

A

BILL

to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2024, and to amend certain laws

WHEREAS, it is expedient to make provisions to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2024, and to amend certain laws for the purposes hereinafter appearing;

It is hereby enacted as follows: -

1. Short title and commencement. — (1) This Bill shall be called the Finance Bill, 2024.

(2) It shall, unless otherwise provided, come into force on the first day of July, 2024.

2. **Amendment of The Petroleum Products (Petroleum Levy) Ordinance, 1961 (XXV of 1961).**— In the Petroleum Products (Petroleum Levy) Ordinance, 1961 (XXV of 1961), for the Fifth Schedule, the following shall be substituted, namely:—

“The Fifth Schedule

[see sections 3 (1) and 7]

Sr. No	Petroleum products	Unit	Minimum petroleum levy rate (in rupees per unit)	Maximum petroleum levy rate (in rupees per unit)
(1)	(2)	(3)	(4)	(5)
1.	High speed diesel oil (HSDO)	Litre	60	80

2.	Motor gasoline	Litre	60	80
3.	Superior kerosene oil (SKO)	Litre	50	50
4.	Light diesel Oil (LDO)	Litre	50	75
5.	High octane blending component (HOBC)	Litre	50	75
6.	E-10 gasoline	Litre	50	75
7.	Liquefied petroleum gas (produced / extracted in Pakistan)	Metric ton	30,000	30,000”

3. **Amendments of the Customs Act, 1969 (IV of 1969).**- In the Customs Act, 1969 (IV of 1969), the following further amendments shall be made, namely:-

(1) in section 2,-

(a) after clause (n), the following new clause shall be inserted, namely:-

“(na) “nuclear material” means the nuclear material as defined in the Pakistan Nuclear Regulatory Authority Ordinance, 2001 (III of 2001);” and

(b) after clause (qa), the following new clause shall be inserted, namely:-

“(qaa) “radioactive material” means the radioactive material as defined in Pakistan Nuclear Regulatory Authority Ordinance 2001 (III of 2001);”;

(2) after section 3CCC, the following new section shall be inserted, namely:-

“3CCD. Directorate General of National Targeting Centre.- The Directorate General of National Targeting Centre (NTC) shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.”;

- (3) after section 3CCD, as amended aforesaid, the following new section shall be inserted, namely:-

“3CCE. Directorate General of Trade Based Money Laundering.- The Directorate General of Trade Based Money Laundering (TBML) shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.”;

- (4) in section 5, for sub-section (1), the following shall be substituted, namely:-

“(1) The Board may, by notification in the official Gazette and subject to such limitations or conditions as may be specified therein, delegate any of its functions and powers to the Chairman, or empower by name or designation-

- (a) any Member or Director General to exercise the powers of the Board or Chairman;
- (b) any Collector of Customs to exercise any of the powers of a Chief Collector of Customs under this Act;

- (c) any Additional Collector of Customs or Deputy Collector of Customs to exercise any of the powers of a Collector of Customs under this Act;
 - (d) any Deputy Collector of Customs or Assistant Collector of Customs to exercise any of the powers of an Additional Collector of Customs under this Act;
 - (e) any Assistant Collector of Customs to exercise any of the powers of a Deputy Collector of Customs under this Act;
 - and
 - (f) any other officer of customs with any other designation.”;
- (5) in section 6, after the words “Provincial Government”, the expression “, National Command Authority, Pakistan Nuclear Regulatory Authority” shall be inserted and after the words “scheduled Banks”, the expression “for implementation and enforcement of this Act” shall be inserted;
- (6) in section 7, after the word “Police”, occurring for the first time, the expression “, Intelligence Bureau” shall be inserted;
- (7) in section 17, in the proviso, for the words “Chief Collector or Director General”, the words “Additional Collector of Customs or Additional Director” shall be substituted;
- (8) in section 19, in sub-section (5), in second proviso, for the figure “2024”, the figure "2025" shall be substituted;
- (9) in section 81, in sub-section (1), in third proviso, -
- (a) after the expression “(VR)”, the expression “or a Publication Valuation Ruling (PVR)” shall be inserted; and

- (b) after the word “Ruling”, occurring for the second time, the expression “or a Publication Valuation Ruling (PVR)” shall be inserted;
- (10) in section 156, in sub-section (1), in the Table, -
- (a) against S.No.8, after sub-serial number (iv), the following new sub-serial numbers shall be added, namely: -

“(v)	<p>If the smuggled goods are identified and categorized as nuclear material:</p> <p>Provided that if any offence specified within this section concerns breach of national security, the same shall be dealt with under the National Command Authority Act, 2010, (V of 2010), if-</p>	<p>such goods shall be liable to confiscation and any person concerned in the offence shall be liable to-</p>
	<p>(a) the quantity and form of nuclear material is that as defined in the Regulations on Physical Protection of Nuclear Material and Nuclear Installations – (PAK/925) or any amendment therein as</p>	<p>imprisonment which may extend to seven years, or with fine which may be up to one million rupees, or with both.</p>

	<p>determined by PNRA, in case of-</p> <p>(i) unirradiated Plutonium including all plutonium except that with isotopic composition exceeding eighty percent of Plutonium-238, is less than fifteen grams, or;</p> <p>(ii) unirradiated Uranium enriched to twenty percent or more of U-235, is less than fifteen grams, or;</p> <p>(iii) unirradiated uranium enriched to ten percent U-235 but less than twenty percent of U-235, is less than 1kg, or;</p> <p>(iv) unirradiated uranium enriched above natural, but less than ten percent U-235 is less than ten kgs, or;</p>	
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	(v) unirradiated U-233, is less than fifteen grams.	
	<p>(b) the quantity and form of nuclear material is that as defined in the Regulations on Physical Protection of Nuclear Material and Nuclear Installations – (PAK/925) or any amendment therein, and determined by PNRA, in case of;</p> <p>(i) unirradiated Plutonium including all plutonium except that with isotopic composition exceeding eighty percent of Plutonium-238, is fifteen grams but does not exceed 500 grams, or;</p> <p>(ii) unirradiated Uranium enriched to twenty percent or more of U-235, is fifteen grams or more but does not exceed one kilogram, or;</p>	<p>imprisonment which may extend to ten years and shall also be liable to fine which may be up to five million rupees.</p>

	<p>(iii) unirradiated uranium enriched to ten percent U-235 but less than twenty percent of U-235, is 1kg or more but does not exceed ten kgs, or;</p> <p>(iv) unirradiated uranium enriched above natural, but less than ten percent U-235, is more than ten kgs, or;</p> <p>(v) unirradiated U-233, is fifteen grams or more but does not exceed five hundred grams;</p>	
	<p>(c) the quantity and form of nuclear material is that as defined in the Regulations on Physical Protection of Nuclear Material and Nuclear Installations – (PAK/925) or any amendment therein as determined by PNRA, in case of-</p>	<p>imprisonment for life, or imprisonment for a term which may extend to fourteen years and shall also be liable to fine which may</p>

	<p>(i) unirradiated plutonium including all plutonium except that with isotopic composition exceeding eighty percent of plutonium-238, is more than five hundred grams but does not exceed two Kgs, or;</p> <p>(ii) unirradiated Uranium enriched to twenty percent or more of U-235, is more than one Kg but does not exceed five kilograms, or;</p> <p>(iii) unirradiated uranium enriched to ten percent U-235 but less than twenty percent of U-235, is more than ten kgs, or;</p> <p>(iv) unirradiated U-233, is more than five hundred grams but does not exceed two Kgs;</p>	<p>extend to ten million rupees.</p>
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	<p>(d) the quantity and form of nuclear material is that as defined in the Regulations on Physical Protection of Nuclear Material and Nuclear Installations – (PAK/925) or any amendment therein as determined by PNRA, in case of-</p> <p>(i) unirradiated plutonium including all plutonium except that with isotopic composition exceeding 80% of Plutonium-238, is more than two Kgs, or;</p> <p>(ii) unirradiated Uranium enriched to twenty percent or more of U-235, is more than five kilograms, or;</p> <p>(iii) unirradiated U-233, is more than two Kgs; and</p>	<p>imprisonment for life, or imprisonment for a term which shall not be less than fourteen years and shall also be liable to fine which may be up to five million rupees</p>
(vi)	<p>If the smuggled goods are identified and categorized as</p>	<p>such goods shall be liable to confiscation and</p>

	<p>radioactive material and radioactive sources:</p> <p>Provided that if any offence specified within this section concerns breach of national security, the same shall be dealt with under the National Command Authority Act, 2010, if-</p>	<p>any person concerned in the offence shall be liable to;</p>
	<p>(a) the activity (A) to dangerous value (D) ratio of radioactive materials or radioactive sources, as defined in the Regulations on Security of Radioactive Sources- (PAK/926) or any amendment therein as determined by the PNRA, does not exceed one (1) in numeric number;</p>	<p>imprisonment which may extend to two years, or with fine, or with both</p>
	<p>(b) the activity (A) to dangerous value (D) ratio of radioactive materials or radioactive sources, as</p>	<p>imprisonment which may extend to seven</p>

	defined in the Regulations on Security of Radioactive Sources- (PAK/926) or any amendment therein as determined by the PNRA, is more than one but does not exceed ten in numeric number;	years, or with fine, or with both
	(c) the activity (A) to dangerous value (D) ratio of radioactive materials or radioactive sources, as defined in the Regulations on Security of Radioactive Sources- (PAK/926) or any amendment therein as determined by the PNRA, is more than ten (10) but does not exceed thousand in numeric number; and	imprisonment which may extend to fourteen years and shall be liable to fine upto five million;
	(d) the activity (A) to dangerous value (D) ratio of radioactive materials or radioactive sources, as	imprisonment for life, or imprisonment for a term which

	defined in the Regulations on Security of Radioactive Sources- (PAK/926) or any amendment therein as determined by the PNRA, exceeds the limit specified under clause (c).	shall not be less than fourteen years and shall also be liable to fine which may be up to five million rupees;”;
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- (b) against S.No.9, in column (2), the expression “but not less than” shall be omitted;
- (c) against S.No.83, in column (2), for the word “two”, the word “fifty” shall be substituted;
- (d) against S.No.85, in column (2), for the expression “of twenty-five thousand”, the words “not less than one hundred thousand” shall be substituted;
- (e) in S.No. 89, after sub-serial number (ii), a new sub-serial number shall be added, namely:-

“(iii)	in case any smuggled goods, liable to confiscation, seized and placed in the custody of the owner of the goods or any person holding the goods in his possession or charge are found removed illegally,	such person shall be liable to a penalty not exceeding ten times the value of such goods and upon conviction by a Special Judge, shall further be liable to imprisonment for a term not exceeding six
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	exchanged, pilfered or disposed of in any manner,	years or to a fine not exceeding one million rupees or both.”
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(f) against S. No. 90,-

- (i) in column (2), the words “but not less than” shall be omitted;
- (ii) the existing clause shall be numbered as sub-serial number (i) and thereafter, a new sub-clause shall be added, namely:-

“(ii)	in case seized goods liable to confiscation not being goods referred to in clause 89, placed in the custody of the owner of the goods or any person holding the goods in his possession or charge are found removed illegally, exchanged, pilfered or disposed of in any manner,	such goods shall be liable to confiscation and any person concerned in the offence shall be liable to a penalty not exceeding two times of the value of such goods and upon conviction by a Special Judge, shall further be liable to imprisonment for
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		a term not exceeding six months or to a fine not exceeding fifty thousand rupees or both.”;
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(11) for section 194, the following shall be substituted, namely:-

“194. Appellate Tribunal.- (1) There shall be established a Customs Appellate Tribunal, hereinafter called as the Appellate Tribunal to exercise jurisdiction, powers and perform functions conferred upon it under this Act.

(2) The Appellate Tribunal shall consist of members who shall be appointed by the Federal Government in such numbers, in accordance with such procedure and on such terms and conditions as the Federal Government may prescribe by rules, which shall be made and take effect notwithstanding anything contained in section 219 of this Act or the Federal Public Service Commission Ordinance, 1977 (XLV of 1977) or any other law or rules, for the time being in force:

Provided that the existing members including Chairman of the Appellate Tribunal shall continue to hold office, on the same terms and conditions as applicable to them prior to the commencement of the Finance Act, 2024, till the completion of their term of office unless removed earlier on the grounds provided in the proviso to sub-section (5).

(3) A person shall be eligible to be appointed as a member of the Appellate Tribunal, if he-

- (a) is an advocate of a High Court for not less than fifteen years having expertise in Customs Laws and experience of pleading at least fifty Customs cases at various forums; and possesses such other qualifications as may be prescribed by rules;
- (b) is an officer of the Customs Service of Pakistan in BS-21 or above; or
- (c) is an officer of the Customs Service of Pakistan in BS-20, having served in such grade for three years or more.

(4) The Federal Government shall appoint any member possessing qualifications provided in clause (a) of sub-section (3) as Chairman of the Appellate Tribunal. The Chairman shall hold office for a period of three years provided that the Federal Government may reappoint the Chairman for such further term or terms as it may deem appropriate.

(5) The members including, the Chairman shall cease to hold office on attaining the age of sixty-two years provided that the members falling under clauses (b) and (c) of sub-section (3) shall cease to hold office on attaining the age of superannuation, under the law regulating their service:

Provided that a member including the Chairman may be removed by the Federal Government, on the recommendation of performance

review committee, to be constituted by the rules made under sub-section (2), at any time before the expiry of his term or attaining the age of superannuation, as the case may be, on grounds, inter-alia, of inefficiency or misconduct, as prescribed by the rules made under sub-section (2).

(6) The procedure of the Appellate Tribunal including constitution of benches, case management system, distribution of cases and other matters ancillary or incidental thereto shall be regulated by the rules made under sub-section (2).

(12) for section 194A, the following shall be substituted, namely:-

“194A. Appeals to the Appellate Tribunal.- (1) Any person or an officer of Customs aggrieved by any of the following orders may appeal to the Appellate Tribunal against such orders:-

- (a) a decision or order passed by an officer of Customs not below the rank of Additional Collector under section 179;
- (b) an order passed by the Collector (Appeals) under section 193;
- (c) an order passed under section 195;
- (d) an order passed in revision by the Director General Customs Valuation under section 25D:

Provided that such appeal shall be heard by a special bench of at least two members one Judicial Member and one Technical Member, to be presided by the Chairman himself, and if for some special and extra-

ordinary reasons, the Chairman himself is unable to preside, the Chairman may reconstitute the Bench.

- (e) an appellate order or a quasi-judicial order passed by the Chief Collector of Customs under provisions of this Act and the rules made thereunder provided that such appeal shall be heard by a special bench consisting of one technical member and one judicial member:

Provided that the Appellate Tribunal may, in its discretion, refuse to admit an appeal in respect of an order referred to in sub-section (1) where-

- (i) the value of the goods confiscated without option having been given to the owner of the goods to pay a fine in lieu of confiscation under section 181; or
- (ii) in any disputed case other than a case where the determination of any question having a relation to rate of duty of customs or to the value of goods for purposes of assessment is in issue or is one of the points in issue, the difference in duty involved or the duty involved; or
- (iii) the amount of fine or penalty determined by such order does not exceed fifty thousand rupees.

(2) Every appeal in the prescribed form and accompanied by the prescribed fee so specified in sub section (3) under this section shall be filed, within thirty days from the date on which the decision or order sought to be appealed against is communicated to the Board or the

Collector of Customs, or as the case may be, the other party preferring the appeal.

(3) An application under sub-section (1) by a person other than an officer of customs, shall be accompanied by a fee of twenty thousand rupees in case of a company, and five thousand rupees in case other than a company.

(4) The Appellate Tribunal may, upon application in writing, admit an appeal after the expiration of the period specified in sub-section (2) if it is satisfied that there was sufficient cause for not presenting it within that period.

(5) Notwithstanding that an appeal has been filed under this section, the assessed or adjudged amount of duty and taxes shall be payable, unless recovery thereof has been stayed by the Appellate Tribunal:

Provided that on filing of application for grant of stay, the Appellate Tribunal may after affording an opportunity of being heard to the Collector having jurisdiction, for reasons to be recorded, stay the recovery of duty and taxes for thirty days, during which period a notice shall be issued to the respondents and after hearing the parties, order may be confirmed or varied as the Tribunal deems fit but stay order shall in no case exceed ninety days.

(6) Notwithstanding anything in this Act, where any reference or appeal was preferred with the approval of Collector of Customs by the officer of lower rank than that of the Collector and the reference or appeal is pending before an appellate forum or the Court, such reference or

appeal shall be deemed to have been so filed by the Collector and for removal of doubt it is hereby declared the pending appeals shall not abate solely on this ground.”;

(13) for section 194B, the following shall be substituted, namely:-

“194B. Decision of appeals by the Appellate Tribunal.-(1) The Appellate Tribunal may after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit confirming, modifying or annulling the decision or order appealed against. The Appellate Tribunal may record additional evidence and decide the case but shall not remand the case for recording the additional evidence:

Provided that the appeal shall be decided within ninety days of filing the appeal:

Provided further that where an appeal is not decided within the aforesaid period, the Appellate Tribunal with the consent of both parties and upon reasons to be recorded in writing may extend for a further period of sixty days.

- (2) At the first hearing of appeal, the Appellate Tribunal shall-
- (a) bring to the notice of the Appellant; the provisions relating to alternate dispute resolution under section 195C of the Act; and
 - (b) in case the Appellant decline the option of alternate dispute resolution and wish to continue with the appeal, fix date or dates for hearing and decision of

the appeal in consultation with both the Appellant and Respondent and in accordance with the rules.

(3) The Appellate Tribunal shall decide the appeal on the date or dates fixed, and no adjournment shall be granted except-

(a) where there are compelling reasons for adjournment, to be recorded in writing by the Appellate Tribunal; and

(b) on mandatory payment of such cost as the Appellate Tribunal may deem fit, which shall not be less than fifty thousand rupees.

(4) The Appellate Tribunal may, at any time within fifteen days from the date of communication of order, with a view to rectifying any clerical, arithmetical errors or error arising therein from accidental slip and omission apparent from the record, amend any order passed by it under-sub-section (1) and shall make such amendments if the mistake is brought to its notice by the Collector of Customs or the other party to the appeal:

Provided that an amendment which has the effect of enhancing the assessment or reducing a refund or otherwise increasing the liability of the other party shall not be made under this sub-section, unless the Appellate Tribunal has given notice to the party of its intention to do so and has allowed a reasonable opportunity of being heard.

(5) The Appellate Tribunal shall send a copy of every order passed by it under this section, disposing of an appeal, to the officer of

Customs and in valuation cases also to the Director General Valuation, and the other party to the appeal:

Provided that the order of the Appellate Tribunal shall remain pending for thirty days, if the Collector or other party to the appeal, prefers a reference to the High Court within this period.

(6) Save as otherwise expressly provided in section 196, an order passed by the Appellate Tribunal in appeal shall be final.”;

(14) section 194C shall be omitted.

(15) for section 195C, the following shall be substituted, namely:-

“195C. Alternative dispute resolution (ADR).- (1)

Notwithstanding anything contained in this Act, or the rules made there under, any aggrieved person, in connection with any dispute pertaining to liability of customs-duty, admissibility of refund or rebate, waiver or fixation of penalty or fine, confiscation of goods, relaxation of any time period or procedural and technical condition which is under litigation in any court of law or an appellate authority, except in the cases where criminal proceedings have been initiated or where interpretation of question of law having larger revenue impact in the opinion of the Board is involved, may apply to the Board for the appointment of a committee for the resolution of dispute in appeal.

(2) The application for alternate dispute resolution under sub-section (1) shall be accompanied by an initial proposition for resolution of the dispute, including an offer of payment of duties and taxes.

(3) The Board may, subject to the provisions of sub-section (1) and (2), after examination of the application of an aggrieved person,

appoint a committee, within fifteen days of receipt of such application, consisting of-

- (a) a retired judge not below the rank of a judge of a High Court, who shall also be the Chairperson of the Committee, to be nominated by the Board from a panel notified by the Law and Justice Division for such purpose;
- (b) an officer of customs not below the rank of Chief Collector having jurisdiction over the case;
- (c) a person to be nominated by the applicant from a panel notified by the Board, comprising-
 - (i) chartered accountants and advocates, having minimum ten years' experience, in the field of taxation; and
 - (ii) reputable businessmen as nominated by Chambers of Commerce and Industry:

Provided that the taxpayer shall not nominate a chartered accountant or an advocate if the said chartered accountant or the advocate is or has been an auditor or an authorized representative of the taxpayer; and

- (iii) officer of Customs Service of Pakistan who stood retired in BS 21 or above:

(4) The Board shall communicate the order of appointment of committee to the aggrieved person, court of law or the appellate authority where the dispute is pending and the concerned Collector.

(5) The committee constituted under sub-section (3) shall examine the issue and may, if it deems necessary, conduct inquiry, seek expert opinion, direct any officer of customs or any other person to conduct an audit and shall decide the dispute by majority, within forty five days of its constitution extendable by another fifteen days for the reasons to be recorded in writing.

(6) The recovery of duties and taxes payable by the applicant in connection with any dispute for which a committee has been appointed under sub-section (3) shall be deemed to have been stayed from the date of appointment of the committee up to the date of decision of committee or its dissolution, as the case may be.

(7) If the aggrieved person is satisfied with the decision of the committee, he shall withdraw the appeal pending before the court of law or any appellate authority and communicate the order of withdrawal to the Collector within thirty days of the service of the decision.

(8) The decision of the committee under sub-section (5) shall be binding on the Collector subject to the provision of sub-section (7).

(9) Subject to sub-section (7), the Collector shall also withdraw the appeal, if any, pending before any court of law or an appellate authority in respect of dispute as mentioned in sub-section (1) within thirty days of the communication of the order of withdrawal by the aggrieved person to the Collector.

(10) If the committee fails to make recommendations within a stipulated period of sixty days under sub-section (5), the Board shall dissolve the committee by an order in writing and the matter shall be decided by the appellate authority where the dispute is pending.

(11) The Board shall communicate the order of dissolution to the court of Law or the appellate authority and the Collector and the aggrieved person.

(12) The aggrieved person, on receipt of the order of dissolution, shall communicate the order to the appellate authority, which shall decide the appeal within the stipulated period as provided under the relevant provision, of the communication of the said order.

(13) The aggrieved person shall make payment of customs duty and other taxes as determined by the committee under sub-section (5) and all decisions, orders and judgments made or passed shall stand modified to that extent.

(14) The Board may prescribe the amount to be paid as remuneration for the services of the members of the committee, other than the member appointed under clause (b) of sub-section (2).

(15) The Board may, by notification in the official Gazette make rules for carrying out the purposes of this section, including the procedures and manner of conducting of ADR committee meetings.”;

(16) for section 196, the following shall be substituted, namely:-

“196. Reference to High Court. – (1) Within thirty days of the order of the Appellate Tribunal under sub-section (3) of section 194B, the aggrieved person or any officer of Customs not below the rank of

Deputy Collector or Deputy Director, authorized by the Collector or Director in writing , may file a reference, in the prescribed form, along with a statement of the case, before the High Court, stating any question of law or a mixed question of law and fact arising out of such order:

Provided that the applicant shall also file complete record of the Appellate tribunal within fifteen days of preferring an application under this section.

(2) A reference to the High Court under this section shall be heard by a Special Bench, constituted for hearing cases under this section, comprising of not less than two judges of the High Court and, the provisions of section 98 of the Code of Civil Procedure, 1908 (Act V of 1908), shall apply to the extent possible to such cases, notwithstanding anything contained in any other law for the time being in force.

(3) The Special Bench shall decide a reference within six months from the date of its filing. The High Court upon hearing a reference under this section shall decide the question of law raised by the reference and pass judgment thereon specifying the grounds on which such judgment is based and the Appellate Tribunal's order shall stand modified accordingly.

(4) The High Court shall establish a case management system to ensure that sufficient number of Special Benches are constituted, so as to ensure that a reference filed under this section is decided within the stipulated six months.

(5) Notwithstanding that a reference has been made to the High Court, the duty shall be payable in accordance with the order of the Appellate Tribunal:

Provided that the recovery shall not be made by the Collector for fifteen days from the date of communication of the order of the Appellate Tribunal:

Provided further that, the amount of duties and taxes if reduced as a result of the judgment in the reference, and any amount of duty and tax is found refundable, the High Court may, on application submitted by an officer of Customs authorized by the Collector or Director , within thirty days of the judgment of the High Court, that he wants to prefer petition for leave to appeal to the Supreme Court, make an order authorizing the Collector to postpone the refund until the disposal of the appeal by the Supreme Court.

(6) Where recovery of duty has been stayed by the High Court by an order, such order shall cease to have effect on the expiration of a period of six months following the day on which it is made unless the reference is decided, or such order is withdrawn by the High Court earlier.

(7) Section 5 of the Limitation Act, 1908 (IX of 1908), shall apply to an application made to the High Court under sub-section (1).

(8) An application under sub-section (1) by a person other than the officer of Customs authorized by the Collector or Director shall be accompanied by a fee of fifty thousand rupees.

(9) Notwithstanding anything in this Act where any reference or appeal was preferred with the approval of Collector by the officer below the rank of Collector, and the reference or appeal is pending before appellate forum or the Court, such reference or appeal shall be deemed to have been preferred and shall be deemed always to have been so preferred by the Collector or Director.

(10) The Court shall send a copy of the judgment under the seal of the Court to the Appellate Tribunal.”;

(17) in the First Schedule, -

(i) in Chapter 11, in column (1), for PCT code “1102.9000” and the entries relating thereto in columns (2), (3) and (4), the following shall be substituted, namely: -

		“- Other:	
1102.9010		--- Rice flour	11
1102.9090		--- Other	11”;

(ii) in Chapter 27, in the Table, in column (1), against PCT codes “2710.1931 and 2711.1100”, in column (4), for the figure “11”, the figure “0”, shall be substituted;

(iii) in Chapter 29, against PCT code “2930.9091”, in column (3), in the “Description, for the sign “<”, the words “less than” shall be substituted;

(iv) in Chapter 39, for the PCT “3907.2900”, and the entries relating thereto in column (2), (3) and (4), the following new PCT code and

the entries relating thereto in column (2), (3) and (4), shall be substituted, namely: -

		“-- Other:	
3907.2910		--- Polyol blended with HCFC-141b or HCFC-142b	0
3907.2990		--- Other	0”;

(v) in Chapter 73, in the Table, in column (1), against PCT Codes “7311.0040”, in column (4), for the figure “11”, the figure “16”, shall be substituted;

(vi) in Chapter 84, in the Table, in column (1), -

(a) against PCT code “8413.9130”, in column (3), after expression “8413.7011”, the expression “8413.7019”, shall be inserted;

(b) for PCT code “8481.3000”, and the entries relating thereto in column (2), (3) and (4), the following new PCT code and the entries relating thereto in column (2), (3) and (4), shall be substituted, namely: -

		“- Check (nonreturn) valves:	
8481.3010		--- For tyre tubes	16
8481.3090		--- Other	16”;

(vii) in Chapter 85, in the Table, in column (1), after PCT code “8544.6010”, and the entries relating thereto in column (2), (3) and

(4), the following new PCT code and the entries relating thereto in column (2), (3) and (4), shall be inserted, namely: -

"8544.6020		--- Photovoltaic power cable having single conductor of kind used for solar	20";
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(viii) in Chapter 90, in the Table, in column (1),

(a) for PCT code "9004.9000" and the entries relating thereto in columns (2), (3) and (4), the following shall be substituted, namely:-

		"- Other:	
9004.9010		---Night vision goggles	11
9004.9090		---Other	11";

(b) after PCT Code "9018.3970", the following new PCT codes and entries relating thereto in columns, (1), (2), (3) and (4), shall be inserted, namely: -

		"--- Evacuated tubes for the collection and transport of blood:	
9018.3981		----Of glass	20
9018.3982		----Of PET	20

9018.3989		----Other	20”;
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(ix) in Chapter 99, -

(a) in Sub-chapter-II, in the table, in column (1), against PCT code “9908”, in column (2) for serial (i), the following shall be substituted, namely: -

“(i) Goods received as gift or donation from a foreign government or organization by the Federal or Provincial Government or any public sector organization subject to recommendation of the Minister Incharge and concurrence by the Federal Board of Revenue subject to condition that the concerned Ministry shall verify the genuineness of such cases and furnish an undertaking to the effect that donated goods shall not be sold, utilized or disposed of otherwise than for the purpose for which the same have been imported.”;

(b) in Sub-chapter-V, in the table, in column (1), for the PCT code 9917, the following shall be substituted, namely: -

9917	(1) Goods imported into and exported (except to tariff area of Pakistan) from the Export Processing Zones established under the Export Processing Zone Authority Ordinance, 1980 (IV of 1980) and any enactment relating to Gwadar Special Economic	0”
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	<p>Zone, subject to such conditions, limitations and restrictions as the Federal Board of Revenue may impose from time to time</p> <p>2. Capital goods, as defined in the preamble of Part-I of the Fifth Schedule to the Customs Act, and firefighting equipment, except the items listed under Chapter 87 of the Pakistan Customs Tariff, imported for installation and development of Special Economic Zone (SEZ) on one-time basis, as prescribed in the SEZ Act, 2012 and rules thereunder subject to such conditions, limitations and restrictions as the Federal Board of Revenue may impose from time to time, by:</p> <p>(i) Zone Developers for setting up of a Special Economic Zone (SEZ) or Co-developer as defined in Special Economic Zone Rules, 2013, shall also be entitled to avail the same incentives and exemptions for the same period as available to</p>	
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	<p>the Developer under the SEZ Act 2012, subject to condition that the Developer of the SEZ relinquishes its rights to the incentives and exemptions in favour of the Co-developer; provided further that the respective Special Economic Zone Authority duly endorses such reassignment, and ensures that such reassignment shall not be misused; and</p> <p>(ii) Zone Enterprises for installation in that zone.</p> <p>(3) Following imports for construction, development and operations of Gwadar port and Free Zone Area subject to such conditions, limitations and restrictions as the Federal Board of Revenue may impose from time to time: -</p> <p>(i) Equipment and materials (plant, machinery, equipment, appliances and accessories), imported by the Concession</p>	
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	<p>holder, its operating companies including Gwadar International Terminals Limited and Gwadar Marine Services Limited, and their contractors and sub-contractors exclusively for construction and operation of the terminals and the Free Zone Area for a period of forty (40) years commencing from 18th April, 2007;</p> <p>(ii) Ship bunker oils imported by the Concession holder or its operating, companies and their contractors and sub-contractors for the sole purposes of supplying fuels and lubricants to all visiting ships including foreign and local and fishing vessels at Gwadar Port for a period of forty (40) years commencing from 18th April, 2007;</p> <p>(iii) Vehicles imported by the concession holder and its operating companies for a</p>	
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	<p>period of twenty-three (23) years commencing from 18th April, 2007; for construction, development and operations of Gwadar Port and Free Zone Area under the regulatory mechanism. The regulatory mechanism for such vehicles, including the number and types importable, shall be devised by the Ministry of Port & Shipping and FBR (in consultation with the Provincial Government if so required) and notified by the FBR;</p> <p>(iv) Imports by the following businesses to be established in the Gwadar Free Zone Area for a period of 23 years with effect from 1st July, 2016, packaging, distribution, stuffing and de-stuffing, CFS, container yard, warehousing including cool and cold rooms, transshipment, labelling, light end assembly and</p>	
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	<p>re-assembly, imports and exports/value added exports, value adding of imports, other similar or related businesses activities and such commercial activities as are required to support the free zone.</p> <p>4. Capital goods including but not limited to materials, plant, machinery, equipment, hardware and software, if not manufactured locally, imported for consumption within Special Technology Zone, subject to such conditions, limitations and restrictions as the Federal Board of Revenue may impose from time to time, for a period of ten years by: -</p> <ul style="list-style-type: none"> (i) Special Technology Zones Authority and Zone developers from the date of signing of the development agreement; (ii) Zone enterprises from the date of issuance of license <p>(5) Imports by persons as authorized under Export Facilitation Scheme, 2021</p>	
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	notified by the Federal Board of Revenue with such conditions, limitations and restrictions.	
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(c) in Sub-chapter- VI, in column (1) in the table, in column

(1),-

(i) for the PCT code 9919, the following shall be substituted, namely: -

9919	Goods mentioned below, imported temporarily into Pakistan with a view to subsequent exportation within the period of six months further extendable by the Chief Collector of Customs on case to case basis for a period not exceeding six months, subject to furnishing of bank guarantee or other security/guarantee as determined by Federal Board of Revenue equivalent to customs duty chargeable at the rates specified in Chapter 1 to 97 to the First Schedule to the Act for such goods and other taxes leviable thereon. 1. Packing material used or required to be used as external or internal	0";
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	<p>covering of goods, or as holders of goods, or as holders on which goods rolled, wound or attached provided such material do not change their original shape or form. Packing material if imported filled, it may be re-exported empty, and if imported empty it may be re-exported filled.</p> <p>2 (a). Machinery and equipment for repair imported by manufacturer or authorized agents based in Pakistan, representing foreign manufacturers duly registered with the Sales Tax Authorities, having in house facility for repair, Refurbishment or value addition of machinery.</p> <p>(b). Carpets for the purpose of repairing by the Sales Tax registered manufacturers having in-house facility.</p> <p>3. Professional equipment imported by scientists, IT experts, technicians, doctors, engineers, etc. either imported in their own name or in the</p>	
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	<p>name of the company in Pakistan for which these are imported.</p> <p>4. Tubes or cops of metal plastic or other durable material which are imported wrapped with yarn.</p> <p>5. Goods imported for demonstration, display, test or trial purposes.</p> <p>6. Dry fruits imported from Afghanistan.</p>	
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(ii) for the PCT code 9921, the following shall be substituted, namely: -

9921	<p>(i) Container for transportation of cargo (PCT No.86.09) if imported by the shipping companies for use on board the ships and for transportation of cargo to and from inland container depots or container freight stations subject to the furnishing of indemnity bond by the shipping lines, equal to the amount of duty and taxes to the respective Collector of Customs. The indemnity bond is to be discharged on receipt of proof of export of the containers.</p>	0”;
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	(ii) Duty paid container used for transportation of export cargo (PCT No.86.09) by the exporters, on its reimportation.	
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(d) in Sub-chapter- VII, in column (1) in the table, PCT code 9932 and the corresponding entries relating thereto in columns (2) and (3), shall be omitted.

(18) in the Fifth Schedule, -

(A) in Part-I, in column (1), -

(i) in S. No. 1, in column (2) for sub-serial (K), and the corresponding entries relating thereto in column (3) (4) and (5), the following shall be substituted, namely: -

	“(K) Machinery, equipment, capital goods, and materials for setting up, modernization, replacement or expansion for hatcheries, farms, feed mills and seafood processing units	Respective heading	0%, 3%,5%	1. Imports by fish/ shrimp hatcheries, farms, feed mills and seafood processing units, registered under the Sales Tax Act, 1990 and Fisheries
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	of fish and shrimp sector.		<p>Development Board or concerned Ministry; and</p> <p>2.Ministry of National Food Security and Research shall certify in the prescribed manner and format as per Annex-B to the effect that the imported goods are bona fide requirement.</p> <p>The Authorized Officer of the Ministry shall furnish all</p>
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				relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under Section 155D of the Customs Act, 1969.
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(ii) in S. No. 21, -

(a) against sub-serial 7(b), in column (5), the following shall be inserted, namely: -

“If imported by the local assemblers / manufacturers of PV Modules registered under the Sales Tax Act, 1990 subject to quota determination by the Input Output Co-efficient Organization (IOCO).”; and

(b) after sub-serial 7(b), the following new sub-serial number in column (2) and the entries relating

thereto in columns (3), (4) and (5) shall be added,
namely: -

	“(c). Raw materials for the manufacture of PV Modules		0%	If imported by the local assemblers/ manufacturers registered under the Sales Tax Act, 1990, of PV Modules subject to quota determination by the Input Output Co-efficient Organization (IOCO).”;
	i). Silicon Adhesive/ Sealant.	3506.9990		
	(ii). MC4 Connectors.	8536.9090		
	(iii). Back sheet film.	3920.9900		
	(iv). Packing boxes/ modules.	4819.1000 4819.5000		
	(v). Corner block.	7610.9000		
	(vi). Polyethylene compound	3901.9000		
	(vii). Tin ingot.	8001.0000		

	(viii).Plates, sheets and strip of cellular rubber (vulcanized).	4008.1190		
	(ix). Glass fibers (including glass wool) and articles thereof nes	7019.9090		
	“(d) Parts of Solar Inverters		0%	If imported by the local assemblers/ manufacturers registered under the Sales Tax Act, 1990, of PV Modules subject to quota determination by the Input Output Co-efficient Organization (IOCO).”;
	(i). Control board	8504.9090		
	(ii). Power board	8534.0000		
	(iii).Charge controller board A/C	9032.8990		
	(iv).Charge controller board PV	9032.8990		
	(v). DCDC board	8504.9090		
	(vi). LCD Display	8531.2000		
	(vii).Display board	8504.9090		
	(viii). AC input & output terminal	8504.9090		

	(ix). Battery input terminals	8504.9090		
	(x). PV terminals	8504.9090		
	(xi). Casings (Plastic or Steel)	8504.9090		
	(xii). Circuit Board (CB) for inverters	8534.0000		
	(xiii). Stuffed PCBs for inverters	Respective headings		
	(e) Parts of Lithium Batteries		0%	If imported by the local assemblers/ manufacturers of Lithium Batteries registered under the Sales Tax Act, 1990, subject to quota determination by
	(i). Cells	8507.9000		
	(ii). Copper Bar (Cell to Cell Connection)	7407.1010		
	(iii). BMS (level 1) Electronic Card	8507.9000		
	(iv). Casing	8507.9000		

	(v). Harness Set (Cells Monitoring Wires with tags)	8544.4290	the Input Output Co-efficient Organization (IOCO).
	(vi).Output Terminal with screws	8536.9090	
	(vii).Power Cables (Battery Internal)	8544.4290	
	(viii). DC Fan	8414.5990	
	(ix). DC Breaker	8536.2010	
	(x).Packing Screws	7318.1590	
	(xi).Terminal Covers	3926.9099	
	(xii). Acrelic Sheet (Short Circuit Safety Sheet)	3921.9090	
	(xiii).Other Accessories (Temp Sensors, connectors, assembly items, Handles).	8536.9090, 9031.8000 8507.9000	

(c) after sub-serial 7(e), the existing sub-serial (8) and the entries relating thereto in columns (3), (4) and (5) shall be substituted, namely:-

	<p>“8. Following machinery and equipment imported by manufacturing units of Solar Cells, Solar Panels, Solar Inverters & Solar Batteries:-</p>		0%	<p>1. Engineering Development Board (EDB) shall certify in the prescribed manner and format as per Annex-B that the imported goods are bona fide project requirement. The authorized officer of the EDB shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the</p>
	<p>(a)Solar Cell Manufacturing Equipment.</p>			
	<p>(i). Crystal (Grower) Puller (if machine).</p>	8479.8990		
	<p>(ii). Diffusion furnace.</p>	8514.3900		
	<p>(iii). Oven.</p>	8514.3900		
	<p>(iv). Wafering machine.</p>	8486.1000		
	<p>(v). Cutting and shaping machines for silicon ingot.</p>	8461.9000		
	<p>(vi). Solar grade polysilicon material.</p>	3824.9999		
	<p>(vii). Phosphene Gas.</p>	2853.9000		

	(viii).Aluminum and silver paste.	Respective headings	<p>Customs Act, 1969.</p> <p>2. The goods shall not be sold or otherwise disposed of without prior approval of the FBR and payment of customs duties and taxes leviable as prescribed by FBR.</p> <p>3. Condition (iv) of the preamble.</p>
	(b) Solar PV Modules Panels manufacturing machinery and equipment.		
	(i).Sun Simulator	9031.8000	
	(ii). Glass Lifter	8428.9090	
	(iii).Tabber Stringer	8515.1900	
	(iv).Hi-Speed Layup Station with ROBOT	8479.5000	
	(v).Motorized Visual Inspection	9031.8000	
	(vi).Buffer before Bussing	8479.8990	
	(vii). Multi-station for Bussing	8479.8990	
	(viii).Centering Conveyor with Visual Inspection	8479.8990	

	(ix).Fully Automatic or Semi-automatic Laminator with Centering, Loading & Unloading	8479.8990		
	(x).Automatic Inline Framing Machine	8479.8990		
	(xi).Automatic Silicon Dispenser	8479.8990		
	(xii).Direction Changer with 90 Degree Rotator	8479.8990		
	(xiii).Centering Conveyor for Sun Simulator	8479.8990		
	(xiv).Hi-Pot Test Equipment	9031.8000		
	(xv).Electroluminescence (EL) Tester	9031.8000		
	(xvi).Motorized Conveyor	8428.3990		
	(xvii).EVA/Black sheet Cutting Machine	8441.1000		

(xviii).Ribbon Cutting & Bending Machine	8461.9000		
(xix).Lab Test Equipment	9031.8000		
(xx).Conveyer Belt	8428.3990		
(xxi).Laser cutting machine for cell	8456.1190		
(xxii).Cell sorting machine & testers	9031.8000		
(xxiii).Structures & parts of structures.	7308.9090		
(xxiv).Vacuum pumps.	8414.1000		
(xxv).Air or gas compressors, hoods.	8414.8020		
(xxvi).Non-domestic, non-electric dryers.	8419.3900		
(xxvii).Threading or tapping machines for removing metal.	8459.7090		

	(xxviii).Machines and mechanical appliances having individual functions.	8479.8990		
	(xxix).Electric brazing or soldering machines and apparatus.	8415.1900		
	(xxx). Electric heating resistors.	8516.8090		
	(xxxi)Electric app for switching/protect electric circuits, not exceeding 1,000 volts.	8536.9090		
	(c) Solar Inverters manufacturing machinery and equipment.			
	(i). Solder Paste Screen Machine	8515.1900		

	(ii). SMT pick and place machine	8479.5000		
	(iii).Wave-soldering machine	8515.1900		
	(iv). PCB Conveyor Belt	8428.3990		
	(v). SMT Workstation	8479.5000		
	(vi). Solder Pot	8419.8990		
	(vii).Solder Cleaning Equipment	8419.8990		
	(viii).Wire Cutting & Stripping Machine	8461.9000		
	(ix).Crimping Machine	8479.8990		
	(d) Lithium ion batteries manufacturing machinery and equipment.			
	(i).Weighting kettles	8423.9000		
	(ii).Weighting and conveying systems	8428.3990		
	(iii). Storage tanks	7310.1000		

	(iv). Glue port	8419.8990		
	(v). Transfer tanks	7310.1000		
	(vi). Feeder	8479.8990		
	(vii). High speed spiral mixer	8479.8290		
	(viii). Booster pumps	8413.7090		
	(ix). Magnetic filters	8421.3990		
	(x). High speed homogenizer	8479.8290		
	(xi). Auxiliary equipment and DCS central control system components	9032.8990		
	(xii). Pole piece cathode machine	8462.4900		
	(xiii). Pole piece rolling machine	8462.3900		
	(xiv). CNC nibbling machine	8462.4200		

(xv). CNC bending machine	8462.2600		
(xvi). Sport welding plant	8515.8000		
(xvii).Auxiliary equipment	8479.8990		
(xviii).High temperature circulation thermal tester	9030.8900		
(xix). UL 2054 fire testing equipment	9031.8000		
(xx). Pack rotation simulation	9031.8000		
(xxi). Free fall tester	9031.8000		
(xxii). Battery impact tester IEC 62133	9031.8000		
(xxiii). UL 1642 flame tester	9031.8000		
(xxiv). Electromagnetic vibration tester UN 38.3	9031.8000		
(xxv).Single wing electromagnetic	9031.8000		

	power drop testing equipment			
	(xxvi). Hydraulic crush testing equipment	9031.8000		

(iii) in S. No. 23, in column (2) for sub-serial(iv), and the entries relating thereto in column (3) and (4), the following shall be substituted, namely: -

	“(iv)(a) Bare Metal Clad Printed Circuit Board (MCPCB)	8534.0000	11%
	(iv)(b) Stuffed Metal Clad Printed Circuit Board (MCPCB)	8539.9090	0%”

(B) in Part-II, in Table C, after S. No. 40, the following new S. No. and the entries relating thereto in columns (2), (3) and (4), shall be added, namely: -

“41	Bovine Lipid Extract Surfactant	3004.3900	0%”;
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(C) in Part-III,

- a. in the preamble, in serial (i),-
- (a) in sub-serial (b), for the figure “26”, the figure “35” shall be substituted and in sub-serial (c) for the expression “16 and 20”, the expression “24 and 29” shall be substituted;
- (b) in sub-serial (c) for the words “Ministry of Live Stock and Dairy Development”, the words “Ministry of National Food Security and Research” shall be substituted; and
- b. sub-serial (ii) shall be omitted.
- c. in the Table, in column (1), -
- (i) after Sr. No. (1) and the entries relating thereto in columns (2), (3), (4) and (5), the following shall be inserted, namely: -

“(1A)	Live stock	Respective heading	0%	if imported for research purpose by registered units under the Sales Tax Act, 1990, certified by Ministry of National Food
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				Security and Research.”;
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(ii) Sr. Nos. 4, 6, 11,12,13 and 14 and the corresponding entries relating thereto in columns (2), (3), (4) and (5) shall be omitted.

(iii) in Sr.No.116, in column (2), -

(i) against sub-serial (xvi), in column (4), the figure “10”, shall be inserted; and

(ii) sub-serial (xvii) and the entries in column (3), shall be omitted.

(D) In Part-V(A), in Table-I, in column (1), against serial No. 7, in column (2), after words “wheelers”, the expression “excluding vehicles of value exceeding US\$ 50,000” shall be added;

(E) in Part-VI, in the Preamble, for the existing conditions (i), (ii), (iii), (iv) and (v), the following conditions shall be substituted, namely: –

“(i) The exemption shall be admissible to the Airline Companies having valid registration and license from the Aviation Division, Government of Pakistan duly shared with the Customs Computerized System or Pakistan Single Window to the effect that the intending importer is operating in the country or intends to operate in the country in the airline sector.”

(ii) The Chief Executive, or the person next in hierarchy duly authorized by the Chief Executive or Head of the importing Company shall certify that the imported goods/items are

the company's *bonafide* requirement and shall be used for the purpose as defined/notified by the Aviation Division, Government of Pakistan under the Aviation Policy. The importer shall declare all relevant information to the Customs while claiming exemption regarding genuineness of the claim through Customs computerized system or Pakistan single window.

(iii) In case of deviation from the above stipulations, the Collector of Customs shall initiate proceedings for recovery of duty and taxes under the relevant laws.

(F) in Part-VII, -

(i) in the Table-A, in column (1), for S.No.2, and the entries relating thereto in column (2), (3) and (4) the following shall be substituted; namely: -

"2	Live (baby / brood stock) fish and shrimp/prawns for breeding and production in commercial farms and hatcheries	0301.9100 0301.9300 0301.9900 0306.3600	0%"; and
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- (ii) in the Table-B, in column (1), Sr. Nos. 11 and 13 and the corresponding entries relating thereto in columns (2), (3), and (4) shall be omitted.

4. **Amendment in the Abandoned Properties (Management) Act, 1975 (XX of 1975).**- In the Abandoned Properties (Management) Act, 1975 (XX of 1975), the following further amendments shall be made, namely:-

- (1) in section 16, in sub-section (2), after omitted clause (k), the following new clause (l) shall be added, namely: -

“(l) invest in any security approved by the Federal Government in the manner as may be prescribed.”: and

- (2) in section 29, sub-section (2) shall be omitted.

5. **Amendments of the Sales Tax Act, 1990.**— In the Sales Tax Act, 1990, the following further amendments shall be made, namely: -

- (1) in section 2,—

- (a) for clause (3), the following shall be substituted, namely:—

“(3) **“associates (associated persons)”** shall have the same meaning as defined in sub-section (1) of section 85 of the Income Tax Ordinance, 2001(XLIX of 2001);”;

- (b) for clause (4), the following shall be substituted, namely:—

“(4) **“Board”** shall have the same meaning as defined under clause (8) of section 2 of the Income Tax Ordinance, 2001 (XLIX of 2001);”;

- (c) clause (14A) shall be renumbered as clause (14B) and for existing clause (14A), the following shall be substituted, namely:—

“(14A) “investigative audit” means investigative audit under section 25A of this Act.”

- (d) after clause (15), the following new clause shall be inserted, namely:–
- “(15A) “licensed integrator” means any person licensed by the Board to provide electronic invoicing system for integration of registered persons in the prescribed manner;
- (e) for clause (37), the following shall be substituted, namely:–
- “(37) “tax fraud” means intentional evasion of legally due tax or obtaining of undue refund by submission of false return, statements or false documents or withholding of correct information or documents and includes-
- (a) suppression of sales or receipts that are chargeable to tax under this Act;
 - (b) false claim of input tax credit;
 - (c) making taxable supplies of goods without issuing any tax invoice, in violation of the provisions of this Act or the rules made thereunder;
 - (d) issuance of any tax invoice without supply of goods leading to inadmissible claim of input tax credit or refund;
 - (e) evasion of tax by availing undue input tax credit or obtaining inadmissible refund by any means or methods other than that covered under clauses (a) to (d);
 - (f) collection of any amount as tax but failing to deposit the same in the prescribed manner beyond a period of three months from due date of payment of tax;
 - (g) falsification or substitution of financial records or production of fake accounts or documents or furnishing of any false

- information through human, mechanical or electronic means with an intention to evade tax due or claim inadmissible refund;
- (h) tampering with or destroying of any material evidence or documents required to be maintained under this Act or the rules made thereunder through human or digital means; or
 - (i) acquisition, possession, transportation, disposal or in any way removing, depositing, keeping, concealing, supplying, or purchasing or in any other manner dealing with, any goods in respect of which there are reasons to believe that these are liable to confiscation under this Act or the rules made thereunder.

Explanation.— Any act or omission mentioned in this clause shall be treated as intentional unless the person accused of tax fraud proves that he had no intention, motive, knowledge, or reason to believe that he was committing a tax fraud.”;

- (f) in clause (44), in sub-clause (a), after the word “supply”, occurring at the end, the expression “or the time when any payment is received by the supplier in respect of that supply, whichever is earlier” shall be added; and
 - (g) in clause (46),-
 - (i) in sub-clause (d), for the word “central”, the word “federal” shall be substituted; and
 - (ii) after sub-clause (j), in the first proviso, after the word “goods”, occurring for the first time, the expression “, including those as specified in the Third Schedule,” shall be inserted;
- (2) in section 3, sub-section (11) shall be omitted;

- (3) section 11 shall be omitted;
- (4) for section 11B, the following shall be substituted, namely:—
“11B. **Limitation for issuing orders in certain cases.**— For the purposes of issuing an assessment order or any other order in consequence of or to give effect to any order made by the Commissioner (Appeals), Appellate Tribunal, High Court, or Supreme Court, the provisions of section 124 of the Income Tax ordinance, 2001 (XLIX of 2001) shall apply mutatis mutandis.”;
- (5) after section 11C, the following new sections shall be inserted, namely:—
“11D. **Best judgment Assessment.** — (1) Where a person,
- (a) fails to furnish a sales tax return in response to notice under sub-section (2A) of section 26; or
 - (b) fails to produce before the Officer of Inland Revenue not below the rank of Assistant Commissioner under section 25 or 38A, accounts, documents and records required, or any other relevant document or evidence that may be required by him, the officer of Inland Revenue not below the rank of Assistant Commissioner may, after a notice to show cause to such person, based on any available information or material and to the best of his judgment, make an assessment of tax payable or refund due and also charge penalty and default surcharge.
- (2) For the purposes of clause (b) of sub section (1), the officer of Inland Revenue may also disallow or reduce a taxpayer’s input tax on goods or services if the taxpayer is unable, to provide invoice or other record or evidence of the transaction or circumstances giving rise to such claim.
- (3) Where a best judgment assessment has been made due to default of clause (a) of sub-section (1) and the person files the return thereafter and pays

the amount of tax payable along with default surcharge and penalty, the notice to show cause and the order of assessment shall abate.

(4) Notwithstanding anything in sub-section (1), where the Federal Board of Revenue has specified conditions for the purpose of determination of minimum tax liability in respect of a person who is required to file return but who fails to file such return, the Officer of Inland Revenue shall determine such liability of the registered person in accordance thereof.”

11E. Assessment of Tax and Recovery of tax not levied or short levied or erroneously refunded.- (1) Where due to any reason any tax or charge has not been levied or short levied or where the officer of Inland Revenue not below the rank of Assistant Commissioner suspects on the basis of audit or otherwise that due to any reason a person has;

- (a) not paid or short paid due sales tax;
- (b) claimed input tax credit or refund which is not admissible; or
- (c) has obtained an amount of refund not due,

the officer of Inland Revenue after issuing a show cause notice to the person shall pass an order to determine and recover the amount of tax unpaid or short paid, inadmissible input tax or refund, or unlawful refund obtained and shall also impose penalty and default surcharge in accordance with sections 33 and 34.

(2) For the purposes of sub-section (1), the officer of Inland Revenue may also disallow input tax on goods or services if the taxpayer is unable, without reasonable cause, to provide a receipt, or invoice or other record or evidence of the transaction or circumstances giving rise to such claim.

(3) Where a tax or charge has not been levied under clause (a) of sub-section (1), the amount of tax shall be recovered as tax fraction of the value of supply.

11F. **Failure to withhold sales tax.**— Where any person, required to withhold sales tax under sub-section (7) of section 3, fails to withhold the tax or having withheld the tax fails to deposit the same in the prescribed manner, the officer of Inland Revenue not below the rank of Assistant Commissioner shall after a notice to such person to show cause pass an order to determine and recover the amount in default and impose penalty and default surcharge under section 33 and 34.

11G. **Limitation for Assessment.**— (1) The show cause notice under sections 11D to 11F shall be issued within five years, from the end of the financial year in which the relevant date falls.

(2) An order under sections 11D, 11E and 11F shall be made within one hundred and twenty days of issuance of show cause notice or within such extended period as the Commissioner may, for reasons to be recorded, in writing specify, provided that such extended period shall in no case exceed from ninety days:

Provided that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the registered person not exceeding sixty days shall be excluded from the computation of the period specified in this sub-section.

(3) For the purpose of sections 11D, 11E and 11F, the words “relevant date” means—

- (a) the time of payment of sales tax or charge as provided under section 6;
- (b) the time of payment for goods or services on which sales tax was to be withheld under sub-section (7) of section 3; and
- (c) in a case where sales tax or charge has been erroneously refunded, the date of its refund.”

- (6) in section 21,—
- (a) in sub-section (2), for the word “blacklist”, the words “issue an order of blacklisting” shall be substituted; and
- (b) after sub-section (4), the following new sub-section shall be added, namely:—

“(5) Notwithstanding anything contained in this Act, the Chief Commissioner may, either of his own motion or on application made by the registered person call for and examine the record of proceedings and the order of blacklisting under sub-section (2) and after making such inquiry as is necessary, may modify the such order as he may deem fit:

Provided that no order under this sub-section shall be passed unless an opportunity of being heard has been provided to the registered person.”;

- (7) in section 23, for sub-section (3), the following shall be substituted, namely:—
- “(3) A registered person making a taxable supply shall, subject to such conditions, restrictions and limitations as the Board may, by notification in the official Gazette, specify, issue electronic invoices.”;
- (8) for section 25, the following shall be substituted, namely:—

“25. **Audit of sales tax affairs.- (1)** The Commissioner on the basis of reasons to be recorded in writing, may direct the officer of Inland Revenue not below the rank of Assistant Commissioner to conduct audit of sales tax affairs of any registered person and issue a notice to such registered person intimating him regarding audit of sales tax affairs.

Explanation: For the removal of doubt, it is declared that the powers of the Commissioner to direct conduct of audit and to issue a notice under this sub-section are independent of the powers of the Board under section 72B and

nothing contained in section 72B restricts the powers of the Commissioner to direct conduct of audit and to issue notice under this sub-section.

(2) The Commissioner shall communicate the reasons recorded by the Commissioner to the registered person whose audit is to be conducted through the notice under sub-section (1).

Explanation.- For the removal of doubt, it is declared that the Commissioner may not provide an opportunity of hearing and shall pass any order before issuance of notice under sub-section (1).

(3) The reasons referred to in sub-section (1) shall be based on scrutiny by the Commissioner or any other sales tax authority of the available records including sales tax and federal excise returns, income tax returns and withholding statements, financial statements or third party information:

Provided that the reasons shall not include the mere verification of input tax, output tax, refund claim and compliance of legal provisions without identifying risk factors that require such verification.

(4) Subsequent to the issuance of notice under sub-section (1), the officer of Inland Revenue, may call for any record or documents including record maintained under the Act, the rules made thereunder or any other law for the time being in force for conducting audit of the sales tax affairs of the person and where such record or documents have been kept on electronic data, the registered person shall allow access to the officer of Inland Revenue or the sales tax authority authorized by the Officer of Inland Revenue for the use of machine and software on which such data is kept and the officer of Inland Revenue or the authority may obtain duly attested hard copies of such information or data:

Provided that the Officer of Inland Revenue shall not call for record or documents of the registered person after expiry of six years from the end of the financial year to which they relate.

(5) The officer of Inland Revenue may require the person being audited to attend at his office in person or through an authorized representative or to produce, or cause to be produced such accounts, documents or any evidence as the officer of Inland Revenue may consider necessary.

(6) The officer of Inland Revenue not below the rank of Assistant Commissioner may conduct or cause to be conducted such enquiry and obtain such information from any third party as he considers appropriate.

(7) The officer of Inland Revenue not below the rank of Assistant Commissioner shall conduct audit of the sales tax affairs to verify the correctness or otherwise of the declared tax liability, output tax shown, input tax claimed, tax paid, refund claimed, stocks consumed and available and to ascertain compliance or otherwise with the provisions of this Act and the rules made thereunder on the basis of the record and evidence obtained under sub-sections (5) to (5B) and other documents maintained or furnished under this Act and the rules made thereunder or under any other law.

(8) The officer of Inland Revenue may conduct audit proceedings electronically through video links, or any other facility as may be prescribed by the Board.

(9) After completion of the audit, the officer of Inland Revenue may, if required pass an order under section 11E, after providing an opportunity of being heard to the taxpayer under sub-section (1) of section 11E.

(10) Notwithstanding anything contained in sub-sections (7) and (9) where a registered person fails to produce before the officer of Inland Revenue, any accounts, documents and records required to be maintained under this Act or the rules made thereunder or any other relevant document electronically kept

record, electronic machine or any other evidence that may be required by the officer of Inland Revenue for the purpose of audit. The officer of Inland Revenue may proceed to make best judgment assessment under section 11D of this Act.

(11) Where during the course of audit the officer of Inland Revenue suspects that such person is involved in tax fraud, he may with the approval of Commissioner, conduct an investigative audit under section 25AB.

(12) Notwithstanding the penalties prescribed in section 33, if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with default surcharge voluntarily, whenever it comes to his notice, before receipt of notice of audit, no penalty shall be recovered from him:

Provided that if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with default surcharge during the audit, or at any time before issuance of show cause notice under section 11E, he may deposit the evaded amount of tax, default surcharge under section 34, and twenty five per cent of the penalty payable under section 33:

Provided that further that if a registered person wishes to deposit the amount of tax short paid or amount of tax evaded along with default surcharge after issuance of show cause notice under section 11E, he shall deposit the evaded amount of tax, default surcharge under section 34, and full amount of the penalty payable under section 33 and thereafter, the show cause notice, shall stand abated.”;

(9) after section 25AA, the following new section 25AB shall be inserted, namely:–

“25AB. **Investigative Audit.**- (1) Where on the basis of information from audit as provided in sub-section (11) of section 25, or otherwise, the officer of Inland Revenue not below the rank of Assistant Commissioner, on the balance of probabilities, suspects that a registered person is involved in tax fraud, he may

with the prior approval of the Commissioner in writing, initiate investigative audit against such person.

(2) The officer of Inland Revenue shall conduct investigative audit under sub-section (1) on the basis of the record and evidence obtained under sections 37, 37A, 38, 38A, 38B and 40 within ninety days of the initiation of the investigative audit.

(3) After completion of investigative audit the officer of Inland Revenue may take one or more of the following actions:

- (a) pass an order under section 11E, after providing an opportunity of being heard to the registered person under that section on all the issues arising from the investigative audit.–
- (b) issue a best judgment assessment order under section 11D, where the registered person fails to produce, any accounts, documents records or evidence or any other relevant document that may be required by the officer of Inland Revenue;
- (c) black list the registered person under section 21; and
- (d) impose penalty and cause prosecution of the registered person as provided against Serial. No. 13 of the Table in section 33.

(4) For the purposes of clause (a) and (b) of sub-section (3), the officer of Inland Revenue may disallow input tax on goods or services, if the registered person is unable, without reasonable cause, to provide a receipt, or invoice or other record or evidence of the transaction or circumstances giving rise to such claim.”;

- (10) In section 26, after omitted sub-section (2), the following new sub-section (2A) shall be inserted, namely:-

“(2A) The officer of Inland Revenue may, by notice in writing, require any person who, in his opinion, is required to file a return under this section for a tax period or tax periods but who has failed to do so, to furnish the return or returns within fifteen days from the date of service of such notice or such longer or shorter period as may be specified in such notice or as the officer of Inland Revenue may allow:

Provided that the notice under this sub-section shall only be issued within fifteen years from the end of the financial year in which the return was to be filed, in cases of tax fraud and five years in all other cases.”;

- (11) in section 33,—

- (a) after the marginal heading, the expression “(1)” shall be inserted;
- (b) in the TABLE, in column (1),—
- (i) against S. No. 11, in column (2), the following shall be substituted, namely:—

“(11) The person who commits, causes to commit or attempt to commit the tax fraud shall pay a penalty of twenty five thousand rupees or one hundred percent of the amount of tax evaded or sought to be evaded, whichever is higher. Without prejudice to the above, he shall also be liable, upon conviction by a Special Judge to imprisonment for a term which may extend to five years if the tax evaded or sought to be evaded is upto five hundred or million or above, and which may extend to

ten years if the tax evaded or sought to be evaded is one billion and above and fine which may extend to an amount equal to the amount of tax evaded or sought to be evaded. The person who abets or connives in commissioning of tax fraud shall be liable, upon conviction by a Special Judge to imprisonment for a term which may extend to five years if the tax evaded or sought to be evaded is upto five hundred million or above and which may extend to ten years if the tax evaded or sought to be evaded is one billion and above, and with fine which may extend to an amount equal to the amount of tax evaded or sought to be evaded”

(ii) against S. No. 13, in column (2), the following shall be substituted, namely:—

“(13) The person who commits, causes to commit or attempt to commit the tax fraud shall pay a penalty of twenty five thousand rupees or one hundred percent of the amount of tax evaded or sought to be evaded, whichever is higher. Without prejudice to the above, he shall also be liable, upon conviction by a Special Judge to imprisonment for a term which may extend to five years if the tax evaded or sought to be evaded is upto five hundred million and above, and which may extend to ten years if the tax evaded or sought to be evaded is one billion and above and fine which may extend to an amount equal to the

amount of tax evaded or sought to be evaded.
The person who abets or connives in commissioning of tax fraud shall be liable, upon conviction by a Special Judge to imprisonment for a term which may extend to five years if the tax evaded or sought to be evaded is upto five hundred million and above and which may extend to ten years if the tax evaded or sought to be evaded is one billion and above, and with fine which may extend to an amount equal to the amount of tax evaded or sought to be evaded”

- (c) against S. No. 23, in column (2),—
 - (i) in clause (i), after the word “confiscation”, the words “as may be prescribed” shall be inserted; and
 - (ii) in clause (iii), for the words “be sealed for a period not exceeding fifteen days”, the words “shall be liable to be sealed by an officer of Inland Revenue in the manner as may be prescribed.” shall be added;
- (d) against S. No. 25, in column (2), for the words “shall be sealed till such time he integrates his business in the manner as stipulated under section 40C”, the words “shall be liable to be sealed by an officer of Inland Revenue in the manner as may be prescribed.” shall be added;
- (e) against S. No. 25A,—
 - (i) in columns (1), after the expression “section 3,”, the expression “or sub-section (4) of section 40C,” shall be inserted;

- (ii) in column (3), after the expression “section 3”, the expression “and sub-section (4) of section 40C” shall be added; and
- (f) after S. No. 25A and entries relating thereto in columns (2) and (3), the following new S. No. shall be added, namely:–

<p>“25AA. Any licensed integrator who is authorized to provide electronic invoicing system for integration of registered persons fails to integrate such registered persons in the manner as required under this Act and rules made thereunder.</p>	<p>Such person shall be liable to pay penalty of rupees one million or one percent of the total value of the sales suppressed, whichever is higher.</p>	<p>sub-section (5) of section 40C.”.</p>
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- (g) against S. No. 26, in column (2), after the word “confiscation”, occurring for the first time, the words “as may be prescribed” shall be inserted;
- (h) against S. No. 27, in column (2), after the word “confiscation”, occurring for the first time, the words “as may be prescribed” shall be inserted;
- (i) after the “TABLE”, the following new sub-section shall be added, namely:–

“(2) Notwithstanding anything contained in the Code of Criminal Procedure 1898 (Act V of 1898), the offences under this Act, whose punishment may extend upto ten years.”.

- (12) in section 34, in sub-section (1), in clause (a), for the word “twelve”, the words “KIBOR plus three” shall be substituted;

(13) in section 40C, after sub-section (3), the following new sub-sections shall be added, namely:–

“(4) Notwithstanding anything contained in this Act, the Board through notification in the official Gazette, may require any person or class of persons to integrate their electronic invoicing system with the Board’s Computerized System for real time reporting of sales in such mode and manner and from such date as may be specified therein; and

(5) Licensed integrator shall integrate electronic invoicing system of registered persons referred to in sub-section (4) in such mode and manner as may be prescribed.”;

(14) in section 43A, in sub-section (4), for the word “June”, the word “September” shall be substituted and shall be deemed to have taken effect on and from the 16th day of June, 2024.

(15) in section 45B, in sub-section (1), after the word “assessment”, the words “of tax” shall be inserted;

(16) in section 46, in sub-section (1), after the word “order”, occurring for the first time, the expression “, excluding the order of blacklisting under sub-section (2) of section 21,” shall be inserted;

(17) after section 47A, the following new section 47AB shall be inserted, namely:–

“47AB. **Saving.**– The period of limitation provided in clause (c) of sub-section (1) of section 46 and sub-section (1) of section 47 shall continue to apply where any decision of the commissioner (Appeals) or the Appellate Tribunal is received prior to the date of commencement of the Tax Laws (Amendment) Act, 2024 (V of 2024).”.

(18) in section 73, in sub-section (1), after the word “rupees” the words “in aggregate” shall be inserted;

(19) In the Third Schedule, in column (1), after serial No. 50, the following new serial number and entries relating thereto in columns (2) and (3) shall be added, namely:—

“51.	DAP	Respective headings.”.
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(20) in the Fifth Schedule, in column (1), Serial numbers 12,16, 17 and 21 and entries relating thereto in column (2) shall be omitted;

(21) In the Sixth Schedule,—

(A) in Table-I, in column (1), -

- (i) Serial Nos. 13,15, 32, 86, 87, 88, 89, 90, 96, 97, 98, 112, 120,151,152, 166, 169, 170 and 174 and entries relating thereto in column (2) and (3) shall be omitted;
- (ii) against Serial 165, in column (2), the words “imported by or” shall be omitted;
- (iii) after omitted Serial No. 174, the following new serial No. and entries relating thereto in columns (2) and (3) shall be added, namely:—

“175.	Import of all goods received, in the event of a natural disaster or other catastrophe, as gifts and relief consignments or any goods received as gift or donation from a foreign government or organization by the Federal or	9908(i) and 9911.”.
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	<p>Provincial Governments or any public sector organization.</p> <p>Subject to the recommendations of the Minister Incharge and concurrence by the Federal Board of Revenue subject to condition that the concerned Ministry shall verify the genuineness of such cases and furnish an undertaking to the effect that donated goods shall not be sold, utilized or disposed of otherwise than for the purpose for which the same have been imported.</p>	
176.	<p>POL products:</p> <p>(i) MS (Petrol)</p> <p>(ii) High Speed Diesel Oil</p> <p>(iii) Kerosene</p> <p>(iv) Light Diesel Oil</p>	<p>2710.1210,</p> <p>2710.1931,</p> <p>2710.1911 and</p> <p>2710.1921</p>

(B) in Table-II, in column (1),-

- (i) Serial Nos. 7 and 21 and entries relating thereto in columns (2) and (3) shall be omitted;
- (ii) after Serial No. 55 and entries relating thereto in columns (2) and (3), the following new Serial Nos. shall be added, namely:-

“56.	Milk excluding that sold under a brand name	04.01.
57	Iron and steel scarp	7204.4100 7204.3000 7204.4990.”.

(22) In the Eighth Schedule, in Table-I, in column (1),—

- (i) S Nos. 58,66 and 73 and entries relating thereto in columns (2), (3), (4) and (5) shall be omitted;
- (ii) for S No 77, the following shall be substituted, namely:—

“77.	Imported personal computers and Laptop computers, notebooks whether or not incorporating multimedia kit	8471.3020 and 8471.3010	10%	
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(iii) in S. No. 81, in column (2), after the expression “(XXXI of 1976)”, the following shall be omitted, namely:—

“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. This substitution shall be deemed to have been made from the 1st day of July, 2022.” ;

- (iv) after S No. 83, the following new S Nos and entries relating thereto in columns (2), (3), (4) and (5) shall be added, namely:-

"84	Colors in sets	3213.1000	10%	
	(i) Writing, drawing and marking inks	3215.9010 and 3215.9090		
	(ii) Erasers	4016.9210 and 4016.9290		
	(iii) Exercise books	4820.2000		
	(iv) Pencil sharpeners	8214.1000		
	(v) other drawing, marking out or mathematical calculating instruments (geometry box)	9017.2000		
	(vi) Pens, ball pens, markers and porous tipped pens	96.08		

	(vii) Pencils including color pencils	96.09		
85.	(a) Supplies; and (b) imports of plant, machinery, equipment for installation in tribal areas and of industrial inputs by the industries located in the tribal areas, as defined in the Constitution of Islamic Republic of Pakistan,–	Respective headings	(i) 6% till 30.06.2025 (ii) 12% from 1.7.2025 till 30.06.2026	Provided that, in case of imports, the same shall be allowed clearance by the Customs authorities on presentation of pay order for the amount of tax payable under this Act and the same shall be returned to the importer after presentation within six months of a consumption or installation certificate, as

				<p>the case may be, in respect of goods imported as issued by the Commissioner Inland Revenue having jurisdiction:</p> <p>Provided further that if plant, machinery and equipment, on which exemption is availed under this serial number, is transferred or supplied outside</p>
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				the tribal areas, the tax exempted shall be paid at applicable rate on residual value
86.	Supplies of electricity, as made to all residential and commercial consumers in tribal areas, and to such industries in the tribal areas which were set and started their industrial production before 31st May,	2716.0000	(i) 6% till 30.06.2025 (ii) 12% from 1.7.2025 till 30.06.2026	

	2018, but excluding steel and ghee or cooking oil industries			
87.	Oil cake and other solid residue	2306.1000	10%	
88.	Tractors	8701.9220 and 8701.9320	10%	
89.	Local supply of vermicillies, sheer mal, bun and rusk excluding those sold in bakeries, and sweet shops falling in the category of Tier-1 retailers.	Respective headings	10%	
90.	Local supply of poultry feed, cattle feed, sunflower seed	2306.3000, 2306.4900 and	10%	Subject to the condition that refund of excess input

	meal, rape seed meal and canola seed meal	respective headings		tax, if any, shall not be admissible.
91.	Newsprint and books but excluding brochures, leaflets and directories	Respective headings	10%	Subject to the condition that refund of excess input tax, if any, shall not be admissible.”.

(23) in the Ninth Schedule,–

(a) for Table-II, the following shall be substituted, namely:–

“Table-II

Cellular mobile phones in CKD/CBU form:

S. No.	Description / Specification of Goods	Sales tax on CBUs at the time of import or registration (IMEI number by CMOs)	Sales tax on import in CKD/ SKD condition	Sales tax on supply of locally manufactured mobile phones in CBU condition in addition to tax under column (4)
(1)	(2)	(3)	(4)	(5)

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:- -			-
	A. Not exceeding US\$ 500	18% ad valorem	18% ad valorem	18% ad valorem
	B. Exceeding US\$ 500	25% ad valorem	18% ad valorem	18% ad valorem

(b) after Table-II, under the heading **LIABILITY, PROCEDURE AND CONDITIONS**, clauses (iii), (iv) and (v) shall be omitted;

(24) In the Eleventh Schedule, in the TABLE, in column (1),-

(a) against S. No. 7, in column (4), for the expression "75%", the expression "80%" shall be substituted;

(b) after S. No. 8, the following new S. Nos. and entries relating thereto in columns (2), (3) and (4) shall be added, namely:-

"9.	Registered persons manufacturing cement	Persons supplying any kind of gypsum under chapter 25 (PCT headings 2520.1010, 2520.1020, 2521.0000) or limestone flux under chapter 25 (PCT headings 2520.1010, 2520.1020, 2521.0000)	80% of the sales tax applicable
10.	Registered persons	Persons supplying any kind of coal under chapter 27 (PCT headings 2701.1100, 2701.1200, 2701.1900, 2701.2000, 2704.0010, 2704.0020, 2704.0090) or	80% of the sales tax applicable
11.	Registered persons	Persons supplying any kind of waste of paper and paper board (Respective headings)	80% of the sales tax applicable
12.	Registered persons	Persons supplying any kind of plastic waste (Respective headings)	80% of the sales tax applicable
13.	Registered persons	Persons supplying crush stone and silica	80% of the sales tax applicable

(c) after the TABLE, clause (viii) shall be substituted, namely:–

“Supplies made by an Active Taxpayer as defined in the Sales Tax Act, 1990 to another registered person with the exception of supplies referred to in S. Nos. 5, 7, 9, 10, 11, 12 and 13 of the Table.”; and

- (25) in the Twelfth Schedule, after the Table, under the heading, Procedure and conditions, in clause (2), in sub-clause (iv), after the word “phones”, the expression “(PCT headings 8517.1419, 8517.1430 and 8517.1390)” shall be added.

6. Amendments of Income Tax Ordinance, 2001 (XLIX of 2001). – In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely: –

- (1) in section 2, in clause (8), after the word “thereof”, the expression “and includes a Member of the Federal Board of Revenue to whom powers of the Board have been delegated under section 8 of the Federal Board of Revenue Act, 2007;” shall be inserted;
- (2) in section 37, in sub-section (6), –
- (i) after the word “paid” occurring for the first time, the words “or payable” shall be inserted; and
- (ii) after the word “shares”, occurring for the second time, the expression “at the time of payment or at the time of registration of shares by the Securities and Exchange Commission of Pakistan or by the State Bank of Pakistan, whichever is earlier” shall be inserted;
- (3) in section 57, after sub-section (2B), the following new sub-section shall be inserted, namely: –

“(2C) Where a loss, referred to in sub-section (2), relating to a tax year commencing on or after the first day of January, 2017 is sustained by Pakistan International Airlines Corporation Limited, the said loss shall be carried forward for a period of ten years.”;

(4) in section 65F, in sub-section (1), –

(i) in clause (b), for the expression “; and”, a full stop shall be substituted; and

(ii) after clause (b), amended as aforesaid, the following explanation shall be added, namely: –

“Explanation. – For the removal of doubt it is clarified that tax credit under clause (a) shall only be available to the income derived from the operations of coal mining projects in Sindh supplying coal to power generation projects.”;

(5) in section 92, in sub-section (1), in the first proviso, for the full stop at the end, a colon shall be substituted and thereafter the following new proviso shall be inserted, namely: –

“Provided further that the share of a member of an association of persons having turnover of three hundred million rupees or above during the tax year or any of the preceding tax years shall not be exempt if financial statements duly audited by a firm of Chartered Accountants as defined under the Chartered Accountants Ordinance, 1961 (X of 1961), or a firm of Cost and Management Accountants as defined under the Cost and Management Accountants Act, 1966 (XIV of 1966) have not been filed along with return of income by the association of persons to whom he is a member.”;

- (6) in section 100BA, in sub-section (1), after the word “list”, the expression “or persons appearing on the active taxpayers’ list who have not filed return by the due date specified in section 118 or by the due date as extended under section 119 or 214A” shall be inserted;
- (7) in section 108, after sub-section (5), the following new sub-section shall be added, namely: –
- “(6) Notwithstanding the provisions of sub-section (1), for the tax year 2024 and onwards, where any amount is claimed as deduction for the tax year or for any of the two preceding tax years on account of royalty paid or payable to an associate directly or indirectly in respect of use of any brand name, logo, patent, invention, design or model, secret formula or process, copyright, trademark, scientific or technical knowledge, franchise, license, intellectual property or other like property or right or contractual right, twenty five percent of the total expenditure for the tax year in respect of sales promotion, advertisement and publicity shall be disallowed and allocated to the said associate.”;
- (8) in section 114B, –
- (a) in sub-section (2), –
- (i) in clause (b), the word “or” occurring at the end shall be omitted; and
- (ii) in clause (c), for the full stop at the end, a semicolon and the word “or” shall be substituted and thereafter the following new clause shall be added, namely: –
- (d) restriction on foreign travel from the country for a citizen of Pakistan, excluding persons holding

National Identity Card for Overseas Pakistanis (NICOP), minors, students and such other classes of persons as notified by the Board.”;

- (9) in section 116, in sub-section (1), after the word “assets” wherever occurring, the words “including foreign assets” shall be inserted;
- (10) in section 121, in sub-section (1), after clause (ab), the following new clause shall be inserted, namely:—
“(ac) furnish return of income in response to notice under sub-section (3) of section 117; or”;
- (11) in section 122A, in sub-section (1), the expression “other than the Commissioner (Appeals) if the value of the assessment or, as the case may be, refund of the tax does not exceed twenty million rupees,” shall be omitted;
- (12) in section 126A, —
(a) in sub-section (1), —
(i) for the word “Act” the word “Ordinance” shall be substituted; and
(ii) after clause (b), the following explanation shall be added, namely: —
“Explanation. — For the purposes of this section value of assessment of tax means the net increase in tax liability of a person as a result of order sought to be assailed and value of refund means net reduction in refund as a result of order sought to be assailed.”; and

- (b) in sub-section (4), for the word “June”, the word “September” shall be substituted and shall be deemed to have taken effect on and from the 16th day of June, 2024;
- (13) in section 127, in sub-section (1), after the word “order” occurring at the end, the expression, “if the value of assessment of tax or, as the case may be, refund of tax does not exceed twenty million rupees” shall be inserted;
- (14) in section 131, in sub-section (1), the expression “or the Commissioner (Appeals)” shall be omitted;
- (15) in section 147, –
 - (a) in sub-section (4), in the proviso, for the word “ten”, the word “twenty” shall be substituted; and
 - (b) after sub-section (6A), the following new sub-section shall be inserted, namely: –

“(6B) Where an estimate of the amount of tax payable has been filed by the taxpayer under sub-sections (6) or (6A), as the case may be, the estimate shall contain turnover for the completed quarters of the relevant tax year, estimated turnover for the remaining quarters, supporting evidence of expenses or deductions in computing income, evidence of tax payments and tax credits and computation of estimated taxable income:

Provided that where the Commissioner is not satisfied with the documentary evidence provided or where an estimate of the amount of tax payable is not accompanied by details mentioned in this sub-section, the Commissioner may reject the estimate

after providing an opportunity of being heard to the taxpayer and the taxpayer shall pay advance tax according to the formula set out in sub-section (4).”;

(16) in section 148, –

(a) in sub-section (6), for the word “The” occurring for the first time, the expression “Subject to sub-section (6A), the” shall be substituted; and

(b) after sub-section (6), amended as aforesaid, the following new sub-section shall be inserted, namely: –

“(6A) The Board may, by notification in the official Gazette, determine the minimum value of goods for the purpose of collection of advance tax under this section.”; and

(c) in sub-section (9), –

(i) in clause (a), after the semi colon the word “and” shall be omitted;

(ii) in clause (b), for the words “all other goods” the expression “goods other than those specified in clauses (a) and (c)” shall be substituted and for the full stop at the end, a semi colon and the word “and” shall be substituted; and

(iii) after clause (b), amended as aforesaid, the following new clause shall be added, namely: –

“(c) minimum value as notified by the Board under sub-section (6A) as if such goods were subject to ad valorem duty as increased by the custom-duty, federal excise duty

and sales tax, payable in respect of the import of the goods.”;

(17) in section 152, in sub-section (4A), for the expression “without deduction of tax or”, the word “with” shall be substituted;

(18) in section 153, for sub-section (4), the following shall be substituted, namely: -

“(4) The Commissioner may, on application made by the recipient of a payment referred to in sub-section (1) and after making such inquiry as the Commissioner thinks fit, may allow in cases where tax deductible under sub-section (1) is not minimum, by an order in writing, any person to make the payment after deduction of tax at reduced rate:

Provided that the Commissioner shall issue reduced rate certificate within fifteen days of filing of application to a company if advance tax liability has been discharged:

Provided further that the Commissioner shall be deemed to have issued the reduced rate certificate upon the expiry of fifteen days to the aforesaid company and the certificate shall be automatically processed and issued by Iris:

Provided also that the Commissioner may modify or cancel the certificate issued automatically by Iris on the basis of reasons to be recorded in writing after providing an opportunity of being heard.”;

(19) in section 154, –

(a) in sub-section (1) after the word “tax”, the words “including advance tax” shall be inserted;

(b) in sub-section (4), for the word “final” the word “minimum” shall be substituted; and

- (c) sub-section (5) shall be omitted;
- (20) in section 159, –
- (i) in sub-section (1), –
- (a) for the words “an exemption or” the word “a” shall be substituted;
- (b) in the first proviso, the words “exemption or” shall be omitted; and
- (c) in the second proviso, for the word “exemption” the words “lower rate” shall be substituted; and
- (ii) in sub-section (1A), for the word “exemption” the words “lower rate” shall be substituted;
- (21) in section 168, in sub-section (3), clause (e) shall be omitted;
- (22) in section 169, in sub-section (1), in clause (b), the expression “sub-section (4) of section 154,” shall be omitted;
- (23) in section 182, in sub-section (1), in the Table, –
- (a) after S. No. (1AAA), the following new S. No. and entries relating thereto in columns (2), (3) and (4) shall be inserted, namely: –

“1B	Where any person fails to furnish a return of income as required under sub-section (3) of section 117 within	Such person shall pay a penalty equal to higher of – (a) 0.1% of the tax payable in respect of that tax year for each day of default; or	117(3)”
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	the time specified in the notice	(b) Rs. 1,000 per day of default: Provided that minimum penalty shall be Rs.10,000 in case of an individual and Rs.50,000 in all other cases.	
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(b) after S. No. 3 and entries relating thereto in columns (2), (3) and (4), the following new S. No shall be inserted, namely: –

“3A.	Where any person being a trader or a shopkeeper who is required to apply for registration under this Ordinance but fails to register or fails to pay advance tax as specified in a scheme of special procedure prescribed under section 99B.	The shop of such person shall be sealed for seven days for first default and for twenty one days for each subsequent default	99B”
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- (c) after S. No. 10, the following new S. No and entries relating thereto in columns (2), (3) and (4) shall be inserted, namely: -

"10A	Any person who fails to comply with income tax general order issued by the Board within fifteen days of issue of such order.	Such person shall pay penalty of one hundred million rupees for first default and two hundred million for each subsequent default.	114B"
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- (d) after S. No. 12, the following new S. No and entries relating thereto in columns (2), (3) and (4) shall be inserted, namely: -

"12A	Where any person fails to pay tax at the time of making payment as consideration of shares or at the time of registration of shares by the Securities and Exchange Commission of Pakistan or the State Bank of Pakistan, whichever is earlier.	Such person shall pay a penalty equal to fifty percent of the amount of tax involved	37(6)"
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- (e) after S. No. 34, the following new S. No and entries relating thereto in columns (2), (3) and (4) shall be inserted, namely: -

"35	<p>Any company and an association of persons who –</p> <p>(a) fails to fully state all the relevant particulars or information as specified in the form of return, including a declaration of the records kept by the taxpayer;</p> <p>(b) furnishes any annexure, statement or document specified in the return of income as blank or with incomplete or irrelevant particulars; or</p>	<p>Such company, including a banking company and an association of persons shall pay a penalty of Rs.500,000 or 10% of the tax chargeable on the taxable income, whichever is higher."</p>	114(2)
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	<p>(c) attaches blank or incomplete annexures, statements or documents where such annexures, statements or records were required to be filed.</p>		
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(24) in section 191, in sub-section (1), in clause (a), after the expression “section 114”, the expression “, sub-section (3) of section 117” shall be inserted;

(25) after section 191, amended as aforesaid, the following new sections shall be inserted, namely: –

“191A. Prosecution for failure to furnish information in return of income. – Any company including a banking company and an association of persons who –

(a) fails to fully state all the relevant particulars or information as specified in the form of return, including a declaration of the records kept by the taxpayer;

(b) furnishes blank or incomplete particulars or information as specified in the return of income; or

(c) attaches blank or incomplete annexures, statements or documents where such annexures, statements or records were

required to be filed, shall commit an offence punishable on conviction with a fine or imprisonment for a term not exceeding one year or both.

191B. Prosecution for non-registration. – Any person specified in section 99B who is required to apply for registration but fails to do so shall commit an offence punishable on conviction with imprisonment for a term not exceeding six months or fine or both.”;

- (26) in section 205, for the figure “12”, wherever occurring, the expression “KIBOR plus three” shall be substituted;
- (27) in section 216, in sub-section (3), after the omitted clause (kb), the following new clause shall be added, namely: –
 - “(kc) to National Database and Registration Authority to process and analyze such data for the purposes of broadening of tax base;”;
- (28) in section 236G, in sub-section (1), the expression “of pharmaceuticals, poultry and animal feed, edible oil and ghee, auto-parts, tyres, varnishes, chemicals, cosmetics, IT equipment, electronics, sugar, cement, iron and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector,” shall be omitted;
- (29) in section 236H, in sub-section (1), the expression “of pharmaceuticals, poultry and animal feed, edible oil and ghee, auto-parts, tyres, varnishes, chemicals, cosmetics, IT equipment, electronics, sugar, cement, iron and steel products, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector,” shall be omitted;

(30) in section 239, after sub-section (17), the following new sub-section shall be added, namely: -

“(18) The period of limitation provided in clause (d) of sub-section (2) of section 131 and sub-section (1) of section 133 shall continue to apply where any decision of the Commissioner (Appeals) or the Appellate Tribunal is received prior to the date of commencement of the Tax Laws (Amendment) Act, 2024.”;

(31) in the First Schedule, –

(A) in Part I,

(1) in Division I, –

(a) in paragraph (1), for the Table, the following shall be substituted, namely: –

“TABLE

S No	Taxable Income	Rate of Tax
(1)	(2)	(3)
1.	Where taxable income does not exceed Rs. 600,000/-	0%
2.	Where taxable income exceeds Rs. 600,000 but does not exceed Rs. 1,200,000	15% of the amount exceeding Rs. 600,000
3.	Where taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 1,600,000	Rs. 90,000 + 20% of the

		amount exceeding Rs. 1,200,000
4.	Where taxable income exceeds Rs. 1,600,000 but does not exceed Rs. 3,200,000	Rs. 170,000 + 30% of the amount exceeding Rs. 1,600,000
5.	Where taxable income exceeds Rs. 3,200,000 but does not exceed Rs. 5,600,000	Rs. 650,000 + 40% of the amount exceeding Rs. 3,200,000
6.	Where taxable income exceeds Rs. 5,600,000	Rs. 1,610,000 + 45% of the amount exceeding Rs. 5,600,000";

(b) in paragraph (2), for the Table, the following shall be substituted, namely:

“TABLE

S.No	Taxable Income	Rate of Tax
(1)	(2)	(3)
1.	Where taxable income does not exceed Rs. 600,000/-	0%

2.	Where taxable income exceeds Rs. 600,000 but does not exceed Rs. 1,200,000	5% of the amount exceeding Rs. 600,000
3.	Where taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 2,200,000	Rs. 30,000 + 15% of the amount exceeding Rs. 1,200,000
4.	Where taxable income exceeds Rs. 2,200,000 but does not exceed Rs. 3,200,000	Rs. 180,000 + 25% of the amount exceeding Rs. 2,200,000
5.	Where taxable income exceeds Rs. 3,200,000 but does not exceed Rs. 4,100,000	Rs. 430,000 + 30% of the amount exceeding Rs. 3,200,000
6.	Where taxable income exceeds Rs. 4,100,000	Rs. 700,000 + 35% of the amount exceeding Rs. 4,100,000”;

(2) in Division III, for clause (b), the following shall be substituted, namely: –

“(b) 15% in the case of mutual funds, Real Estate Investment Trusts and cases other than those mentioned in clauses (a), (c) and (d):

Provided that the rate of tax on dividend received from mutual funds deriving fifty percent or more income from profit on debt shall be 25%.”;

- (3) For the Division VII, the following shall be substituted, namely:—

“DIVISION VII

Capital Gains on Disposal of Securities

The rate of tax to be paid under section 37A shall be as follows: —

TABLE

S. No.	Holding Period	Rate of Tax on disposal of securities acquired between 1st day of July, 2022 and 30th June, 2024 (both dates inclusive)	Rate of Tax on disposal of securities acquired on or after 1st day of July, 2024
(1)	(2)	(3)	(4)
1.	Where the holding period does not exceed one year	15%	15% for persons appearing on the Active Taxpayers' List on the date of acquisition and the date of disposal of

2.	Where the holding period exceeds one year but does not exceed two years	12.5%	securities and at the rate specified in Division I for individuals and association of persons and Division II for companies in
3.	Where the holding period exceeds two years but does not exceed three years	10%	respect of persons not appearing on the Active Taxpayers' List on the date of acquisition and date of disposal of securities: Provided that the
4.	Where the holding period exceeds three years but does not	7.5%	rate of tax for individuals and association of persons not appearing on the Active Taxpayers'

	exceed four years		List, the rate of tax shall not be less than 15% in any case.
5.	Where the holding period exceeds four years but does not exceed five years	5%	
6.	Where the holding period exceeds five years but does not exceed six years	2.5%	
7.	Where the holding period exceeds six years	0%	
8.	Future commodity	5%	5%:

	contracts entered into by members of Pakistan Mercantile Exchange		
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Provided that for securities except at S. No. 8 of the Table—

- (i) the rate of 12.5% tax shall be charged on capital gain arising on disposal where the securities are acquired on or after the first day of July, 2013 but on or before the 30th day of June, 2022; and
- (ii) the rate of 0% tax shall be charged on capital gain arising on disposal where the securities are acquired before the first day of July, 2013:

Provided further that the rate for companies in respect of debt securities shall be as specified in Division II of Part I of the First Schedule:

Provided also that a mutual fund or a collective investment scheme or a REIT scheme shall deduct Capital Gains Tax at the rates as specified below, on redemption of securities as prescribed, namely: —

Category	Rate
Individual and association of persons	15% for stock funds 15% for other funds
Company	15% for stock funds 25% for other funds:

Provided also that in case of a stock fund if dividend receipts of the fund are less than capital gains, the rate of tax deduction shall be 20%:

Provided also that no capital gain shall be deducted, if the holding period of the security acquired on or before 30th day of June 2024 is more than six years.

Explanation. – For the removal of doubt, it is clarified that provisions of this proviso shall be applicable only in case of mutual fund or collective investment scheme or a REIT scheme.”;

- (4) for Division VIII, the following shall be substituted, namely:–

“Division VIII

The rate of tax to be paid shall under sub-section (1A) of section 37 shall be as follows: –

“TABLE

S. No.	Holding Period	Rate of Tax on properties acquired on or before 30 th day of June, 2024			Rate of Tax on properties acquired on or after 1 st day of July, 2024
		Open Plots	Constructed Property	Flats	
(1)	(2)	(3)	(4)	(5)	(6)
1.	Where the holding period does not exceed one year	15%	15%	15%	15% for persons appearing on the Active Taxpayers' List on date of disposal of
2.	Where the holding period exceeds one year but does not exceed two years	12.5%	10%	7.5%	property and at the rates specified in Division I for individuals and association of persons and Division II for companies in respect of persons not

3.	Where the holding period exceeds two years but does not exceed three years	10%	7.5%	0	<p>appearing on the Active Taxpayers' List on the date of disposal of property:</p> <p>Provided that the rate of tax for individuals and association of</p>
4.	Where the holding period exceeds three years but does not exceed four years	7.5%	5%	-	<p>persons not appearing on the Active Taxpayers' List on the date of disposal, the rate of tax shall not be less than 15% of the gain.”;</p>

5.	Where the holding period exceeds four years but does not exceed five years	5%	0	-	
6.	Where the holding period exceeds five years but does not exceed six years	2.5%	-	-	

7.	Where the holding period exceeds six years	0%	-	-	
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(B) in Part III, –

(1) in Division I, for clause (b), the following shall be substituted, namely: –

“(b) 15% in the case of mutual funds, Real Estate Investment Trusts and cases other than those mentioned in clauses (a), (c) and (d):

Provided that the rate of tax on dividend received from mutual funds deriving fifty percent or more income from profit on debt shall be 25%.”;

(2) in Division III, in paragraph (1), in sub-paragraph (b), for clauses (i) and (ii), the following shall be substituted, namely:–

“(i) in case of a company, 9% of the gross amount payable for toll manufacturing and 5% of the gross amount payable in case other than toll manufacturing; and

(ii) in case other than a company, 11% of the gross amount payable for toll manufacturing and 5.5% of

the gross amount payable in other than toll manufacturing.”; and

- (3) in Division IV, after omitted paragraph (2) the following new paragraph shall be inserted namely:—

“(2A) the rate of tax to be deducted as advance tax shall be 1% of the proceeds of export in addition to the tax deducted under paragraph (1).”

- (C) in Part IV, —

- (1) in Division V, in entry (b), in the second column, after the word “form” a colon shall be inserted and thereafter the following proviso shall be added, namely: —

Provided that in the case of persons mentioned in income tax general order issued under section 114B, the rate of collection of tax shall be 75% of the amount of bill or sale price of internet pre-paid card or prepaid telephone card or sale of units to any electronic medium or whatever form.”;

- (2) in Division VII, in paragraph (1), —

- (a) for the Table, the following shall be substituted, namely: —

“TABLE

S. No.	Engine capacity	Rate of Tax
(1)	(2)	(3)
1.	Upto 850 cc	0.5% of the value
2.	851cc to 1000cc	1% of the value
3.	1001cc to 1300cc	1.5% of the value

4.	1301cc to 1600cc	2% of the value
5.	1601cc to 1800cc	3% of the value
6.	1801cc to 2000cc	5% of the value
7.	2001cc to 2500cc	7% of the value
8.	2501cc to 3000cc	9% of the value
9.	Above 3000cc	12% of the value:";

(b) in the first proviso, the expression "S. Nos. 7 to 9 of" shall be omitted;

(3) for Division X, the following shall be substituted, namely: –

"Division X

Advance tax on sale or transfer of immovable property

The rate of tax to be collected under section 236C shall be as set out in the following table: –

S. No.	Amount	Tax Rate
(1)	(2)	(3)
1	Where the gross amount of the consideration received does not exceed Rs. 50 million	3%
2	Where the gross amount of the consideration received exceeds	3.5%

	Rs. 50 million but does not exceed Rs 100 million	
3	Where the gross amount of the consideration received exceeds Rs. 100 million	4%”

(4) for Division XVIII, the following shall be substituted, namely: –

“Division XVIII

Advance tax on purchase of immovable property

The rate of tax to be collected under section 236K shall be as set out in the following table: –

TABLE

S. No.	Amount	Tax Rate
(1)	(2)	(3)
1	Where the fair market value does not exceed Rs. 50 million	3%
2	Where the fair market value exceeds Rs. 50 million but does not exceed Rs 100 million	3.5%

3	Where the fair market value exceeds Rs. 100 million	4%”;
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(32) in the Second Schedule, –

(A) in Part I, –

- (i) clause (102A) shall be omitted;
- (ii) in clause (145A), for the expression “2024”, the expression “2025” shall be substituted;

(B) in Part II, in clause (24A), after the word “cigarette”, the expression “shall be 2.5% gross amount of payment” shall be inserted;

(C) in Part III, clause (2) shall be omitted;

(D) in Part IV, in clauses (109A) and (110), for the expression “2024”, the expression “2025” shall be substituted;

(33) in the Seventh Schedule, –

(a) in rule 1, –

(i) for sub-rule (d), the following shall be substituted, namely:–

“(d) The amount of “bad debts” classified as “sub-standard” or “doubtful” under the Prudential Regulations issued by the State Bank of Pakistan or provisions for advances, off-balance sheet items or any other financial asset classified in stage I, II or III as performing, under-performing or non-performing under any applicable accounting standard including IFRS 09 shall not be allowed as expense:

Provided that only “bad debts” classified as “loss” pertaining to non-performing assets under the Prudential Regulations issued by the State Bank of Pakistan shall be allowed as expense.”;

(ii) after sub-rule (d), substituted as aforesaid, the following new sub-rule shall be inserted, namely: –

“(da) Provisions or Expected Credit loss for Advances and off balance sheet items or any other financial asset existing before or after the 1st day of January, 2024 under IFRS 09 shall not be allowed as an expense or deduction.”;

(iii) in sub-rule (g), for the expression “application of international accounting standards 39 and 40”, the expression “any applicable accounting standard or policy or any guidelines or instructions of State Bank of Pakistan” shall be substituted;

(b) in rule (7CA), after the full stop, the following explanation shall be added, namely: –

“Explanation. – For removal of doubt it is clarified that the expression “tax year 2023 onwards”, means that provisions of section 4C are applicable for the tax year 2023 and for all subsequent tax years.”; and

(34) in the Tenth Schedule, –

(a) in rule 1, –

(i) the expression “the First Schedule to” shall be omitted;

- (ii) for the second proviso, the following shall be substituted, namely: –

“Provided further that the tax required to be collected under section 236K shall be at the rates set out in the following table, in case of persons not appearing in the active taxpayers’ list: –

TABLE

S. No.	Fair Market Value of Immovable Property	Tax Rate
(1)	(2)	(3)
1	Where the fair market value does not exceed Rs. 50 million	12%
2	Where the fair market value exceeds Rs. 50 million but does not exceed Rs. 100 million	16%
3	Where the fair market value exceeds Rs. 100 million	20%

Provided also that the tax required to be collected or deducted, under sections specified in column (2) against transactions specified in column (3) shall be at the rates specified in column (4) of the following Table, in case of persons not appearing in the active taxpayers’ list: –

S. No.	Section	Description	Tax Rate

(1)	(2)	(3)	(4)
1.	Section 151	On yield or profit on debt	35%
2.	Section 236C	On the gross amount of consideration received on sale or transfer of immovable property	10%
3.	section 236G	On the gross amount of sale to distributors, dealers or wholesalers other than sale of fertilizer.	2%
4.	Section 236H	On the gross amount of sale to retailers	2.5%”;

(b) after rule 1, amended as aforesaid, the following new rule shall be inserted, namely: –

“1A. Rate of deduction or collection of tax from persons who are appearing on active taxpayers’ list but have not filed return by the due date. – Where tax is required to be collected in respect of persons appearing on the active taxpays’ list who have not filed the return by the due date specified in section 118 or by the due date as extended under section 119 or 214A, the rate of tax shall be –

(a) as per rates set out in the following Table in case of tax to be collected under section 236C;

TABLE

S. No.	Gross Amount of Consideration Received	Tax Rate
(1)	(2)	(3)
1	Where the gross amount of consideration received does not exceed Rs. 50 million	6%
2	Where the gross amount of consideration received exceeds Rs. 50 million but does not exceed Rs. 100 million	7%
3	Where the gross amount of consideration received exceeds Rs. 100 million	8%

(b) as per rates set out in the following Table in case of tax to be collected under section 236K:

TABLE

S. No.	Fair Market Value of Immovable Property	Tax Rate
(1)	(2)	(3)
1	Where the fair market value does not exceed Rs. 50 million	6%
2	Where the fair market value exceeds Rs. 50 million but does not exceed Rs. 100 million	7%
3	Where the fair market value exceeds Rs. 100 million	8% ; and

(c) in rule 10, after the omitted sub-rule (x), the following new sub-rule shall be added, namely: –

“(y) tax collected under section 37A.”.

7. **Amendments of the Federal Excise Act, 2005.**— In the Federal Excise Act, 2005, the following further amendments shall be made, namely: -

- (1) in section 8, for the word “twelve”, the words “KIBOR plus three” shall be substituted;
- (2) in section 19,—
 - (a) in sub-section (3),—
 - (i) in clause (d), the word “and”, at the end shall be omitted;
 - (ii) in clause (e), after the expression “under;” the word “and” shall be added and thereafter the following new clause shall be added, namely:—

- “(f) where the value of the plant and machinery is rupees fifty million and above, installs such plant and machinery, commences production or removes such plant and machinery without prior permission of the Commissioner.”.
- (b) after sub-section (10), the following new sub-section shall be inserted, namely:–
- “(10A) If any retailer is found selling cigarettes packs without affixing, or affixing counterfeited, tax stamps, banderoles, stickers, labels or barcodes, notwithstanding any other provision of this Act, the retail outlet of such person shall be liable to be sealed in the manner as may be prescribed.”.
- (3) in section 33, in sub-section (1), after the word “assessment”, the words “of tax” shall be inserted;
- (4) in section 33A, in sub-section (4), for the word “June”, the word “September” shall be substituted and shall be deemed to have taken effect on and from the 16th day of June, 2024.
- (5) after section 34A, the following new section 34AB shall be inserted, namely:–
- “34AB. **Saving.**– The period of limitation provided in sub-section (1) of section 34 and sub-section (1) of section 34A shall continue to apply where any decision of the commissioner (Appeals) or the Appellate Tribunal is received prior to the date of commencement of the Tax Laws (Amendment) Act, 2024 (V of 2024).
- (6) in the First Schedule, in Table-I, in column (1). -

- (i) after S. No. 7, the following new serial number and entries relating thereto in columns (2), (3) and (4) shall be inserted, namely:—

“7a.	Acetate tow	Respective heading	Rupees forty four thousand per kg.”;
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- (ii) in S. No. 8a, in column (4), after the words “per kg”, the words “or sixty five percent of retail price whichever is higher” shall be added;

- (iii) after S. No. 8c, the following new serial number and entries relating thereto in columns (2), (3) and (4) shall be inserted, namely:—

“8d.	Nicotine pouches	Respective heading	Rupees one thousand and two hundred per kg.”;
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- (iv) against S. No. 9, in column (2), for the word “nine thousand”, the word “twelve thousand five hundred” shall be substituted;

- (v) against S. No. 10, in column (2), for the word “nine thousand”, the word “twelve thousand five hundred” shall be substituted;

- (vi) against S. No. 13, in column (4), for the word “two” the word “three” shall be substituted.

- (vii) against S. No. 56, in column (4), for the words “fifteen hundred”, the words “eighty thousand” shall be substituted; and

- (viii) after S. No. 62, the following new serial numbers and entries relating thereto in columns (2), (3) and (4) shall be added, namely:—

“63	Allotment or transfer of commercial property and	Respective headings	5%
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	first allotment or transfer of residential property in such mode and manner and subject to such conditions and restriction as may be prescribed by the Board.		
64.	Sugar supplied by any person to a manufacturer	Respective headings	Rupees fifteen per kg.”;

- (7) after the Table-I,– in the marginal heading, for the expression (2) Variants at different price points”, the expression “Restriction-2 – Brand variants at different price points” shall be substituted and at the end, the following Explanation shall be added, namely:–

“**Explanation.**– For the purpose of this restriction, brand variant means any cigarette brand with similar logo, name, colour, design, pattern or any unique distinguishing mark associated with an existing brand family.”;

- (8) in the Third Schedule, in Table-I, in column (1), after S. No. 22, the following new S. No. and entries relating thereto in columns (2) and (3) shall be added, namely:–

“23.	Imports made by diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various Acts, Orders, Rules, Regulations and Agreements passed by the Parliament or issued or agreed by the Government of Pakistan.	99.01, 99.02 and 99.05.”.
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8. **Amendments in Federal Board of Revenue Act, 2007.** – In the Federal Board of Revenue Act, 2007, in section 8, after the word “Member”, the words “or employee” shall be omitted.

9. **Amendment of Public Finance Management Act, 2019.-** In the Public Finance Management Act, 2019, in Section 2, for clause (w) the following shall be substituted, namely; -

“(w) “technical supplementary grant” means appropriation or authorization, as the case may be, of additional funds to a demand for grant against;

- i) surrender from another demand for grant; or
- ii) anticipated saving received by the Finance Division; or
- iii) unbudgeted revenue receipt deposited by Provinces or Entities in Federal Consolidated Fund for a specific purpose; or
- iv) unbudgeted foreign grants received or deposited by foreign governments or international donors in Federal Consolidated Fund for a specific purpose.”

STATEMENT OF OBJECTS AND REASONS

The purpose of this bill is to make financial provisions for the year beginning on the first day of July, 2024 and it shall come into force on the first day of July, 2024

(Muhammad Aurangzeb)

Minister for Finance & Revenue