trophy, 2025 hosted in Pakistan.
	(126E)		Income derived by a zone enterprise as defined in the Special Economic Zones Act, 2012 (XX of 2012) for a period of ten years starting from the date the developer certifies that the zone enterprise has commenced commercial operation or up to the 30th day of June, 2035, whichever is earlier and for a period of ten years to a developer of zone starting from the date of signing of the development agreement in the special economic zone as announced by the Federal Government
	(126EA)		Profits and gains derived by -
		(b)	zone Enterprises as defined in the Special Technology Zones Authority Act, 2021 (XVII of 2021) for a period of ten years from the date of issuance of license by the Special Technology Zone Authority or up the 30th day of June, 2035, whichever is earlier; and
	(145A)		Any income which was not chargeable to tax prior to the commencement of the Constitution (Twenty-fifth Amendment) Act, 2018 (XXXVII of 2018) of any individual domiciled or company and association of persons resident in the Tribal Area forming part of the Provinces of Khyber Pakhtunkhwa and Balochistan under paragraph (d) of Article 246 of the Constitution with effect from the 1st day of June, 2018 to the 30th day of June, 2025 2026 (both days inclusive).
	(151)		Any income derived by a person from cinema operations for five years from the commencement of cinema operations. Provided that the exemption under this clause shall be available to a person till 30th June, 2030 or five years from commencement of cinema operations whichever is earlier."; and
	(152)		Profits and gains derived between the first day of July, 2022 and the thirtieth day of June, 2025 both days inclusive, by a venture capital company and venture capital fund registered under relevant Venture Capital Companies and Funds Management Rules issued by Securities and Exchange Commission of Pakistan.

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II			REDUCTION IN TAX RATES
	(9AC)		Subject to quota allotment by Commerce Division, tax under section 148 shall be collected at the rate of 0.25% on import of raw sugar imported by sugar mills from the 26th day of January, 2021 to the 30th day of June, 2021 both days inclusive provided that such imports shall not exceed fifty thousand metric tons per sugar mill and three hundred thousand metric tons in aggregate by the sugar industry.
	(24CA)		The rate of tax under clause (a) of sub-section (1) of section 153 in case of a person, other than a company, as a recipient of payment for goods supplied to Utility Stores Corporation of Pakistan shall be 1.5% of the gross amount of payment in respect of supply of tea, spices, salt, dry milk, sugar, pulses wheat flour and ghee for the period commencing from the 7th day of April, 2020 and ending on 30th day of September, 2020: Provided that this clause shall not be applicable to supply of tea, spices, salt and dry milk which are sold under a brand name: Provided further that this clause shall not be applicable where rate of tax under clause (a) of sub-section (1) of section 153 is less than 1.5% of the gross amount of payment under any provisions of the Ordinance.
	(24CB)		The rate of tax under clauses (b) and (c) of sub-section (1) of section 153 and subsection (1) of section 236A to be deducted and collected from the National Logistics Corporation shall be 3% of the gross amount of payment and gross sale price of a lease of the right to collect tolls, respectively: Provided that the tax so deductible and collected shall be minimum tax and in case the normal income tax, chargeable under Division II of Part I of the First Schedule on the taxable income of the taxpayer, is higher than the amount of tax under this clause, the taxpayer shall be liable to pay the normal income tax.;

Chapter / Part	Clause	Sub-Clause	THE SECOND SCHEDULE - FINANCE ACT 2025 NEW / inserted Omitted and deleted Substituted
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III			REDUCTION IN TAX LIABILITY
	(3A)		<p>The tax payable by a full-time teacher or a researcher, employed in a non-profit education or research institution duly recognized by Higher Education Commission, a Board of Education or a University recognized by the Higher Education Commission, including government research institution, shall be reduced by an amount equal to 25% of tax payable on his income from salary:</p> <p>Provided that this clause shall not apply to teacher of medical profession who derive income from private medical practice or who receive share of consideration received from patients:</p> <p>Provided further that the provision of this clause shall be deemed to have been in force with effect from the first day of July, 2022 and shall cease to have effect after tax year 2025.</p>

Chapter / Part	Clause	Sub-Clause	THE SECOND SCHEDULE - FINANCE ACT 2025 NEW / inserted Omitted and deleted Substituted
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IV			EXEMPTION FROM SPECIFIC PROVISIONS
	(12F)		The provision of section 148 shall not apply on import of 1.5 million tons of wheat having PCT Heading 1001.1900 and 1001.9900 in pursuance of Cabinet Decision in case No.399/23/2020 dated the 16th June, 2020;
	(12G)		The provisions of section 148 shall, in pursuance of the Cabinet Decision in case No. 541/30/2020 dated the 4th August, 2020, not apply on import by the Trading Corporation of Pakistan of 300,000 metric tons of white sugar having PCT heading 1701.9910,1701.9920, specification B;
	(12J)		The provisions of section 148 shall, in pursuance of the Cabinet Decision in case No. 34/02/2021, dated the 12th January, 2021, not apply on import of three hundred thousand metric tons of wheat through tendering process by the Trading Corporation of Pakistan
	(56)		The provisions of section 148, regarding withholding tax on imports shall not apply in respect of—
		(xx)	Import of Cystagon, Cysta drops and Trientine capsules
	(104A)		The provisions of section 4C shall not apply on capital gain derived from the disposal of one residential immovable property, if the property — a) has been in the personal use of the person or the last fifteen years; b) has been declared by the person in his wealth statement under section 116 for the last fifteen years; and c) appears as residence for personal use in tax record of the person. Provided that this clause shall apply once in fifteen years.;
	(105A)		The provisions of section 177 and 214C shall not apply to a person whose income tax affairs have been audited in any of the preceding four tax years for selection of a person for audit shall not apply whose income tax affairs have been selected for audit in any of the preceding three tax years; Provided that the Commissioner may select a person under section 177 for audit with approval of the Board.
	(109A)		The provisions of sections in Division III of Part V of Chapter X and Chapter XII of the Ordinance for deduction or collection of withholding tax which were not applicable prior to commencement of the Constitution (Twenty-fifth Amendment) Act, 2018 (XXXVII of 2018) shall not apply to individual domiciled or company and association of persons resident in the Tribal Areas forming part of the Provinces of Khyber Pakhtunkhwa and Balochistan under paragraph (d) of Article 246 of the Constitution with effect from the 1st day of June, 2018 to the 30th day of June, 2025 2026 (both days inclusive).

Chapter / Part	Clause	Sub-Clause	THE SECOND SCHEDULE - FINANCE ACT 2025 NEW / inserted Omitted and deleted Substituted
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	(110)		The provisions of sections in Division III of Part V of Chapter X and Chapter XII of the Ordinance for deduction or collection of withholding tax which were not applicable prior to commencement of the Constitution (Twenty-fifth Amendment) Act, 2018 (XXXVII of 2018) shall not apply to individual domiciled or company and association of person resident in the Tribal Areas forming part of the Provinces of Khyber Pakhtunkhwa and Balochistan under paragraph (d) of Article 246 of the Constitution with effect from the 1st day of June, 2018 to the 30th day of June, 2025 2026 (both days inclusive).