



FINANCE (SUPPLEMENTARY) BILL 2021

**Audit | Tax | Advisory |
Business Services & Outsourcing**

SECTION (CLAUSE)	THE FINANCE (SUPPLEMENTARY) BILL, 2021
2	Definitions
17(B) & 21(la)	<p>The Finance (Supplementary) Bill, 2021 has proposed insertion of new clause 17B after clause 17A as follows:</p> <p>“digital means” mean electronic or digital payments as defined by the State Bank of Pakistan (“SBP”).</p> <p>The above definition is introduced as various forums raised this concern with the Board to clarify as to what would be construed as ‘digital means’ of payment.</p> <p>The requirement imposed under section 21(la) which requires every company to make payment for a transaction under a single account head exceeding PKR 250,000 through ‘digital means’ has recently through Circular No. 6(9)S(IR-Operations)2021/914-R dated January 03 2022 has been extended up to January 31st 2022.</p>
153	Payments for goods, services and contracts
Sub section (3) clause (c)	<p>The Finance (Supplementary) Bill, 2021 has proposed explanation in sub section (3) of clause (c) as follows:</p> <p>“Explanation.– For the removal of doubt, it is explained that the income of resident person referred to in sub-section (3) means the amount on which tax is deductible under sub-section (1) or (2) of this section.”</p> <p>This is a consequential amendment whereby the explanation is added to treat the gross amount, on which tax is deducted, as deemed income to avoid litigation in courts.</p>
165A	Furnishing of information by banks
Clause (f)	<p>The Finance (Supplementary) Bill, 2021 has proposed insertion of new clause (f) after omitted clause (e) as follows:</p> <p>“(f) a list of persons containing particulars of their business accounts opened or re-designated during each preceding calendar month.”;</p> <p>The primary purpose of the aforesaid proposed amendment seems to be the verification of the details of the taxpayers, in comparison with what details the taxpayer has furnished in his profile.</p>
216	Disclosure of information by a Public Servant
Clause (t)	<p>The Finance (Supplementary) Bill, 2021 has proposed insertion of new clause (t) after clause (s) as follows:</p> <p>“(t) in respect of any high-level public officials and public servants in BPS-17 and above, their spouses, children or benamidars, or any person in relation to whom the afore-mentioned persons are beneficial owner:</p> <p>Provided that nothing in clause (t) shall apply to those who are expressly excepted under clause (iv) of sub-section (m) of section 5 of the National Accountability Bureau Ordinance, 1999 (Ordinance No. XVIII of 1999).</p> <p>Explanation.– “High-level public officials” mean politically exposed persons as defined by a rule, regulation, executive order or instrument; or under any law for the time being in force.”;</p> <p>The Bill proposes an amendment whereby the particulars of High-level public officials and public servants in BPS-17 and above, their spouses, their children or benamidaars, or any person in relation to whom the aforementioned persons are beneficial owner, shall not be precluded from disclosure by Section 216(1).</p>

SECTION (CLAUSE)	THE FINANCE (SUPPLEMENTARY) BILL, 2021		
233	Brokerage and Commission		
Sub-section (3)	<p>The Finance (Supplementary) Bill, 2021 has proposed explanation in sub-section (3) as follows:</p> <p>“Explanation.– For the removal of doubt, it is explained that the income of person referred to in sub-sections (2B) and (3) means the amount on which tax is deductible under sub-sections (1) or (2A) of this section.”;</p> <p>This is a consequential amendment whereby the explanation is added to treat the gross amount, on which tax is deducted, as deemed income to avoid litigation in courts.</p>		
236CA	Advance tax on TV plays and advertisements:		
	The Bill proposes to insert a new Section 236CA providing for collection of advance tax on foreign TV drama serials, plays dubbed in Urdu or any other language or any commercial for advertisements featuring foreign actor for screening and viewing on any landing rights channel at the following rates:-		
	S. No.	Description	Rate of Tax
	1	Foreign-produced TV drama serial or play	Rs.1,000,000 per episode
	2	Foreign-produced TV play (single episode)	Rs.3,000,000
	3	Advertisement starring foreign actor	Rs.500,000 per second
	<p>The licensing authority certifying the foreign TV drama serial, play dubbed in Urdu or other language or certifying the advertisement, as the case may be, is prescribed to be a collecting agent.</p> <p>The tax required to be collected under the aforesaid section shall be a minimum tax on the income arising from such drama serial, play or advertisement.</p>		
236Q	Payment to residents for use of machinery and equipment		
Sub-section (3)	<p>The Finance (Supplementary) Bill, 2021 has proposed explanation in sub-section (3) as follows:</p> <p>“Explanation.– For the removal of doubt, it is explained that the income of person referred to in sub-section (3) means the amount on which tax is deductible under sub-section (1) or (2) of this section.”;</p> <p>This is a consequential amendment whereby the explanation is added to treat the gross amount, on which tax is deducted, as deemed income to avoid litigation in courts.</p>		

SECTION (CLAUSE)	THE INCOME TAX ORDINANCE, 2001		
FIRST SCHEDULE	RATES OF TAX		
Part I	Rates of tax		
Division III	Rate of Dividend Tax		
	<p>The Finance (Supplementary) Bill, 2021 has proposed re-numbered of clause (c) as clause (d) and added new clause (c) as follows:</p> <p>“(c) 0% in case of dividend received by a REIT scheme from Special Purpose Vehicle and 35% in case of dividend received by others from Special Purpose Vehicle as defined under the Real Estate Investment Trust Regulations, 2015”.</p> <p>The Bill proposes the rate of dividend tax levied pursuant to Section 5 of the ITO has been proposed to be amended, and henceforth levied at 0% in a situation where the REIT scheme receives a dividend from a Special Purpose Vehicle (“SPV”), and 35% in case of the dividend recipient not being a REIT. The said amendment has been proposed by virtue of a new clause (c) in Division II of Part 1 of the First Schedule to the ITO.</p>		
Part III	Deduction of Tax at Source		
Division I	Advance tax on Dividends		
	<p>The Finance (Supplementary) Bill, 2021 has proposed insertion of new clause (c) after clause (b) as follows:</p> <p>“(c) 0% in case of dividend received by a REIT scheme from Special Purpose Vehicle and 35% in case of dividend received by others from Special Purpose Vehicle as defined under the Real Estate Investment Trust Regulations, 2015; and”;</p> <p>This is a consequential amendment to the above, the Bill has proposed the same treatment for Advanced Tax on dividends received by a REIT (0%) and others (35%) from SPVs</p>		
	The Finance (Supplementary) Bill, 2021 has proposed re-numbered of clause (ba) as clause (d)		
Part IV	Deduction or collection of advance tax		
Division V	Telephone Users		
	The Bill seeks to increase rate of collection of tax on subscribers of internet, mobile telephone and pre-paid internet or telephone cards. These comparative rates are as under:		
	Description	Existing Rate (%)	Proposed Rate (%)
	Telephone subscriber where the amount of monthly bill exceeds PKR 1,000	10% of exceeding amount	Unchanged
	Subscriber of internet, mobile telephone and pre-paid internet or telephone card	10% of the amount of bill or sales price for the TY 2022 and 8% for succeeding Tax year 2022	15% of the amount of bill or sales price

SECTION (CLAUSE)	THE INCOME TAX ORDINANCE, 2001		
Division VII	Advance tax on purchase, registration and transfer of motor vehicles,		
	In terms of Sub-section (2A) of Section 231B of the Ordinance, every motor vehicle registration authority of Excise and Taxation Department is required to collect advance tax from the buyers of locally manufactured vehicles who subsequently sell such vehicles within ninety days of delivery, prior to or after registration.		
	The Bill proposes to enhance rates of collection of tax under the aforesaid Sub-section which are as under-		
	Engine Capacity	Existing Tax (Rs.)	Proposed Tax (Rs.)
	Upto 1000cc	50,000	100,000
	1001cc to 2000cc	100,000	200,000
	2001cc and above	200,000	400,000
Division XA	Advance Tax on TV Plays and advertisement		
	The Finance (Supplementary) Bill, 2021 has proposed insertion of new Division XA as under:		
	S. No.	Description	Rate of Tax
	1	Foreign-produced TV drama serial or play	Rs.1,000,000 per episode
	2	Foreign-produced TV play (single episode)	Rs.3,000,000
	3	Advertisement starring foreign actor	Rs.500,000 per second
SECOND SCHEDULE	EXEMPTIONS AND TAX CONCESSIONS		
Part I	Exemptions from total Income		
Clause (99)	<p>The Finance (Supplementary) Bill, 2021 has proposed insertion of new word "Special Purpose Vehicles" after the word "REIT Scheme"</p> <p>The proposed amendment aims to exempt the income of Special Purpose Vehicle (SPV). Further, the Finance (Supplementary) Bill, 2021 has proposed to insert "Special Purpose Vehicle shall have the same meaning as defined under the Real Estate Investment Trust Regulations, 2015" after the word "auditors"</p> <p>The income of SPV would be exempt on the condition of distribution of 90% of its accounting income of the year as reduced by capital gain whether realized or unrealized to the unit or certificate holders or shareholders as the case may be.</p>		
Clause (99A)	<p>The Finance (Supplementary) Bill, 2021 has proposed insertion of new word "or shares of Special Purpose Vehicle" after the word "Property"</p> <p>"Explanation.— For the purpose of this clause, Special Purpose Vehicle shall have the same meaning as defined under the Real Estate Investment Trust Regulations, 2015.";</p> <p>This is a consequential amendment encouraging investors to invest in the shares of SPV as subsequent profit and gains on sale of shares of SPV has now been proposed to be exempt from income tax.</p>		

SECTION (CLAUSE)	THE INCOME TAX ORDINANCE, 2001
Clause (132)	<p>The Finance (Supplementary) Bill, 2021 has proposed substitution of new word "Letter of Support" after the word "Letter of intent"</p> <p>Profits and gains derived by a taxpayer from an electric power generation project set up in Pakistan was exempt from tax. Through the Finance Act, 2021, the said exemption was restricted to persons who either entered into an agreement with the Federal or Provincial Government or to whom letter of intent was issued by the Federal or Provincial Government for setting electric power generation project in Pakistan up to 30 June 2021.</p> <p>The Bill now proposes to amend the restriction for persons to whom letter of support is issued instead of persons to whom letter of intent is issued. The amendment is proposed to be applicable retrospectively.</p>
Part IV	Exemption from specific provisions
Clause (47B)	<p>The Finance (Supplementary) Bill, 2021 has proposed insertion of new word "including Special Purpose Vehicles" after the word "Scheme"</p> <p>Explanation. — For the purpose of this clause, Special Purpose Vehicle shall have the same meaning as defined under the Real Estate Investment Trust Regulations, 2015.</p> <p>This is a consequential amendment which is linked to exemption of income of SPV in Clause (99) Part I of the Second Schedule of the Ordinance and now the Bill proposes to relieve the provision relating to withholding on income earned by the SPV pertaining to dividend, profit on debt and Commission.</p>

SECTION (CLAUSE)	SALES TAX ACT, 1990
Section 2	Definitions
Clause (5AB)	Rates of tax
	The Finance (Supplementary) Bill, 2021 has proposed substitution the word "ten" to "eight" as follows: The cottage industry is not required to get registered under the STA 1990. The cottage industry is defined as a manufacturing concern with certain conditions to be met, one of which is that the annual turnover from all supplies does not exceed PKR 10 million. Now, the Bill has proposed to lower the above limit to 8 Million Rupees.
Clause 43A	The Finance (Supplementary) Bill, 2021 has proposed insertion of new clause (g) after sub-clause (f) as follows: “(g) a retailer whose deductible withholding tax under sections 236G or 236H of the Income Tax Ordinance, 2001(XLIX of 2001) during the immediately preceding twelve consecutive months has exceeded the threshold as may be specified by the Board through notification in the official Gazette; and”; The Bill has proposed to add a retailer whose deductible withholding tax under sections 236G or 236H of the Income Tax Ordinance, 2001(XLIX of 2001) during the immediately preceding twelve consecutive months has exceeded the threshold which will be specified by the FBR through notification, within the purview of the Tier-1 category.
Section 23	Tax Invoices
Subsection (1)	The Finance (Supplementary) Bill, 2021 has proposed insertion of new proviso as follows: “Provided further that the condition of NIC shall not apply in the case of payment through debit or credit card or digital mode,” and A registered person is required to issue a tax invoice at time of supply of goods which must contain some prescribed particulars that include, the NTN or CNIC in case of supply to an unregistered person. In case of a retailer, a relaxation in this condition is given upto sales not exceeding PKR 100,000/- if sale is made to ordinary consumers. The Bill has now proposed that the condition of CNIC or NTN shall not apply in the case of payment through debit card or digital mode. Previously, in case if it was subsequently proven that the CNIC provided by the purchaser was not correct, the liability of tax or penalty did not arise against the seller, in case the sale was made in good faith. This is now proposed to be omitted, whereby, seller is now liable for incorrect CNIC of purchaser.
Section 30CA	Directorate General of Digital Invoicing and Analysis
	The Finance (Supplementary) Bill, 2021 has proposed insertion of new section (30CA) after section (30C) as follows: “The Directorate General of Digital Invoicing and Analysis shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.”;
Section 33	Offence and penalties
	The following amendments have been proposed through the Bill
Serial No. 23	Penalty under Serial No. 23 is applicable to any person who manufactures, possesses, transports, distributes, stores or sells cigarette with counterfeited tax stamps, banderoles, stickers, labels or barcodes or without tax stamps, banderoles, stickers, labels or barcodes will be liable to outright confiscation and destruction and other penalties. It is now proposed that the words “cigarette packs”, “cigarette stock” and “cigarettes” will be replaced with the word “specified goods”. Also the penalty of destruction of such goods is also omitted

SECTION (CLAUSE)	SALES TAX ACT, 1990	
Serial No. 24	Penalty under Serial No. 24 covers transactions conducted in a manner so as to avoid monitoring, tracking, reporting or recording of such transactions to FBR online systems and are liable to prescribed penalty. It is now proposed that the business premises of such person shall also be liable to be sealed by an officer of Inland Revenue in the manner prescribed in addition to other penalties.	
Serial No. 25A	Penalty under Serial No. 25A deals with a person required to integrate his business as stipulated under sub-section (9A) of Section 3, but who fails to get himself registered under the Act, and if registered, fails to integrate in the manner as required under the law and rules, shall be liable to prescribed penalty. It is now proposed through the Bill, that the business premises of such person shall be liable to be sealed by an officer of Inland Revenue in the manner prescribed.	
THIRD SCHEDULE	The Section 3(2)(a) of STA, 1990 provides that taxable supplies and import of goods specified in the Third Schedule shall be charged to tax at the rate of seventeen per cent of the retail price along with the amount of sales tax shall be legibly, prominently and indelibly printed or embossed by the manufacturer, or the importer, in case of imported goods on each article, packet, container, package, cover or label. Now, Sugar (Serial No. 50) is proposed to be omitted w.e.f 1st December 2021, whereby it is now subject to sales tax @17% on value of supply rather than retail price.	
FIFTH SCHEDULE		
Section 4	The Fifth Schedule of the Sales Tax Act deals with levy of zero rate of sales tax.	
	The Bills proposes to withdraw zero rating on the supply of following goods:	
	S. No.	Description
	3	Supplies to duty free shops
	6A	Supplies of locally manufactured plant and machinery of the following specifications, to manufacturers in the Export Processing Zone, subject to the conditions, restrictions and procedure given below, namely: (i) Plant and machinery, operated by power of any description, as is used for the manufacture or production of goods by that manufacturer; (ii) Apparatus, appliances and equipment specifically meant or adapted for use in conjunction with the machinery specified in clause (i); (iii) Mechanical and electrical control and transmission gear, meant or adapted for use in conjunction with machinery specified in clause (i); and (iv) Parts of machinery as specified in clauses (i), (ii) and (iii), identifiable for use in or with such machinery.
	9	Goods exempted under Section 13, if exported by a manufacturer
	12	The following goods and the raw materials, packing materials, sub-components, components, sub-assemblies and assemblies imported or purchased locally for the manufacture of the said goods, subject to the conditions, limitations and restrictions as prescribed by the Board: (a) Food preparations suitable for infants, put up for retail sale (PCT Heading 1901.1000) (b) Bicycles (PCT heading 87.12)
	15	Local supplies of raw materials, components, parts and plant and machinery to registered exporters authorized under Export Facilitation Scheme, 2021 notified by the Board with such conditions, limitations and restrictions.
	18	(i) Supply, repair or maintenance of any ship which is neither;

SECTION (CLAUSE)	SALES TAX ACT, 1990		
		a) a ship of gross tonnage of less than 15 LDT; nor b) a ship designed or adapted for use for recreation or pleasure. (ii) Supply of spare parts and equipment for ships falling under (i) above. (iii) Supply of equipment and machinery for salvage or towage services. (iv) Supply of equipment and machinery for other services provided for the handling of ships in a port.	
	New Insertions		
	The following items are now inserted with the effect that their supply will be zero rated, with input tax, if any will be refundable:		
	S. No.	Description	
	19.	Drugs registered under the Drugs Act, 1976 (XXXI of 1976), or medicaments as classified under chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969) except PCT heading 3005.0000.	
	20.	Petroleum Crude Oil (PCT heading 2709.0000)."	
SIXTH SCHEDULE	The Sixth Schedule deals with exemptions of goods from levy of sales tax.		
	Table-1 of the Sixth Schedule exempts import as well as local supplies of goods from sales tax. The Bill now proposes withdrawal of exemption on following products. Effectively, following goods will be subject to sales tax at 17%.		
	Table - 1		
	S. No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
	1	Live Animals and live poultry	0101.2100,0101.3000, 0101.9000, 0102.2110,0102.2120, 0102.2130 0102.2190,0102.3900, 0102.2910, 0102.2920,0102.2930, 0102.2990, 0102.9000,0104.1000, 0104.2000, 0105.1100,0105.1200,0105.9400, 0105.9900,0106.1100, 0106.1200, 0106.1900,0106.2000, 0106.3110, 0106.3190, 0106.3200, 0106.3900 and 0106.9000, 0101.9000, 0102.1010, 0102.21
	2	Meat of bovine animals, sheep and goat, excluding poultry and offal, whether or not fresh, frozen or otherwise, preserved 760[or packed	02.01, 02.02 and 02.04

SECTION (CLAUSE)	SALES TAX ACT, 1990		
	S. No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
	3	Fish and crustaceans excluding live fish whether or not fresh, frozen or otherwise preserved 762[or packed	03.02, 03.03, 03.04, 03.05 and 03.06
	11	Eggs including eggs for hatching	0407.1100, 0407.1900 and 0407.2100, 0407.2900
	12	Live plants including bulbs, roots and the like	0601.1010,0601.1090, 0601.2000, 0602.1000,0602.2000, 0602.3000, 0602.4000,0602.9010 and 0602.9090
	16	Red chillies excluding those sold in retail packing bearing brand names and trademarks.	0904.2110 and 0904.2210
	20	Seeds, fruit and spores of a kind used for sowing	1006.1010,1209.2100, 1209.2200, 1209.2300,1209.2400,1209.2500,1209.2900,1209.3000 , 1209.9110, 1209.9120, 1209. 9130, 1209.9190 and 1209.9900
	21	Cinchona bark	1211.9000
	23	Sugar cane	1212.9300
	46	Goods imported by various agencies of the United Nations, diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various Acts and, Orders, rules and regulations made thereunder; and agreements by the Federal Government provided that such goods are charged to zero-rate of customs duty under Customs Act, 1969 (IV of 1969), and the conditions laid therein	99.01, 99.02, 99.03 and 99.06
	49	Import of all goods received, in the event of a natural disaster or other catastrophe, as gifts and relief consignments, including goods imported for the President's Fund for Afghan Refugees, relief goods donated for Afghan Refugees, gifts for President's Fund for Assistance of Palestine and gifts received by Pakistani organizations from Church World Services or the Catholic Relief Services subject to the similar conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Custom Act, 1969.	99.07, 99.08 and 99.11
	50	Articles imported through post as unsolicited gifts, subject to the same conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969. (IV of 1969)	99.09
	51	Imported samples, subject to the same conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969. (IV of 1969)	99.10
	52	Goods imported by or donated to hospitals run by the Federal Government or a Provincial Government; and non-profit making educational and research institutions subject to the similar restrictions, limitations, conditions and procedures as are envisaged for the purpose of applying zerorate of customs duty on such goods under the Customs Act, 1969, (IV of 1969)	99.13, 99.14, and 99.15

SECTION (CLAUSE)	SALES TAX ACT, 1990		
	S. No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
	52A	Goods excluding electricity and natural gas supplied to hospitals run by the Federal or Provincial Governments or charitable operating hospitals of fifty beds or more or the teaching hospitals of statutory universities of two hundred or more beds	Respective headings
	53	Import of all such gifts as are received, and such equipment for fighting tuberculosis, leprosy, AIDS and cancer and such equipment and apparatus for the rehabilitation of the deaf, the blind, crippled or mentally retarded as are purchased or otherwise secured by a charitable non-profit making institution solely for the purpose of advancing declared objectives of such institution, subject to the similar conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969 (IV of 1969)	99.12, 99.13 and 99.14
	54	Educational, scientific and cultural material imported from a country signatory to UNESCO Agreement or a country signatory to bilateral commodity exchange agreement with Pakistan, subject to the same conditions as are envisaged for the purposes of exemption under the Customs Act, 1969 (IV of 1969)	99.15
	55	Import of replacement goods supplied free of cost in lieu of defective goods imported, subject to similar conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969	99.16
	57	Goods (including dry fruits imported from Afghanistan) temporarily imported into Pakistan, meant for subsequent exportation charged to zero-rate of customs duty subject to the similar restrictions, limitations, conditions and procedures as are envisaged for the purpose of applying zero-rate of customs duty on such goods under the Customs Act, 1969 (IV of 1969)	99.19, 99.20 and 99.21
	58	Import of ship stores, subject to the procedures, conditions and restrictions as may be specified by the Collector of Customs in this behalf including those consignments of such stores that have been released without charging sales tax since the 1st July, 1998, but excluding such consignments of ship stores as have been cleared on payment of sales tax	99.22
	60	Contraceptives and accessories thereof.	3926.9020 and 4014.1000
	61	Goods produced or manufactured in and exported from Pakistan which are subsequently imported in Pakistan within one year of their exportation, provided conditions of Section 22 of the Customs Act, 1969 (IV of 1969), are complied with	Respective headings
	63	Personal wearing apparel and bona fide baggage imported by overseas Pakistanis and tourists, if imported under various baggage rules and is exempt from Customs duties.	Respective headings
	71	Goods and services purchased by non-resident entrepreneurs and in trade fairs and exhibitions subject to reciprocity and such conditions and restrictions as may be specified by the Board	Respective headings
	72	Uncooked poultry meat whether or not fresh, frozen or otherwise, preserved or packed	02.07
	81	Cotton seed	1207.1000
	84	Preparations suitable for infants, put up for retail sale	1901.1000
	92	Sewing machines of the household type	8452.1010 and 8452.1090
	99	Compost (non-commercial fertilizer) produced and supplied locally	Respective headings

SECTION (CLAUSE)	SALES TAX ACT, 1990		
	S. No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
	102	Machinery, equipment and materials imported either for exclusive use within the limits of Export Processing Zone or for making exports therefrom, and goods imported for warehousing purpose in Export Processing Zone, subject to the conditions that such machinery, equipment, materials and goods are imported by investors of Export Processing Zones, and all the procedures, limitations and restrictions as are applicable on such goods under the Customs Act, 1969 (IV of 1969) and rules made thereunder shall mutatis mutandis, apply.	Respective headings
	104	Substances registered as drugs under the Drugs Act, 1976 XXXI of 1976) and medicaments as are classifiable under chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969) except the following, even if medicated or medicinal in nature, namely:- (a) filled infusion solution bags imported with or without infusion given sets; (b) scrubs, detergents and washing preparations; (c) soft soap or no soap; (d) adhesive plaster; (e) surgical tapes; (f) liquid paraffin; (g) disinfectants, and (h) cosmetics and toilet Preparations	Respective headings
	105	Raw materials for the basic manufacture of pharmaceutical active ingredients and for manufacture of pharmaceutical products, provided that in case of import, only such raw materials shall be entitled to exemption which are liable to customs duty not exceeding eleven per cent ad valorem, either under the First Schedule or Fifth Schedule to the Customs Act, 1969 (IV of 1969) or under a notification issued under Section 19 thereof.	Respective headings
	107	Import and supply of iodized salt bearing brand names and trademarks whether or not sold in retail packing.	2501.0010
	109	Goods imported temporarily with a view to subsequent, exportation as concurred by the Board, including passenger service item, provision and stores of Pakistani Airlines	Respective headings
	110	The following items with dedicated use of renewable source of energy like solar and wind, subject to certification by the Alternative Energy Development Board (AEDB), Islamabad for the period ending on the 30th June, 2023:- (a) Solar PV panels; (b) LVD induction lamps; (c) SMD, LEDs, with or without ballast, with fittings and fixtures; (d) Wind turbines including alternators and mast; (e) Solar Torches; (f) Lanterns and related instruments; (g) PV modules along with related components, including invertors, charge controllers and batteries. (h) Tubular day lighting device. (i) Energy saver lamps and tube lights of varying voltages (operating on AC or DC).	8541.5000 8539.3290, 8539.3290, 8539.5010,8539.5020, 9405.4090, 8502.3100,8513.1040, 8513.1090, 8541.4000, 8504.4090, 9032.8990 and 8507.0000

SECTION (CLAUSE)	SALES TAX ACT, 1990		
	S. No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
		(j) Invertors (off-grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT)	
	113	High Efficiency Irrigation Equipment (If used for agriculture sector) (1) Submersible pumps (up to 75 lbs and head 150 meters) (2) Sprinklers including high and low pressure (centre pivotal) system, conventional sprinkler equipment, water reel travelling sprinkler, drip or trickle irrigation equipment, mint irrigation sprinkler system (3) Air release valves, pressures gauges, water meters, back flow preventers, and automatic controllers.	8413.7010,8424.4100, 8424.2010, 8481.1000,8481.3000, 9026.2000, 9032.8990
	114	Green House Framing and Other Green House Equipment (If used for Agriculture Sector) (1) Tunnel farming equipment consisting of plastic covering and mulch film, anti-insect net and shade net (2) Green houses (prefabricated)	3920.1000,3926.9099, 5608.1900, 5608.9000, 9406.1010 and 9406.9010
	116	Plant, machinery and equipment imported for setting up industries in FATA upto 30th June 2019 subject to the same conditions and procedure as are applicable for import of such plant, machinery and equipment under the Customs Act, 1969 (IV of 1969)	Respective headings
	117	Appliances and items required for ostomy procedures as specified in the Chapter 99 of the First Schedule to the Customs Act, 1969, subject to same conditions as specified therein	99.25
	126	Machinery, equipment and tools for setting up maintenance, repair and overhaul (MRO) workshop by MRO company recognized by Aviation Division	Respective headings
	127	Operational tools, machinery, equipment and furniture and fixtures on one-time basis for setting up Greenfield airports by a company authorized by Aviation Division	Respective headings
	129	Import of plant, machinery and production line equipment used for the manufacturing of mobile phones by the local manufacturers of mobile phones duly certified by the Pakistan Telecommunication Authority.	Respective headings
	130	Sodium Iron (Na Fe EDTA), and other premixes of vitamins, minerals and micro-nutrients (food grade) and subject to conditions imposed for importation under the Customs Act, 1969	Respective Headings, and subject to conditions imposed for importation under the Customs Act, 1969
	131	Laptop computers, notebooks whether or not incorporating multimedia kit	8471.3010
	132	Personal computers	8471.3020
	134	Goods received as gift or donation from a foreign government or organization by the Federal or Provincial Governments or any public sector organization subject to recommendations of the Cabinet Division and concurrence by the Federal Board of Revenue.	9908
	135	Sunflower and canola hybrid seeds meant for sowing	Respective headings
	136	Combined harvesters upto five years old	8433.5100
	138	Fish Feed	Respective headings
	139	Fans for dairy farms	8414.5990

SECTION (CLAUSE)	SALES TAX ACT, 1990		
	S. No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
	140	Bovine semen	0511.1000
	141	Preparations for making animal Feed	2309.9000
	142	Promotional and advertising material including technical literature, pamphlets, brochures and other give-aways of no commercial value, distributed free of cost by the exhibitors	9920(3)
	146	Equipment imported by M/s China Railway Corporation to be furnished and installed in Lahore Orange Line Metro Train Project subject to the following conditions: (a) that the equipment imported under this serial number shall only be used in the aforesaid Project; (b) that the importer shall furnish an indemnity bond, in the prescribed manner and format as set out in Annex-C to this serial number, at the time of import to the extent of sales tax exempted under this serial number on consignment to consignment basis	Respective headings
	149	Micro feeder equipment	8437.8000
	150	Plant and machinery excluding consumer durable goods and office equipment as imported	Chapters 84 and 85
	155	Oil cake and other solid residues, whether or not ground or in the form of pellets	2306.1000
	158	Goods temporarily imported into Pakistan by International Athletes which shall be subsequently taken by them within 120 days of temporary import	Respective headings
	Description of the following serial numbers are proposed to be substituted in Table-1		
	S. No.	Existing Description	Proposed Description
	13	Edible vegetables including roots and tubers, except ware potato and onions, whether fresh, frozen or otherwise preserved (e.g. in cold storage) but excluding those bottled or canned.	Edible vegetables imported from Afghanistan including roots and tubers, except ware potato and onions, whether fresh, frozen or otherwise preserved (e.g. in cold storage) but excluding those bottled or canned.
	15	Edible fruits excluding imported fruits whether fresh, frozen or otherwise preserved but excluding those bottled or canned	Fruit imported from Afghanistan excluding apples PCT 0808.1000
	19	Cereals and products of milling industry	Rice, wheat, wheat and meslin flour
	32	Newsprint, newspapers, journals, periodicals, books but excluding directories	Newsprint and educational tax books but excluding brochures, leaflets and directories.

SECTION (CLAUSE)	SALES TAX ACT, 1990		
	The serial numbers 156 are proposed to be substituted as under:		
	The Bill proposes exemption on import of CKD kits by local manufacturers on the below Electric Vehicles irrespective of the specified sub- tariff headings:		
	(i) Road Tractors for semi-trailers (Electric Prime Movers) (ii) Electric Busses. (iii) Three Wheeler Electric Rickshaw. (iv) Three Wheeler Electric Loader. (v) Electric Motorcycle.		
	Table - 2		
	Table-2 of the Sixth Schedule to the ST Act deals with exemption on local supply of goods. The Bill proposes to omit exemption available on local supply of the following goods. Effectively, the said goods will now be subject to sales tax at 17%.		
	S. No.	Description	Heading Nos. of the First Schedule to the Customs Act
	1	Supply of cotton seed exclusively meant for sowing purposes, subject to such conditions as the Board may specify.	1207.2000
	2	Supply of locally produced crude vegetable oil obtained from the locally produced seeds other than cotton seed, except cooking oil, without having undergone any process except the process of washing	Respective headings
	4	Raw material and intermediary goods manufactured or produced, and services provided or rendered, by a registered person, consumed in-house for the manufacture of goods subject to sales tax.	Respective headings
	9	Foodstuff and other eatables prepared in the flight kitchens and supplied for consumption on-board in local flights.	Respective headings
	15	(a) Sprinkler Equipment (b) Drip Equipment (c) Spray Pumps and nozzles	Respective headings
	16	Raw cotton	Respective headings
	22	Single cylinder agriculture diesel engines (compression-ignition internal combustion piston engines) of 3 to 36 HP.	8408.9000
	23	Match boxes	Respective headings
	33	Whey, excluding that sold in retail packing under a brand name	04.04
	38	Sausages and similar products of poultry meat or meat offal excluding sold in retail packing under a brand name or trademark	1601.0000
	The serial numbers 7 in Table-2 are proposed to be substituted as under:		
	The Bill proposes to exempt local supply of bread, Nan, Chapatti, sheer mal prepared in tandours but sales tax is proposed to be levied on these products if prepared in bakeries, restaurants, food chains and sweet shops.		
	Existing and proposed description is tabulated hereunder;		

SECTION (CLAUSE)	SALES TAX ACT, 1990		
	S. No.	Existing Description	Proposed Description
	7	Breads prepared in tandoors and bakeries, vermicillies, nans, chapattis, sheer mal, bun, rusk	Bread, Nan, Chapatti, Sheermal prepared in tandoors excluding those prepared in bakeries, restaurants, food chains and sweet shops
	The Bill proposes to insert following entries in Table-2. The combined effect of amendments in Table-1 and 2 is that exemption available to import of following goods is proposed to be withdrawn, however, local supply of these imported or locally produced goods would continue to be exempt from sales tax.		
	S. No.	Description	Heading Nos. of the First Schedule to the Customs Act
	40	Live Animals and live poultry	Respective headings
	41	Meat of bovine animals, sheep, goat and uncooked poultry meat excluding those sold in retail packing under a brand name	Respective headings
	42	Fish and crustaceans excluding those sold in retail packaging under a brand name	Respective headings
	43	Live plants including bulbs, roots and the like	0601.1010, 0601.1090, 601.2000, 0602.1000, 0602.2000, 602.3000, 0602.4000, 0602.9010 and 0602.9090
	44	Cereals other than rice, wheat, wheat and meslin flour	Respective headings
	45	Edible vegetables including roots and tubers, except ware potato and onions, whether fresh, frozen or otherwise preserved (e.g. in cold storage) but excluding those bottled or canned.	701.1000, 0702.0000, 703.2000, 0703.9000, 0704.1000, 704.2000, 0704.9000, 0705.1100, 705.1900, 0705.2100, 0705.2900, 706.1000, 0706.9000, 0707.0000, 708.1000, 0708.2000, 0708.9000, 709.1000, 0709.2000, 0709.3000, 709.4000, 0709.5100, 0709.5910, 0709.5990, 0709.6000, 0709.7000, 0709.9000, 0710.1000, 0710.2100, 0710.2200, 0710.2900, 0710.3000, 0710.4000, 0710.8000, 0710.9000, 0712.2000, 0712.3100, 0712.3200, 0712.3300, 0712.3900 and 0712.9000
	46	Edible fruits	Respective headings
	47	Sugar cane	1212.9300
	48	Eggs including eggs for hatching	0407.1100, 0407.1900, 0407.2100 and 0407.2900

SECTION (CLAUSE)	SALES TAX ACT, 1990			
	S. No.	Description	Heading Nos. of the First Schedule to the Customs Act	
	49	Compost (non-commercial fertilizer)	Respective headings	
	50	Locally manufactured laptops, computers, notebooks whether or not incorporating multimedia kit and personal computers	8471.3010 and 8471.3020	
	51	Newspaper	Respective headings"; and	
	Table – 3			
	Table-3 of the Sixth Schedule to the Sales Tax Act provides exemption from sales tax on import of specified plant, machinery, equipment and apparatus including capital goods subject to certain conditions. Following entries are proposed to be excluded from Table-3. Effectively, now such goods will be chargeable to sales tax at 17%.			
	S. No.	Description	PCT heading	Conditions
	1	Machinery and equipment for initial installation, balancing, modernization, replacement or expansion of desalination plants, coal firing system, gas processing plants and oil and gas field prospecting	Respective Headings	Nil
	2	Following machinery, equipment, apparatus, and medical, surgical, dental and veterinary furniture, materials, fixtures and fittings imported by hospitals and medical or diagnostic institutes:	3824.9999	a. The project requirement shall be approved by the Board of Investment (BOI). The authorized officer of BOI shall certify the item wise requirement of the project in the prescribed format and manner as per Annex-B and shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under Section 155D of the Customs Act, 1969 (IV of 1969);

SECTION (CLAUSE)	SALES TAX ACT, 1990			
	S. No.	Description	PCT heading	Conditions
				b. the goods shall not be sold or otherwise disposed of without prior approval of the Board and the payment of customs duties and taxes at statutory rates leviable at the time of import. Breach of this condition shall be construed as a criminal offence under the Customs Act, 1969 (IV of 1969)
		A. Medical Equipment		
		1. Dentist chairs	9402.1010	
		2. Medical surgical dental or veterinary furniture	9402.9090	
		3. Operating Table	9402.9010	
		4. Emergency Operating Lights	9405.4090	
		5. Hospital Beds with mechanical fittings	9402.9020	
		6. Gymnasium equipment	9506.9100	
		7. Cooling Cabinet.	8418.5000	
		8. Refrigerated Liquid Bath	3824.9999	
		9. Contrast Media Injections (for use in Angiography & MRI etc.)	3822.0000	
		B. Cardiology / Cardiac Surgery Equipment		
		1. Cannulas	9018.3940	
		2. Manifolds	8481.8090	
		3. Intravenous cannula i.e. catheter	9018.3940	
		C. Disposable Medical Devices		
		1. Self-disabling safety sterile Syringes	9018.3110	
		2. Insulin syringes	9018.3110	
		D. Other Related Equipment's		
		1. Fire extinguisher.	8424.1000	
		2. Fixtures & fittings for hospitals	Respective Headings	

SECTION (CLAUSE)	SALES TAX ACT, 1990			
	S. No.	Description	PCT heading	Conditions
	2A	The following raw materials imported by registered manufacturer of auto disabled syringes:		This concession is available to registered manufacturers of auto disabled syringes with quota determination by IOCO and subject to NOC from Ministry of National Health Services Regulation and Coordination.
		1. Printing paper	4802.5510	
		2. Polypropylene	3902.1000	
		3. Propylene copolymers	3902.3000	
		4. Plasticized	3904.2200	
		5. Epoxide Resins	3907.3000	
		6. Biaxially Oriented Polypropylene (BOPP film, laminated)	3920.2040	
	3	1 Machinery, equipment, materials, capital goods, specialized vehicles (4x4non-luxury) i.e. single or double cabin pickups, accessories, spares, chemicals and consumables meant for mine construction phase or extraction phase	Respective Headings	1. This concession shall be available to those mineral explorations and extraction companies or their authorized operators or contractors who hold permits, licenses, lease and who enter into agreements with the Government of Pakistan or a Provincial Government.
		2 Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for mine construction or extraction phase	Respective Headings	2. Temporarily imported goods shall be cleared against a security in the form of a post-dated cheque for the amount of sales tax, along with an undertaking to pay the sales tax at the statutory rate in case such goods are not re-exported on conclusion of the project.

SECTION (CLAUSE)	SALES TAX ACT, 1990				
	S. No.	Description	PCT heading	Conditions	
				3.	The goods shall not be sold or otherwise disposed of without prior approval of the Board and the payment of sales tax leviable at the time of import. These shall, however, be allowed to be transferred to other entitled mining companies with prior approval of the Board
	4	Coal mining machinery, equipment, spares, including vehicles for site use i.e., single or double cabin pick-ups and dump trucks, imported for Thar Coal Field.	Respective Headings	a)	This concession shall be available to those mining companies or their authorized operators or contractors who hold permits, licenses, leases and who enter into agreements with the Government of Pakistan or a Provincial Government
				b)	The goods shall not be sold or otherwise disposed of without prior approval of the Board and the payment of customs duties and taxes leviable at the time of import. These shall, however, be allowed to be transferred to other entitled mining companies with prior approval of the Board.
	5	1 Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through oil, gas, coal, wind and wave energy including under construction projects, which entered into an implementation agreement with the Government of Pakistan.	Respective Headings	1	This concession shall also be available to primary contractors of the project upon fulfilment of the following conditions, namely: -

SECTION (CLAUSE)	SALES TAX ACT, 1990			
	S. No.	Description	PCT heading	Conditions
		<p>2 Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.</p>		<p>(a) the contractor shall submit a copy of the contract or agreement under which he intends to import the goods for the project.</p> <p>(b) the Chief Executive or head of the contracting company shall certify in the prescribed manner and format as per Annex-A that the imported goods are the projects bona fide requirement; and</p> <p>(c) the goods shall not be sold or otherwise disposed of without prior approval of the FBR on payment of sales tax leviable at the time of import.</p>
				<p>2 temporarily imported goods shall be cleared against a security in the form of a post-dated cheque for the differential amount between the statutory rate of sales tax and the amount payable along with an undertaking to pay the sales tax at the statutory rates in case such goods are not re-exported on conclusion of the project.</p>

SECTION (CLAUSE)	SALES TAX ACT, 1990			
	S. No.	Description	PCT heading	Conditions
	6	1. Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through gas, coal, hydel, and oil including under construction projects.	Respective Headings	-do-
		2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.		
	7	1. Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through nuclear and renewable energy sources like solar, wind, micro-hydel bioenergy, ocean, waste-to energy and hydrogen cell. This exemption in relation to renewable energy shall remain in force up to the 30th June 2023.	Respective Headings	-do-
		2. Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project. Explanation. - The expression "projects for power generation" means any project for generation of electricity whether small, medium or large and whether for supply to the national grid or to any other user or for in house consumption.		
	8	1. Machinery and equipment meant for power transmission and grid stations including under construction projects. Explanation. For the purpose of this serial number, "machinery and equipment" shall mean, -- (a) machinery and equipment operated by power of any description, such as is used in the generation of power. (b) apparatus, appliances, metering and testing apparatus, mechanical and electrical control,	Respective Headings	-do-

SECTION (CLAUSE)	SALES TAX ACT, 1990			
	S. No.	Description	PCT heading	Conditions
		transmission gear and transmission tower, power transmission and distribution cables and conductors, insulators, damper spacer and hardware and parts thereof adapted to be used in conjunction with the machinery and equipment as specified in clause (a) above; and (c) component parts of machinery and equipment, as specified in clause (a) and (b) above, identifiable for use in or with machinery imported for the project and equipment including spares for purposes of the project.		
	2	Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.		
	9	Following machinery, equipment and other education and research related items imported by technical, training institutes, research institutes, schools, colleges and universities:		Nil
	1	Quartz reactor tubes and holders designed for insertion into diffusion and oxidation furnaces for production of semiconductor wafers.	7017.1010	
	2	Other dryers	8419.3900	
	3	Filtering or purifying machinery and apparatus for water	8421.2100	
	4	Other filtering or purifying machinery and apparatus for liquids	8421.2900	
	5	Personal weighing machines, including baby scales; household scales	8423.1000	
	6	Scales for continuous weighing of goods on conveyors	8423.2000	
	7	Constant weight scales and scales for discharging a predetermined weight of material into a bag or container, including hopper scales	8423.3000	
	8	Other weighing machinery having a maximum weighing capacity not exceeding 30 kg	8423.8100	
	9	Other weighing machinery having a maximum weighing capacity exceeding 30 kg but not exceeding 5,000kg	8423.8200	
	10	Other weighing machinery	8423.8900	

SECTION (CLAUSE)	SALES TAX ACT, 1990			
	S. No.	Description	PCT heading	Conditions
	11	Weighing machine weights of all kinds; parts of weighing machinery of machines of heading 8423.2000 & 8423.3000	8423.9000	
	12	Other weighing machine weights of all kinds; parts of weighing machinery of machines of heading 8423.2000 & 8423.3000	8423.9000	
	13	Networking equipment's like routers, LAN bridges, hubs excluding switches and repeaters.	8517.6970	
	14	Other furnaces and ovens	8514.3000	
	15	Electronic balances of a sensitivity of 5 cg or better, with or without weights.	9016.0010	
	16	Other balances of a sensitivity of 5 cg or better, with or without weights.	9016.0090	
	17	Thermostats of a kind used in refrigerators and air conditioners	9032.1010	
	18	Other thermostats	9032.1090	
	19	Manostats	9032.2000	
	20	Other instruments and apparatus Hydraulic or pneumatic	9032.8100	
	21	Other instruments and Apparatus	9032.8990	
	22	Parts and accessories of automatic regulating or controlling instruments and apparatus	9032.9000	
	23	Spares, accessories, and reagents for scientific equipment's	Respective Headings	
	11	Following machinery and equipment for marble, granite and gemstone extraction and processing industries:		1 For the projects of Gem Stone & Jewellery Industry, CEO/COO, Pakistan Gem and Jewellery Company shall certify in the prescribed format and manner as per Annex-B that the imported goods are bona fide project requirement. The authorized person of the Company shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under Section 155D of the Customs Act, 1969.

SECTION (CLAUSE)	SALES TAX ACT, 1990			
	S. No.	Description	PCT heading	Conditions
				2 For the projects of Marble & Granite Industry, CEO/COO, Pakistan Stone Development Company shall certify in the prescribed format and manner as per Annex-B that the imported goods are bona fide project requirement. The authorized persons of the Company shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under Section 155D of the Customs Act, 1969.
				3 The goods shall not be sold or otherwise disposed of within a period of five years of their import except with the prior approval of the FBR and payment of customs duties and taxes leviable at the time of import.
	1	Polishing cream or material	3405.4000, 3405.9000	
	2	Fiber glass mesh	7019.5190	
	3	Chain saw/diamond wire saw in all sizes and dimensions and spares thereof, diamond wire joints all types and dimensions, chain for chain saw and diamond wires for wire saw and spare widia.	8202.4000, 8202.9100	
	4	Gin saw blades	8202.9910	
	5	Gang saw blades/diamond saw blades/multiple blades of all types and dimensions.	8202.9990	
	6	Air compressor (27 cft and above)	8414.8010	

SECTION (CLAUSE)	SALES TAX ACT, 1990			
	S. No.	Description	PCT heading	Conditions
	7	Machine and tool for stonework; sand blasting machines; tungsten carbide tools; diamond tools & segments (all type & dimensions), hydraulic jacking machines, hydraulic manual press machines, air/hydro pillows, compressed air rubber pipes, hydraulic drilling machines, manual and power drilling machines, steel drill rods and spring (all sizes and dimensions), whole finding system with accessories, manual portable rock drills, cross cutter and bridge cutters.	8464.9000 & Respective heading	
	8	Integral drilling steel for horizontal and vertical drilling, extension thread rods for pneumatic super long drills, tools and accessories for rock drills	8466.9100	
	13	Effluent treatment plants	Respective headings	Nil
	14	Following items for use with solar energy:-		
		Solar Power Systems	8501.3110, 8501.3210	
	1	Off grid/On-grid solar power system (with or without provision for USB/charging port) comprising of :		
		i PV Module	8541.4000	
		ii Charge controlle	9032.8990	
		iii Batteries for specific utilization with the system (not exceeding 50 Ah in case of portable system).	8507.2090 8507.3000 8507.6000	
		iv Essential connecting wires (with or without switches)	8544.4990	
		v Inverters (off-grid/ on-grid/ hybrid with provision for direct connection/ input renewable energy source and with Maximum Power Point Tracking (MPPT).	8504.4090	
		vi Bulb holder	8536.6100	

SECTION (CLAUSE)	SALES TAX ACT, 1990					
	S. No.	Description	PCT heading	Conditions		
	2	Water purification plants operating on solar energy	8421.2100			
	14A	Following systems and items for dedicated use with renewable source of energy like solar, wind, geothermal as imported on or before the 30th June, 2023				
		1	(a) Solar Parabolic Trough Power Plants.	8502.3900		
			(b) Parts for Solar Parabolic Power Plants.			
			(i) Parabolic Trough collectors modules	8503.0010		
			(ii) Absorbers/Receivers tubes.	8503.0090		
			(iii) Steam turbine of an output exceeding 40MW	8406.8100		
			(iv) Steam turbine of an output not exceeding 40MW.	8406.8200		
			(v) Sun tracking control system	8543.7090		
			(vi) Control panel with other accessories.	8537.1090		
		2	(a) Solar Dish Stirling Engine			
			(b) Parts for Solar Dish Stirling Engine.			
			(i) Solar concentrating dish.	8543.7000		
			(ii) Sterling engine	8543.7000		
			(iii) Sun tracking control system.	8543.7000		
			(iv) Control panel with accessories.	8406.8200		
			(v) Stirling Engine Generator	8501.6100		
		3	(a) Solar Air Conditioning Plant	8415.1090		
			(b) Parts for Solar Air Conditioning Plant			
			(i) Absorption chillers.	8418.6990		
			(ii) Cooling towers.	8419.8910		
			(iii) Pumps.	8413.3090		
			(iv) Air handling units	8415.8200		
			(v) Fan coils units	8415.9099		
			(vi) Charging & testing equipment.	9031.8000		
		4	(a) Solar Desalination System	8421.2100		
			(b) Parts for Solar Desalination System			
			(i) Solar photo voltaic panels.	8541.4000		
			(ii) Solar water pumps	8413.3090		
		(iii) Deep Cycle Solar Storage batteries	8507.2090			

SECTION (CLAUSE)	SALES TAX ACT, 1990			
	S. No.	Description	PCT heading	Conditions
		(iv) Charge controllers	9032.8990	
		(v) Inverters (off grid/on grid/hybrid) with provision for Direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT)	8504.4090	
	5	Solar Thermal Power Plants with accessories	8502.3900	
	6	(a) Solar Water Heaters with accessories.	8419.1900	
		(b) Parts for Solar Water Heaters		
		(i) Insulated tank	7309.0000, 7310.0000	
		(ii) Vacuum tubes (Glass)	7020.0090	
		(iii) Mounting stand	Respective headings	
		(iv) Copper and Aluminum tubes	Respective headings	
		(c) Accessories:		
		(i) Electronic controller		
		(ii) Assistant/ Feeding Tank		
		(iii) Circulation Pump		
		(iv) Electric Heater/ Immersion Rod (one piece with one solar water heater)		
		(v) Solenoid valve (one piece with one solar water heater)		
		(vi) Selective coating for absorber plates		
	7	(a) PV Modules.	8541.4000	
		(b) Parts for PV Modules		
		(i) Solar cells.	8541.4000	
		(ii) Tempered Glass.	7007.2900	
		(iii) Aluminum frames.	7610.9000	
		(iv) O-Ring	4016.9990	
		(v) Flux.	3810.1000	
		(vi) Adhesive labels.	3919.9090	
		(vii) Junction box & Cover.	8538.9090	
		(viii) Sheet mixture of Paper and plastic	3920.9900	
		(ix) Ribbon for PV Modules (made of silver & Lead).	Respective Headings	
		(x) Bypass diodes	8541.1000	
		(xi) EVA (Ethyl Vinyl Acetate) Sheet (Chemical).	3920.9900	
	8	Solar Cell Manufacturing Equipment		
		(i) Crystal (Grower) Puller (if machine).	8479.8990	
		(ii) Diffusion furnace	8514.3000	
		(iii) Oven	8514.3000	
		(iv) Wafering machine	8486.1000	
		(v) Cutting and shaping machines for silicon ingot.	8461.9000	

SECTION (CLAUSE)	SALES TAX ACT, 1990				
	S. No.	Description	PCT heading	Conditions	
		(vi) Solar grade polysilicon material.	3824.9999		
		(vii) Phosphene Gas	2853.9000		
		(viii) Aluminum and silver paste.	Respective Headings		
		9	Pyranometers and accessories for solar data collection	9030.8900	
		10	Solar chargers for charging electronic devices	8504.4020	
		11	Remote control for solar charge controller	8543.7010	
		12	Wind Turbines.		
			(a) Wind Turbines for grid connected solution above 200 KW (complete system).	8412.8090	
			(b) Wind Turbines up to 200 KW for off-grid solutions comprising of:	8412.8090	
			(i) Turbine with Generator/ Alternator	Respective Headings	
			(ii) Nacelle with rotor with or without tail		
			(iii) Blades		
			(iv) Pole/ Tower.		
			(v) Inverter for use with Wind Turbine		
			(vi) Deep Cycle Cell/ Battery (for use with wind turbine).	8507.2090	
		13	Wind water pump	8413.8100	
		14	(i) Geothermal Heat Pumps	8418.6100	
			(ii) Geothermal Reversible Chillers	8418.6990	
			(iii) Air handlers for indoor quality	8418.6990	
			(iv) Hydronic heat pumps	8415.8300	
			(v) Slim Jim heat exchangers	8418.6100	
			(vi) HDPE fusion tools	8419.5000	
			(vii) Geothermal energy Installation tools and Equipment	8515.8000, 8419.8990	
			(viii) Dehumidification equipment	8479.6000	
			(ix) Thermostats and IntelliZone	9032.1090	
		15	Any other item approved by the Alternative Energy Development Board (AEDB) and concurred to by the FBR.	Respective Headings	
		15	Following items for promotion of renewable energy technologies or for conservation of energy:-		
(i). SMD/LED/LVD lights with or without ballast, fittings and fixtures.			9405.1090, 8539.3290, 8539.5010, 8539.5020		
(ii) SMD/LED/LVD lights, with or without ballast, PV module, fitting and fixtures			9405.4090, 8539.3290, 8539.5010, 8539.5020		

SECTION (CLAUSE)	SALES TAX ACT, 1990			
	S. No.	Description	PCT heading	Conditions
		(iii) Tubular Day lighting Device.	9405.5010	
		(iv) Wind turbines including alternators and mast.	8502.3100	
		(v) Solar torches.	8513.1040	
		(vi) Lanterns and related instruments	8513.1090	
		(vii) LVD induction lamps.	8539.3290	
		(viii) LED Bulb/Tube lights.	8539.5010, 8539.5020	
		(ix) PV module, with or without, the related components including invertors (off-grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT), charge controllers and solar batteries.	8541.4000, 8504.4090 9032.8990, 8507.0000	
		(x) Light emitting diodes (light emitting in different colors).	8541.5000	
		(xi) Water pumps operating on solar energy along with solar pump controllers	8413.7010, 8413.7090 8504.4090	
		(xii) Energy saver lamps of varying voltages	8539.3110, 8539.3210	
		(xiii) Energy Saving Tube Lights	8539.3120, 8539.3220	
		(xiv) Sun Tracking Control System	8543.7090	
		(xv) Invertors (off-grid/on grid/hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT).	8504.4090	
		(xvi) Charge controller/ Current controller. Provided that exemption under this serial shall be available with effect from 01.07.2016.	9032.8990	
	15A	Parts and Components for manufacturing LED lights:-		
		(i) Housing /shell. Shell cover and base cap for all kinds of LED lights and bulbs	Respective Heading	If imported by LED light manufacturers registered under the Sales Tax Act, 1990 subject to annual quota determination by the Input Output Co-efficient Organization (IOCO)
		(ii) Bare and stuffed Metal Clad Printed Circuit Boards (MCPCB) for LED	8534. 0000	
		(iii) Constant Current Power Supply for of ED Lights and Bulbs (1-300W)	8504.4090	
		(iv) Lenses for LED lights and bulbs	9001.9000	

SECTION (CLAUSE)	SALES TAX ACT, 1990			
	S. No.	Description	PCT heading	Conditions
	15B	CKD kits for single cylinder agriculture diesel engines (compression-ignition internal combustion piston engines) of 3 to 36 HP.	8408.9000	Subject to same conditions and limitations as are applicable for availing concession in customs duty on import of such CKD kits.
	17	Machinery, equipment, raw materials, components and other capital goods for use in building, fittings, repairing or refitting of ships, boats or floating structures imported by Karachi Shipyard and Engineering Works Limited	Respective heading	Nil
	21	Import of POS machines	8470.2900, 8470.9000	import of POS machines including credit/debit cards terminals and retailer cash registers
EIGHT SCHEDULE	The Eighth Schedule deals with goods subject to specific rates of sales tax.			
	The Bill proposes to omit various entries from Table-1 of the Eighth Schedule, resultantly, the said goods would now be subject to the standard rate of sales tax i.e. 17%			
	S. No.	Description	Existing Rate of Sales Tax	
	4	Oilseeds meant for sowing	5%	
	6	Plant and machinery not manufactured locally and having no compatible local substitutes	10%	
	7	Flavoured milk sold in retail packing under a brand name	10%	
	8	Yogurt sold in retail packing under a brand name	10%	
	9	Cheese sold in retail packing under a brand name	10%	
	10	Butter sold in retail packing under a brand name	10%	
	11	Cream sold in retail packing under a brand name	10%	
	12	Desi ghee sold in retail packing under a brand name	10%	
	13	Whey sold in retail packing under a brand name	10%	
	14	Milk and cream sold in retail packing under a brand name	10%	
	15	Ingredients of poultry feed, cattle feed, except soya bean meal	10%	
	16	Incinerators of disposal of waste management, motorized sweepers and snow ploughs	5%	
	17	Re-importation of foreign origin goods which were temporarily exported out of Pakistan	5%	
	20	Plant, machinery, and equipment used in production of bio Diesel	5%	
	26	Tillage and seed bed preparation equipment	5%	
	27	Seeding or planting equipment	5%	
	28	Irrigation, drainage and agro-chemical application equipment	5%	
	29	Harvesting, threshing and storage equipment	5%	
	30	Post-harvest handling and processing & miscellaneous machinery	5%	
	34	1. Set top boxes for gaining access to internet 2. TV broadcast transmitter 3. Reception apparatus for receiving satellite signals of a kind used with TV (satellite dish receivers)	5%	

SECTION (CLAUSE)	SALES TAX ACT, 1990			
	S. No.	Description	Existing Rate of Sales Tax	
		4. Other set top boxes		
	45	Following machinery for poultry sector : (i) Machinery for preparing feeding stuff (ii) Incubators, brooders and other poultry equipment (iii) Insulated sandwich panels (iv) Poultry sheds (v) Evaporative air cooling system (vi) Evaporative cooling pad	7%	
	46	Multimedia projectors	10%	
	54	lithium iron phosphate battery (Li-Fe PO4)	12%	
	55	Fish babies / seedlings	5%	
	59	Products of milling industry except wheat and meslin flour sold in retail packing under a brand name	10%	
	61	Silver, in unworked condition	1%	
	62	Gold, in unworked condition	1%	
	63	Articles of jewellery, or parts thereof, of precious metal or of metal clad with precious metal	1.5% of value of gold, plus 2% of value of diamond, used therein, plus 3% of making charges	
	64	Prepared foodstuff and sweetmeats supplied by restaurants, bakeries, caterers and sweetmeat shops	7.5%	
	66A	Supplies excluding those as made from retail outlets integrated with Board's Computerized System for real time reporting of sales	16%	
	66B	Import of remeltable scrap	14%	
	68	Frozen prepared or preserved sausages and similar products of poultry meat or meat offal sold in retail packing under a brand name	8%	
	69	Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry, meat and fish sold in retail packing under a brand name	8%	
	75	Import of electric vehicle in CBU conditions	5%	
	76	Business to business transactions specified by the Board if payment is made through digital mode	16.9%	
	Reduced rate of sales tax is applicable, as provided in Table-1 of the Eighth Schedule to the ST Act. The Bill proposes to increase the rate of sales tax on such goods.			
	S. No.	Description	Existing Rate of Tax	Proposed Rate of Tax
	66	Supplies as made from retail outlets as are integrated with Board's computerized system for real-time reporting of sales	10%	12%

SECTION (CLAUSE)	SALES TAX ACT, 1990				
	In serial no. 70 shall be substituted as under:				
	S. No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)	Rate of Sales Tax	Condition
	70	Following locally manufactured electric vehicles (i) Road Tractors for semi-trailers (Electric Prime Movers) (ii) Electric Buses (iii) Three Wheeler Electric Rickshaw (iv) Three Wheeler Electric Loader (v) Electric Trucks (vi) Electric Motorcycle	Respective heading	1%	Local supplies only
	In Serial No. 72 of the Eighth Schedule locally manufactured or assembled motorcars of cylinder capacity upto 1000cc is chargeable to sales tax at the rate of 12.5%. Now, the bill proposes to restrict this benefit of reduced rate on vehicles having cylinder capacity upto 850cc only				
NINTH SCHEDULE	The Ninth Schedule deals with levy of sales tax on import or supply of cellular mobile phones etc. The Bill seeks to amend the sales tax rate on the import of cellular mobile phones or satellite phones whereby seventeen percent sales tax will be levied against the following categories				
	S.No.	Description / Specification of Goods	Sales tax on CBU's at the time of import or registration (IMEI number by CMOs).		
			Existing Rate	Proposed Rate	
	1.	Cellular mobile phones or satellite phones to be charged on the basis of import value per set, or equivalent value in rupees in case of supply by the manufacturer, at the rate as indicated against each category:			
		E. Exceeding US\$ 200 but not exceeding US\$ 350	Rs. 1,740	17% ad valorem	
		F. Exceeding US\$ 350 but not exceeding US\$ 500	Rs. 5,400	17% ad valorem	
		G. Exceeding US\$ 500	Rs. 9,270	17% ad valorem	

SECTION (CLAUSE)	ISLAMABAD CAPITAL TERRITORY (TAX ON SERVICES)			
Section 3 sub-section (1)	Scope of Tax			
	<p>The Sales Tax under the Islamabad Capital Territory (ICT) Ordinance is applicable on the services listed in the Schedule to the ICT 2001 at the rates specified therein, which are rendered or provided. The Federal Government has issued S.R.O 495(I)/2016 dated 04 July 2016, wherein twelve services are listed on which sales tax is applicable at the rates specified therein subject to certain conditions as mentioned therein.</p> <p>The Bill proposes to amend Sub-section (1) of Section 3 to rename the existing Schedule of taxable services as Table-1 and introduce new table named as Table-2. Under the proposed amendment, the services listed in the Table-I shall continue to be taxed in the same manner as it is applicable in the existing Schedule of taxable services, however, sales tax on the services listed in the proposed Table-2 shall be applicable at the rates specified therein but subject to the conditions laid down corresponding to each service category.</p> <p>Listing of services of the proposed Table-2 is given below:-</p>			
	S. No.	Description	PCT Heading, if applicable	Rate of Tax
	(1)	(2)	(3)	(4)
		Construction services, excluding		
	1	<ul style="list-style-type: none"> (i) Construction projects (industrial and commercial) of the value (excluding actual and documented cost of land) not exceeding Rs.50 million per annum. (ii) The cases where sales tax is otherwise paid as property developers or promoters (iii) Government civil works including cantonment boards. (iv) Construction of industrial zones, consular building and other organizations exempt from income tax. (v) Residential construction projects where the covered area does not exceed 10,000 square feet for houses and 20,000 square feet for apartments 	9814.2000 and 9824.0000	Zero per cent subject to the condition that no input tax adjustment or refund shall be admissible
	2	Services provided for personal care by beauty parlours, clinics and slimming clinics, body massage centres, pedicure centres, including cosmetic and plastic surgery by such parlours / clinics, but excluding cases where		
		<ul style="list-style-type: none"> (i) annual turnover does not exceed Rs.3.6 million; or (ii) the facility of air-conditioning is not installed or available in the premises 	9810.0000, 9821.4000 and 9821.5000	Five per cent subject to the condition that no input tax adjustment or refund shall be admissible.
	3	Services provided by freight forwarding agents, and packers and movers.	9805.3000 and 9819.1400	Five percent or Rs. 1000 per bill of lading, whichever is higher subject to the condition that no input tax adjustment or refund shall be admissible.

SECTION (CLAUSE)	ISLAMABAD CAPITAL TERRITORY (TAX ON SERVICES)			
	S. No.	Description	PCT Heading, if applicable	Rate of Tax
	(1)	(2)	(3)	(4)
	4	Services provided by tour operators and travel agents including all their allied services or facilities (other than Hajj and Umrah).	9803.9000, 9805.5000 and 9805.5100	Five per cent subject to the condition that no input tax adjustment or refund shall be admissible.
	5	Services provided by specialized workshops or undertakings (auto workshops; workshops for industrial machinery, construction and earthmoving machinery or other special purpose machinery etc; workshops for electric or electronic equipment or appliances etc. Including computer hardware; car washing or similar service stations and other workshops)	98.20	Five per cent subject to the condition that no input tax adjustment or refund shall be admissible.
	6	Services provided by health clubs, gyms, physical fitness centres, indoor sports and games centres and body or sauna massage centres.	9821.1000, 9821.2000 and 9821.4000	Five per cent subject to the condition that no input tax adjustment or refund shall be admissible.
	7	Services provided by laundries and dry cleaners.	9811.0000	Five per cent subject to the condition that no input tax adjustment or refund shall be admissible
	8	Services provided by property dealers and realtors.	Respective headings	Zero per cent subject to the condition that no input tax adjustment or refund shall be admissible.
	9	Services provided by car / automobile dealers.	Respective headings	Five per cent subject to the condition that no input tax adjustment or refund shall be admissible
	10	Services provided or rendered by marriage halls and	Respective Headings	Five per cent subject to the condition that no input tax adjustment or refund shall be admissible
	11	IT services and IT-enabled services. Explanation.- For the purpose of this entry (a) "IT services" include software development, software maintenance, system integration, web design, web development, web hosting and network design: and	Respective Headings	Five Percent

SECTION (CLAUSE)	ISLAMABAD CAPITAL TERRITORY (TAX ON SERVICES)			
	S. No.	Description	PCT Heading, if applicable	Rate of Tax
	(1)	(2)	(3)	(4)
		(b) include inbound or outbound call centres medical transcription, remote monitoring, graphic design, accounting services, telemedicine centres, data entry operations, locally produced television programs and insurance claims processing		
	12	Services provided by property developers and promoters (including allied services) relating to low cost housing schemes sponsored or approved by Naya Pakistan Housing and Development Authority or under Government's Ehsaas programme.	9807.0000 and respective sub-headings of heading 98.14	Zero per cent subject to the condition that no input tax adjustment or refund shall be admissible

Existing schedule shall be re-named as Table-1 and rates of all the services to be listed in the proposed Table-1 is "Sixteen percent" except "Services provided by freight forwarding agents, and packers and movers" which are subject to sales tax at rate of "Sixteen per cent or Rs. 400 per bill of lading, whichever is higher" and "Services provided by property developers and promoters" which are subject to sales tax at the rate of "Rs.100 per square yard for land development, and Rs.50 per square feet for building construction".

Similar to SRO 495(I)/2016, no condition is provided in case of "IT services and IT-enabled services". Under the proposed amendments in the structure of Schedule of taxable services, the aforesaid services will be subject to sales tax at the rate of "five percent" in pursuance of Table-2, however, "Services provided by software or IT-based system development consultants" having PCT Code 9815.6000 shall be subject to sales tax at the rate of "Sixteen percent" in pursuance of Table-1.

SECTION (CLAUSE)	FEDERAL EXCISE ACT, 2005				
FIRST SCHEDULE	Excisable goods				
	The Bill proposes to enhance the applicable rate of FED as applicable on import or supply of following vehicles as specified in Table I of the First Schedule to the FE Act				
Section 3	S. No.	Description	Tariff Heading	Existing Rate of Duty	Proposed Rate of Duty
	55	Imported motor cars, SUVs and other motor vehicles, excluding auto rickshaws, principally designed for the transport of persons including station wagons and racing cars (b) of cylinder capacity from 1001cc to 1799 cc (c) of cylinder capacity 1800 cc to 3000 cc (d) of cylinder capacity exceeding 3001cc	87.03	5% ad valorem 25% ad valorem 30% ad valorem	10% ad valorem 30% ad valorem 40% ad valorem
	55B	Locally manufactured or assembled motor cars, SUVs and other motor vehicles, excluding auto rickshaws principally designed for the transport of persons (other than those of headings 87.02), [and till the 30th day of June, 2026 electric vehicles wheelers)] including station wagons and racing cars: (b) of cylinder capacity from 1001cc to 2000cc (c) of cylinder capacity 2001cc and above	87.03	2.5% ad valorem 5% ad valorem	5% ad valorem 10% ad valorem
	55C	Imported double cabin (4x4) pick-up vehicles	8704.2190 8704.3190	25% ad valorem	30% ad valorem
	55D	Locally manufactured double cabin (4x4) pick-up vehicles except the vehicles booked on or before the 30th June, 2020 subject to the restriction or conditions specified by the Board.	8704.2190 8704.3190	7.5% ad valorem	10% ad valorem

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