

Comments on changes in Fiscal Laws

Tax Memorandum 2020

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THE FINANCE BILL 2020

This Memorandum summarizes an overview of economy for the year 2019-2020 and the important changes proposed through the Finance Bill 2020. It contains comments on the budget and the Finance Bill 2020, including highlights of the changes in the Income Tax Ordinance, 2001, the Sales Tax Act, 1990, the Federal Excise Act, 2005, the Customs Act, 1969 and, the Anti-Dumping Duties Act, 2015, the Public Finance Management Act, 2019 and some other laws. The amendments proposed through the Income Tax Ordinance, 2001 and through other laws are intended to be effective once the President of Pakistan and the parliament have accorded their assent respectively and thereafter, would be effective from July 01, 2020 i.e. the tax year 2021 unless otherwise indicated.

This Memorandum is intended to provide general guidance to the readers on the important changes proposed through the Bill and should not be considered as a substitute for specific advice relating to a particular enactment. For considering the precise effect of a proposed change, reference should be made to the appropriate wordings in the relevant statutes and the notifications issued where relevant.

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Grant Thornton Anjum Rahman
Chartered Accountants

June 13, 2020

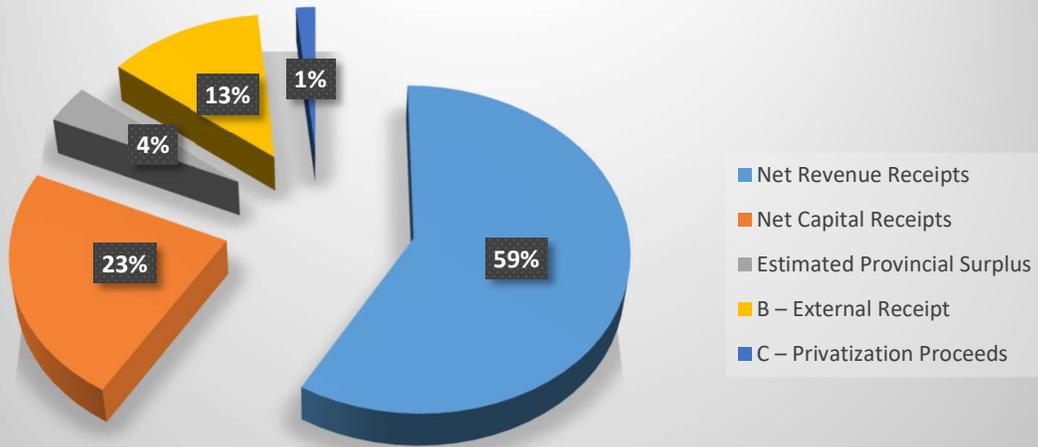
CONTENTS

	Page #
Budget at a Glance	1
Economy Review	3
Finance Bill 2020 - Highlights	9
Summary of changes in:	
▪ The Income Tax Ordinance, 2001	15
▪ The Sales Tax Act, 1990	52
▪ The Federal Excise Act, 2005	62
▪ The Customs Act, 1969	67
Other Laws	
▪ Anti-Dumping Duties Act, 2015	79
▪ Public Finance Management Act, 2019	79
▪ Tax on luxury houses in Islamabad Capital Territory	82

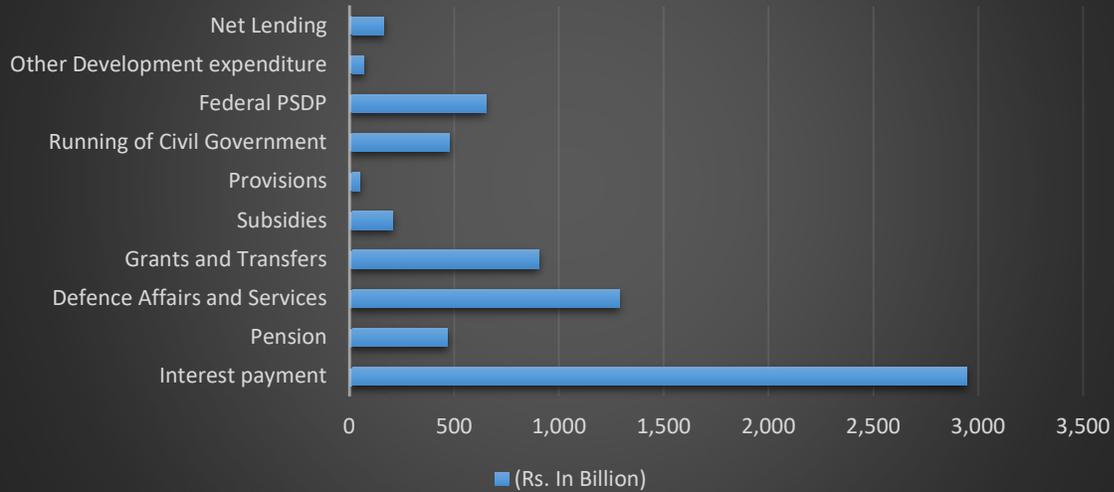
BUDGET AT A GLANCE

	2020 - 2021		2019 - 2020	
	Rupees. In Billion	%	Rupees. In Billion	%
Sources (A+B+C)	6,315	100	6,697	100
A – Internal	5,405	85.58	4,718	70.45
Net Revenue Receipts	3,700	58.58	3,462	51.70
Net Capital Receipts	1,463	23.17	833	12.43
Estimated Provincial Surplus	242	3.83	423	6.32
B – External Receipt	810	12.83	1,829	27.31
C – Privatization Proceeds	100	1.58	150	2.24
Expenditures (A+B)	7,231	100	7,036	100
A – Current Expenditures	6,345	87.74	6,192	88.00
Interest payment	2,946	40.74	2,890	41.08
Pension	470	6.50	421	5.98
Defense Affairs and Services	1,289	17.83	1,152	16.37
Grants and Transfers	905	12.51	831	11.82
Subsidies	209	2.89	272	3.86
Provisions	50	0.69	195	2.77
Running of Civil Government	476	6.58	431	6.13
B - Development Expenditures	886	12.29	844	12.00
Federal PSDP	650	9.11	701	9.96
Other Development expenditure	70	0.98	86	1.22
Net Lending	166	1.01	57	0.81
Bank Borrowings	917		339	

Receipts (Rs. In Billion)



Expenditures (Rs. In Billion)



ECONOMY REVIEW

Overview

During the fiscal year 2020, twin deficits i.e. trade and current account deficits were the two main challenges faced by the Government, along with other economic fundamentals like low tax to GDP ratio, poor saving rate and declining exports which were further compounded by imports. The economy of Pakistan became consumption based economy resulting in short term growth without having any development in capital growth. This resulted in distortion of macroeconomic stability and depletion in foreign exchange reserves. These challenges were addressed by the Government by introducing the following key measures:

- revisiting the monetary policy
- providing autonomy to SBP to take independent decisions and
- alignment of exchange rate to reflect actual demand and supply

The above measures paid off and for the first time in last many years, the current account deficit posted a surplus in October 2019. During the current year, fiscal deficit has been reduced to 4% of GDP, while current account deficit reduced by 71%. Further, the below factors reaffirmed the successful policies of Government in stabilizing the economy any laying a foundation for robust growth:

- healthy growth in FDI (127%),
- improve ranking in World Bank's ease of doing business index
- "stable" credit outlook to B3 from negative by Moody's

As the economy stabilized and was transitioning to growth, the outbreak of Coronavirus (Covid-19) disrupted the global economy and the world changed dramatically during fiscal year 2020. Pakistan's economy has also been affected due to COVID-19 outbreak through various channels, like decline in domestic as well as global demand, down turn in tourism and business travel, trade and production linkages and supply disruptions etc. Moreover, to prevent the spread of Covid-19, governments around the world imposed lockdown which further aggravated the situation and economic meltdown.

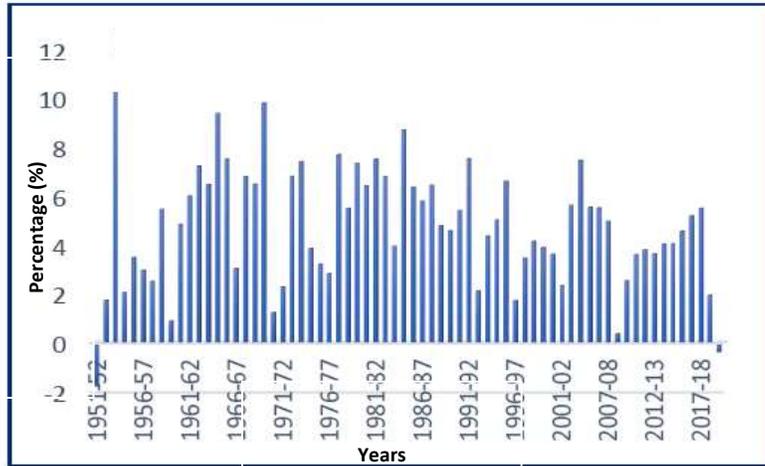
To avert the negative impact of Covid-19, following measures were initiated to sustain the economy:

- the Government announced a relief package of Rs. 1.24 trillion.
- the SBP reduced discount rate to 8% from over 13.5%.
- IMF has given a one-year relief in debt payment and further loaned USD 1.386 billion under Rapid Financing Instrument Program.
- Financial aid packages were provided by Asian Development Bank and World Bank, along with inclusion of Pakistan by G-20 in their debt relief program.
- Loans were extended at extremely low rate so that the employer's do not retrench or lay off the staff.

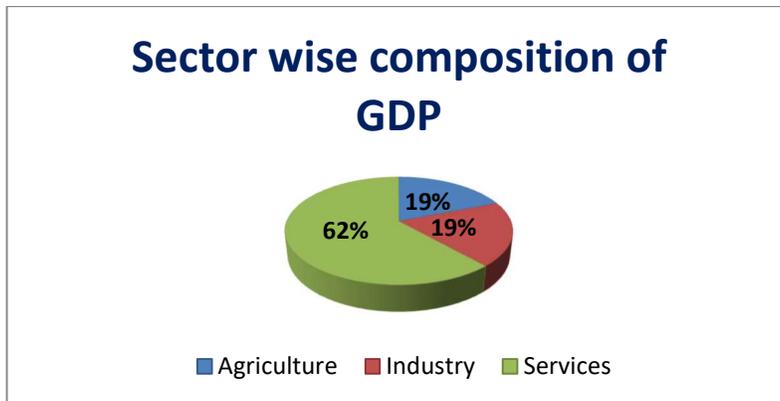
The above factors have stabilized Pakistan’s foreign exchange reserves to an extent and reduced external vulnerabilities to some extent, however, the overall growth for the current year remained subdued. The economy of Pakistan is estimated to contract at negative 0.38% during fiscal year 2020 and the Government has estimated Rs. 3 trillion losses as a result of Covid-19 due to lockdown.

Growth

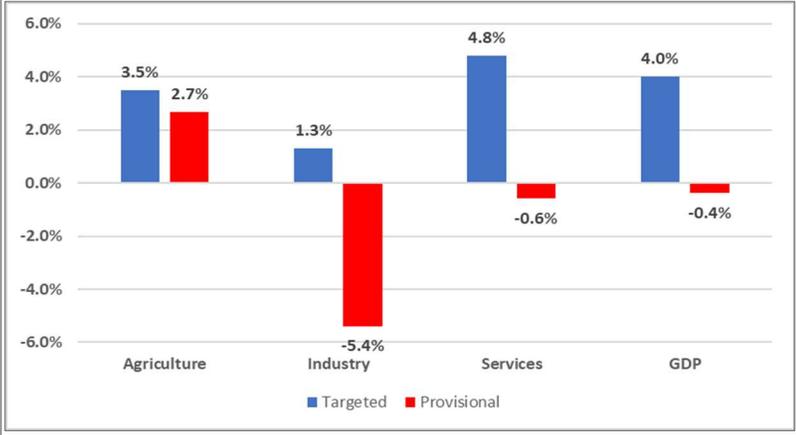
Over the last 70 years, Pakistan’s GDP has fluctuated significantly as depicted below:



Like many other economies, Pakistan has a diverse economy with three main sectors namely agriculture, industry and services having the following GDP share:



The provisional GDP growth rate in FY2020 is estimated at negative 0.38% on the basis of 2.67%, -2.64% and -0.59% agriculture, industry and services sectors respectively. The negative performance of industry and services overshadowed the growth in agriculture as follows:



Agriculture

Overall, there was no significant impact on agriculture due to Covid-19. The sector grew by 2.67% as compared to 0.58% last year and major contributors to this growth were wheat, rice and maize.

Industry

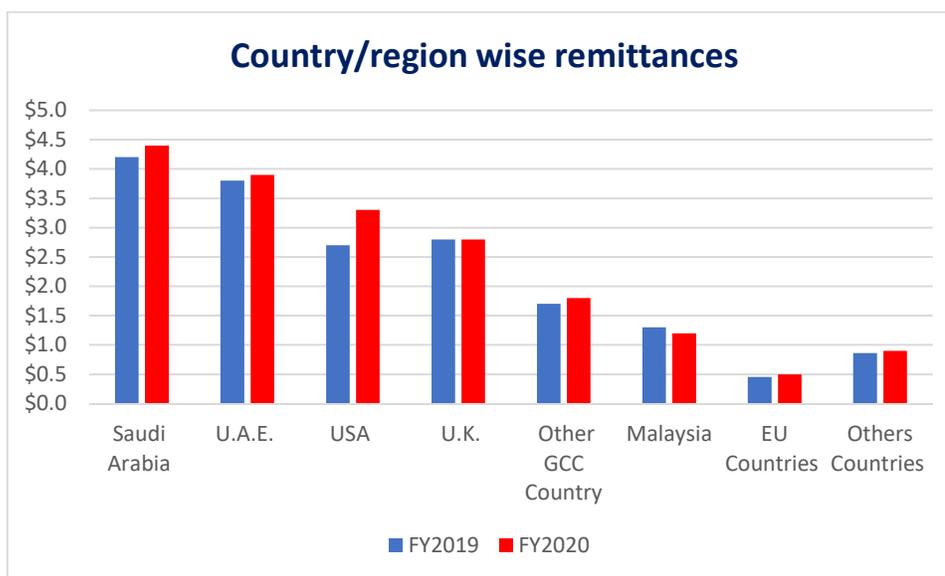
During the current year, the performance of industries deteriorated significantly. The provisional growth rate in industry sector has been estimated at negative 2.64% as compared to 1.4% last year. Mining and quarrying had a major decline of 8.82% followed by Large Scale Manufacturing of 7.78%.

Services

This sector mainly depends on performance of other sectors in the economy. Similar to the industrial sector, services have also witnessed significant impact of the lock down situation in the country, particularly in wholesale and retail trade and transport sectors. Last year, services grew by 3.75% whereas, it contracted to 0.59% during 2020.

Remittances

During the first 10 months, remittances reached USD 18.8 billion as compared to USD 17.8 billion last year with a growth of 5.5%. On a month on month basis, remittances declined by 5.5% in April 2020 when compared with March 2020 as global lockdown, slow global demand and emerging recession especially due to massive decline in oil prices have increased the job risk of a number of Pakistani workers working abroad especially in GCC countries.



Construction

The construction activity has increased by 8.06% during FY2020 mainly due to increase in general government expenditure. The Government also introduced the fixed income tax structure and declared construction sector as industry thereby, fulfilling long outstanding demand of builders and developers. Further, the stimulus package announced by the government includes amnesty scheme, tax exemptions and Rs. 30 billion subsidy for Naya Pakistan Housing Scheme. These initiatives will not only revive the construction industry but also boost the allied sectors resulting in employment generation.

Trade and payments

Exports during the 10 months' period FY2020 remained USD 19.7 billion compared to corresponding period FY2019, witnessing a decline of 2.4%. Imports during the said period also decreased by USD 4.2 billion registering a decline of 16.2%. The trade deficit was cushioned by foreign remittances thus reducing the pressure on current account deficit. Foreign currency reserves of Pakistan stood at USD 16,920 million in May 2020 as follows:

	(\$ in million)	
	May 2020	May 2019
Net Reserves with SBP	10,362	7,862
Private Banking Reserves	6,558	7,018
Total Forex Liquid Reserves	16,920	14,881

Inflation

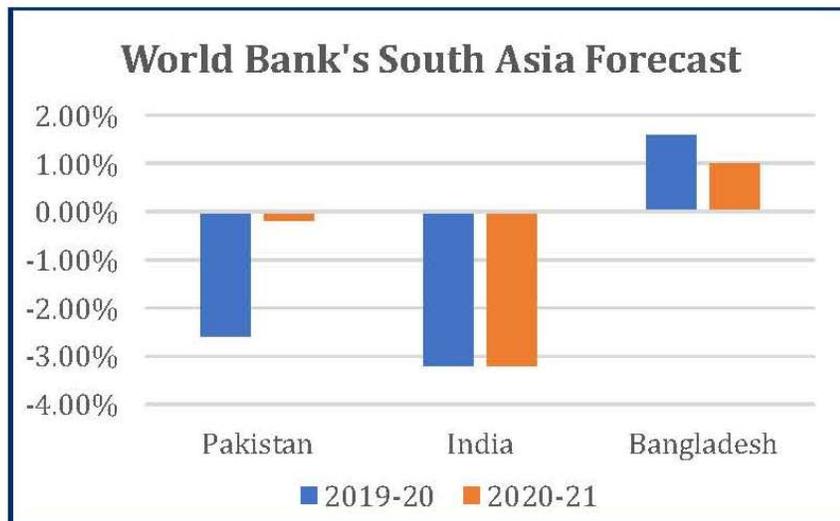
The Government continued its policy of structural adjustments for the first 7 months of the current year whereby, the CPI rose to 14.2% and subsequently from February onwards inflation rate started its downward trajectory and now it stands in single figure of 8.5%. The inflation dropped by more than 6% in last three months.

Capital markets

Continuing with the fiscal adjustments, the index kicked off with low of 33,901 points and reaching a high of 43,219 points on January 13, 2020 before the Covid-19 pandemic breakout resulting in outflow of capital from stock market and the market fell to 27,229 points. The Government introduced a stimulus package which provided relief to investors and the stock market gained 6,878 points. The current market capitalization of stock market as at April 30, 2020 stands at Rs. 6,376.71 billion.

Way forward

Covid-19 had major impact on economies around the world disrupting the global supply chain and businesses. The global economy will take time to revive post Covid-19, this will have a major burnt on the developing economies like Pakistan. According to World Bank, Pakistan's economy will further contract by 0.2% in FY2021 as shown in the following forecast together with other South Asia countries.



However, following factors will play a positive role in the revival of economy in the coming years:

- Inflation is projected to be under single figure in FY2021
- Discount rate is expected to reduce further
- Exports are projected to grow by 1.1% and imports to increase by 1.5%
- Low oil prices will reduce the import bill

The economic activity of any country is linked with the ease of doing business and ability of the people to spend. Considering these, the recently revealed budget provides some measures, but may not be sufficient enough for the business community. The Government should exercise due care to achieve the desired results, which may include the following measures:

- Simplification of tax laws by bringing automation in tax structure and attaining new avenues of taxation
- Further adjustment in the discount rate in light of the Covid-19 outbreak
- Stabilizing of Pak Rupee by following an exchange rate regime based on economic fundamentals
- Revamping the overall energy sector including the transmission and distribution of energy
- Ensuring smooth supply of essential items in order to keep the inflation index in check

FINANCE BILL 2019-HIGHLIGHTS

Income Tax Ordinance, 2001

The bill proposes the following incentives and reliefs:

- An attractive tax incentive scheme enacted for builders and developers with fixed tax rate on the basis of per square yard or square feet.
- Immunity from probe of source of investment made in construction or development projects in the form of money or land. First purchasers of the constructed or develop property are also extended immunity from probe of source of investment.
- Builders and developers are not required to withhold tax on supply of goods except Cement and Steel industries.
- No withholding on services required by builders and developers for plumbing, electrification, shuttering, and other similar and allied services provided by persons other than a company.
- Dividend received by shareholders from the builder company's profit are also tax exempt.
- Developers and constructors to enjoy status of industrial undertaking for the purpose of tax exemptions or concessions on advance tax payment on import of plant and machinery
- The existing distinction of holding period between sale of constructed property and open plot is removed and with the proposed change, no tax on capital gain shall be levied on sale of immovable property in the fourth year.
- Tax rates of capital gains on sale of immoveable property reduced by fifty percent in each category.
- Individual or AOP having property income up to Rs. 4 million can opt for normal tax regime instead of Final Tax regime.
- Maximum threshold for business expenses paid in cash is enhanced from Rs. 10,000 to Rs. 25,000 in case of individual transaction and from Rs. 50,000 to Rs. 250,000 in aggregate under a single account head.
- Allowable deductions of cash salary paid by the employer is enhanced from Rs. 15,000 per month to Rs. 25,000 per month.
- Toll manufacturing has proposed to be brought under the ambit of sale of goods instead of rendering of services.

- The turnover threshold for being a withholding agent (individuals and AOP) to be increased from existing Rs. 50 million to Rs. 100 million.
- Collection of Advance tax has been done away in respect of following:
 - 236R: Education related expenses remitted abroad;
 - 235B: Consumption of Electricity by steel melters and composite units;
 - 156B: Withdrawal of balance under pension fund;
 - 148A: Local purchase of cooking oil or vegetable ghee by certain persons;
 - 236D: Functions and gatherings
 - 236F: Cable operators and other electronic media;
 - 236J: Dealers, commission agents and arhatis etc;
 - 236U: Insurance premium;
 - 236X: Tobacco

The bill proposes to impose the following tax burden:

- Restriction imposed on admissibility of foreign profit on debt payable by foreign controlled resident companies.
- Minimum tax levied on permanent establishment of non-resident companies in Pakistan.
- Levy of Super Tax on banking companies extended for the tax year 2021.
- Monetary threshold of six percent is proposed to be reduced to two percent in respect of collection charges deductible against income from immovable property.
- Proportionate disallowance is proposed for an expenditure incurred by an industrial undertaking attributable to sales made to un-registered person under the Sales Tax Act, 1990.
- Depreciation allowance reduced by 50% in first year of induction of a depreciable asset commencing on or after July 1st, 2020. Corresponding relaxation / adjustment of 50% is proposed to be given in the year of disposal of asset.
- Lease rental paid in respect of passenger transport vehicle, not plying for hire, could not be claimed in excess of Rs. 2.5 million (to the extent of principal amount) as an allowable deduction.
- Allowable limit for computing tax credit for donor giving donation of a sum or any property to an associate is proposed to be reduced to 10% for companies and 15% for other cases.
- Restricted funds representing donation received by non-profit organizations, trusts or welfare institutions from their associate donor is proposed to tax on surplus fund at the rate of 10%.
- Payment of 10% of the tax demand maintained by the Commissioner Appeals is required to be deposited by the taxpayer for filing of appeal before Appellate Tribunal Inland Revenue.
- Engineering services provided by resident and non-resident service providers to be excluded from the purview of reduced rate of 3%.

Other Changes

- Filing of statement is made mandatory in respect of 'voluntary contributions and donations' received in the immediately preceding tax year for NPOs, trusts or welfare institutions for the purposes of claiming 100% tax credit under section 100C.
- To encourage prompt listing, tax credit on enlistment in any Stock Exchange in Pakistan is proposed to be restricted only for those companies who get enlisted till June 30th, 2022.
- The filing of statement under section 115(4) of the Ordinance in respect of income taxable under final tax regime abolished and return of income is required to be filed in respect thereof.
- Permission for revising return of income to be given by the Commissioner where he is satisfied that omission or wrong statement was bona fide.
- Taxpayers profile required to be furnished in the prescribed form and manner by every person seeking tax registration and other specified persons
- Revision of wealth statement to be allowed subject to approval from the Commissioner.
- The concept of automated adjusted assessment introduced to arrive at the correct amount of total income, taxable income and tax payable after making adjustments for arithmetical errors, incorrect claims, disallowances of any loss, deductible allowances or tax credits.
- In order to reduce litigation, the bill proposes to introduce the concept of agreed assessment in cases where the Commissioner has issued notice for amendment of an assessment except cases involving concealment of income or interpretation of question of law.
- Fee for filing of appeals before the Commissioner Appeals and Appellate Tribunal Inland Revenue is proposed to be enhanced.
- The authority of the Commissioner enhanced to recover tax due by authorizing him to enforce recovery through custom authorities, stopping clearance of goods and sealing of premises as provided in section 48 of the Sales Tax Act, 1990.
- The Board is authorised to make rules for expeditious processing and automatic payment of refunds through centralized processing system.
- Filing of withholding statements to be due on a quarterly basis instead of existing requirement of bi-annual filing.
- Banks will now be required to provide information in the prescribed format of all persons receiving profit on debt irrespective of their monetary threshold.
- In view of current pandemic, the Commissioner is being authorized to conduct audit proceedings electronically through video links or any other facility prescribed by the Board.
- The bill proposes that certain government authorities/institutions to provide real-time access to information and database to the Board in respect of any transactions.

Sales Tax & Federal Excise

The bill proposes the following incentives and reliefs:

- The minimum threshold of supplies by retailers for obtaining CNICs of the buyers is proposed to be enhanced from Rs 50,000 to Rs 100,000.
- Extension of the applicability of exemption given to health related items through SRO 237(I)2020 dated March 20, 2020 till September 20, 2020;
- Exemption given on import of dietetic foods for children suffering from Inherited Metabolic Syndrome
- The existing sales tax rate is reduced from 14% to 12% on organized retail sector who are integrated online with FBR.
- Removal of value addition tax on the import of raw materials etc for in-house consumption.
- The Commissioner Appeals/Officers are obligated to follow Court and Tribunal orders on the question of law till such judgement are reversed.
- Exemption on the import and supply of various ships/boats owned by Pakistani entity flying Pakistani flag is further extended till year 2023.
- FED on cement has been proposed to be reduced from Rs. 2 per kg to Rs. 1.75 per kg.

The bill proposes to impose the following burden of tax/duty:

- Imposition of penalty on non-sharing of information amounting to Rs.25,000 for first and Rs. 50,000 for subsequent default.
- Rate of sales tax increased from Rs. 130 to Rs. 200 for Smart Phones valuing up to USD 30.
- Increase in rate of FED on tobacco products, liquids of electronic cigarettes and caffeinated energy drinks.

The Bill proposes the following measures to streamline the processes:

- Broaden the scope of audit proceedings to cover electronic means.
- 100% withholding of sales tax by the purchaser if the supplier is a Non Active Taxpayer.
- Increase of sales tax of Potassium Chlorate from Rs. 70 to Rs. 80 per kg to discourage illicit manufacturing of match boxes
- Concept of conducting audit proceedings introduced through electronic means.

- Ninth Schedule is proposed to be amended in line with Mobile Manufacturing Policy approved by the ECC of the Cabinet.
- Reduction in the timeline for integration with the FBR portal from six months to two months after the default of non-integration.
- Legal cover to exemption/concessions to Gwadar Port and Gwadar Free Zone etc through adoption of the respective provisions of the Tax Laws Amendment Ordinance
- Disallowance of input tax will be suffered on services where CNIC/NTN of un-registered customer is not obtained.
- Registered person can supply taxable goods to un-registered person upto Rs.100 million in a year and Rs.10 million in a month.
- Board empowered to prescribe minimum production of goods on the basis of single or more inputs;
- To provide real-time access to information and database to the Board, various authorities such as NADRA, FIA etc are obligated to provide such information.
- Value of supply made by WAPDA now consistent with other IPP's.
- FED has been proposed at the rate of 7.5% ad valorem in case of locally manufactured and 25% in case of imported double cabin (4x4) pick up vehicles.
- Condition removed first to withdraw the case from any court of law to avail Alternate Dispute Resolution process. Now after such a decision, appeals case to be withdrawn.
- Bar has been proposed on acceptance of any factual evidence during Commissioner (Appeals) proceedings which were not presented before the assessing officer at original stage of proceedings.
- Board is empowered to stipulate the wastage against which adjustment of input shall be allowable.
- Scope of seizure and confiscation of non-duty paid goods is proposed for all products subject to FED.

Customs Duty

The bill proposes the following incentives and reliefs for the industrial sector:

- Reduction in regulatory duty on Hot Rolled Coils of iron and steel from 12.5% & 17.5% to 6% and 11% respectively.
- Reduction in custom duty on import of raw materials by food packaging industry, interlining/bukram and wire rods.
- Reduction in regulatory duty on smuggling prone items to bring these items under legal imports.

- To decrease cost of doing business, regulatory duty on several industrial inputs is being reduced.
- Reduction of rate of additional customs duty on Palm Stearin for soap industry.
- Scope of concessions available to Special Economic Zones further enhanced.
- To protect local industry, regulatory duty is being increased / levied on import of those items which are also locally manufactured.

The bill proposes grant of exemption on the following items

- Exemption from customs duties on import of 61 COVID19 related items, which was due to expire on June 20, 2020 has been extended due to the continuation of pandemic.
- Exemption from 2% additional customs duty extended on import of edible oils and oil seeds under PM's COVID19 Relief Package.
- Exemption from customs duty on import of plant and machinery for setting up industries in erstwhile FATA areas till June 30, 2023.
- Exemption of duties and taxes on import of diagnostic kits for cancer and corona virus.
- Exemption of additional custom duty on those items which are charged 0% custom duty.
- Exemption of custom duty on import of raw materials for those Nashiran-e-Quran not having in-house printing facility.
- Exemption of customs duties on inputs of ready to use Supplementary Foods (RUSF).
- Exemption of customs duties on import of life saving drug Meglumine Antimonite for treatment of Leishmaniasis.
- Exemption of custom duty on import of raw materials by manufacturer of Butyl Acetate, syringes, saline infusion set, buttons and beverage can.
- Exemption from custom duties and regulatory duty on import of machinery, equipment and other project related items for setting up of internet cable landing stations.
- Exemption from additional custom duty on import of raw materials by food packaging industry.

SUMMARY OF CHANGES IN THE INCOME TAX ORDINANCE, 2001

Section

2(29C) / 148 **Industrial Undertaking**

The bill proposes to classify construction activity as part of an industrial undertaking if carried out by such person directly involved in the development of land or construction of buildings, roads, bridges and other such structures. As per proposed amendment, such classification is to be applied only to the extent and for the purposes of import of plant and machinery to be utilized in aforementioned activity, subject to such conditions as may be notified by the Board. This proposed amendment is applicable from 1st day of May 2020.

Through the proposed amendment, the scope of exemptions, reductions or concessions in respect of advance tax payable under section 148 of the Income Tax Ordinance, 2001 on import of plant and machinery as available to an industrial undertaking shall also be extended to developers and constructors.

2(30A) **Integrated Enterprise**

The bill proposes to define the term ‘Integrated Enterprise’ to mean a person is integrated with the Board, through approved fiscal electronic device and software, who fulfills obligations and requirements for integration as prescribed by the Board.

2(30AC) **IRIS**

The bill proposes to define the term ‘IRIS’ to means a web-based computer programme for operation and management of Inland Revenue taxes administered by the Board.

2(31A) **Local Government**

The bill seeks to substitute the definition of Local Government particularly to include Islamabad Capital Territory within its ambit besides other provinces such as the Balochistan Local Government Act, 2010 (V of 2010), the Khyber Pakhtunkhwa Local Government Act, 2013 (XXVIII of 2013), the Sindh Local Government Act, 2013 (XLII of 2013) and the Punjab Local Government Act, 2019 (XIII of 2019).

2(36) **Non-Profit Organization**

The bill proposes to substitute the words ‘development purpose’ with the words “purposes for general public” in respect of organizations established for religious, educational, charitable and welfare activities.

6 (2) Tax on certain payments to non-residents

The bill proposes to enhance the scope of this section to include 'fee for offshore digital services' to align it with charging section 6(1) as amended through the Finance Act, 2018.

7A Tax on shipping of a resident person

Sub section (1) & (2) The bill proposes to provide separate block of taxation for Pakistan resident ship owning company registered with the Securities and Exchange Commission of Pakistan after the 15th day of November 2019 and having its own sea worthy vessel registered under Pakistan Flag. As per the proposed amendments, such resident shipping company shall pay tonnage tax of an amount equivalent to seventy-five US Cents per ton of gross registered tonnage per annum.

The bill also proposes to extend the provisions of this section till June 30, 2023.

15A Deductions in computing income chargeable under the head "Income from Property"

Sub Section (1) A company is allowed a deduction of an expenditure, including administration and collection charges, incurred during the year wholly and exclusively for the purpose of deriving rent chargeable to tax under the head 'Income from Property' subject to maximum limit of 6% of the gross amount of rent. The bill proposes to reduce the said maximum limit to 2% of the gross amount of rent.

Sub Section (7) The bill also proposes to omit the condition of minimum threshold of income of Rupees four million applicable to an individual or an association of persons for opting to tax on net income regime on normal tax rates instead of separate block of income under Fixed Tax Regime. Now all categories of tax payers can opt for net income basis of taxation.

21 Deductions not allowed while computing Income from Business

Clause (l) The bill proposes to enhance the maximum limit from Rs. 10,000 to Rs.25,000 in case of individual transaction and from Rs. 50,000 to Rs. 250,000 in aggregate in a tax year, for deduction against business income, of any expenditure for a transaction, paid or payable under a single account head, other than by a crossed banking instrument.

Clause (m) The bill proposes to enhance the maximum limit from Rs. 15,000 per month to Rs.25,000 per month, for deduction against business income, any salary paid or payable other than by a crossed cheque or direct transfer of funds to the employee's bank account.

Clause (p) The bill proposes to disallow any expenditure on account of utility bills in excess of such limits and in violation of such conditions as may be prescribed later.

Clause (q) The bill proposes to disallow any expenditure incurred by an industrial undertaking attributable to sales made to persons required to be registered but not registered under the Sales Tax Act, 1990, computed according to the following formula, namely:

$$(A/B) \times C$$

where—

A is the total amount of deductions claimed against income from business;

B is the turnover for the tax year; and

C is the total amount of sales exclusive of sales tax and federal excise duty to persons required to be registered but not registered under the Sales Tax Act, 1990 where sales equal or exceed rupees one hundred million per person:

The disallowance of expenditure as proposed above shall not exceed 20% of total deductions claimed against income from business.

It is also proposed that the Board may, by notification in the official gazette, exempt persons or classes of persons from the above restrictions on the basis of hardships faced by such persons.

22 Depreciation allowance while computing income from business

Sub-section (2) & (8) The bill proposes to restrict the depreciation allowance by 50% in case a depreciable asset is used in the person's business for the first time of induction in a tax year commencing on or after the 1st day of July, 2020. It is, further, proposed that depreciation deduction equal to 50% of the rate specified in Part I of the Third Schedule shall be allowed in the year of disposal.

The proposed amendment apparently is unjustified and is being introduced to reduce the claim of the taxpayer under the head depreciation and defer the claim to later years.

28 Profit on debt, financial costs and lease payments while computing income from business

Sub-section (1)(b) The bill proposes to restrict the cost of a passenger transport vehicle, not plying for hire, up to two and a half million rupees only (to the extent of principal amount) for claiming deduction on account of lease rental incurred by a person in the tax year to a scheduled bank, financial institution, an approved modaraba, an approved leasing company or a Special Purpose Vehicle on behalf of the Originator for an asset used by the person for the purposes of business.

37 Tax on Capital Gains on disposal of Immoveable Property

Sub-section (3A) The bill also proposes to introduce single criteria of computing capital gain on immoveable property being open plot and constructed property as under:

S. No.	Holding Period	Extent of gain subject to tax
1	Does not exceed one year	100%
2	Exceed one year but does not exceed two years	75%
3	Exceed two year but does not exceed three years	50%
4	Exceed three year but does not exceed four years	25%
5	Exceeding four years	-

Section 37(A) The bill seeks to substantially reduce to half tax rates on capital gains emanating from disposal of an immoveable property.
Division VIII of Part-I of First Schedule

S. No.	Amount of Gain	Existing tax year 2020	Proposed for tax year 2021
1	Does not exceed Rs. 5 million	5%	2.5%
2	exceeds 5 million but does not exceed 10 million	10%	5%
3	exceeds 10 million but does not exceed 15 million	15%	7.5%
4	exceeds 15 million	20%	10%

61 Charitable donations

Sub-section (2) A person as a donor of a sum or any property is allowed a tax credit in respect of any donation given for specified purposes or organizations which shall be computed by applying ratio of tax to taxable income to the lesser of amount of donation or 20% of taxable income, in case of company, or 30% for other person. The bill proposes to reduce the said ceiling to 10% in case of company and 15% for other person only where donation is given to an associate.

65C Tax credit for enlistment

Sub-section (1) A company is entitled for tax credit to the extent of 25% of tax payable for first two years and 10% for subsequent two years, if it opts for enlistment in any registered Stock Exchange in Pakistan

The bill proposes to restrict such tax credits to those companies who opt for enlistment up to June 30th, 2022. The intention behind the proposed change is to encourage listing of companies by June 30th, 2022.

100C
Sub-section
(1)(g)

Tax credit for certain persons

The income of certain non-profit organizations, trusts or welfare institutions are allowed a tax credit equal to 100% of the tax payable, including minimum tax and final tax, subject to the certain conditions as specified therein.

The bill proposes to make it mandatory for such organizations to file statement of voluntary contributions and donations received in the immediately preceding tax year as per prescribed form and manner.

Sub-section
(1B)

Surplus funds of non-profit organizations, trusts or welfare institutions are taxed at a rate of 10%. Surplus funds mean funds or monies:

- not spent on charitable and welfare activities during the tax year;
- received during the tax year as donations, voluntary contributions, subscriptions and other incomes;
- which are more than twenty-five percent of the total receipts of the non-profit organization received during the tax year.

However, restricted funds are excluded from the scope of surplus funds. Restricted funds are defined to mean any fund received by the organization but could not be spent and treated as revenue during the year due to any obligation placed by the donor.

The bill proposes to substitute the words ‘the donor’ the words ‘a donor not being an associate of the organization’. As per proposed amendment, the restricted funds received by non-profit organizations, trusts or welfare institutions from its associate would be treated as surplus fund and subjected to tax at the rate of 10%.

100D &
Eleventh
Schedule

Special Provision relating to builders and developers

The bill seeks to insert section 100D to provide incentives to builders and developers. The Eleventh Schedule is proposed to be inserted which provides rules related to section 100D. This section and the Eleventh Schedule were originally introduced by virtue of The Tax Laws (Amendment) Ordinance No.1 of 2020 which was promulgated on April 19, 2020 to address the economic situation of Pakistan adversely affected by the COVID – 19 pandemic. To provide the legislative support, the provision of the Ordinance is included in the Finance Bill for later approval by the Parliament to become the law. The above Ordinance was to lapse after one hundred and twenty days. The salient features of the fixed tax regime for builders and developers are as follows:

Scope of fixed tax regime

- The builder or a developer for the purpose of this section is defined as:

‘builder’ means a person registered as builder with the Federal Board of Revenue (the Board) and is engaged in the construction and disposal of residential and commercial buildings”.

‘developer’ means a person who is registered as a developer with the Board and is engaged in the development of land in the form of plots of any kind either for itself or otherwise.”

- The Scheme is applicable on all commercial and residential buildings.
- Builder or developer intending to avail the tax incentives under the Scheme has to file an irrevocable option for the Scheme.
- These tax incentives are applicable for the tax year 2020 and onward for incomplete existing projects and new Projects started after April 19, 2020 and before December 31, 2020.
- The Projects under the Scheme to be completed by September 30, 2022.
- Income of incomplete existing Projects up to the tax year 2019 is subject to tax under existing provisions of law i.e. NTR basis on percentage of completion method. From the tax year 2020, the remaining portion of such incomplete Projects will be taxed on FTR basis under these provisions of law.
- The tax is payable on a project to project basis.
- The income would fall under FTR as full and final discharge of tax liability of the Project.

Immunity from probe of source of investment

- The provisions of section 111 of the Ordinance shall not apply on capital investment in a new project in the form of money or land. Capital investment is defined as investment in equity resources and does not include borrowed funds.
- Builder’s or developer’s investment in the shape of money:
 - is to be deposited as an evidence in designated new bank account on or before December 31, 2020, and
 - subsequently to be utilized for expenses of the Project.
- Individual can induct land for construction in the Project but has to have the ownership title of the plot as on April 19, 2020.

- If Project is undertaken by the builder or developer as an AOP or a company. The member of AOP or a shareholder can bring land as an equity into the Project but should have title of land as on April 19, 2020 and the title is transferred to the AOP / a company till December 31, 2020.
- Registration to be made as a single object company or LLP under the Partnership Act, 1932 as the case may be.
- The builder or developer availing immunity shall submit a form on IRIS web portal.
- No sources of investment will be asked from the 'First Purchaser' who makes payment till September 30, 2022 in case of:
 - the newly constructed buildings, or
 - a unit of a building
- First purchaser means a person who purchases building or a unit directly from the builder and does not include a subsequent or a substituted purchaser.
- In case of incomplete Project as at April 19, 2020 if full or balance payment is made through a crossed banking instrument to the builder between date of registration of the Project with the Board till September 30, 2022.
- If the purchaser of open plot intends to construct a building:
 - The purchase of plot to be made before December 31, 2020.
 - Full payment to be made before December 31, 2020 through cross banking instrument.
 - Construction is commenced before December 31, 2020 and completed by September 30, 2022.
 - Is to be registered with the Board on web e-portal.
- However, for the purposes of claiming immunity the value or price of land can be higher of:
 - (a) 130% of the fair market value as determined by the Board u/s.68(4) of the Income Tax Ordinance, 2001., or
 - (b) at the option of the person making the investment the lower of the two values determined by independent valuers from the list of valuers approved by the State Bank of Pakistan.
- For the purpose of clarity, higher value than 130% of the Board value can be taken.

- Where immunity has been claimed from provisions of section 111 a shareholder or a partner of a builder or developer shall not be allowed a change in ownership of an incomplete Project before fifty percent cost of the total Project has been incurred as certified by Chartered Accountants having a ICAP QCR rating notified by the Board for this purpose. Additional partner or shareholder may join but shall not be eligible for immunity from section 111. However, in case of deceased shareholder or a partner succession to legal heirs is allowed.

Person not eligible to claim immunity from section 111:

- (a) holder of any public office as defined in the Voluntary Declaration of Domestic Assets Act, 2018 or his benamidar as defined in the Benami Transactions (Prohibition) Act, 2017 (V of 2017) or his spouse or dependents;
- (b) a public listed company, a real estate investment trust or a company whose income is exempt under any provision of the ITO, 2001; or
- (c) any proceeds derived from the commission of a criminal offence including the crimes of money laundering, extortion or terror financing but excluding the offences under the Ordinance.

Project commencement

- When layout plan or development plan is approved by the concerned authority for a construction or a development project.
- However, Board may provisionally accept commencement of such project on a case to case basis where builders and developer has taken all actions for obtaining the approval but approval is delayed beyond period of thirty days from date of application and cut-off date of December 31, 2020 is not complied by the builders or developers.

Project completion

- Grey structure would be considered as complete when the roof of the top floor has been laid down as per approved plan by the map approving authority or NESPAC.
- Completion certificate in case of developer is complete where map approving authority or NESPAC certify that:
 - Landscaping has been completed.
 - CA firm having ICAP-QCR rating certifies that 50% plots have been booked and 40% of the sale proceeds received.
 - 50% of the roads have been laid up to sub-grade level; in case of roads.
 - All the aforesaid to be done before September 30, 2022.

- The Project completion certificate to be provided to the Board:
 - from the approving authority
 - map approving authority and
 - NESPAC or above in case of builder that the grey structure is ready

Tax liability

The tax rates provided in the Schedule is per square yard/feet basis for developer and the builder are as follows:

Builders

Fixed tax Rupees per square feet

Cities	Commercial Area any size	Residential	
Karachi, Lahore & Islamabad	250	80	125
Hyderabad, Sukkur, Multan, Faisalabad, Rawalpindi, Gujranwala, Sahiwal, Peshawar, Mardan, Abbottabad, Quetta	230	65	110
Urban areas not specified above	210	50	100

Developers

Fixed tax Rupees per square yard

Cities	Entire Project any size	Industrial Areas any size
Karachi, Lahore & Islamabad	150	20
Hyderabad, Sukkur, Multan, Faisalabad, Rawalpindi, Gujranwala, Sahiwal, Peshawar, Mardan, Abbottabad, Quetta	130	20
Urban areas not specified above	100	10

The basis of levy of tax will be as follows:

$$\frac{\text{Tax liability as per above rate}}{\text{Estimated project life in years}} = \text{Tax amount per annum}$$

- In case of existing incomplete projects estimated Project life treated as three years from tax year 2020 through tax year 2022 provided that tax year 2020 liability shall be paid with the return.
- In case of mixed use of buildings having both commercial and residential areas respective rates shall apply. Further, developments of plots and constructing building thereon as one project, both rates shall apply. For 'low cost housing' and projects developed by NAPHDA, the higher rates shall apply.
- Advance tax to be paid on four equal installments based on the aforementioned annual tax.
- No tax credit shall be allowed against tax payable except tax deducted u/s.236 (advance tax upon registration of property). No refund of any tax collected or deducted shall be allowed.
- Minimum tax u/s.113 on turnover and Alternate Corporate Tax u/s.113C on accounting profit of builder or developer shall not apply.

Exemption from withholding tax u/s.153

- Withholding tax u/s 153 is applicable on supplies only for cement and steel industries. However, no withholding of tax to be made on rendering services of:
 - plumbing
 - electrification,
 - shuttering and
 - other similar and allied services provided by persons other than company.

Dividend income exempt

- Dividend paid out of the profits to the shareholders by the Project company shall be exempt from tax and no withholding tax shall also apply.

Incorporation of profit and gain in books

- Builders or developers are allowed to incorporate profit and gains accruing from such project up to ten times of tax paid under FTR. Similar is the case for a low cost housing project.
- Initial draft of Tax Laws Amendment Ordinance, 2020, stipulated in the Rule (7) of Eleventh Schedule (charged) that profit in addition to ten times the amount of FTR tax as a surplus profit to be taxed at the applicable rates for the taxpayer. Further, Dividend paid out of the surplus profit was also chargeable to tax under the head dividend under section 5 of the Ordinance.
- The final version of the tax law amendment Ordinance, 2020 had deleted these provisions related to surplus profit as proposed in the draft law but has still

retained that the taxpayer will be allowed to take credit into the capital account equal to ten times of the tax paid under the FTR.

- The bill has also retained such provision to the extent of ten times of the FTR tax paid to be incorporated in the books while this bill does not have any concept of excess surplus profit over the amount equal to ten times of the profit of the FTR tax. Unless this mistake or anomaly is removed while enacting into the Act it will create ambiguity at later stages when projects under the Scheme will be completed. If profits over and above FTR are taxed, the same will create hardships to the taxpayer. For the success of this Scheme it is imperative to remove this provision in an explicit manner so that desired objectives of the Scheme are achieved in letter and spirit.

Void Declaration

- There is an overriding provision whereby return or declaration made through misrepresentation or suppression of facts, not on account of a bona fide mistake, shall be void and allow the authorities to invoke all the provision of this Ordinance. However, this action shall not be taken without prior approval of the Board and providing of an opportunity of being heard to the taxpayer concerned.

106A Restriction on deduction of profit on debt payable to an associated enterprise

- (1) The bill seeks to insert a new section in the Ordinance whereby foreign-controlled resident companies would be disallowed part of any foreign profit on debt claimed in the return of income for a tax year. The disallowance would be according to the following formula:

$$[B] - [(A + B) \times 0.15]$$

where—

A is the taxable income before depreciation and amortization; and

B is the foreign profit on debt claimed as a deduction

These provisions are not applicable to insurance companies and banking companies.

- (2) The provisions of this section shall not apply if the total foreign profit on debt for a tax year is less than ten million rupees.
- (3) Where in computing the taxable income for a tax year, full effect cannot be given to a deduction for foreign profit on debt, the excess amount shall be added to the amount of foreign profit on debt for the following tax year and shall be treated to be part of that deduction, or if there is no such deduction for that tax year, be treated to be the deduction for that tax year and so on for the subsequent three tax years.

- (5) This section shall apply in respect of foreign profit on debt accrued with effect from the first day of July, 2020, even if debts were contracted before the first day of July, 2020.
- (6)(a) "Foreign-controlled resident company" means a resident company in which fifty per cent or more of the underlying ownership of the company either alone or together with an associate or associates is held by a non-resident person.
- (6)(b) "Foreign profit on debt" means interest paid or payable to a non-resident person or an associate of the foreign controlled resident company and includes the following:
- interest on all forms of debt;
 - payments made which are economically equivalent to interest;
 - expenses incurred in connection with the raising of finance;
 - payments under profit participating loans;
 - imputed interest on instruments such as convertible bonds and zero coupon bonds;
 - amounts under alternative financing arrangements such as Islamic finance;
 - the finance cost element of finance lease payments;
 - capitalized interest included in the balance sheet value of related asset, or the amortisation of capitalised interest;
 - amounts measured by reference to a funding return under transfer pricing rules;
 - where applicable, notional interest amounts under derivative instruments or
 - hedging arrangements related to an entity's borrowings;
 - certain foreign exchange gains and losses on borrowings and instruments
 - connected with the raising of finance;
 - guarantee fees with respect to financing arrangements; and
 - arrangement fee and similar cost related to the borrowing funds.

These provisions may cause hardship to companies whose profits before claims of depreciation, amortization and foreign profit on debt are nil or low in which case all of the foreign profit on debt claimed could be disallowed.

107 Agreements for the avoidance of double taxation and prevention of fiscal evasion

- (1) Currently the Federal Government has powers to enter into a tax treaty, a tax information exchange agreement, a multilateral convention, an inter-governmental agreement or similar agreement or mechanism for the avoidance of double taxation or for the exchange of information for the prevention of fiscal evasion or avoidance of taxes including automatic exchange of information with respect to taxes on

income imposed under the Income Tax Ordinance, 2001 or any other law for the time being in force and under the corresponding laws in force in that country.

The bill seeks to empower the Government to enter into agreement with other governments for spontaneous exchange of information on case to case basis in addition to the automatic exchange of information. These powers intend to enforce tax collection based on the spontaneous exchange of information.

111 Unexplained income or assets

- (1) Currently if any amount credited, value of the investment, money, value of the article, or amount of expenditure, suppressed amount of production, sales or any amount chargeable to tax or of any item of receipt liable to tax is to be included in the person's income under the head "Income from Other Sources" to the extent it is not adequately explained to the satisfaction of the Commissioner irrespective of the actual nature of such income.

The bill seeks to tax the suppressed amount of production, sales or any amount chargeable to tax or of any item of receipt liable to tax as "Income from Business" whilst other items would continue to be taxed as "Income from Other Sources" to the extent it is not adequately explained to the satisfaction of the Commissioner.

The proposed amendment would entail that in addition to income from business such suppressed receipts may be subject to minimum tax under section 113 of the Ordinance, if the same is higher than normal tax liability.

However, the brought forward business loss, if any, would also be adjustable against such income from taxed under the head business income.

113 Minimum tax on income of certain persons

- (1) Currently minimum tax on turnover is not applicable to non-resident companies. The bill also seeks to impose minimum tax on permanent establishments (PEs) of a non-resident companies.

Various non-resident companies will agitate this change and are likely to claim benefit of tax treaties which only provides for taxation of profits of PEs as there is no concept in treaties for taxation on the basis of turnover.

The proposed changes would trigger unnecessary tax litigation between non-resident companies and the tax department.

114 Return of income

- (1) Currently return of income is required to be filed only for income taxable under normal tax regime whilst statement is required to be filed under section 115(4) of the Ordinance for income taxable under final tax regime.

(2) The bill seeks to abolish the filing of statement under section 115(4) of the Ordinance and now requires filing of return of income for all types of income.

(6) The bill seeks to insert a new proviso to section 114(2) of the Ordinance so as to empower the Board to prescribe different returns of income for different classes of income or persons including persons subject to final taxation.

Currently a person can revise the return of income, subject to specified conditions, if he discovers any omission or wrong statement therein.

The bill seeks to impose condition for approval for filing of revised return of income in case the Commissioner is satisfied that it is a case of bona fide omission or wrong statement.

The proposed amendment is likely to cause hardships to taxpayers who would now be required to prove the bona-fide intention whilst Commissioner would enjoy unnecessary discretionary power to refuse permission for revision of return by alleging that the request is not bona-fide.

114A Taxpayer's profile

(1) The bill seeks to insert a new section in the Ordinance whereby, the following persons are required to furnish a profile:

- every person applying for tax registration;
- every person deriving Income from business;
- every person whose income is subject to final taxation;
- any non-profit organization as defined under the law;
- any trust or welfare institution; or
- any other person prescribed by the Board.

(2) A taxpayer's profile shall be in the prescribed form and shall be accompanied by prescribed annexures, statements or documents and shall fully state the following particulars:

- bank accounts;
- utility connections;
- business premises including all manufacturing, storage or retail outlets operated or leased by the taxpayer;
- types of businesses; and
- such other information as may be prescribed;
- shall be signed by the person being an individual, or the person's representative; and
- shall be filed electronically on the web as prescribed by the Board.

- (3) A taxpayer's profile shall be furnished by the following dates:
- on or before the 31st day of December, 2020 in case of a person registered for tax purpose before the 30th day of September, 2020; and
 - within ninety days registration in case of a person not registered before the 30th day of September, 2020.

- (4) A taxpayer's profile shall be updated within ninety days of change in any of the above mentioned particulars of information;

**115
(4)(4A)(5)(6)
116,118,119,
121 and 182**

Persons not required to furnish a return of income.

Till the tax year 2018, all taxpayers whose income was subject to final taxation were required to file statement of final taxation under section 115(4) instead of a return of income prescribed under section 114. In line with the policy to abolish the concept of final taxation, last year all incomes except exports u/s 154 and prizes and winnings u/s 156 on which tax deducted/deductible at source were converted to minimum tax instead as final taxation.

Therefore, the provisions relating to filing of statement which had become superfluous are proposed to be omitted from the statute book along with consequential omissions of references of statements in sections 116, 118, 119, 121 and 182.

116 Wealth Statement

Currently, taxpayers are allowed to revise the wealth statement filed on discovery of any omission or error before receiving a notice of amendment under section 122(9). The bill makes it mandatory to seek approval from the Commissioner for such a revision in line with the condition prescribed for the revision of return of income. The Commissioner will not refuse approval for bonafide revision. It is also proposed to put a time limit on the right of revision till expiry of five years from the due date of filing of return of income.

120 (2A) (7) Assessments

The bill by way of insertion proposes to introduce the concept of automated adjusted assessment to arrive at the correct amount of total income, taxable income and tax payable after making adjustments for arithmetical errors, incorrect claims, disallowances of any loss, deductible allowances or tax credits.

'Arithmetical errors' include any incorrect calculation of tax payable including minimum or final tax.

'Incorrect claim' has been defined to mean:

- any item inconsistent with another entry of the same or the other item in the return.

- any tax payment which is not verified from the collection system; or
- in respect of a deduction, where such deduction exceeds specified statutory limit which may have been expressed as monetary amount or percentage or ratio or fraction.

The adjustments highlighted by the system would be communicated through a system generated notice to the taxpayer. The response filed by the taxpayer shall be considered before making any adjustment. In case no response is filed by the taxpayer within thirty days of the issuance of such notice, adjustments shall be made as communicated in the notice.

Adjusted assessment can be made within six months of the filing of return, failing which the amounts specified in the return filed by the taxpayer shall be deemed to be final and the taxpayer shall be automatically intimated through IRIS.

122 Amendment of assessments

Under the existing provisions, the deem assessment could be amended on the basis of definite information acquired from an audit or otherwise. The proposed amendment seeks to enlarge the scope by authorizing the Commissioner to amend the assessment on the basis of information acquired during an audit as well definite information (which if it does not qualify as definite information as defined in sub-section 8).

By virtue of proposed amendments, the concept introduced by the Income Tax Ordinance, 2001 of deem assessment being the return filed by the taxpayer, is being reverted back to the concept of assessment provided in the repealed Income Tax Ordinance, 1979. This is a major policy shift, visible in the concept of assessment from the Income Tax Ordinance, 2001.

122D Agreed assessment in certain cases

The bill envisage to reduce tax litigation while ensuring collection of revenue by introducing the concept of agreed assessment in cases where the Commissioner has issued notice for amendment of an assessment except cases involving concealment of income or interpretation of any question of law.

The taxpayer while responding to the notice for amendment of the assessment may opt for settlement of his case by filing an application in the prescribed form before the assessment oversight Committee. The oversight Committee comprising the Zonal Chief Commissioner, the Commissioner and the Additional Commissioner after providing an opportunity of being heard to the taxpayer and examining the records may by consensus accept to modify the offer of the taxpayer and shall communicate its decision to the taxpayer.

In the event that a consensus decision of the Committee is not made or the taxpayer does not agree with the decision of the Committee, the case will be referred back to the Commissioner for continuation of proceedings under the law.

If the consensus decision of the Committee is acceptable to the taxpayer, he shall deposit the amount of tax, penalty and default surcharge decided by the Committee and the Commissioner shall amend the assessment accordingly. The taxpayer shall waive the right of appeal against the order consequentially passed implementing the decision of the Committee.

The Board has been authorized to make rules regulating the proceedings of the Committee and any connected matter or incidental to the proceedings.

127 (1) & (4) Appeal to Commissioner (Appeals)

The bill proposes to amend the law to make automated adjusted assessment order under section 122(2A) appealable.

The bill also proposes to enhance fee prescribed for filing of appeal as follows:

	Rs
• the Companies	5,000
• Non-Companies cases against assessment order	2,500
• Non-Companies cases other than assessment order	1,000

129 Decision in appeal

The bill seeks to bind Commissioner Appeals to specify the amount of tax demand upheld in the appellate order. It appears the intention is to enable initiation of recovery proceedings by the Zonal Commissioner of the tax amount upheld by the Commissioner Appeals even before the appeal effect order is passed and also to work out tax required to be paid mandatory by the taxpayer to become eligible for filing appeal before the Tribunal.

131 (2A) & (3) Appeal to the Appellate Tribunal

Currently the taxpayer is entitled to file an appeal against the order passed by the Commissioner Appeals on payment of the prescribed fee of rupees two thousand.

The bill by way of insertion proposes to restrict the right of appeal available to a taxpayer subject to deposit of at least ten percent of the amount of tax upheld by the Commissioner Appeals. This will cause hardships to the taxpayers to seek justice from the Tribunal against the order of the Commissioner Appeals when more particularly the forum of Commissioner Appeals falls under the hierarchy of the Board rather ministry of law. Similar proposed changes were also attempted to be inserted in the past years but in Constitutional Petitions such laws were stuck down by the Courts being against the fundamental rights of the citizens as well not just and fair.

The bill further proposes to enhance the fee prescribed for filing of appeal as follows:

	Rs
• Companies	5,000
• Individuals/AOPs	2,500

134A Alternative Dispute Resolution

Under the existing provision the taxpayer's right was conditional to withdrawing any appeal pending before any court of law or appellate authority after constitution of the Committee due to binding nature of Committee's decision. The Committee previously comprised an officer not below the rank of Commissioner and two members from the panel notified by the Board.

The aggrieved person can invoke this forum against the liability of tax, admissibility of refunds, waiver of default surcharge and penalty or any other specific relief required to resolve except where criminal proceedings have been initiated or where interpretation of question of law having effect on identical cases is involved.

The bill seeks to substitute the provision whereby the Committee's decision shall be binding on the Zonal Commissioner after withdrawal of appeal pending before any court of law or appellate authority by the aggrieved person is satisfied with the decision. The aggrieved person is bound to communicate the order of such withdrawal to the Commissioner within sixty days of the service of the Committee's decision failing which the decision of the Committee shall not be binding upon the Commissioner.

The Committee constituted by the Board shall comprise the Chief Commissioner having jurisdiction over the case and two persons from the panel notified by the Board shall examine the issue, conduct inquiry, seek expert opinion, direct any officer of the Inland Revenue or any other person to conduct an audit and shall decide the dispute through consensus within 120 days of its appointment. The Committee also enjoys the power to stay recovery of tax demand in respect of disputed pending matter.

138 Recovery of tax

The bill seeks to enhance the authority of the Commissioner to recover tax due by incorporating the recovery provision of Sales Tax Act, 1990 as provided in clauses (a), (ca) and (d) of sub section-I of section 48 of the Act. These recovery provisions authorize the Commissioner to enforce recovery through customs authorities, stopping clearance of goods, sealing of premises and attach the bank accounts.

The proposed insertion somewhat overlaps the recovery provisions as provided under section 140 of the Ordinance. The Federal Government through SRO 274(I)/2020 dated April 02, 2020 inserted in the Income Tax Rules, 2002 chapter XVIA which provide comprehensive procedures for recovery under section 140 of the Ordinance.

147 Advance tax paid by the taxpayer

The Board has been empowered to prescribe procedures for filing and calculation of turnover for the quarter through an automated system.

148 Advance tax on imports

Currently tax required to be collected under this section for imports of edible oil, packing materials, plastic raw materials falling under PCT headings 39.01 to 39.12 imported by an industrial undertaking and on the income of importer arising from the imports and tax collected on imports of ships by ship-breakers is minimum tax, whilst tax required to be collected is adjustable in respect of the following imports:

- raw materials, plant, machinery, equipment and parts by an industrial undertaking for its own use
- motor vehicle in CBU condition by manufacturer of motor vehicles
- large import houses subject to specified conditions
- foreign produced films imported for the purpose of screening and viewing

The bill seeks to abolish the above provisions and proposes to treat the tax required to be collected under this section on imports of finished goods as minimum tax whilst tax required to be collected on imports of capital goods and raw materials would be adjustable.

Currently “value of goods” has been defined under this section to mean “the value of the goods as determined under the Customs Act, 1969 (IV of 1969), as if the goods were subject to ad valorem duty increased by the customs-duty, federal excise duty and sales tax, if any, payable in respect of the import of the goods.”

The bill seeks to define “value of goods” in respect of goods chargeable at retail price under the Third Schedule of the Sales Tax Act, 1990 to mean “retail price of such goods increased by sales tax payable in respect of the import and taxable supply of the goods”. Value of goods for all other imports is proposed to remain the same.

**152 (1BBB)
(2B) (4A) (4B)
(5) Payments to non-residents**

Tax deductible on account of payments made to non-resident media persons relaying from outside Pakistan for rendering advertisement services has been proposed to be minimum tax instead of final tax.

Tax deductible on account of sale of goods, rendering of services and execution of goods against payments made to permanent establishment of non-resident person is proposed to be minimum tax to bring taxation of permanent establishment of a non-resident at par with the resident person.

The application to be filed with the Commissioner for payment to a non-resident without deduction of tax will now to be on the prescribed form.

Rate of tax deduction on payments made to non-residents operating as part of a cohesive business operation is proposed to be reduced from 30% to 20%. This is a positive change as the existing rate of tax was unrealistic.

153 Payments for goods, services and contracts

Toll manufacturing is proposed to be brought under the ambit of sale of goods instead of rendering of services.

By way of insertion of a proviso the bill proposes to bind the Commissioner to issue exemption certificate within fifteen days to companies listed on the Stock Exchange if the advance tax liability has been discharged. In case of failure of the Commissioner to issue the certificate within prescribed time, the certificate will be automatically processed and issued by the IRIS. The Commissioner, however, has been empowered to modify or cancel the certificate issued by IRIS by recording his reasons in writing after providing an opportunity of being heard to the taxpayer.

Minimum turnover limit for becoming a withholding agent has been proposed to be enhanced from rupees fifty million to rupees hundred million in case of Individual, AOP and sales tax registered person.

156B Withdrawal of balance under pension fund

Currently approved pension funds making payments from individual pension accounts have option to deduct tax at concessionary average tax rate for last three tax years by electing to note the Commissioner. Moreover, there is also total exemption from such tax deduction under specified conditions.

The bill proposes to abolish the aforesaid concessionary tax withholding and exemption provisions.

This would cause hardship to the pensioners who would now be subject to full tax deduction as per law on their pension payments.

165 Withholding Tax Statements

Withholding tax statements were required to be filed bi-annually. The bill proposes the filing requirement on a quarterly basis. Last date of filing of statements would be 20th day of the month following the end of the quarter as follows:

a)	March Quarter	On or before April 20
b)	June Quarter	On or before July 20
c)	September Quarter	On or before October 20
d)	December Quarter	On or before January 20

Board has been empowered to require any person involved or engaged in economic transactions to file quarterly withholding tax statements.

165A Furnishing of information by Banks

Currently banks are required to file a list of persons receiving profit on debt exceeding rupees five hundred thousand along with tax deduction thereon. Banks under the proposed change will now be required to provide information in the prescribed format of all persons receiving profit on debt irrespective of any monetary threshold.

170 Refunds

The bill proposes to authorize the Board to make rules for expeditious processing and automatic payment of refunds through centralized processing system.

175A Real-time access to information and databases.

The bill proposes by way of insertion of a non-obstante section to bind the following authorities/institutions to provide real-time access to information and database to the Board in respect of transactions:

- National Database and Registration Authority,
- Federal Investigation Agency,
- Bureau of Emigration and Overseas Employment,
- Islamabad Capital Territory, Provincial and local land record and development authorities,
- Islamabad Capital Authority, Provincial excise and taxation departments,
- Electricity and gas transmission and distribution companies,
- Any other agency, authority or institution notified by the Board

Till completion of the arrangements and development of infrastructure by the Board, the above agencies and authorities would provide such information periodically in the manner prescribed by the Board.

The information obtained will be kept confidential and will be used for tax purposes.

177 Audit on the basis of sectorial benchmark ratios

In view of current pandemic the Commissioner is being authorized to conduct audit proceedings electronically through video links or any other facility prescribed by the Board. The bill also proposes to empower the Commissioner to determine the taxable income using sectorial benchmark ratios prescribed by the Board in cases where the taxpayer does not furnish records or documents or provides incomplete records and books of account or fails to satisfactorily explain the deficiencies observed by the Commissioner.

Sectorial benchmark ratios mean standard business sector ratios notified by the Board on the basis of study of comparative cases.

182(1) Offences and Penalties

(4A) The bill proposes to prescribe penalty for a person who may default to furnish or update a taxpayer's profile as proposed under section 114A of the Ordinance. Such person has to pay penalty of Rs.2,500 for each day of default subject to a minimum penalty of Rs. 10,000.

(4B) The utilities companies are restricted under section 181AA of the Ordinance to provide commercial or industrial connection of electricity or natural gas to a person not registered under section 181 of the Ordinance.

The bill seeks to impose penalty of Rs. 10,000 for each connection if utility connection is provided to an un-registered person.

(4A) The bill proposes to prescribe penalty for a person who may default to furnish or update a taxpayer's profile as proposed under section 114A of the Ordinance. Such person has to pay penalty of Rs.2,500 for each day of default subject to a minimum penalty of Rs. 10,000.

182A(2) Return not filed within due date

The bill proposes to exclude a taxpayer from active taxpayer list for the latest tax year if he fails to furnish or update its taxpayer's profile within the due date or extended date. However, such person shall be included in the active taxpayers' list upon filing the taxpayer's profile and payment of surcharge of Rs.20,000, Rs.10,000 or Rs.1,000 being company, AOP or individual, respectively.

205 (7) Default Surcharge

The bill proposes to empower the Commissioner to make assessment of default surcharge, for the period of default or part thereof, pending the payment of tax due. The proposed amendment allows the Commissioner to recover default surcharge for intervening period, even the demand of tax is being contested by the taxpayer.

209 (2) Jurisdiction of income tax authorities

The bill seeks to empower the Board to assign all or any of the powers and functions conferred upon or assigned to the Commissioner under this Ordinance, to any Officer of Inland Revenue in respect of any person or classes of persons or areas through Automated Case Selection System as per rules may be prescribed by the Board.

As per proposed definition, 'Automated Case Selection System' means an algorithm for randomized allocation of cases by using suitable technological modes.

210 (1A) Delegation by the Commissioner

The Commissioner is not empowered to delegate the powers of amendment of assessment contained in section 122(5A) to an officer of Inland Revenue below the rank of Additional Commissioner Inland Revenue.

The bill proposes to further restrict the Commissioner to delegate its powers to any Officer Inland Revenue below the rank of Additional Commissioner Inland Revenue for making amendment in recovery order issued under section 161(3) for default in payment of withholding tax as per the provisions of the Ordinance.

231B (7) Advance tax on private motor vehicles

The bill proposes to insert a new proviso to remove the anomaly and clarifies that a motor vehicle does not include a rickshaw, motorcycle-rickshaw and any other motor vehicle having engine capacity upto 200cc.

235 (3) Electricity consumption

The bill proposes to empower the Commissioner if the taxpayer has discharged advance tax liability for the tax year may issue an exemption certificate. This is positive change as presently the Commissioner were reluctant to issue such tax exemption certificates.

235B Tax on steel melters and composite units

The bill proposes to omit the section from the statute book on collection of advance tax.

236C (3) Advance tax on sale or transfer of immovable property

The bill proposes to reduce the period of collection of tax on immovable property from five years to four years.

236I (1) Collection of advance tax by education institutions

As per existing provision section 236I is attracted on filer and non-filer and tax is withhold @ 5%.

The bill proposes to restrict the application of the section to non-filers only the withholding tax rate remain @ 5%.

236Q (3) Payment to residents for use of machinery and equipment

The bill proposes the tax deductible under this section shall be minimum tax instead of final tax.

236X Advance tax on tobacco

The bill proposes to omit the section from the statute book on collection of advance tax.

FIRST SCHEDULE

Part-I Capital gains on disposal of securities Division-VII (section 37A)

The bill seeks to substitute the expression “tax years 2018, 2019 and 2020” to “tax years 2018, 2019, 2020 and onwards”. This extend the applicability of the same tax rates after the tax year 2020 as well on taxation of capital gains on disposal of securities:

S.No	Period	Tax Years 2018, 2019, 2020 and onwards	
		Securities acquired before 01.07.2016	Securities acquired after 01.07.2016
1.	Where holding period of a security is less than twelve months	15%	15%
2.	Where holding period of a security is twelve months or more but less than twenty-four months	12.50%	
3.	Where holding period of a security is twenty-four months or more but the security was acquired on or after 1st July, 2013	7.50%	
4.	Where the security was acquired before 1st July, 2013	-	-
5.	Future commodity contracts entered into by the members of Pakistan Mercantile Exchange	5%	5%

Part-II
Division-II of
Part V of
Chapter X,
section 148
& Twelfth
Schedule

Rates of Advance Tax on imports

The bill seeks to substitute the advance tax rates on import of goods to create a paradigm shift in the current regime by shifting from person-specific rates to goods specific rates according to the type of goods, irrespective whether the importer has a status of manufacturers or commercial importer:

S.No.	Persons	Rate	Appendix
1.	Persons importing goods classified in Part I of the Twelfth Schedule	1% of the import value <u>as increased by</u> customs-duty, sales tax and federal excise duty	A Page # 84
2.	Persons importing goods classified in Part II of the Twelfth Schedule	2% of the import value <u>as increased by</u> customs-duty, sales tax and federal excise duty	B Page # 89
3.	Persons importing goods classified in Part III of the Twelfth Schedule	5.5% of the import value as increased by customs-duty, sales tax and federal excise duty	C Page # 105

Provided that the rate specified in column (3),—

- (a) in case of manufacturers covered under rescinded Notification No. S.R.O. 1125(I)/2011 dated the 31st December, 2011 as it stood on the 28th June, 2019 on import of items covered under the afore-mentioned S.R.O. shall be 1%;
- (b) in case of persons importing finished pharmaceutical products that are not manufactured otherwise in Pakistan, as certified by the Drug Regulatory Authority of Pakistan shall be 4%:

Provided further that the rate of tax on value of import of mobile phone by any person shall be as set out in the following table, namely: –

S. No.	C & F Value of mobile phone (in US Dollar)	Tax (in Rs.)	
		In CBU condition PCT Heading 8517.1219	In CKD/SKD condition under PCT Heading 8517.1211
(1)	(2)	(3)	(4)
1	Up to 30 except smart phones	70	0
2	Exceeding 30 and up to 100 and smart phones up to 100	100	0
3	Exceeding 100 and up to 200	930	0
4	Exceeding 200 and up to 350	970	0
5	Exceeding 350 and up to 500	3,000	5,000
6	Exceeding 500	5,200	11,500

Part-III Division-I clause (ba) (sections 150 & 236S)	Deduction of tax at source – Advance tax on dividend The bill seeks to insert a new clause to align the rate of charging section with withholding section in respect of dividend received from company where no tax is payable by the company due to exemption of income or carry forward of business losses under Part VIII of Chapter III or claim of tax credits under Part X of Chapter III., but the dividend is distributed in the tax year. The rate of tax shall be 25%.
Division-IA (section 151)	Profit on debt The bill seeks to amend the provision of Division IA to align the rate of charging section with withholding section. The rate shall be 10% in case where the taxpayer furnishes a certificate to the payer of profit that during the tax year yield or profit paid is five hundred thousand rupees or less.
Division-IB (section 150A)	Return on investment on Sukuks The bill seeks to enhance the rate of deduction of tax from 15 to 25 percent in the case the sukuk-holder is a company.
Division-II sub-para (i) of paragraph (5) (section 152)	Payment to non-residents The bill seeks to substitute by providing a level playing field for permanent establishments of non-residents viz-a-viz resident taxpayers by reducing withholding rate from 8% to 3% on account of payment for following services: <ul style="list-style-type: none"> • Transport services • Air cargo • Manpower outsourcing • Security guard • IT and IT enabled services • Advertising (other than print or electronic media) services • Car rentals • Services rendered by Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited • Freight forwarding • Courier • Hotel services • Software development services • Tracking services • Share registrar • Building maintenance services • Inspection, certification, testing and training services
Division-III (section 153) sub-para (b) of paragraph (1)	Payment for Goods or Services The bill seeks to stipulate withholding tax rates on “toll manufacturing” at the rate of 4% or 4.5% in the case of company or other than a company respectively. A toll manufacturer is an activity when a company provides raw materials or semi-finished goods to a third-party service provider.

- sub-para (i) of paragraph (2)** The bill seeks to withdraw reduced rate 3% of withholding tax on the “engineering services”. Now, the rate of withholding tax will be 8% and 10% in the case of company or other than a company respectively.
- Part-IV** **Advance tax at the time of sale by auction**
- Division-VIII**
(section 236A) The bill proposes to insert a proviso to reduce rate of withholding tax from 10% to 5% in case of immoveable property sold by auction.
- Division-XI** **Advance tax on functions and gathering**
(section 236D) The bill proposes to omit the section from the statute book through which collection of advance tax @ 5% or Rs. 20,000 or Rs. 10,000 in various areas as the case may be on functions and gathering.
- Division-XIII** **Advance tax on cable operators and other electronic media**
(section 236F) The bill proposes to omit the section from the statute book through which the collection of advance tax from cable operators and other electronic media was made.
- Division-XVII** **Advance tax on dealers, commission agent and arthatis, etc.**
(section 236J) The bill proposes to omit the section from the statute book through which the collection of advance tax from dealers, commission agent and arthatis etc was made.
- Division-XXIV** **Collection of advance tax on education related expenses remitted abroad**
(section 236R) The bill proposes to omit the section from the statute book through which the collection was made of advance tax at the rate of 5% on education related expenses remitted abroad for foreign education.
- Division-XXV** **Advance tax on insurance premium**
(section 236U) The bill proposes to omit the section from the statute book authorizing collection of advance tax on general and life insurance premium.
- Division-XXVI** **Advance tax on extraction of minerals**
(section 236V) The bill seeks to omit the expression “for persons who are not appearing in the active taxpayers’ list” in consequence of above omission the withholding tax for filer and non-filer will be 5% and 10% respectively since the sub-rule (w) of Rule 10 of Tenth Schedule is proposed to be omitted.

**SECOND
SCHEDULE**

**Part I –
Exemption
from total
income**

Clause (23A)

Withdrawal of balance under Pension Fund

Currently, before the retirement age, 100% withdrawal of balance was liable to tax withholding u/s 156B and in case withdrawal at or after retirement age, this withholding was applicable to the amount in excess of 50%.

The bill now proposes to extend relief in case of withdrawal before retirement age also whereby the tax withholding would be applicable on the accumulated balance exceeding 50% at average rate of tax of last three years u/s 12(6).

Pertinent to mention here that the corresponding section 156B regarding tax withholding by Pension Fund Manager has been omitted and this obligation has been validated through insertion of a proviso.

Clause (61) Donation to Charitable Institutions

The bill proposes to add seven funds/entities in the list of institutions to whom amount paid as donation is allowable as a straight deduction from taxable income:

- The Prime Minister’s COVID-19 Pandemic Relief Fund-2020
- Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI);
- Lahore University of Management Sciences (LUMS);
- Dawat-e-Hadiya, Karachi;
- Baitussalam Welfare Trust;
- Patients’ Aid Foundation;
- Alkhidmat Foundation

The bill also seeks to insert a new proviso whereby the donations made by associates have been restricted/limited in the following manners:

- in case of associate being individual/AOP 15% of the taxable income
- in case of associate being company 10% of the taxable income

The bill also proposes to insert second proviso whereby the deduction from taxable income shall apply only if the donation is paid by a crossed cheque drawn on bank. This condition is apparently applicable in case of both the donors either associate or not.

Clause (66) Income of certain Charitable and other Institutions (NPOs)

The bill proposes to substitute the existing clause by categorizing the institutions, foundations, societies, boards, trusts and funds into two categories namely Table-I & Table-II.

Table – I deals with straight exemption from tax without any condition whereas income of the institutions listed in Table – II would be exempt from tax subject to fulfillment of all the conditions as laid down in Section 100C (1)(a to g).

The proposed Table - I contains the following:

S. No.	Name
(i)	International Islamic Trade Finance Corporation.
(ii)	Islamic Corporation for Development of Private Sector.
(iii)	National Memorial Bab-e-Pakistan Trust.
(iv)	Pakistan Agricultural Research Council.
(v)	The corporatized entities of Pakistan Water and Power Development Authority from the date of their creation upto the date of completion of the process of corporatization i.e. till the tariff is notified.
(vi)	The Prime Minister's Special Fund for victims of terrorism.
(vii)	Chief Minister's (Punjab) Relief Fund for Internally Displaced Persons (IDPs) of NWFP.
(viii)	The Institutions of the Agha Khan Development Network (Pakistan) as contained in Schedule 1 of the Accord and Protocol, dated November 13, 1994, executed between the Government of the Islamic Republic of Pakistan and the Agha Khan Development Network.
(ix)	Pakistan Council of Scientific and Industrial Research.
(x)	The Pakistan Water and Power Development Authority established under the Pakistan Water and Power Development Authority Act, 1958 (W. P. Act XXXI of 1958).
(xi)	WAPDA First Sukuk Company Limited.
(xii)	Pension of a former President of Pakistan and his widow.
(xiii)	State Bank of Pakistan and State Bank of Pakistan Banking Services Corporation.
(xiv)	International Finance Corporation established under the International Finance Corporation Act, 1956 (XXVIII of 1956) and provided in section 9 of Article VI of Articles of Agreement 1955 as amended through April 1993.
(xv)	Pakistan Domestic Sukuk Company Ltd.
(xvi)	ECO Trade and Development Bank.
(xvii)	The Islamic Chamber of Commerce and Industry under the Organization of Islamic Conference (OIC).
(xviii)	Commission on Science and Technology for Sustainable Development in the South (COMSATS) formed under International Agreement signed on 5th October, 1994.
(xix)	WAPDA on issuance of twenty billion rupees TFC's/SUKUK certificates for consideration of DiemerBhasha Dam Projects.
(xx)	Federal Board of Revenue Foundation.
(xxi)	WAPDA Second Sukuk Company Limited.
(xxii)	Pakistan International Sukuk Company Limited.
(xxiii)	Second Pakistan International Sukuk Company Limited.
(xxiv)	Third Pakistan International Sukuk Company Limited.
(xxv)	Asian Infrastructure Investment Bank and persons as provided in Article 51 of Chapter IX of the Articles of Agreement signed and ratified by Pakistan and entered into force on the 25th December, 2015.
(xxvi)	Supreme Court of Pakistan – DiemerBhasha & Mohmand Dams – Fund.
(xxvii)	National Disaster Risk Management Fund.
(xxviii)	Deposit Protection Corporation established under sub-section (l) of section 3 of Deposit Protection Corporation Act, 2016 (XXXVII of 2016).
(xxix)	SAARC Energy Centre.

(xxx)	The Asian Development Bank established under the Asian Development Bank Ordinance, 1971 (IX of 1971).
(xxxi)	The Prime Minister's COVID-19 Pandemic Relief Fund-2020.
(xxxii)	Saarc Arbitration Council (SARCO).
(xxxiii)	International Parliamentarians' Congress.

The proposed Table - II contains the following:

S. No.	Name
(i)	Abdul Sattar Edhi Foundation.
(ii)	Al-Shifa Trust.
(iii)	Bilquis Edhi Foundation.
(iv)	Fatimid Foundation.
(v)	Pakistan Engineering Council.
(vi)	The Institution of Engineers.
(vii)	Liaquat National Hospital Association.
(viii)	The Citizens Foundation.
(ix)	Sindh Institute of Urology and Transplantation, SIUT Trust and Society for the Welfare of SIUT.
(x)	Greenstar Social Marketing Pakistan (Guarantee) Limited.
(xi)	Indus Hospital, Karachi.
(xii)	Gulab Devi Chest Hospital.
(xiii)	Pakistan Poverty Alleviation Fund.
(xiv)	National Academy of Performing Arts.
(xv)	Pakistan Sweet Homes Angels and Fairies Place.
(xvi)	National Rural Support Programme.
(xvii)	Pakistan Bar Council.
(xviii)	Pakistan Centre for Philanthropy.
(xix)	Pakistan Mortgage Refinance Company Limited.
(xx)	Aziz Tabba Foundation.
(xxi)	Shaukat Khanum Memorial Trust.
(xxii)	Layton Rahmatullah Benevolent Trust (LRBT).
(xxiii)	The Kidney Centre Post Graduate Training Institute.
(xxiv)	Pakistan Disabled Foundation.
(xxv)	Forman Christian College.
(xxvi)	Habib University Foundation.
(xxvii)	Begum AkhtarRukhsana Memorial Trust Hospital.
(xxviii)	Al- Khidmat Foundation.
(xxix)	Dawat-e-Islami Trust.
(xxx)	Sardar Trust Eye Hospital, Lahore.
(xxxi)	Akhuwat.
(xxxii)	Audit Oversight Board.
(xxxiii)	Patient's Aid Foundation.
(xxxiv)	Al-Shifa Trust Eye Hospital.
(xxxv)	Saylani Welfare International Trust.
(xxxvi)	SARMAYA-E-PAKISTAN LIMITED.

(xxxvii)	Lahore University of Management Sciences, Lahore.
(xxxviii)	Dawat-e-Hadiya, Karachi.
(xxxix)	Ghulam Ishaq Khan Institute of Engineering Sciences and Technology.
(xl)	Society for the Promotion of Engineering Sciences and Technology in Pakistan (SOPREST).
(xli)	Businessmen Hospital Trust.
(xlii)	Baitussalam Welfare Trust.

The bill also seeks to insert another proviso under Table – II wherein the aforesaid condition of compliance to section 100C is proposed to be applicable w.e.f 01st July 2021 meaning thereby one year has been granted as a grace period to ensure compliance.

Clause (99A) Sale of immovable property to a Developmental REIT Scheme

The bill seeks to extend the time period for exemption of the Income derived from “Real Estate Investment Trust” established with the object of development and construction of residential buildings for another year i.e. June 30, 2021.

Clause (114AA) Sale of constructed residential property by a resident individual

The bill proposes to exempt the capital gain of a resident individual derived from sale of constructed residential property subject to fulfillment of the following conditions:

- (a) The property at the time of sale was being used solely for personal accommodation of the resident individual, his spouse or dependents and any of the utility bills is issued in the name of said individual;
- (b) The land area of the property and flat does not exceeds 500 square yards and 4000 square feet respectively; and
- (c) The resident individual, his spouse or dependents have not claimed any exemption previously under this clause

Clause (126A)/ (126AB) & (126AC)

The bill seeks to extend the exemptions to Gwadar Free Zone in respect of following companies w.e.f. June 01, 2020:

- China Overseas Port Holding Company Pakistan (Private) Limited,
- Gwadar International Terminal Limited,
- Gwadar Marine Services Limited; and
- Gwadar Free Zone Company Limited

Clause (126E) Income of zone enterprise in Special Economic Zone

Presently, the income derived by a zone enterprise and zone developer is exempt from tax for a period of 10 years starting from the date the developer certifies that the zone enterprise has commenced commercial operation and from the date of signing of development agreement with the Special Economic Zone respectively.

The bill proposes to extend the benefit to a co-developer as defined in Special Economic Zone Rules, 2013 subject to following conditions:

- (a) the above developer produces a certificate stating that he has not claimed exemption under this clause and also relinquish his claim in favour of co-developer, and
- (b) the Special Economic Zone Authority also validates that the above developer has not claimed exemption under this clause and the developer has also relinquished his claim in favour of the co-developer

Clause (147) Income of the Federal Government Employees Housing Authority

The bill proposes to exempt the income of the Federal Government Employees Housing Authority for a period of five years starting from the tax year 2020.

Part-II Profit on debt paid to non-resident individual

Reduction in tax rate

Clause (5AA)

The bills seeks to reduce the tax rate from 20% to 10% in respect of payments to an individual, on account of profit on debt earned from a debt instrument, whether conventional or Shariah compliant, issued by the Federal Government under the Public Debt Act, 1944 and purchased exclusively through a bank account maintained abroad, a non-resident Rupee account repatriable (NRAR) or a foreign currency account maintained with a banking company in Pakistan. The tax so deducted be final tax u/s 152.

Clause (24CA) Reduction in Tax Rate other than company in respect of supply of certain goods to Utility Stores Corporation of Pakistan

The bills seeks to reduce the withholding tax rate to 1.5% on account of supply of tea, spices, salt, dry milk, sugar, pulses, wheat flour and ghee by a person other than a company to M/s Utility Stores Corporation of Pakistan from April 07, 2020 to September 30, 2020.

This concessionary rate is not applicable on supply of tea, spices, salt and dry milk which are sold under a brand name.

Further, the bill also proposes that this clause shall not be applicable where the prescribed rate under any of the provisions of the Ordinance is less than 1.5% on supply of afore stated goods.

Part III – Taxation of profits and gains of Low Cost Housing Projects

Reduction in tax liability

Clause (9B)

The bill proposes to reduce the tax payable by 90% on the income, profits and gains of 'low cost housing' developed or approved by Naya Pakistan 117 Housing and Development Authority (NAPHDA) or under the Ehsaas Programme.

**Part IV
Exemption
from specific
provisions
Clause (9A)**

Exemption from Applicability of Section 153(1)(a) to Steel Melters, Steel Re-rollers and Composite Steel Units

The bill seeks to omit Clause (9A) which provide exclusive exemption from Clause (a) of sub-section (1) of section 153 to steel melters, steel re-rollers, composite steel units, as a payer in respect of purchase of scrap, provided that tax is collected in accordance with the section 235B. Section 235B also proposed to be omitted. As a consequence tax would be withheld onward u/s 153(1)(a) of the Ordinance

Clause (11A) Exemption from Section 113

The bill proposes that the provisions of section 113 regarding minimum tax shall not apply to a modaraba unless the modaraba fulfills the following conditions which were earlier not in place.

- It should not derive income from any manufacturing or trading activities
- It should be registered under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980
- It should distribute 90% of the total profit among the shareholders

The bill seeks further exemption from applicability of section 113 for a period of five years starting from tax year 2020 to the following:

- The Prime Minister's COVID-19 Pandemic Relief Fund-2020
- the Federal Government Employees Housing Authority

Clause (12B) Exemption from Collection of Taxes at Import Stage

The bill proposes to exclude certain medical equipment to respond the COVID-19 pandemic from collection of tax at import stage. List attached as per Annexure-D.

Clause (12C) Exemption from Applicability of Section 148

The bill seeks to exempt application of section 148 to persons importing pulses for a period starting from April 07, 2020 till September 30, 2020.

Clause (46AA) Exemption from Applicability of Section 153

The bill seeks to provide list of payments made to certain persons excluded from applicability of Section 153 which are as follow:

- a Provincial Government;
- a local authority;
- persons who are residents of Azad Kashmir and execute contracts in Azad Kashmir only and produce a certificate to this effect from the concerned income tax authority;

- persons receiving payments from a company or an association of persons having turnover of fifty million rupees or more or from an individual having turnover of fifty million rupees or more exclusively for the supply of agriculture produce including fresh milk, fish by any person engaged in fish farming, live chicken, birds and eggs by any person engaged in poultry farming and by an industrial undertaking engaged in poultry processing which has not been subjected to any process other than that which is ordinarily performed to render such produce fit to be taken to market;
- companies receiving payments for the supply of electricity and gas;
- companies receiving payments for the supply of crude oil;
- hotels and restaurants receiving payments in cash for providing accommodation or food or both, as the case may be; and
- shipping companies and air carriers receiving payments for the supply of passenger tickets and for the cargo charges of goods transported

The exemption earlier granted vide SRO 586(1)/91 dated June 30, 1991 has been providing cover by insertion of this clause.

Clause (56) Exemption from Applicability of Section 148

The bill proposes to insert this sub-clause which provides that withholding tax at import stage u/s 148 shall not apply in respect of the followings:

- the Federal Government
- a Provincial Government
- a Local Government
- a foreign company and its associations whose majority share capital is held by a foreign government
- a person who imports plant and machinery for execution of a contract with the Federal Government or a provincial government or a local government and produces a certificate from that government
- companies importing high speed diesel oil, light diesel oil, high octane blending component or kerosene oil, crude oil for refining and chemical used in refining thereof in respect of such imports; and
- Petroleum (E&P) companies covered under the Customs and Sales Tax Notification No. S.R.O.678 (I)/2004, dated the 7th August, 2004, except motor vehicles imported by such companies

**Clause(56C)
(56D)(56E)
(56G) Clauses proposed to be deleted by the Bill**

In order to streamline the policy to abolish the concept of final taxation and with the proposed omission of section 115(4), the bill seeks to delete the corresponding clauses owing to become infructuous due to changes brought about by the Finance Bill. The detail of clauses so omitted are as under:

- Clause (56C) - Option to supplier to opt out of FTR
- Clause (56D) - Option to contractor to opt out of FTR
- Clause (56E) - Option to service providers to opt out of FTR
- Clause (56G) - Option to brokerage & commission agent to opt out of FTR

- Clause (72AA) Exemption from applicability of section 152**
- The bill proposes to exclude the Hajj group operator from the applicability of provisions of Section 152 in respect of Hajj operations.
- Clause (72B) Withdrawal of Exemption of withholding tax on imports by industrial undertakings**
- The bill seeks to withdraw the option available to an industrial undertaking for obtaining exemption certificate on company the condition as stipulated in order to prevent collection of taxes at import stage u/s 148 on raw material.
- Clause (10A)** The bill proposes to insert this Clause to provide exemption from withholding under section 23A (on cash withdrawal), 231AA (on banking transaction), 236P (otherwise than cash in hand) to a Pak Rupee Account in a tax year to the extent of foreign remittance credited into such account during current tax year.
- Clause (102A) Exemption from Advance tax on Brokerage and Commission**
- The bill proposes to insert this clause to provide tax exemption from the provisions of section 233 in respect of advance tax on brokerage and commission received by a “Retail Branchless Banking (BB) Agent” on any amount disbursed by the Ehsaas Emergency Cash Transfer Programme for the period April 16, 2020 to September 30, 2020.
- Clause (111A) Exemption from Tenth Schedule to Non-Resident person on Dividend Income**
- The bill seeks to exclude the applicability of section 100 BA and Rule 1 of Tenth Schedule while making payments to non-residents on account of dividend income.
- Clause (112A) Exemption from Withholding of Tax by a Bank**
- It appears that the new insertions proposes to restrict the applicability of section 236P to a non-resident individual’s non-resident rupee account or foreign currency account maintained with a banking company in Pakistan and also having investment in Debt Instruments issued by Federal Government under the Public Debt Act,1944.
- Part IV- Exemption from specific provisions**
- The bill also proposes that a non-resident individual, deriving only profit on debt from the afore-sated debt instruments will not be liable to registered with income tax authorities and file its income tax return.
- Clause (114A)**
- Clause (116 & 117) Exemption from applicability of Section 151, 231A, 231AA and 236P**
- The bill proposes to exclude the Prime Minister’s COVID-19 Pandemic Relief Fund-2020 from withholding of tax under section 151, 231A, 231AA and 236P.

**SEVENTH
SCHEDULE**

Taxation related to banking companies

Rule 7C

The bill seeks to extend the applicability of Super Tax upto tax year 2021 which was otherwise expiring in tax year 2020.

**TENTH
SCHEDULE
(section
100BA)**

Rules for persons not appearing in the Active Taxpayer' List (ATL)

**Rule 2
sub-rule (1)**

Persons not required to file return or statement

The bill proposes to omit the reference of sub-section (4) of section 115. This being a consequential amendment as section 115(4) is proposed to be omitted.

**Rule 3
sub-rule (1)**

Provisional assessment

The bill proposes to omit the reference of sub-section (5) of section 115. This being a consequential amendment as section 115(5) is proposed to be omitted.

**Rule 10
sub-rule (b)**

Tax deductible on payments to PE of Non-residents

The bill proposes to exclude sub-sections (1), (1AA), (2) of section 152 from the ambit of Tenth Schedule and on the other hand proposed to cover provision of section 152(2A)(a) by the Tenth Schedule. The proposed inclusion represent payment to permanent establishment in Pakistan of a non-resident person for the sale of goods except where tax has already been deducted under section 148 and goods sold in same condition as they were imported.

sub-rule (bb)

Tax deductible on payments to individual Non-residents

The bill proposes to insert a new sub-rule to provide exclusion to tax deducted under Clause (5AA) of Part II of Second Schedule read with sub-section (2) of section 152. This represent a consequential amendment as Clause (5AA) of Part II of the Second Schedule proposed to provide reduce rate of ten percent in respect of payments to an individual, on account of profit on debt earned from a debt instrument. The purpose of proposed insertion is to maintain the benefit granted by Clause (5AA).

sub-rule Omission of sub-rules

The bill proposes to omit the following sub-rules. This being a consequential amendment as the following withholding tax provisions as referred in these rules are proposed to be omitted:

- (k) tax collected under section 235B - Tax on steel melters and composite units
- (n) tax collected under section 236D - Advance tax on functions and gatherings
- (o) tax collected under section 236F - Advance tax on cable operators and other electronic media
- (q) tax collected under section 236J - Advance tax on dealers, commission agents and *arhatis etc*
- (u) tax collected under section 236R - Collection of advance tax on education related expenses remitted abroad.
- (v) tax collected under section 236U - Advance tax on insurance premium
- (x) tax collected under section 236X - Advance tax on tobacco

Sub-rule (w) Tax deductible on non-filers on extraction of minerals

As per existing section 236V tax is withheld at the rate of five percent on non-filers. The proposed amendment in 236V includes in its ambit filers as well with withholding tax rate of five percent. In order to create the distinguish between filer and non-filer sub-rule (w) which provide exclusion from the operation of Tenth Schedule is proposed to be omitted. As a consequence of non-filer withholding tax rate is ten percent.

SUMMARY OF CHANGES IN THE SALES TAX ACT, 1990

Section

2(1) Active Taxpayer

The bill seeks to exclude the blocked category of the registered persons from the ambit of Non-Active Taxpayer. As per section 21 of the Sales Tax Act, 1990, the Board, the concerned Commissioner or any officer has the powers to block the refunds or input tax adjustments of the registered person and during the pendency of this blockage, the registered person may not be kept on the Non-Active Taxpayer list. With the proposed change such a person will continue to appear on the list of FBR active taxpayers.

The bill also proposes to align with the proposed change in the filing of withholding income tax statement under section 165 of the Income Tax Ordinance, 2001 from bi-annually basis to quarterly basis. Now under the sales tax provisions the default will occur if the persons fail to file on a quarterly basis instead of failure of filing in two consecutive tax periods.

2(20) Output Tax

The bill proposes to restrict the scope of output tax on services to the sales tax levied through Islamabad Capital Territory (Tax on Services) Ordinance, 2001.

It is intended to exclude provincial sales taxes from the definition of the Federal output tax as such tax pertains to the respective provinces.

2(46)(h) Value of Supply-WAPDA

The bill seeks to insert WAPDA alongside Independent Power Producers (IPP's) for the purpose of computation of the value of the supply for the purpose of sales tax under the Act.

Previously, through the Finance Act, 2019, the provisions of the Rule 13 of the Sales Tax Special Procedures Rules, 2007 covering special procedures for the collection and payment of sales tax on electric power was brought into Sales Tax Act, 1990, whereby, the value of supply of electricity by IPPs was covered to include energy purchase price only and excluded other amounts received on account of capacity purchase price, supplementary charges etc.

Now, with effect from July 2019, it is proposed to include WAPDA retrospectively in the same category through the proposed insertion.

2(46)(J) Value of Supply-Sale of Used Vehicle

The bill proposes to insert new clause whereby value of supply of person dealing in purchase and sale of used vehicle from/to general public/open market on which sales tax has already been paid on manufacturing/import stage is defined as the difference between value added sales and purchase price of the said vehicle.

This appears as a relief which is intended to be provided to the vehicle dealers from the exposure of sales tax on the gross consideration of sales receipts.

3(7) Scope of Tax-Withholding Agents

The bill seeks to specify the withholding agents as purchaser of goods or services and also to resolve an anomaly of withholding sales tax on the services received under Islamabad Capital Territory (Tax on Services) Ordinance, 2001.

7(5) Restriction on Wastage

The bill proposes to insert new clause whereby the Board has been empowered to issue notification to impose restrictions on wastage of materials on which input tax has been claimed in respect of the goods or class of goods.

An attempt is being made to regulate the usage of wastage by the registered person including its subsequent supplies so that the collection of output tax may be ensured.

8(1)(m) Non-Admissibility of Input Tax on Services

The bill proposes to restrict on a pro-rata basis, the input tax on services attributable to supplies made to un-registered person, for which sale invoices do not bear the CNICs numbers or NTN of such persons.

Earlier the input tax disallowance was limited to goods only.

11C Power of Tax Authorities to Modify Orders

The bill proposes to insert new section, whereby the Commissioner or an officer of Inland Revenue has been empowered to follow the decision of Honorable High Court or Appellate Tribunal passed on or after 1st July, 1990, relating to the question of law in any assessment pending before them unless such decision of the High Court or of the Appellate Tribunal is reversed or modified.

However, if decision of the High Court or of the Appellate Tribunal is reversed or modified, the Commissioner or an officer of Inland Revenue may modify the assessment or order in which the said decision was applied so that it conforms to the final decision, within a period of one year from the date of receipt of such judgment.

Furthermore, time limit as defined under section 11(5) of the Act, would not apply in the instant case.

This appears to rationalize the appellate proceedings in compliance with the superior court orders to avoid deferring it for too long. Further, the resolution of cases at the higher forums may be streamlined due to higher stakes involved in the assessment proceedings.

23(1)(b) Tax Invoices

In case of supply by retailer to un-registered person, the bill proposes to increase the limit of transaction threshold from Rs.50,000 to Rs.100,000 for issuance of invoice mentioning name, address, registration number, NIC/NTN of un-registered person. The intention appears to provide ease of business operations for the retailers.

25(2A) Electronic Access to Audit Proceedings

The bill proposes to empower the Commissioner, to conduct audit proceedings electronically through video links or any other facility prescribed by the Board.

It is emphasized that only a Commissioner is empowered to conduct audit proceedings in above manner and power of delegation to Deputy/Assistant Commissioner is not covered under the law.

Further, it is also relevant to mention that the electronic audit proceedings is consistent with the proposed initiative in section 38 and newly proposed section 56AB of the Act, whereby the real time electronic access by the officers is sought for the inspection of documents etc from taxpayers and various authorities/public sector organizations.

33 (25) Penalty

The bill seeks to amend the penalty of non-integration of business with the Board, which is provided below for comparison purposes:

Offences	Existing Penalty	Proposed changes in penalty
25. Any person, who is required to integrate his business for monitoring, tracking, reporting or recording of sales, production and similar business transactions with the Board or its computerized system, fails to get himself registered under the Act, and if registered, fails to integrate in the manner as required under law.	Such person shall be liable to pay a penalty up to one million rupees, and if continues to commit the same offence after a period of six months after imposition of penalty as aforesaid, his business premises shall be sealed and an embargo shall be placed on his sales.	Such person shall be liable to pay a penalty up to one million rupees, and if continues to commit the same offence after a period of two months after imposition of penalty as aforesaid, his business premises shall be sealed and till such time he integrates his business in the manner as stipulated under sub-section (9A) of section 3 or section 40C, as the case may be shall be placed on his sales.

The bill proposes to reduce the period for the sealing of business premises from six months, to two months, from the date of default till the time of integration in the stipulated manner.

- 33 (28)** The bill proposes to add the penalty for non-sharing of information under the proposed new section 56AB relating to real time access to information and databases held by various authorities as follows:

Offences	Penalties
28. Any person who is required to share information under section 56AB, fails to do so in the manner as required under the law.	Such person shall pay a penalty of twenty-five thousand rupees for first default and fifty thousand rupees for each subsequent default

38(1) & 38(4) Real Time Electronic Access

The bill proposes to provide real time electronic access to officer authorized by the Board or the Commissioner. The Board is also authorized to make Rules for real time electronic access for audit or survey of person liable to be tax.

The extent and mechanism of real time electronic access may need to be carefully evaluated and determined as certain taxpayers would be reluctant to provide the information keeping in view confidentiality and risk of exposure of un-limited or non-relevant information to the tax authorities.

45B Appeal to Commissioner (Appeals)

The bill proposes that the appeal to Commissioner Appeals is required to:

- be in the prescribed form;
- be verified in the prescribed manner;
- state precisely the grounds upon which the appeal is made;
- be accompanied by the prescribed fee; and
- be lodged with the Commissioner (Appeals) within 30 days of the date of receipt of decision or order.

Furthermore, appeal fee is also proposed to be increased as follows:

Description	Company Rs	Person other than Company Rs
Existing	1,000	1,000
In case of appeal against assessment	5,000	2,500
In other cases	5,000	1,000

Furthermore, the Commissioner (Appeals) has been restrained to admit any documentary material or evidence which was not produced before the Officer at the original stage of proceedings unless the Commissioner (Appeals) is satisfied that the appellant was prevented by sufficient cause from producing such material or evidence before the Officer.

This is a revenue generating measures which may not end proceedings as the appellate authority may remand back proceedings instead of deciding against the revenue. However, on the positive side, the assessment proceedings at original stage may be more dutifully managed to avoid knock out at the level of the Commissioner Appeals.

However, this would only be applicable on factual side of the case as the legal issue can be raised at any point of time as already decided by the superior courts in number of judgments.

46 (2) Appeal to the Appellate Tribunal

By virtue of proposed change in section 131 of the Income Tax Ordinance, 2001, whereby, it is sought to restrict the right of appeal available to a taxpayer subject to deposit of at least ten percent of the amount of tax upheld by the Commissioner Appeals.

Currently, the taxpayer is entitled to file an appeal against the order passed by the Commissioner Appeals on payment of the prescribed fee of rupees two thousand what amount of any tax liability.

This proposed change will cause hardships to the taxpayers to seek justice from the Tribunal against the order of the Commissioner Appeals which more particularly the forum fall under the hierarchy of FBR rather ministry of law. Similar proposed changes were also attempted to be inserted in past but in Constitutional Petitions such laws were stuck down by the Courts being against the fundamental rights as well as not just and fair.

The bill further proposes to enhance the fee prescribed for filing of appeal as follows:

	Rs
• Companies	5,000
• Individuals/AOPs	2,500

47A Alternative Dispute Resolution

The bill seeks to replace provisions relating to Alternative Dispute Resolution. The key characteristics of the proposed replacement are summarized as under:

- Composition of the Committee has been proposed to include Chief Commissioner in place of officer not below the rank of Commissioner. Further, two persons has been specified from a panel notified by the Board comprising of chartered accountants, cost and management accountants, and advocates

having minimum ten years experiences in the field of taxation is also sought. Earlier, only a person was to be nominated from the aforesaid panel in addition to the retired judge. However, the condition for the non-eligibility of the chartered accountant who is or has been the auditor of the tax payer has been omitted, which should be kept considering in view the independence aspect for the proceedings.

- The Committee is proposed to decide the matter by consensus rather than by majority.
- Maximum stay for recovery of tax payable is proposed to be restricted to 120 days in aggregate.
- The decision of Committee will be binding upon the Commissioner only when aggrieved person being satisfied with decision, has withdrawn the appeal pending before any appellate authority or the court and has communicated the order of withdrawal to the Commissioner.
- The aggrieved person is not required to withdraw the appeal pending before Appellate Authority or the Court after the constitution of the Committee.

56(1) & 56(2) Service of Orders, Decisions etc

Any notice, order or requisition required to be served can be serviced to any registered person through electronic means including email or e-folder maintained for e-filing of sales tax return.

Earlier, only limited companies could be served notice through electronically.

56AB Real Time Access to Information and Databases etc

The bill proposes to insert new section whereby the defined institution/person mentioned below would provide real-time access of information and databases to the Board to enable them to cross verify the declaration made by the taxpayers:

Authorities/Govermental Departments	Type of Information
NADRA	NIC, POC etc
FIA & Bureau of Emigration	Exit and Entry Record, Work Permit etc
Islamabad Capital Territory and Provincial/Local Land /Development Authorities	Land Rights/Mutation Records including digitized data
Islamabad Capital Territory and Provincial/Local Excise and Taxation	Vehicle ownership/registration data

Departments	
Electricity Suppliers and Gas Transmission and Distribution Companies	Particulars of consumer, unit consumed records. In case of non-owner or on sharing basis, details of the users and sharing ratio (by 1 st of January, 2021)
Others	Relevant Records

The Board shall be responsible for laying the infrastructure for the real time access of the information and its integration with its own database.

Further, the Board shall ensure the confidentiality of the data and its utilization for tax purposes.

This appears to be a good step in syncing and integrating the declarations made to FBR however, practical difficulties would be surfaced at the preliminary level when the right to access the information may be questioned together with the reliability of the information provided by these authorities.

73 Certain transactions not admissible

The condition of inadmissibility of input tax on supplies to un-registered persons exceeding Rs.100 million in a year and Rs.10 million in a month has been extended to every registered person. Previously, it was only applicable to the manufacturers.

This intends to discourage supplies to un-registered persons and has put pressure on every registered person to follow the above threshold. There may be a tendency by certain class of taxpayers not to report the un-registered sales in the returns which would need to be managed by the Board through effective audit strategy.

**Fifth
Schedule
- Zero Rating**

The bill seeks to give legal cover to Serial Nos. 13 and 14, which were earlier inserted vide Tax Laws (Amendment) Ordinance, 2019. The said Ordinance was promulgated on October 9, 2019. Retrospective effect has also been given for insertion of Entries with effect from June 1, 2020. The Serial No. 13 and 14 are summarized as below:

S.No.	Summary of addition
13.	Supplies of raw materials and components etc for further manufacture of goods in the Gwadar Free Zone and export thereof. In the case of the manufactured goods supply's to tariff area of Pakistan, tax shall be charged on the value assessed on the goods declaration for import.
14.	Supplies of locally manufactured plant and machinery including: <ul style="list-style-type: none"> • plant and machineries to be used for manufacture or production of goods and their parts; • Apparatus, appliances and equipment specifically meant or adapted for use in connection with aforesaid plant and machineries including their parts; • Mechanical and Electrical control and transmission gear for use with aforesaid plant and machineries including their parts. <p>The main condition includes:</p> <ul style="list-style-type: none"> • Supplier is registered under the Act; • Proper Bill of Export; • Purchaser is established manufacturer located in Gwader Free Zone and holds certificate in this respect; and • Indemnity bond is submitted regarding caveat on the sale of machinery for five years from its import; and • Tax to be charged on supply to tariff areas.

**Sixth
Schedule -
exempt
supplies**

The bill seeks to give the legal cover to changes made in Serial Nos. 100A, and 100C which were earlier inserted vide Tax Laws (Amendment) Ordinance, 2019 promulgated on October 9, 2019. Retrospective effect has also been given from June 1, 2020.

Table 1

S. No.	Summary of addition
100A	The legislator has also proposed condition that goods already imported under S.R.O. 115(I)/2008 shall not be sold or disposed of without prior approval of the FBR and payment of sales tax leviable at the applicable rate on the residual value. However, this condition shall not apply to ship bunker oils.

100D	<p>It is proposed to exempt the machinery, equipment, materials and goods imported by investors of Gwadar Free Zone either for exclusive use within the limits of Gwadar Free Zone, or for making exports therefrom subject to the conditions and limitations as applicable under the Customs Act, 1969.</p> <p>If the goods are taken out for purpose other than exports, then the sales tax would be payable by the importer.</p>
The following significant changes are also proposed:	
S. No.	Summary of addition
103	It is proposed to extend the exemption on import and supply of ships and all floating crafts including tugs, dredgers, survey vessels and other specialized crafts purchased or bare-boat chartered by a Pakistan entity and flying the Pakistan flag subjects to condition mentioned therein up to 2023. Earlier exemption was provided up to year 2020.
154	It is proposed to exempt the Dietetic foods intended for consumption by children suffering from inherent metabolic disorder subject to the conditions that the importer shall acquire approval and quota from Ministry of National Health Services, Regulations and Coordination.

**Sixth
Schedule -
exempt
supplies
Table 3**

The following significant changes in the Table 3 of the Sixth Schedule to the Act are also proposed:

S.No.	Summary of addition						
5	The bill proposes to remove the anomaly by deleting reference to sales tax payable as per notification. Sales tax on 6 th Schedule is already exempt hence, reference to notification was unwarranted.						
15A	<p>The bill purposes to substitute serial no. 15A, with new entry. Significant changes are summarized as below:</p> <table border="0"> <thead> <tr> <th>Existence exemption granted to</th> <th>Purposed change</th> </tr> </thead> <tbody> <tr> <td>(i). Aluminum Housing/ Shell for LED (LED Light 3 [and bulbs] Fixture)</td> <td>(i) Housing /shell. Shell cover and base cap for all kinds of LED lights and bulbs</td> </tr> <tr> <td>(ii). Metal Clad Printed Circuit Boards (MCPCB) for LED</td> <td>(ii) Bare and stuffed Metal Clad Printed Circuit Boards (MCPCB) for LED</td> </tr> </tbody> </table>	Existence exemption granted to	Purposed change	(i). Aluminum Housing/ Shell for LED (LED Light 3 [and bulbs] Fixture)	(i) Housing /shell. Shell cover and base cap for all kinds of LED lights and bulbs	(ii). Metal Clad Printed Circuit Boards (MCPCB) for LED	(ii) Bare and stuffed Metal Clad Printed Circuit Boards (MCPCB) for LED
Existence exemption granted to	Purposed change						
(i). Aluminum Housing/ Shell for LED (LED Light 3 [and bulbs] Fixture)	(i) Housing /shell. Shell cover and base cap for all kinds of LED lights and bulbs						
(ii). Metal Clad Printed Circuit Boards (MCPCB) for LED	(ii) Bare and stuffed Metal Clad Printed Circuit Boards (MCPCB) for LED						

**Eight
Schedule**

The bill seeks to increase the rate of sales tax applicable on supply of Potassium Chlorate (KClO₃) to 17% along with rupees 80 per kilogram from existing rate of 17% along with rupees 70 per kilogram.

Table 1

The bill seeks to reduce rate of sales tax on supplies made by the retail outlets which are integrated with Board's computerized system for real-time reporting of sales from 14% to 12%. Provided that in case of finished fabric and locally manufactured finished articles of textiles, textile articles, leather and artificial leather, 4% value addition is maintained during the last six months.

The reduction in rate of sales tax will encourage retailer to integrate their system with Board's computerized system.

**Table 2 –
serial No. 4**

The bill proposes to remove the anomaly by deleting reference to sales tax payable as per notification. Reduced sales tax at rate of 5% is applicable on goods mentioned in the serial No. 4 hence, reference to notification was unwarranted.

**Ninth
Schedule –
Tax on
Mobile
Phones**

The bill seeks to increase the rate of sales tax applicable on supply of smart phones valuing up to US \$30 from Rs. 130 to Rs. 200.

**Eleventh
Schedule –
Sales tax
withholding**

The bill seeks to replace the withholding sales tax provisions as applicable to the supplies made by the unregistered person with supplies made by all persons other than registered persons. This has removed the anomaly wherein, rate of withholding sales tax on the supplies made by the suspended registered persons etc was argued with reference to applicable withholding sales tax.

Further, registered persons are also proposed to be substituted with the active tax payers on withholding to be made by Federal/provincial governmental departments and companies on their supplies.

**Twelfth
Schedule**

The bill proposes to provide exemption of value addition tax of raw materials and intermediary goods imported by a manufacturer for in-house consumption.

Presently, only goods useable in an industrial process are subject to customs duty at a rate less than 16% ad valorem under the First Schedule to the Customs Act, 1969 are exempted from levy of value addition tax on import.

SUMMARY OF CHANGES IN THE FEDERAL EXCISE ACT, 2005

Section

6(2AB) Restriction of wastage of material

The bill proposes to insert a new clause whereby the Board is empowered to issue notification to impose restrictions on wastage of material on which input tax has been claimed.

The objective of amendment is to plug potential leakage of revenue by restricting allowability of input tax in respect of the wastage exceeding such restricted limit.

14C Power to tax authorities to modify orders, etc.

The bill proposes to making it mandatory on the part of tax authority to follow the decisions made on law points by higher appellate forums, in the case of a registered person, irrespective of the appeal/ application preferred at the next forum.

However, if decision of the higher appellate forum is reversed or modified, the Commissioner or an officer of Inland Revenue may modify the assessment or order in which the said decision was applied so that it conforms to the final decision, within a period of one year from the date of receipt of such a decision.

It's a praise worthy proposal intended to promote the principle of *res judicata*. It will provide not only a sigh of relief to registered persons against unreasonable attitude of the tax authorities but also reduce the burden of appellate authorities arising from appeals on the similar issues on a year to year basis.

26(1) & 27 Power to seize and confiscate

The bill proposes to extend the power of tax authorities to seize and confiscate any dutiable goods on which duty of excise has not been paid. Earlier such powers were restricted to counterfeited cigarettes, tobacco and beverages only.

The proposal is intended to plug leakage of revenue by attempting to hinder illegal manufacturing and trading of non-duty paid goods.

33 (1B) and (1C) Appeals to Commissioner (Appeals)

The bill proposes to revise the appeal fee in respect of appeals as under:

In case of appeal against an assessment order			
	Status of Appellant	Existing Rupees	Proposed Rupees
	Company	1,000	5,000
	Individual or AOP	1,000	2,500
In other case			
	Status of Appellant	Existing Rupees	Proposed Rupees
	Company	1,000	5,000
	Individual or AOP	1,000	1,000

33(4) Appeals to Commissioner (Appeals)

The bill proposes to insert new sub-section to restrict Commissioner Appeals from admitting any documentary material or evidence which was not produced before the Officer Inland Revenue in the original proceedings unless sufficient cause exist to prevent the appellant from doing so.

This restriction would only be applicable on factual side of the case as a legal issue leading to the roots of the case can be raised at any point of time as already decided by the superior courts.

34(3) Appeals to the Appellate Tribunal

The bill proposes to insert a new sub-section empowering the Appellate Tribunal to admit, hear and dispose of the appeal(s) as per procedure laid down in sections 131 and 132 of the Income Tax Ordinance, 2001 and rules made thereunder.

The amendment seeks bring symmetry in the proceedings to be undertaken under the FED Act with those mentioned in the Income Tax Ordinance, 2001.

34(3) Alternate Dispute Resolution

The bill proposes to substitute the provision relating to Alternate Dispute Resolution by balancing it in taxpayers favour as follows:

- Constitution of the Committee has been simplified.
- The condition of withdrawing appeal from court of law before proceedings of the Committee is revoked.
- The taxpayer shall have sixty days after decision of the Committee to withdraw his appeal from court of law and after communication of such withdrawal the decision of the Committee shall become binding upon tax authorities.

The proposed amendments will facilitate settlement of tax disputes through systematic negotiations without forcing the taxpayers to surrender their usual right of appeal from the courts of law.

42B(1A) Selection for audit by the Board

The bill proposes to insert a new sub-section mandating the Board to keep confidential, the parameters of selecting persons for audit through computer ballot.

The parameters prescribed by the Board for selection of cases, parametric or random, were earlier challenged in the High Courts on the basis of incorrect application of the prescribed law. The Courts while passing the orders including 2012 PTR 17 (HC Lahore) held such selection was illegal.

The bill, by insertion of a non-obstante provision, proposes to authorize the Board to keep the parameters confidential in an attempt to avoid future litigation. The insertion apparently violates the rights granted under the Article 10A of the Constitution and may again be challenged in the High Court in terms of Article 199 of the Constitution.

46(10) Audit

The bill proposes to omit sub-section 10 of Section 46 thereby eliminating restriction of conducting audit of a registered person only once in every three years.

The provision in question was introduced vide the Finance Act, 2018 as a measure to curtail excessive exercise of power to conduct repeated audits of a registered person. Thereby, the proposed elimination is anticipated to erode constitutional rights and safeguards available to the taxpayers. Ideally, a statutory power must be exercised justly and reasonably and excessive use of the same is not admirable.

47 Service of notices and other documents

The bill proposes to enlarge the scope of legal coverage for electronic service of notices and other documents to non-corporate registered persons i.e. individuals and AOPs.

Earlier through the Finance Act, 2017 the concept of electronic service of notices and other documents was introduced but it was kept restricted for limited companies only both public and private. The amendment needs re-consideration in the light of IT awareness level among our business community, especially those operating small and medium businesses.

47AB Real-time access to information and databases

The bill proposes to insert new section whereby the defined institution/ person mentioned below would provide real-time access of information and databases to the Board to enable cross verification of declaration made by the taxpayers:

Authorities/Governmental Departments	Type of Information
NADRA	NIC, POC etc.
FIA & Bureau of Emigration	Exit and Entry Record, Work Permit etc.
Islamabad Capital Territory and Provincial/Local Land /Development Authorities	Land Rights/Mutation Records including digitized data
Islamabad Capital Territory and Provincial/Local Excise and Taxation Departments	Vehicle ownership/registration data
Electricity Suppliers and Gas Transmission and Distribution Companies	Particulars of consumer, unit consumed records. In case of non-owner or on sharing basis, details of the users and sharing ratio (by 1 st of January, 2021)
Others	Relevant Records

The Board shall be responsible for laying the infrastructure for the real time access of the information and its integration with its own database. Further, the Board shall ensure the confidentiality of the data and its utilization for tax purposes.

This appears to be a good step in syncing and integrating the declarations made to FBR however, practical difficulties would surface at the preliminary level when the right to access the information may be questioned together with the reliability of the information provided by these authorities.

First Schedule

Table I

Serial No.

Excisable goods

6a

The bill proposes to add new serial number 6a in Table I of the First Schedule to charge FED at the rate of 25% on “Caffeinated energy drinks” having headings numbers 2202.1010 and 2201.9900

8

The bill proposes to amend column number 2 of entry number. 8 in Table I of the First Schedule as “Cigars, cheroots, cigarillos and cigarettes of tobacco and tobacco substitutes” and increase the applicable rate of duty from sixty-five to one hundred percent.

8a

The bill proposes to add new serial number 8a in Table I of the First Schedule to charge federal excise duty at the rate of Rupees the per milliliter on “E-liquids by whatsoever name called, for electric cigarette kits” under their respective heading.

13

The bill proposes to reduce the rate of excise duty on “Portland cement, aluminous cement, slag cement, super sulphate cement and similar hydraulic cements, whether or not colored or in the form of clinkers” as per serial number 13 of Table I of the First Schedule from two rupees per kilogram to one rupee and seventy-five paisa per kilogram.

- 55C** The bill proposes to add new serial number 55C in Table I of the First Schedule to charge federal excise duty at the rate of 25% on “Imported double cabin (4x4) pick-up vehicles” having numbers 8704.2190 and 8704.3190.
- 55D** The bill proposes to add new serial number 55D in Table I of the First Schedule to charge federal excise duty at the rate of 7.5% “Locally manufactured double cabin (4x4) pickup vehicles” having heading numbers 8704.2190 and 8704.3190.
- 56** The bill proposes to increase the rate of excise duty on “Filter rods for cigarettes” as per serial number 56 of Table I of the First Schedule from seventy five paisa to rupee one per filter rod.

SUMMARY OF CHANGES IN THE CUSTOMS ACT, 1969

Section

2(a)(ai) Definition - Advance Ruling

Currently, the definition of advance ruling means the classification determined by the Board or any officer, or Committee authorized by the Board for the assessment of the goods intended to be imported or exported. The bill proposes to amend the definition as under:

“advance ruling” means a written decision by the Board or any officer or a Committee authorized by Board, on the request of an applicant for determination of classification, origin or applicability of a particular relief or exemption on goods prior to their importation or exportation, valid for a specified period of time.

2 (s) Definition – Smuggle

The bill seeks to enlarge the definition of word “smuggle” to include transportation, storage and safe-keeping of smuggled goods.

7 Assistance to Officers of Customs

At present, all officers of the Federal and the Provincial Governments, including Inland Revenue, Police, the National Highways and the Pakistan Motorway Police, Civil Armed Forces, and officers engaged in the collection of land-revenue are required to assist the officers of customs in the discharge of their functions under this Act. The bill now seeks to add the Border Military Police in the above list to assist the custom officers in discharge of their duties under the Act.

17 Detention, seizure and confiscation of goods

The goods imported into or exported out of Pakistan in violation of Customs Act are liable to be confiscated, seized or detained by the custom officer without any time limit prescribed. The bill seeks to define time limit of fifteen days of detention of such goods which is subject to further extension of fifteen days with the permission of the Chief Collector or Director General. This will ease out the difficulties in genuine cases.

19 Federal Government Power to exempt from the Customs Duties

The powers of the Federal Government to exempt goods from whole or part of customs duties in certain circumstances has been restored and provided legal cover to the notifications issued by the Federal Government in this regard till June 2021.

19 C Minimal Duties not to be Demanded

At present the duties not exceeding rupees one hundred are not to be demanded. The bill now seeks to substitute the existing section to allow exemption on the value of goods not exceeding rupees five thousand.

21 Repayment of Duties on Certain Goods

The bill seeks to amend section 21 on the recommendation of National Tariff Commission to clarify that repayment of duty and taxes includes additional customs duty, regulatory duty or special customs duty, whatever the case may be.

27 Allowing mutilation or scrapping of goods

Currently the Act allows to scrap or mutilate the goods on the request of owner and pay the duties as applicable to scrapped goods. In order to prevent misuse of this facility, the bill seeks to restrict this allowance to old and used goods only and new goods will be charged with the full amount of applicable duties.

32A (ca) Fiscal Fraud

The bill seeks to add new clause (ca) in section 32A to enlarge the scope of fiscal fraud whereby if a person declares value which is significantly higher or lower than the actual value, i.e. the price actually paid or payable for the goods when sold for export to Pakistan, proceedings may be initiated under this section subject to conditions or limitations as may be prescribed by the Board under the rules.

Currently if a person is involved in fraud and as a result no duty is paid or short paid or refunded any duty, the person is served with a notice within one hundred and eighty days of the detection of fraud and duty along with fine and penalties are recovered. The bill seeks to enable customs authorities to take cognizance even in cases other than having revenue implications.

80(3) Reassessment of duty

An officer of Customs is empowered to check the good declaration filed and if as result thereof any information related to assessment of duties is found incorrect, he can re-assess the duties. The bill proposes to provide opportunity of being heard before such reassessment to meet the principal of natural justice and fair play.

139(2)/(3) Declaration of Baggage by Crew or Passenger

The owner of a baggage either a passenger or crew member is required to give declaration of the contents of his baggage. In case of wrong declaration or failure to declare the offence is treated at par with smuggling, The bill seeks to differentiate between general passenger or crew member from the unscrupulous elements with

the intent of smuggling by treating it as offence under the Act instead of treating all such offences at par with smuggling.

The bill also proposes to add new sub-section 3 whereby any person who attempts to bring into or takes out of Pakistan currency, gold, precious metals or stones, in any form, through concealment in baggage or circumventing customs controls at airports, sea-ports and land border custom-stations, he shall be guilty of an offence of smuggling.

156 Punishment for offence of smuggling

The bill seeks to rationalize the punishments for smuggling of goods in a cascading manner and to make them consistent with the COVID-19 (Prevention of Smuggling) Ordinance, 2020.

The table below highlights the existing punishments along with the proposed punishments.

Offence Sr. # 8(i)	Existing Penalty	Proposed Penalty	
Where any goods be smuggled into or out of Pakistan, -	Such goods shall be liable to confiscation and any person concerned in the offence shall be liable to a penalty not exceeding ten times the value of the goods; and upon conviction by a ⁴ [Special Judge] he shall further be liable to imprisonment for a term not exceeding 5[fourteen years] and to fine not exceeding ten times the value of such goods ⁷² [...] ⁶ [:] ⁷ [Provided that, in the case of such goods ⁸ [*****] as may be notified by the Federal Government in the official Gazette, the sentence of imprisonment shall not be less than five years ⁷² [...], and the whole or any part of his property shall also be liable to confiscation in accordance with the provisions of the Prevention of Smuggling Act,1977.]	Such goods shall be liable to confiscation and any person concerned in the offence shall be liable to-	
		(a) if the value of the goods is from PKR 150,001 to 3,000,000 (both inclusive);	A penalty not exceeding the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding two years;
		(b) if the value of the goods is from PKR 3,000,001 to 5,000,000 (both inclusive);	A penalty not exceeding two times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding three years: <i>Provided that the sentence of the imprisonment shall not be less than two years.</i>
		(c) if the value of the goods is from PKR 5,000,001 to 7,500,000 (both inclusive);	A penalty not exceeding three times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding five years: <i>Provided that the sentence of the imprisonment shall not be less than two and half years.</i>
		(d) if the value of the goods is from PKR 7,500,001 to 10,000,000 (both	A penalty not exceeding four times the value of the goods; and upon conviction by a Special Judge he shall further be liable to

		inclusive);	imprisonment for a term not exceeding ten years: Provided that the sentence of the imprisonment shall not be less than three years.
		(e) if the value of the goods exceeds PKR 10,000,000;	A penalty not exceeding five times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding fourteen years: Provided that the sentence of the imprisonment shall not be less than five years and the whole or any part of his moveable and immoveable assets and property shall also be liable to forfeiture in accordance with section 187 of the Customs Act, 1969: Provided further that, in the case of such goods as may be notified by the Federal Government in the official Gazette, the sentence of imprisonment shall not be less than five years and the whole or any part of his property shall also be liable to forfeiture.

Offence Sr. # 8(iii)	Existing Penalty		Revised Penalty	
If the smuggled or prohibited goods comprise currency, gold, silver, platinum or precious stones in any form-	Such currency shall be liable to confiscation and any person concerned in the offence shall be liable to;		Such currency shall be liable to confiscation and any person concerned in the offence shall be liable to;	
	(a) if the amount of the currency over and above the permissible limit is upto US dollars 10,000/- or equivalent in value (currency of other denomination)etc.	Such currency shall be liable to confiscation and any person concerned in the offence shall be liable to a penalty not exceeding the value of the excess amount of the currency;	(a) if the value of the currency or goods is upto US \$ 10,000 or equivalent in value (currency of other denomination) etc;	A penalty not exceeding the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding two years;

	<p>(b) if the amount of the currency over and above permissible limit is US dollars 10,001/- to 20,000/- or equivalent in value (currency of other denomination)etc.</p>	<p>Such currency shall be liable to confiscation and any person concerned in the offence shall be liable to a penalty not exceeding two times the value of the excess amount of the currency;</p>	<p>(b) if the value of the currency or goods is from US \$ 10,001 to US \$ 20,000 (both inclusive) or equivalent in value (currency of other denomination) etc;</p>	<p>A penalty not exceeding two times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding three years: Provided that the sentence of the imprisonment shall not be less than two years.</p>
	<p>(c) if the amount of the currency over and above permissible limit is US dollars 20,001/- to 50,000/- or equivalent in value (currency of other denomination)etc.</p>	<p>Such currency shall be liable to confiscation and any person concerned in the offence shall be liable to a penalty not exceeding three times the value of the currency; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding two years;</p>	<p>(c) If value of the currency or goods is from US \$ 20,001 to US \$ 50,000 (both inclusive) or equivalent in value (currency of other denomination) etc;</p>	<p>A penalty not exceeding three times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding five years: Provided that the sentence of the imprisonment shall not be less than two and half years.</p>
	<p>(d) if the amount of the currency over and above permissible limit is US dollars 50,001/- to 100,000/- or equivalent in value (currency of other denomination) etc.</p>	<p>such currency shall be liable to confiscation and any person concerned in the offence shall be liable to a penalty not exceeding four times the value of the currency; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding seven years;</p>	<p>(d) if the value of the currency or goods is from US \$ 50,001 to US \$ 100,000 (both inclusive) or equivalent in value (currency of other denomination) etc;</p>	<p>A penalty not exceeding four times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding ten years: Provided that the sentence of the 11 imprisonment shall not be less than three years.</p>

	(e) if the amount of the currency over and above permissible limit is US dollars 100,001/- to 200,000/- or equivalent in value (currency of other denomination) etc.	such currency shall be liable to confiscation and any person concerned in the offence shall be liable to a penalty not exceeding five times the value of the currency; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding ten years;	(e) if the value of the currency or goods exceeds US \$ 100,000 or equivalent in value (currency of other denomination) etc;	A penalty not exceeding five times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding fourteen years: Provided that the sentence of the imprisonment shall not be less than five years and the whole or any part of his moveable and immoveable assets and property shall also be liable to forfeiture in accordance with section 187 of the Customs Act, 1969.
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179(3) Power of Adjudication

The time period for adjudication is ninety days for the issuance of show-cause notice for duties evaded, short levied or erroneously refunded which may further be extended for another sixty days. The bill seeks to limit this period for thirty days in cases charged with the offence of smuggling.

187 Burden of Proof of Lawful Authority

The bill proposes to amend section 187 to enable customs authorities to proceed against the properties, acquired by a person in his own name or in the name of someone else, by the proceeds of smuggling and also to make him liable to prove evidence of the lawful possession of such properties.

194B (1) Time Period of Order of Appellate Tribunal

Currently the Appellate Tribunal is required to decide the appeal with in a period of sixty days from the date of filing of the appeal. The bill seeks to curtail this period to thirty days in cases of smuggling.

195C (2)(c) Composition of Alternative Dispute Resolution Committee (ADRC)

Currently the composition of ADRC allows a member being a retired judge not below the rank of District and Sessions Judge, to be nominated through consensus by members of the Committee.

The bill proposes to replace this position by appointment of a member by the Board from the panel maintained in this regards which comprises chartered accounts/advocates having ten-year experience in the field of taxation and reputable businessmen nominated by the Chamber of Commerce and Industry.

The aggrieved person is not required to withdraw the appeal pending before Appellate Authority or the court after the constitution of the Committee.

The decision of the ADRC shall be binding on the Collector if the aggrieved person is satisfied with the order and communicate to the Collector withdrawal order of appeal lying in court or appellate authority, within sixty days of receiving ADRC order.

212A Authorised Economic Operator Programme

The Federal Government may, by notification in the official Gazette devise authorized economic operator programme to provide facilitations relating to secure supply chains of imported and exported goods through simplified procedures with regard to regulatory controls applicable thereon.

The bill seeks to amend section 212A to provide legal cover to the benefits granted to the Authorized Economic Operators (AEOs), prescribed under the relevant rules and to fulfil Pakistan's category-C commitment under WTO, Trade Facilitation Agreement (TFA). The Board may:

- lay down any procedure or mode for collection of customs duties, fee, surcharge, penalty or any other levy under this Act or any other law;
- defer collection of customs duties, fee, surcharge, penalty or any other levy either in whole or in part;
- condone or substitute whole or part of the bank guarantee or pay order of a scheduled bank required under this Act with any other financial instrument as deemed appropriate.

212B Advance Ruling

The bill proposes to add this new section to prescribe method for seeking advance ruling. An applicant desirous of advance ruling shall make an application in such form and in such manner as may be prescribed under the rules, stating any of the questions:-

- classification of goods under the First Schedule to this Act
- determination of origin of the goods under the rules of origin notified for bilateral and multilateral agreements;
- applicability of notifications issued in respect of duties under this Act or any tax or duty chargeable under any other law for the time being in force in the same manner as duty of customs leviable under this Act; or
- any other matter as the Board may specify by notification in the official Gazette.

The advance issued by the Board shall be binding on the applicant and the customs collectorates as well.

Exemptions through amendments in the First Schedule

(Chapter 99, Sub-Chapter-V, PCT Code 9917)

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: -

- Effective from 1st of June 2020, equipment and materials (plant, machinery, equipment, appliances and accessories), imported by the Concession 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;
- Ship bunker oils imported by the Concession holder 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 40 years.
- Imports by the following businesses to be established in the Gwadar Free Zone Area for a period of 23 years with effect from 1 st July, 2016, packaging, distribution, stuffing and de-stuffing, CFS, container yard, warehousing including cool and cold rooms, transshipment, labelling, light end assembly and reassembly, 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.

Exemptions through amendments in the Fifth Schedule

Following items have been granted exemption / reduction in custom duty through amendment in the Fifth Schedule:

PART-i

Sr. #	Description	HS Code	Customs Duty	Conditions
23(ii)	Pickling preparations for metal surfaces; soldering brazing or welding powders and pastes consisting of metal and other materials	3810.9090	0%	If imported by LED Light and Bulbs manufacturers registered under the Sales Tax Act, 1990 subject to annual quota if imported by LED Light and Bulbs manufacturers registered under the Sales Tax Act, 1990 subject to annual quota determination by Input Output Coefficient Organization (IOCO).
23(iii)	Poly Butylene Terephthalate	3907.7000	0%	
26	Plant machinery and equipment imported during the period commencing on 1st July, 2014	Respective headings	0%	The plant machinery and equipment under the said serial number shall be released on certification from

	and ending on 30th June, 2023 for setting up of industries in erstwhile FATA Areas.			Provincial Home Secretary that the goods are bonafide requirement of the unit as per Annex B. The goods shall not be sold or otherwise disposed of without prior approval of the Board.”;
36	Machinery, equipment and other project related items for setting up of Submarine Cable Landing stations			
	(i) Tubes Pipes and hollow profiles of cast iron	7303.0000	0%	If imported by Internet Service providers registered under the Sales Tax Act 1990, duly certified by the Ministry of Information Technology and Telecommunication and Pakistan Telecommunication Authority (PTA), and subject to annual quota determination by the Input Output Co-efficient Organization (IOCO).
	(ii) Articles of non-malleable cast iron	7325.1000	0%	
	(iii) Static Converters	8504.4090	0%	
	(iv) Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	8517.6290	0%	
	(v) Optical fiber Cables	8544.7000	0%	
37	Other Electric Conductors exceeding 32000 V	8544.6090	11%	If imported by manufacturers of transformers, registered under the Sales Tax Act 1990.
	PART –ii			
34	Meglumine antimonite	3004.9099	0%	
	PART - III			
96	(i) Coils of aluminium alloys	7606.9290	0%	If imported by registered local manufacturer of aluminum beverage cans
105	Ships and other floating crafts including tugs, survey vessels and other specialized crafts purchased or bare-boat chartered by a Pakistani entity and flying Pakistani flag.	8901.1000 8901.2000 8901.3000 8901.9000 8902.0000 8904.0000 8905.1000 8905.2000 8905.9000 8906.1000	0%	The exemption already available up to the year 2020 is extended till year 2030 , subject to the condition that the ships and crafts are used for the purpose for which they were procured, and in case such ships and crafts are used for demolition purposes, full customs duties and other charges applicable to ships and crafts purchased for demolition

		8906.9000 8907.9000		purposes shall be chargeable
107	(i) Paper having specification 60 gm/m ² in 23X36 inches or 20X30 inches sheets (ii) Art paper having specification 20x30 inches, 23x30 inches, 23x33 inches, 23x36 inches and 700x1000 mm	4802.5510 4810.1310 4810.1990	0%	<p>(1) If imported by the Federal or the Provincial Government Institution or a Nashir-e-Quran approved by respective Provincial Quran Board for printing of Holy Quran;</p> <p>(2) In case of Nashir-e-Quran the quantity of paper to be imported would be determined by IOCO; and</p> <p>(3) The Nashir-e-Quran may also get printing done from another printer (vendor), duly registered under Sales Tax Act,1990 and with relevant Provincial Quran Board, having suitable in-house facility, subject to approval of the IOCO. Imports made by Nashir-e-Quran availing the facility of printing through vendors will be cleared against submission of bank guarantee or pay order. In such case, -</p> <p>(i) the vendor shall have a firm contract with the Nashir-e-Quran;</p> <p>(ii) the Nashir-e-Quran may provide the imported paper, to the vendor;</p> <p>(iii) the vendor shall not be entitled to import the paper, under this scheme for printing of Quran to be supplied to the Nashir-e-Quran;</p> <p>(iv) the vendor, after completing the printing, shall supply the printed Quran to that Nashir-e-Quran only with whom he held the firm contract; and</p> <p>(v) the vendor shall also maintain proper record of the imported paper utilized, and printed Quran supplied to the Nashir-e-Quran;</p> <p>(vi) the security deposited by the Nashir-e-Quran at the time of clearance shall be released after NOC from IOCO regarding consumption of paper and supply of finished product as per the contract.”;</p>

109	(i) Other craft paper	4804.3900	15%	If imported by a Sales Tax registered manufacturer of Aseptic liquid food packaging material, subject to quota determination by IOCO.”;
	(ii) Multi-ply (clay coated paper and paper board	4810.9200		
	(iii)Aluminum foil (rolled but not further worked)	7607.1100		
117	(xiii) Glass board for manufacturing TV panels (LCD, LED, OLED, HDI etc.)	8529.9090	0%	If imported by manufacturers of Home Appliances, registered under the Sales Tax Act, 1990, subject to annual quota determination by the Input Output Co-efficient Organization (IOCO); and certification from Inland Revenue Department that all dealers of the manufacturing unit are registered with Sales Tax department.
119	Organic composite solvents and thinners, not elsewhere specified or included; prepared paint or varnish removers.	3814.0000	5%	imported by manufacturers of Butyl Acetate registered under the Sales Tax Act 1990, subject to annual quota determination by Input Output Co-efficient Organization (IOCO).
120	Semi-finished products of Iron or non- alloy steel	7207.1110 7207.1190 7207.1210 7207.1290 7207.1910 7207.1920 7207.1990 7207.2010 7207.2020 7207.2090	5%	If imported by manufacturers of Wire Rods registered under the Sales Tax Act 1990, subject to annual quota determination by Input Output Co-efficient Organization (IOCO).
121	Plasticised (Poly Vinyl Chloride)	3904.2200	0%	If imported by manufacturers of disposable syringes and saline infusion sets, registered under the Sales Tax Act 1990, subject to annual quota determination by Input Output Co-efficient Organization (IOCO).
122	Other unsaturated Polyesters	3907.9100	0%	If imported by manufacturers of buttons, registered under the Sales Tax Act 1990, subject to annual quota determination by Input Output Co-efficient Organization (IOCO).;
123	Other saturated Polyesters	3907.9900	5%	If imported by manufacturers of interlining/ buckram, registered

				under the Sales Tax Act 1990, subject to annual quota determination by Input Output Co-efficient Organization (IOCO).;
124	(i) Skimmed milk powder	0402.1000	0%	If imported by manufacturers of Ready to Use Supplementary Foods (RUSF), duly authorized by United Nations World Food Program (UNWFP) and subject to annual quota determination by Input Output Co-efficient Organization (IOCO).;
	(ii) Chickpeas	0713.2010		and
	(iii) Soyabean oil	1507.9000		
	(iv) Palm Olein	1511.9030		
	(v) Hydrogenated vegetable fats	1516.2010		
	(vi) Malto dextrins	1702.9030		
	(vii) Premixes of vitamins and minerals	2106.9090		
	(viii) Emulsifier	3404.9090		
	(ix) Antioxidant	3824.9999		
	PART - IV			
7	Aircraft engine	8407.1000	0%	For use in aircraft and trainer aircraft.

SUMMARY OF CHANGES IN OTHER LAWS

a) Anti-Dumping Duties Act, 2015

In the Anti-Dumping Duties Act, 2015 (XIV of 2015), in section 51, in sub-section (1), in clause (c), for semi-colon at the end a colon shall be substituted and thereafter the following proviso shall be added, namely:-

"Provided that where a competent court of law has stayed preliminary or final determination of anti-dumping duty, goods shall be provisionally released against security in shape of bank guarantee or pay order of a scheduled bank along with indemnity bond equal to the amount of anti-dumping duty imposed on subject goods. In case preliminary or final determination is upheld by the court, duty shall be paid by the importer and security with the customs department shall be released otherwise the same shall be en-cashed to settle the duty liability. If the preliminary or final determination is set aside by the court, security shall be released, if not required for recovery of any outstanding previous liability."

b) Public Finance Management Act, 2019

In the Public Finance Management Act, 2019,

(a) in section 2,

(i) after clause (m), the following new clause shall be inserted, namely:-

(ma) "non-tax revenue" means revenues received by the Government in terms of clause (1) of Article 78 of the Constitution, and the recurring income of the Government from investments and provision of services but does not include that mentioned in clause (3) of Article 160 of the Constitution;

(ii) in clause (u), after the word "account", occurring for the second time, the words "within one grant or appropriation" shall be inserted;

(iii) after clause (u), the following new clause shall be inserted, namely:

(ua) "revenue collection office" means a ministry, division or its attached department or subordinate office responsible for collection, monitoring and reporting of non-tax revenue; and

(iv) in clause (w), for the words “grant and budget authorization in another grant”, the words “grant or appropriation and budget authorization in another grant or appropriation” shall be substituted;

(c) for section 5, the following shall be substituted, namely:-

“5. Plan based Government’s expenditure.- All government expenditures, whether from a recurrent or development demand for grant, shall be based on well-defined plans and the strategic priorities approved in budget strategy paper as per section 3.”;

“CHAPTER VIII A”

NON TAX REVENUE

Policy and administration.

The administrative ministries and divisions shall be responsible for policy formulation and administration of non-tax revenue as per the distribution of business approved by the Government.

(2) The Finance Division shall advise ministries and divisions in policy formulation as per the strategic priorities of Government’s revenue policies.

Levy and collection: (1) Non tax revenue shall be levied and charged in accordance with the provisions of relevant laws and such other applicable instruments.

(3) Notwithstanding anything to the contrary contained in any other law for the time being in force, public entities as defined under section 36 shall pay non tax revenue representing-

(a) mark up on loans lent by the Government, as per the amortization schedule attached with the financing agreement;

(b) dividend against the Government’s equity investments as declared by the respective board of directors out of accrued profits of the entity:

Provided that if public entity is wholly or substantially owned by the Government, proposals with regard to declaration of dividend and allocation for reserve fund, capital requirements etc shall be examined by the controlling Division in consultation with the Finance Division before deliberations and decision in the board of directors.

(c) surplus profits as per the provisions of relevant laws; and

(d) any other amount owed to the Government as accrued:

Provided that the public entities shall pay accrued amounts of non tax revenue as per clauses (a) to (d) being the first charge on their gross revenues or profits, as the case may be.

- (4) Non tax revenue representing foreign grants and payments, receipts from provision of services, rents, recovery of overpayments, sale of property etc shall accrue on completion of the prescribed process.
- (5) The revenue collection offices shall be responsible for collection of all the accrued amounts of non-tax revenue from liable public entities, individuals, firms, companies etc as per the time specified in the relevant laws and rules. Finance Division shall prescribe procedures for monitoring and reporting of non-tax revenue by the revenue collection offices.

Deposit in Federal Consolidated Fund.

- (1) Subject to section 40B, the revenue collection offices shall deposit the collected amounts in Federal Consolidated Fund promptly without delay in prescribed manner under the head of account specified by the Finance Division in consultation with the Controller General of Accounts.
- (2) The revenue collection offices shall not retain or appropriate the collected amounts to meet departmental expenditures except through budgetary mechanism as provided under Articles 80 to 83 of the Constitution.

Late payment surcharge.

- (1) Notwithstanding anything to the contrary contained in any other law for the time being in force, an amount equal to monthly weighted financing cost of Government's domestic borrowings shall be payable during the period of default, in addition to the amount due under section 40B if not paid within the stipulated time.
- (2) Finance Division may prescribe procedure for levy and collection of the surcharge under sub-section (1).

Recovery of non-tax revenue by Commissioner (Inland Revenue).

- (1) If the amounts as per sections 40B and 40D are not paid within ninety days of having been due, the Finance Division, in consultation with the concerned Division may refer any defaulter's case to the Commissioner (Inland Revenue) concerned for recovery as it were an arrear of income tax.

(2) The Commissioner (Inland Revenue) shall recover the arrear in accordance with the provisions of the Income Tax Ordinance, 2001(XLIX of 2001) and deposit the receipt in the Federal Consolidated Fund as per section 40C.”; and

(d) in section 42, in sub-section (2), for the full stop at the end a colon shall be substituted and thereafter the following proviso shall be added, namely:

“Provided that existing instruments, contrary to the provisions of this Act and the rules made thereunder, shall have no legal effect.

c) Tax on luxury houses in Islamabad Capital Territory–

(1) There shall be levied a luxury tax at the rates specified in column (3) of Table 1 below, on residential houses of different categories located within the limits of Islamabad Capital Territory as specified in column (2) of the said Table, namely:

TABLE – 1

Sr. No.	Category of residential house	Rate of tax in rupees
(1)	(2)	(3)
1.	two kanal to four kanal with covered area of more than 6000 Square feet.	100,000 per kanal
2.	Five kanal or above with covered area of more than eight thousand square feet.	200,000 per kanal

- (2) There shall be levied a luxury tax at the rates specified in column (3) of Table 2 below, on farm houses of different categories located within the limits of Islamabad Capital Territory as specified in column (2) of the said Table, namely:

TABLE 2

S.No.	Category of Farm house	Rate of tax in rupees
(1)	(2)	(3)
1.	Four Kanal including area under farming	
	(i) A farm house with covered area between 5000 to 7000 square feet	25 per square foot of the covered area per annum
	(ii) A farm house with covered area between 7001 to 10,000 square feet	40 per square foot of the covered area per annum
	(iii) A farm house with covered area of more than 10,000 square feet	50 per square foot of the covered area per annum
2.	More than Four Kanal including area under farming	
	(i) A farm house with covered area between 5000 to 7000 square feet	60 per square foot of the covered area per annum
	(ii) A farm house with covered area between 7001 to 10,000 square feet	70 per square foot of the covered area per annum
	(iii) A farm house with covered area of more than 10,000 square feet	80 per square foot of the covered area per annum

- (3) The taxes mentioned in sub-section (1) and sub-section (2) shall not be applicable on the self-occupied houses of widows.
- (4) Ministry of Interior shall be responsible for collection of tax through its attached departments and deposit in the Federal Consolidated Fund.

INCOME TAX ORDINANCE, 2001
12TH SCHEDULE

<i>Part-I</i>	
<i>Appendix A</i>	
<i>PCT CODE</i>	<i>DESCRIPTION</i>
2711.1100	-- Natural Gas
3102.1000	- Urea, Whether Or Not In Aqueous Solution
31.04	Mineral or chemical fertilisers, potassic.
52.01	Cotton, not carded or combed.
52.02	Cotton waste (including yarn waste and garnetted stock).
5203.0000	Cotton, carded or combed.
71.08	Gold (including gold plated with platinum) unwrought or in semi- manufactured forms, or in powder form.
72.04	Ferrous waste and scrap; remelting scrap ingots of iron or steel.
84.01	Nuclear reactors; fuel elements (cartridges), non- irradiated, for nuclear reactors; machinery and apparatus for isotopic separation.
84.02	Steam or other vapour generating boilers (other than central heating hot water boilers capable also of producing low pressure steam); super- heated water boilers.
84.03	Central heating boilers other than those of heading 84.02.
84.04	Auxiliary plant for use with boilers of heading 84.02 or 84.03 (for example, economisers, super- heaters, soot removers, gas recoverers); condensers for steam or other vapour power units.
84.05	Producer gas or water gas generators, with or without their purifiers; acetylene gas generators and similar water process gas generators, with or without their purifiers.
84.06	Steam turbines and other vapour turbines.
84.10	Hydraulic turbines, water wheels, and regulators therefor.
84.11	Turbo- jets, turbo- propellers and other gas turbines.
84.12	Other engines and motors.
84.16	Furnace burners for liquid fuel, for pulverised solid fuel or for gas; mechanical stokers, including their mechanical grates, mechanical ash dischargers and similar appliances.
84.17	Industrial or laboratory furnaces and ovens, including incinerators, non- electric.
84.19	Machinery, plant or laboratory equipment, whether or not electrically heated (excluding furnaces, ovens and other equipment of heading 85.14), for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting, distilling, rectifying, sterilising, pasteurising, steaming, drying, evaporating, vaporising, condensing or cooling, other than machinery or plant of a kind used for domestic purposes; instantaneous or storage water heaters, non- electric.
84.20	Calendering or other rolling machines, other than for metals or glass, and cylinders therefor.

84.21	<i>Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases.</i>
8422.3000	<i>- Machinery for filling, closing, sealing, or labelling bottles, cans, boxes, bags or other containers; machinery for capsuling bottles, jars, tubes and similar containers; machinery for aerating beverages</i>
8422.4000	<i>- Other packing or wrapping machinery (including heat- shrink wrapping machinery)</i>
84.23 (Except 8423.1000)	<i>Weighing machinery (excluding balances of a sensitivity of 5 cg or better), including weight operated counting or checking machines; weighing machine weights of all kinds.</i>
84.26	<i>Ships' derricks; cranes, including cable cranes; mobile lifting frames, straddle carriers and works trucks fitted with a crane.</i>
84.27	<i>Fork- lift trucks; other works trucks fitted with lifting or handling equipment.</i>
84.28 (Except 8428.1010 and 8428.4000)	<i>Other lifting, handling, loading or unloading machinery (for example, lifts, escalators, conveyors, teleferics).</i>
84.29	<i>Self- propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers.</i>
84.30	<i>Other moving, grading, levelling, scraping, excavating, tamping, compacting, extracting or boring machinery, for earth, minerals or ores; pile- drivers and pile- extractors; snow- ploughs and snow- blowers.</i>
84.31	<i>Parts suitable for use solely or principally with the machinery of headings 84.25 to 84.30.</i>
84.32	<i>Agricultural, horticultural or forestry machinery for soil preparation or cultivation; lawn or sports- ground rollers.</i>
84.33 (Except 8433.1100 and 8433.1900)	<i>Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers; machines for cleaning, sorting or grading eggs, fruit or other agricultural produce, other than machinery of heading 84.37.</i>
84.34	<i>Milking machines and dairy machinery.</i>
84.35	<i>Presses, crushers and similar machinery used in the manufacture of wine, cider, fruit juices or similar beverages.</i>
84.36	<i>Other agricultural, horticultural, forestry, poultry- keeping or bee- keeping machinery, including germination plant fitted with mechanical or thermal equipment; poultry incubators and brooders.</i>
84.37	<i>Machines for cleaning, sorting or grading seed, grain or dried leguminous vegetables; machinery used in the milling industry or for the working of cereals or dried leguminous vegetables, other than farm- type machinery.</i>
84.38	<i>Machinery, not specified or included elsewhere in this Chapter, for the industrial preparation or manufacture of food or drink, other than machinery for the extraction or preparation of animal or fixed vegetable fats or oils.</i>
84.39	<i>Machinery for making pulp of fibrous cellulosic material or for making or finishing paper or paperboard.</i>
84.40	<i>Book- binding machinery, including book- sewing machines.</i>
84.41	<i>Other machinery for making up paper pulp, paper or paperboard, including cutting machines of all kinds.</i>

84.42	<i>Machinery, apparatus and equipment (other than the machines of headings 84.56 to 84.65), for preparing or making plates, cylinders or other printing components; plates, cylinders and other printing components; plates, cylinders and lithographic stones, prepared for printing purposes (for example, planed, grained or polished).</i>
8443.1100	<i>Offset printing machinery, reel-fed</i>
8443.1200	<i>Offset printing machinery, sheet-fed, office type (using sheets with one side not exceeding 22 cm and the other side not exceeding 36 cm in the unfolded state)</i>
8443.1300	<i>Other offset printing machinery</i>
8443.1400	<i>Letterpress printing machinery, reel fed, excluding flexographic printing</i>
8443.1500	<i>Letterpress print machinery, other than reel fed, excluding flexographic printing</i>
8443.1600	<i>- Flexographic printing machinery</i>
8443.1700	<i>Gravure printing machinery</i>
8443.1910	<i>Hot stamping machines</i>
8443.1920	<i>Label printing/embossing machines</i>
8443.1930	<i>Flat bed printing presses</i>
8443.1940	<i>Proof presses</i>
8443.1951	<i>On cotton textile</i>
8443.1959	<i>Other</i>
8443.1990	<i>Other</i>
8444.0000	<i>Machines for extruding, drawing, texturing or cutting man- made textile materials.</i>
84.45	<i>Machines for preparing textile fibres; spinning, doubling or twisting machines and other machinery for producing textile yarns; textile reeling or winding (including weft- winding) machines and machines for preparing textile yarns for use on the machines of heading 84.46 or 84.47.</i>
84.46	<i>Weaving machines (looms).</i>
84.47	<i>Knitting machines, stitch- bonding machines and machines for making gimped yarn, tulle, lace, embroidery, trimmings, braid or net and machines for tufting.</i>
84.48	<i>Auxiliary machinery for use with machines of heading 84.44, 84.45, 84.46 or 84.47 (for example, dobbies, Jacquards, automatic stop motions, shuttle changing mechanisms); parts and accessories suitable for use solely or principally with the machines of this heading or of heading 84.44, 84.45, 84.46 or 84.47 (for example, spindles and spindle flyers, card clothing, combs, extruding nipples, shuttles, healds and heald- frames, hosiery needles).</i>
8449.0000	<i>Machinery for the manufacture or finishing of felt or nonwovens in the piece or in shapes, including machinery for making felt hats; blocks for making hats.</i>
84.51	<i>Machinery (other than machines of heading 84.50) for washing, cleaning, wringing, drying, ironing, pressing (including fusing presses), bleaching, dyeing, dressing, finishing, coating or impregnating textile yarns, fabrics or made up textile articles and machines for applying the paste to the base fabric or other support used in the manufacture of floor coverings such as linoleum; machines for reeling, unreeling, folding, cutting or pinking textile fabrics.</i>
84.53	<i>Machinery for preparing, tanning or working hides, skins or leather or for making or repairing footwear or other articles of hides, skins or leather, other than sewing machines.</i>
84.54	<i>Converters, ladles, ingot moulds and casting machines, of a kind used in metallurgy or in metal foundries.</i>
84.55	<i>Metal- rolling mills and rolls therefor.</i>
84.56	<i>Machine- tools for working any material by removal of material, by laser or other light or photon beam, ultrasonic, electro- discharge, electro- chemical, electron beam, ionic- beam or plasma arc processes; water- jet cutting machines.</i>

84.57	<i>Machining centres, unit construction machines (single station) and multi- station transfer machines, for working metal.</i>
84.58	<i>Lathes (including turning centres) for removing metal.</i>
84.59	<i>Machine- tools (including way- type unit head machines) for drilling, boring, milling, threading or tapping by removing metal, other than lathes (including turning centres) of heading 84.58.</i>
84.60	<i>Machine- tools for deburring, sharpening, grinding, honing, lapping, polishing or otherwise finishing metal or cermets by means of grinding stones, abrasives or polishing products, other than gear cutting, gear grinding or gear finishing machines of heading 84.61.</i>
84.61	<i>Machine- tools for planing, shaping, slotting, broaching, gear cutting, gear grinding or gear finishing, sawing, cutting- off and other machine- tools working by removing metal or cermets, not elsewhere specified or included.</i>
84.62	<i>Machine- tools (including presses) for working metal by forging, hammering or die- stamping; machine- tools (including presses) for working metal by bending, folding, straightening, flattening, shearing, punching or notching; presses for working metal or metal carbides, not specified above.</i>
84.63	<i>Other machine- tools for working metal or cermets, without removing material.</i>
84.64	<i>Machine- tools for working stone, ceramics, concrete, asbestos- cement or like mineral materials or for cold working glass.</i>
84.68	<i>Machinery and apparatus for soldering, brazing or welding, whether or not capable of cutting, other than those of heading 85.15; gas- operated surface tempering machines and appliances.</i>
84.74	<i>Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading earth, stone, ores or other mineral substances, in solid (including powder or paste) form; machinery for agglomerating, shaping or moulding solid mineral fuels, ceramic paste, unhardened cements, plastering materials or other mineral products in powder or paste form; machines for forming foundry moulds of sand.</i>
84.75	<i>Machines for assembling electric or electronic lamps, tubes or valves or flashbulbs, in glass envelopes; machines for manufacturing or hot working glass or glassware.</i>
84.77	<i>Machinery for working rubber or plastics or for the manufacture of products from these materials, not specified or included elsewhere in this Chapter.</i>
84.78	<i>Machinery for preparing or making up tobacco, not specified or included elsewhere in this Chapter.</i>
84.79 (Except 8479.8960 and 8479.8990)	<i>Machines and mechanical appliances having individual functions, not specified or included elsewhere in this Chapter.</i>
84.80	<i>Moulding boxes for metal foundry; mould bases; moulding patterns; moulds for metal (other than ingot moulds), metal carbides, glass, mineral materials, rubber or plastics.</i>
84.86	<i>Machines and apparatus of a kind used solely or principally for the manufacture of semiconductor boules or wafers, semiconductor devices, electronic integrated circuits or flat panel displays; machines and apparatus specified in Note 9 (c) to this Chapter; parts and accessories.</i>
8501.3300	<i>Of an output exceeding 75 kW but not exceeding 375 kW</i>
8501.3400	<i>Of an output exceeding 375 kW</i>
8502.1190	<i>Other</i>

8502.1200	<i>Of an output exceeding 75 kVA but not exceeding 375 kVA</i>
8502.3100	<i>Wind-powered</i>
8502.3900	<i>Other</i>
8503.0090	<i>Other</i>
8504.2100	<i>Having a power handling capacity not exceeding 650 kVA</i>
8504.2200	<i>Having a power handling capacity exceeding 650 kVA but not exceeding 10,000 kVA</i>
8504.2300	<i>Having a power handling capacity exceeding 10,000 kVA</i>
8504.3400	<i>Having a power handling capacity exceeding 500 kVA</i>
8504.5000	<i>Other inductors</i>
85.14	<i>Industrial or laboratory electric furnaces and ovens (including those functioning by induction or dielectric loss); other industrial or laboratory equipment for the heat treatment of materials by induction or dielectric loss.</i>
85.15	<i>Electric (including electrically heated gas), laser or other light or photon beam, ultrasonic, electron beam, magnetic pulse or plasma arc soldering, brazing or welding machines and apparatus, whether or not capable of cutting; electric machines and apparatus for hot spraying of metals or cermets.</i>
8543.3000	<i>- Machines and apparatus for electroplating, electrolysis or electrophoresis</i>
85.45 (Except 8545.1100 and 8545.9020)	<i>Carbon electrodes, carbon brushes, lamp carbons, battery carbons and other articles of graphite or other carbon, with or without metal, of a kind used for electrical purposes.</i>
85.46	<i>Electrical insulators of any material.</i>
85.47	<i>Insulating fittings for electrical machines, appliances or equipment, being fittings wholly of insulating material apart from any minor components of metal (for example, threaded sockets) incorporated during moulding solely for purposes of assembly, other than insulators of heading 85.46; electrical conduit tubing and joints therefor, of base metal lined with insulating material.</i>
89052000	<i>- Floating Or Submersible Drilling Or Production Platforms</i>

PCT CODE	DESCRIPTION
05.05	<i>Skins and other parts of birds, with their feathers or down, feathers and parts of feathers (whether or not with trimmed edges) and down, not further worked than cleaned, disinfected or treated for preservation; powder and waste of feathers or parts of feathers.</i>
05.06	<i>Bones and horn- cores, unworked, defatted, simply prepared (but not cut to shape), treated with acid or degelatinised; powder and waste of these products.</i>
05.07	<i>Ivory, tortoise- shell, whalebone and whalebone hair, horns, antlers, hooves, nails, claws and beaks, unworked or simply prepared but not cut to shape; powder and waste of these products.</i>
05.08	<i>Coral and similar materials, unworked or simply prepared but not otherwise worked; shells of molluscs, crustaceans or echinoderms and cuttle- bone, unworked or simply prepared but not cut to shape, powder and waste thereof.</i>
0510.0000	<i>Ambergris, castoreum, civet and musk; cantharides; bile, whether or not dried; glands and other animal products used in the preparation of pharmaceutical products, fresh, chilled, frozen or otherwise provisionally preserved.</i>
05.05	<i>Skins and other parts of birds, with their feathers or down, feathers and parts of feathers (whether or not with trimmed edges) and down, not further worked than cleaned, disinfected or treated for preservation; powder and waste of feathers or parts of feathers.</i>
05.06	<i>Bones and horn- cores, unworked, defatted, simply prepared (but not cut to shape), treated with acid or degelatinised; powder and waste of these products.</i>
05.07	<i>Ivory, tortoise- shell, whalebone and whalebone hair, horns, antlers, hooves, nails, claws and beaks, unworked or simply prepared but not cut to shape; powder and waste of these products.</i>
05.08	<i>Coral and similar materials, unworked or simply prepared but not otherwise worked; shells of molluscs, crustaceans or echinoderms and cuttle- bone, unworked or simply prepared but not cut to shape, powder and waste thereof.</i>
0510.0000	<i>Ambergris, castoreum, civet and musk; cantharides; bile, whether or not dried; glands and other animal products used in the preparation of pharmaceutical products, fresh, chilled, frozen or otherwise provisionally preserved.</i>
05.11	<i>Animal products not elsewhere specified or included; dead animals of Chapter 1 or 3, unfit for human consumption.</i>
07.01	<i>Potatoes, fresh or chilled.</i>
0702.0000	<i>Tomatoes, fresh or chilled.</i>
07.03	<i>Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled.</i>
07.04	<i>Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled.</i>
07.05	<i>Lettuce (<i>Lactuca sativa</i>) and chicory (<i>Cichorium spp.</i>), fresh or chilled.</i>

07.06	<i>Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh or chilled.</i>
0707.0000	<i>Cucumbers and gherkins fresh or chilled.</i>
07.08	<i>Leguminous vegetables, shelled or unshelled, fresh or chilled.</i>
07.11	<i>Vegetables provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption.</i>
07.13	<i>Dried leguminous vegetables, shelled, whether or not skinned or split.</i>
10.02	<i>Rye.</i>
10.03	<i>Barley.</i>
10.04	<i>Oats.</i>
10.05	<i>Maize (corn).</i>
1006.1010	<i>Seed for sowing</i>
11.08	<i>Starches; inulin.</i>
12.01	<i>Soya beans, whether or not broken.</i>
12.05	<i>Rape or colza seeds, whether or not broken.</i>
1206.0000	<i>Sunflower seeds, whether or not broken.</i>
12.07	<i>Other oil seeds and oleaginous fruits, whether or not broken.</i>
12.09	<i>Seeds, fruit and spores, of a kind used for sowing.</i>
12.10	<i>Hop cones, fresh or dried, whether or not ground, powdered or in the form of pellets; lupulin.</i>
12.11	<i>Plants and parts of plants (including seeds and fruits), of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh, chilled, frozen or dried, whether or not cut, crushed or powdered.</i>
15.02	<i>Fats of bovine animals, sheep or goats, other than those of heading 15.03.</i>
15.07	<i>Soya- bean oil and its fractions, whether or not refined, but not chemically modified.</i>
15.11	<i>Palm oil and its fractions, whether or not refined, but not chemically modified.</i>
1518.0000	<i>Animal or vegetable fats and oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 15.16; inedible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this Chapter, not elsewhere specified or included.</i>
18.03	<i>Cocoa paste, whether or not defatted.</i>
23.06	<i>Oil- cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable fats or oils, other than those of heading 23.04 or 23.05.</i>
2502.0000	<i>Unroasted iron pyrites.</i>
2503.0000	<i>Sulphur of all kinds, other than sublimed sulphur, precipitated sulphur and colloidal sulphur.</i>
25.04	<i>Natural graphite.</i>
25.05	<i>Natural sands of all kinds, whether or not coloured, other than metal bearing sands of chapter 26.</i>
25.06	<i>Quartz (other than natural sands); quartzite, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape.</i>
2507.0000	<i>Kaolin and other kaolinic clays, whether or not calcined.</i>

25.08	<i>Other clays (not including expanded clays of heading 68.06), andalusite, kyanite and sillimanite, whether or not calcined; mullite; chamotte or dinas earths.</i>
2509.0000	<i>Chalk.</i>
25.10	<i>Natural calcium phosphates, natural aluminium calcium phosphates and phosphatic chalk.</i>
25.11	<i>Natural barium sulphate (barytes); natural barium carbonate (witherite), whether or not calcined, other than barium oxide of heading 28.16.</i>
2512.0000	<i>Siliceous fossil meals (for example, kieselguhr, tripolite and diatomite) and similar siliceous earths, whether or not calcined, of an apparent specific gravity of 1 or less.</i>
25.13	<i>Pumice stone; emery; natural corundum, natural garnet and other natural abrasives, whether or not heat-treated.</i>
2514.0000	<i>Slate, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape.</i>
25.18	<i>Dolomite, whether or not calcined or sintered, including dolomite roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape; dolomite ramming mix.</i>
25.19	<i>Natural magnesium carbonate (magnesite); fused magnesia; dead-burned (sintered) magnesia, whether or not containing small quantities of other oxides added before sintering; other magnesium oxide, whether or not pure.</i>
25.20	<i>Gypsum; anhydrite; plasters (consisting of calcined gypsum or calcium sulphate) whether or not coloured, with or without small quantities of accelerators or retarders.</i>
2521.0000	<i>Limestone flux; limestone and other calcareous stone, of a kind used for the manufacture of lime or cement.</i>
25.25	<i>Mica, including splittings; mica waste.</i>
2528.0000	<i>Natural borates and concentrates thereof (whether or not calcined), but not including borates separated from natural brine; natural boric acid containing not more than 85 % of H3BO3 calculated on the dry weight.</i>
25.29	<i>Feldspar; leucite; nepheline and nepheline syenite; fluorspar.</i>
25.30	<i>Mineral substances not elsewhere specified or included.</i>
26.01	<i>Iron ores and concentrates, including roasted iron pyrites.</i>
2602.0000	<i>Manganese ores and concentrates, including ferruginous manganese ores and concentrates with a manganese content of 20 % or more, calculated on the dry weight.</i>
2603.0000	<i>Copper ores and concentrates.</i>
2604.0000	<i>Nickel ores and concentrates.</i>
2605.0000	<i>Cobalt ores and concentrates.</i>
2606.0000	<i>Aluminium ores and concentrates.</i>
2607.0000	<i>Lead ores and concentrates.</i>
2608.0000	<i>Zinc ores and concentrates.</i>
2609.0000	<i>Tin ores and concentrates.</i>
2610.0000	<i>Chromium ores and concentrates.</i>
2611.0000	<i>Tungsten ores and concentrates.</i>
26.12	<i>Uranium or thorium ores and concentrates.</i>
26.13	<i>Molybdenum ores and concentrates.</i>
2614.0000	<i>Titanium ores and concentrates.</i>
26.15	<i>Niobium, tantalum, vanadium or zirconium ores and concentrates.</i>

26.16	<i>Precious metal ores and concentrates.</i>
26.17	<i>Other ores and concentrates.</i>
2618.0000	<i>Granulated slag (slag sand) from the manufacture of iron or steel.</i>
2619.0000	<i>Slag, dross (other than granulated slag), scalings and other waste from the manufacture of iron or steel.</i>
26.20	<i>Slag, ash and residues (other than from the manufacture of iron or steel) containing metals, arsenic or their compounds.</i>
27.01	<i>Coal; briquettes, ovoids and similar solid fuels manufactured from coal.</i>
27.02	<i>Lignite, whether or not agglomerated, excluding jet.</i>
2703.0000	<i>Peat (including peat litter), whether or not agglomerated.</i>
27.04	<i>Coke and semi- coke of coal, of lignite or of peat, whether or not agglomerated; retort carbon.</i>
2705.0000	<i>Coal gas, water gas, producer gas and similar gases, other than petroleum gases and other gaseous hydrocarbons.</i>
27.07	<i>Oils and other products of the distillation of high temperature coal tar; similar products in which the weight of the aromatic constituents exceeds that of the non-aromatic constituents.</i>
27.08	<i>Pitch and pitch coke, obtained from coal tar or from other mineral tars.</i>
2709.0000	<i>Petroleum oils and oils obtained from bituminous minerals, crude</i>
28.03	<i>Carbon (carbon blacks and other forms of carbon not elsewhere specified or included).</i>
28.04	<i>Hydrogen, rare gases and other non- metals.</i>
28.05	<i>Alkali or alkaline- earth metals; rare- earth metals, scandium and yttrium, whether or not intermixed or inter- alloyed; mercury.</i>
28.08	<i>Nitric acid; sulphonitric acids.</i>
28.09	<i>Diphosphorus pentoxide; phosphoric acid; polyphosphoric acids, whether or not chemically defined.</i>
28.11	<i>Other inorganic acids and other inorganic oxygen compounds of non- metals.</i>
28.14	<i>Ammonia, anhydrous or in aqueous solution.</i>
28.15	<i>Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium.</i>
2817.0000	<i>Zinc oxide; zinc peroxide.</i>
28.18	<i>Artificial corundum, whether or not chemically defined; aluminium oxide; aluminium hydroxide.</i>
28.19	<i>Chromium oxides and hydroxides.</i>
28.20	<i>Manganese oxides.</i>
28.21	<i>Iron oxides and hydroxides; earth colours containing 70 % or more by weight of combined iron evaluated as Fe₂O₃.</i>
2822.0000	<i>Cobalt oxides and hydroxides; commercial cobalt oxides.</i>
28.23	<i>Titanium oxides.</i>
28.24	<i>Lead oxides; red lead and orange lead.</i>
28.25	<i>Hydrazine and hydroxylamine and their inorganic salts; other inorganic bases; other metal oxides, hydroxides and peroxides.</i>
28.26	<i>Fluorides; fluorosilicates, fluoroaluminates and other complex fluorine salts.</i>
28.27	<i>Chlorides, chloride oxides and chloride hydroxides; bromides and bromide oxides; iodides and iodide oxides.</i>
28.28	<i>Hypochlorites; commercial calcium hypochlorite; chlorites; hypobromites.</i>

- 28.29 *Chlorates and perchlorates; bromates and perbromates; iodates and periodates.*
- 28.30 *Sulphides; polysulphides, whether or not chemically defined.*
- 28.31 *Dithionites and sulfoxylates.*
- 28.32 *Sulphites; thiosulphates.*
- 28.33 *Sulphates; alums; peroxosulphates (persulphates).*
- 28.34 *Nitrites; nitrates.*
- 28.35 *Phosphinates(hypophosphites), phosphonates (phosphites) and phosphates; polyphosphates, whether or not chemically defined.*
- 28.36 *Carbonates;peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate.*
- 28.39 *Silicates; commercial alkali metal silicates.*
- 28.40 *Borates; peroxoborates (perborates).*
- 28.41 *Salts of oxometallic or peroxometallic acids.*
- 28.42 *Other salts of inorganic acids or peroxyacids (including aluminosilicates whether or not chemically defined), other than azides.*
- 28.43 *Colloidal precious metals; inorganic or organic compounds of precious metals, whether or not chemically defined; amalgams of precious metals.*
- 28.44 *Radioactive chemical elements and radioactive isotopes (including the fissile or fertile chemical elements and isotopes) and their compounds; mixtures and residues containing these products.*
- 28.45 *Isotopes other than those of heading 28.44; compounds, inorganic or organic, of such isotopes, whether or not chemically defined.*
- 28.46 *Compounds, inorganic or organic, of rare- earth metals, of yttrium or of scandium or of mixtures of these metals.*
- 28.49 *Carbides, whether or not chemically defined.*
- 2850.0000 *Hydrides, nitrides, azides, silicides and borides, whether or not chemically defined, other than compounds which are also carbides of heading 28.49.*
- 28.52 *Inorganic or organic compounds of mercury, whether or not chemically defined, excluding amalgams.*
- 28.53 *Phosphides, whether or not chemically defined, excluding ferrophosphorus; other inorganic compounds (including distilled or conductivity water and water of similar purity); liquid air (whether or not rare gases have been removed); compressed air; amalgams, other than amalgams of precious metals.*
- 29.01 *Acyclic hydrocarbons.*
- 29.02 *Cyclic hydrocarbons.*
- 29.03 *Halogenated derivatives of hydrocarbons.*
- 29.04 *Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, whether or not halogenated.*
- 29.05 *Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives.*
- 29.06 *Cyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives.*
- 29.07 *Phenols; phenol- alcohols.*
- 29.08 *Halogenated, sulphonated, nitrated or nitrosated derivatives of phenols or phenol- alcohols.*
- 29.09 *Ethers, ether- alcohols, ether- phenols, ether- alcohol- phenols, alcohol peroxides, ether peroxides, ketone peroxides (whether or not chemically defined), and their halogenated, sulphonated, nitrated or nitrosated derivatives.*

- 29.10 *Epoxides, epoxyalcohols, epoxyphenols and epoxyethers, with a three- membered ring, and their halogenated, sulphonated, nitrated or nitrosated derivatives.*
- 2911.0000 *Acetals and hemiacetals, whether or not with other oxygen function, and their halogenated, sulphonated, nitrated or nitrosated derivatives.*
- 29.12 *Aldehydes, whether or not with other oxygen function; cyclic polymers of aldehydes; paraformaldehyde.*
- 2913.0000 *Halogenated, sulphonated, nitrated or nitrosated derivatives of products of heading 29.12.*
- 29.14 *Ketones and quinones, whether or not with other oxygen function, and their halogenated, sulphonated, nitrated or nitrosated derivatives.*
- 29.15 *Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives.*
- 29.16 *Unsaturated acyclic monocarboxylic acids, cyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives.*
- 29.17 *Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives.*
- 29.18 *Carboxylic acids with additional oxygen function and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives.*
- 29.19 *Phosphoric esters and their salts, including lactophosphates; their halogenated, sulphonated, nitrated or nitrosated derivatives.*
- 29.20 *Esters of other inorganic acids of non- metals (excluding esters of hydrogen halides) and their salts; their halogenated, sulphonated, nitrated or nitrosated derivatives.*
- 29.21 *Amine- function compounds.*
- 29.22 *Oxygen- function amino- compounds.*
- 29.23 *Quaternary ammonium salts and hydroxides; lecithins and other phosphoaminolipids, whether or not chemically defined.*
- 29.24 *Carboxamide- function compounds; amide- function compounds of carbonic acid.*
- 29.25 *Carboxyimide- function compounds (including saccharin and its salts) and imine- function compounds.*
- 29.26 *Nitrile- function compounds.*
- 29.27 *Diazo- , azo- or azoxy- compounds.*
- 29.28 *Organic derivatives of hydrazine or of hydroxylamine.*
- 29.29 *Compounds with other nitrogen function.*
- 29.30 *Organo- sulphur compounds.*
- 29.31 *Other organo- inorganic compounds.*
- 29.32 *Heterocyclic compounds with oxygen hetero- atom(s) only.*
- 29.33 *Heterocyclic compounds with nitrogen hetero- atom(s) only.*
- 29.34 *Nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds.*
- 29.35 *Sulphonamides.*
- 29.36 *Provitamins and vitamins, natural or reproduced by synthesis (including natural concentrates), derivatives thereof used primarily as vitamins, and intermixtures of the foregoing, whether or not in any solvent.*

29.37	<i>Hormones, prostaglandins, thromboxanes and leukotrienes, natural or reproduced by synthesis; derivatives and structural analogues thereof, including chain modified polypeptides, used primarily as hormones.</i>
29.38	<i>Glycosides, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives.</i>
29.39	<i>Alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives.</i>
29.41	<i>Antibiotics.</i>
2942.0000	<i>Other organic compounds.</i>
30.01	<i>Glands and other organs for organo- therapeutic uses, dried, whether or not powdered; extracts of glands or other organs or of their secretions for organo-therapeutic uses; heparin and its salts; other human or animal substances prepared for therapeutic or prophylactic uses, not elsewhere specified or included.</i>
31.02 (except 3102.1000)	<i>Mineral or chemical fertilisers, nitrogenous.</i>
31.03	<i>Mineral or chemical fertilisers, phosphatic.</i>
31.05	<i>Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, phosphorus and potassium; other fertilisers; goods of this Chapter in tablets or similar forms or in packages of a gross weight not exceeding 10 kg.</i>
32.01	<i>Tanning extracts of vegetable origin; tannins and their salts, ethers, esters and other derivatives.</i>
32.02	<i>Synthetic organic tanning substances; inorganic tanning substances; tanning preparations, whether or not containing natural tanning substances; enzymatic preparations for pre- tanning.</i>
32.14	<i>Glaziers' putty, grafting putty, resin cements, caulking compounds and other mastics; painters' fillings; non- refractory surfacing preparations for facades, indoor walls, floors, ceilings or the like.</i>
33.02	<i>Mixtures of odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry; other preparations based on odoriferous substances, of a kind used for the manufacture of beverages.</i>
34.03	<i>Lubricating preparations (including cutting- oil preparations, bolt or nut release preparations, anti- rust or anti- corrosion preparations and mould release preparations, based on lubricants) and preparations of a kind used for the oil or grease treatment of textile materials, leather, furskins or other materials, but excluding preparations containing, as basic constituents, 70 % or more by weight of petroleum oils or of oils obtained from bituminous minerals.</i>
3504.0000	<i>Peptones and their derivatives; other protein substances and their derivatives, not elsewhere specified or included; hide powder, whether or not chromed.</i>
35.05	<i>Dextrins and other modified starches (for example, pre- gelatinised or esterified starches); glues based on starches, or on dextrins or other modified starches.</i>
37.02	<i>Photographic film in rolls, sensitised, unexposed, of any material other than paper, paperboard or textiles; instant print film in rolls, sensitised, unexposed.</i>
37.03	<i>Photographic paper, paperboard and textiles, sensitised, unexposed.</i>

- 3704.0000 *Photographic plates, film, paper, paperboard and textiles, exposed but not developed.*
- 3705.0000 *Photographic plates and film, exposed and developed, other than cinematographic film.*
- 37.07 *Chemical preparations for photographic uses (other than varnishes, glues, adhesives and similar preparations); unmixed products for photographic uses, put up in measured portions or put up for retail sale in a form ready for use.*
- 38.01 *Artificial graphite; colloidal or semi- colloidal graphite; preparations based on graphite or other carbon in the form of pastes, blocks, plates or other semi-manufactures.*
- 3803.0000 *Tall oil, whether or not refined.*
- 3804.0000 *Residual lyes from the manufacture of wood pulp, whether or not concentrated, desugared or chemically treated, including lignin sulphonates, but excluding tall oil of heading 38.03.*
- 38.06 *Rosin and resin acids, and derivatives thereof; rosin spirit and rosin oils; run gums.*
- 38.09 *Finishing agents, dye carriers to accelerate the dyeing or fixing of dyestuffs and other products and preparations (for example, dressings and mordants), of a kind used in the textile, paper, leather or like industries, not elsewhere specified or included.*
- 38.10 *Pickling preparations for metal surfaces; fluxes and other auxiliary preparations for soldering, brazing or welding; soldering, brazing or welding powders and pastes consisting of metal and other materials; preparations of a kind used as cores or coatings for welding electrodes or rods.*
- 38.12 *Prepared rubber accelerators; compound plasticisers for rubber or plastics, not elsewhere specified or included; anti- oxidising preparations and other compound stabilisers for rubber or plastics.*
- 38.15 *Reaction initiators, reaction accelerators and catalytic preparations, not elsewhere specified or included.*
- 3816.0000 *Refractory cements, mortars, concretes and similar compositions, other than products of heading 38.01.*
- 3817.0000 *Mixed alkylbenzenes and mixed alkylnaphthalenes, other than those of heading 27.07 or 29.02.*
- 3818.0000 *Chemical elements doped for use in electronics, in the form of discs, wafers or similar forms; chemical compounds doped for use in electronics.*
- 3821.0000 *Prepared culture media for the development or maintenance of micro- organisms (including viruses and the like) or of plant, human or animal cells*
- 38.23 *Industrial monocarboxylic fatty acids; acid oils from refining; industrial fatty alcohols.*
- 38.24 *Prepared binders for foundry moulds or cores; chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included.*

- 39.01 *Polymers of ethylene, in primary forms.*
- 39.02 *Polymers of propylene or of other olefins, in primary forms.*
- 39.03 *Polymers of styrene, in primary forms.*
- 39.04 *Polymers of vinyl chloride or of other halogenated olefins, in primary forms.*
- 39.07 *Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, polyallyl esters and other polyesters, in primary forms.*
- 39.08 *Polyamides in primary forms.*
- 3910.0000 *Silicones in primary forms.*
- 39.14 *Ion- exchangers based on polymers of headings 39.01 to 39.13, in primary forms.*
- 40.01 *Natural rubber, balata, gutta- percha, guayule, chicle and similar natural gums, in primary forms or in plates, sheets or strip.*
- 40.02 *Synthetic rubber and factice derived from oils, in primary forms or in plates, sheets or strip; mixtures of any product of heading 40.01 with any product of this heading, in primary forms or in plates, sheets or strip.*
- 4003.0000 *Reclaimed rubber in primary forms or in plates, sheets or strip.*
- 40.04 *Waste, parings and scrap of rubber (other than hard rubber) and powders and granules obtained therefrom.*
- 40.05 *Compounded rubber, unvulcanised, in primary forms or in plates, sheets or strip.*
- 41.01 *Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment- dressed or further prepared), whether or not dehaired or split.*
- 41.02 *Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment- dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1 (c) to this Chapter.*
- 41.03 *Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment- dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1 (b) or 1 (c) to this Chapter.*
- 41.04 *Tanned or crust hides and skins of bovine (including buffalo) or equine animals, without hair on, whether or not split, but not further prepared.*
- 41.05 *Tanned or crust skins of sheep or lambs, without wool on, whether or not split, but not further prepared.*
- 41.06 *Tanned or crust hides and skins of other animals, without wool or hair on, whether or not split, but not further prepared.*
- 41.07 *Leather further prepared after tanning or crusting, including parchment- dressed leather, of bovine (including buffalo) or equine animals, without hair on, whether or not split, other than leather of heading 41. 14.*
- 4112.0000 *Leather further prepared after tanning or crusting, including parchment- dressed leather, of sheep or lamb, without wool on, whether or not split, other than leather of heading 41.14.*

41.13	<i>Leather further prepared after tanning or crusting, including parchment- dressed leather, of other animals, without wool or hair on, whether or not split, other than leather of heading 41. 14.</i>
41.14	<i>Chamois (including combination chamois) leather; patent leather and patent laminated leather; metallised leather.</i>
41.15	<i>Composition leather with a basis of leather or leather fibre, in slabs, sheets or strip, whether or not in rolls; parings and other waste of leather or of composition leather, not suitable for the manufacture of leather articles; leather dust, powder and flour.</i>
42.05 (Except 4205.0090)	<i>Other articles of leather or of composition leather.</i>
43.01	<i>Raw furskins (including heads,tails, paws and other pieces or cuttings, suitable for furriers' use), other than raw hides and skins of heading 41.01, 41.02 or 41.03.</i>
43.02	<i>Tanned or dressed furskins (including heads, tails, paws and other pieces or cuttings), unassembled, or assembled (without the addition of other materials) other than those of heading 43.03.</i>
44.01	<i>Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms.</i>
44.02	<i>Wood charcoal (including shell or nut charcoal), whether or not agglomerated.</i>
44.03	<i>Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared.</i>
44.04	<i>Hoopwood; split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of walking- sticks, umbrellas, tool handles or the like;chipwood and the like.</i>
4405.0000	<i>Wood wool; wood flour.</i>
44.06	<i>Railway or tramway sleepers (cross- ties) of wood.</i>
4701.0000	<i>Mechanical wood pulp.</i>
4702.0000	<i>Chemical wood pulp, dissolving grades.</i>
47.03	<i>Chemical wood pulp, soda or sulphate, other than dissolving grades.</i>
47.04	<i>Chemical wood pulp, sulphite, other than dissolving grades.</i>
4705.0000	<i>Wood pulp obtained by a combination of mechanical and chemical pulping processes.</i>
47.06	<i>Pulps of fibres derived from recovered (waste and scrap) paper or paperboard or of other fibrous cellulosic material.</i>
47.07	<i>Recovered (waste and scrap) paper or paperboard</i>
48.04	<i>Uncoated kraft paper and paperboard, in rolls or sheets, other than that of heading 48.02 or 48.03.</i>
48.10	<i>Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface- coloured, surface- decorated or printed, in rolls or rectangular (including square) sheets, of any size.</i>
48.13	<i>Cigarette paper, whether or not cut to size or in the form of booklets or tubes.</i>
48.22	<i>Bobbins, spools, cops and similar supports of paper pulp, paper or paperboard (whether or not perforated or hardened).</i>
4823.9040	<i>--- Double Side Adhesive Tapes</i>

5001.0000	<i>Silk- worm cocoons suitable for reeling.</i>
5002.0000	<i>Raw silk (not thrown).</i>
5003.0000	<i>Silk waste (including cocoons unsuitable for reeling, yarn waste and garnetted stock).</i>
5004.0000	<i>Silk yarn (other than yarn spun from silk waste) not put up for retail sale.</i>
5005.0000	<i>Yarn spun from silk waste, not put up for retail sale.</i>
51.01	<i>Wool, not carded or combed.</i>
51.02	<i>Fine or coarse animal hair, not carded or combed.</i>
51.03	<i>Waste of wool or of fine or coarse animal hair, including yarn waste but excluding garnetted stock.</i>
5104.0000	<i>Garnetted stock of wool or of fine or coarse animal hair.</i>
51.05	<i>Wool and fine or coarse animal hair, carded or combed (including combed wool in fragments).</i>
51.06	<i>Yarn of carded wool, not put up for retail sale.</i>
51.07	<i>Yarn of combed wool, not put up for retail sale.</i>
51.08	<i>Yarn of fine animal hair (carded or combed), not put up for retail sale.</i>
52.05	<i>Cotton yarn (other than sewing thread), containing 85 % or more by weight of cotton, not put up for retail sale.</i>
52.06	<i>Cotton yarn (other than sewing thread), containing less than 85 % by weight of cotton, not put up for retail sale.</i>
53.01	<i>Flax, raw or processed but not spun; flax tow and waste (including yarn waste and garnetted stock).</i>
53.02	<i>True hemp (Cannabis sativa L.), raw or processed but not spun; tow and waste of true hemp (including yarn waste and garnetted stock).</i>
53.03	<i>Jute and other textile bast fibres (excluding flax, true hemp and ramie), raw or processed but not spun; tow and wastes of these fibres (including yarn waste and garnetted stock).</i>
53.05	<i>Coconut, abaca (Manila hemp or Musa textilis Nee), ramie and other vegetable textile fibres, not elsewhere specified or included, raw or processed but not spun; tow, noils and waste of these fibres (including yarn waste and garnetted stock).</i>
53.06	<i>Flax yarn.</i>
53.07	<i>Yarn of jute or of other textile bast fibres of heading 53.03.</i>
54.02	<i>Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex.</i>
55.01	<i>Synthetic filament tow.</i>
55.02	<i>Artificial filament tow.</i>
55.03	<i>Synthetic staple fibres, not carded, combed or otherwise processed for spinning.</i>
55.04	<i>Artificial staple fibres, not carded, combed or otherwise processed for spinning.</i>
55.05	<i>Waste (including noils, yarn waste and garnetted stock) of man- made fibres.</i>
55.06	<i>Synthetic staple fibres, carded, combed or otherwise processed for spinning.</i>
5507.0000	<i>Artificial staple fibres, carded, combed or otherwise processed for spinning.</i>
55.08	<i>Sewing thread of man- made staple fibres, whether or not put up for retail sale.</i>
55.09	<i>Yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale.</i>
55.10	<i>Yarn (other than sewing thread) of artificial staple fibres, not put up for retail sale.</i>
55.11	<i>Yarn (other than sewing thread) of man- made staple fibres, put up for</i>

55.12	<i>Woven fabrics of synthetic staple fibres, containing 85 % or more by weight of synthetic staple fibres.</i>
55.13	<i>Woven fabrics of synthetic staple fibres, containing less than 85 % by weight of such fibres, mixed mainly or solely with cotton, of a weight not exceeding 170 g/m².</i>
55.14	<i>Woven fabrics of synthetic staple fibres, containing less than 85 % by weight of such fibres, mixed mainly or solely with cotton, of a weight exceeding 170 g/m².</i>
55.15	<i>Other woven fabrics of synthetic staple fibres.</i>
55.16	<i>Woven fabrics of artificial staple fibres.</i>
56.01	<i>Wadding of textile materials and articles thereof; textile fibres, not exceeding 5 mm in length (flock), textile dust and mill neps.</i>
56.08	<i>Knotted netting of twine, cordage or rope; made up fishing nets and other made up nets, of textile materials.</i>
59.02	<i>Tyre cord fabric of high tenacity yarn of nylon or other polyamides, polyesters or viscose rayon.</i>
63.10	<i>Used or new rags, scrap twine, cordage, rope and cables and worn out articles of twine, cordage, rope or cables, of textile materials.</i>
68.15	<i>Articles of stone or of other mineral substances (including carbon fibres, articles of carbon fibres and articles of peat), not elsewhere specified or included.</i>
70.02	<i>Glass in balls (other than microspheres of heading 70.18), rods or tubes, unworked.</i>
71.05	<i>Dust and powder of natural or synthetic precious or semi- precious stones.</i>
72.01	<i>Pig iron and, spiegeleisen in pigs, blocks or other primary form.</i>
72.02	<i>Ferro- alloys.</i>
72.03	<i>Ferrous products obtained by direct reduction of iron ore and other spongy ferrous products, in lumps, pellets or similar forms; iron having a minimum purity by weight of 99.94 %, in lumps, pellets or similar forms.</i>
72.05	<i>Granules and powders, of pig iron, spiegeleisen, iron or steel.</i>
72.06	<i>Iron and non- alloy steel in ingots or other primary forms (excluding iron of heading 72.03).</i>
72.08	<i>Flat- rolled products of iron or non- alloy steel, of a width of 600 mm or more, hot- rolled, not clad, plated or coated.</i>
72.09	<i>Flat- rolled products of iron or non- alloy steel, of a width of 600 mm or more, cold- rolled (cold- reduced), not clad, plated or coated.</i>
72.10	<i>Flat- rolled products of iron or non- alloy steel, of a width of 600 mm or more, clad, plated or coated.</i>
72.11	<i>Flat- rolled products of iron or non- alloy steel, of a width of less than 600 mm, not clad, plated or coated.</i>
72.12	<i>Flat- rolled products of iron or non- alloy steel, of a width of less than 600 mm, clad, plated or coated.</i>
72173010	<i>Of A Kind Used In Manufacture Of Pneumatic Tyres(Bead Wire)</i>
72.18	<i>Stainless steel in ingots or other primary forms; semi- finished products of stainless steel.</i>
72.19	<i>Flat- rolled products of stainless steel, of a width of 600 mm or more.</i>
72.20	<i>Flat- rolled products of stainless steel, of a width of less than 600 mm.</i>
72.25	<i>Flat- rolled products of other alloy steel, of a width of 600 mm or more.</i>
72.26	<i>Flat- rolled products of other alloy steel, of a width of less than 600 mm.</i>
72.27	<i>Bars and rods, hot- rolled, in irregularly wound coils, of other alloy steel.</i>
7315.1920	<i>Other For Motor Cars And Vehicles</i>

7401.0000	<i>Copper mattes; cement copper (precipitated copper).</i>
7402.0000	<i>Unrefined copper; copper anodes for electrolytic refining.</i>
74.03	<i>Refined copper and copper alloys, unwrought.</i>
74.04	<i>Copper waste and scrap.</i>
7405.0000	<i>Master alloys of copper.</i>
74.06	<i>Copper powders and flakes.</i>
74.07	<i>Copper bars, rods and profiles.</i>
74.08	<i>Copper wire.</i>
74.09	<i>Copper plates, sheets and strip, of a thickness exceeding 0.15 mm.</i>
74.10	<i>Copper foil (whether or not printed or backed with paper, paperboard, plastics or similar backing materials), of a thickness (excluding any backing) not exceeding 0.15 mm.</i>
74.11	<i>Copper tubes and pipes.</i>
7413.0000	<i>Stranded wire, cables, plaited bands and the like, of copper, not electrically insulated.</i>
75.01	<i>Nickel mattes, nickel oxide sinters and other intermediate products of nickel metallurgy</i>
75.02	<i>Unwrought nickel.</i>
7503.0000	<i>Nickel waste and scrap.</i>
7504.0000	<i>Nickel powders and flakes.</i>
75.05	<i>Nickel bars, rods, profiles and wire.</i>
75.06	<i>Nickel plates, sheets, strip and foil.</i>
76.01	<i>Unwrought aluminium.</i>
76.02	<i>Aluminium waste or scrap.</i>
76.03	<i>Aluminium powders and flakes.</i>
76.06	<i>Aluminium plates, sheets and strip, of a thickness exceeding 0.2 mm.</i>
76071100	<i>Rolled But Not Further Worked</i>
76.08	<i>Aluminium tubes and pipes.</i>
78.01	<i>Unwrought lead.</i>
7802.0000	<i>Lead waste and scrap.</i>
78.04	<i>Lead plates, sheets, strip and foil; lead powders and flakes.</i>
79.01	<i>Unwrought zinc.</i>
7902.0000	<i>Zinc waste and scrap.</i>
79.03	<i>Zinc dust, powders and flakes.</i>
79.04	<i>Zinc bars, rods, profiles and wire.</i>
79.07	<i>Other articles of zinc.</i>
80.01	<i>Unwrought tin.</i>
8002.0000	<i>Tin waste and scrap.</i>
8003.0000	<i>Tin bars, rods, profiles and wire</i>
81.01	<i>Tungsten (wolfram) and articles thereof, including waste and scrap.</i>
81.02	<i>Molybdenum and articles thereof, including waste and scrap.</i>
81.03	<i>Tantalum and articles thereof, including waste and scrap.</i>
81.04	<i>Magnesium and articles thereof, including waste and scrap.</i>
81.05	<i>Cobalt mattes and other intermediate products of cobalt metallurgy; cobalt and articles thereof, including waste and scrap.</i>
8106.0000	<i>Bismuth and articles thereof, including waste and scrap.</i>
81.07	<i>Cadmium and articles thereof, including waste and scrap.</i>
81.08	<i>Titanium and articles thereof, including waste and scrap.</i>
81.09	<i>Zirconium and articles thereof, including waste and scrap.</i>
81.10	<i>Antimony and articles thereof, including waste and scrap.</i>
8111.0000	<i>Manganese and articles thereof, including waste and scrap.</i>

81.12	<i>Beryllium, chromium, germanium, vanadium, gallium, hafnium, indium, niobium (columbium), rhenium and thallium, and articles of these metals, including waste and scrap.</i>
8113.0000	<i>Cermets and articles thereof, including waste and scrap.</i>
83.09	<i>Stoppers, caps and lids (including crown corks, screw caps and pouring stoppers), capsules for bottles, threaded bungs, bung covers, seals and other packing accessories, of base metal.</i>
83.11	<i>Wire, rods, tubes, plates, electrodes and similar products, of base metal or of metal carbides, coated or cored with flux material, of a kind used for soldering, brazing, welding or deposition of metal or of metal carbides; wire and rods, of agglomerated base metal powder, used for metal spraying.</i>
84.07	<i>Spark- ignition reciprocating or rotary internal combustion piston engines.</i>
84.08	<i>Compression- ignition internal combustion piston engines (diesel or semi- diesel engines).</i>
84.09	<i>Parts suitable for use solely or principally with the engines of heading 84.07 or 84.08.</i>
8414.1000	<i>Vacuum pumps</i>
8414.3010	<i>Used with HCFC and non-CFC gases</i>
8414.9010	<i>Of machines of heading 8414.1000 and 8414.3010</i>
84.65	<i>Machine- tools (including machines for nailing, stapling, glueing or otherwise assembling) for working wood, cork, bone, hard rubber, hard plastics or similar hard materials.</i>
84.66	<i>Parts and accessories suitable for use solely or principally with the machines of headings 84.56 to 84.65, including work or tool holders, self- opening dieheads, dividing heads and other special attachments for the machines; tool holders for any type of tool for working in the hand.</i>
84.67	<i>Tools for working in the hand, pneumatic, hydraulic or with self- contained electric or non- electric motor.</i>
8479.8990	<i>Other</i>
84.82	<i>Ball or roller bearings.</i>
84.84	<i>Gaskets and similar joints of metal sheeting combined with other material or of two or more layers of metal; sets or assortments of gaskets and similar joints, dissimilar in composition, put up in pouches, envelopes or similar packings; mechanical seals.</i>
8501.1000	<i>Motors of an output not exceeding 37.5 W</i>
8501.2000	<i>Universal AC/DC motors of an output exceeding 37.5 W</i>
8501.3110	<i>Photovoltaic generators consisting of panels of photocells combined with other apparatus</i>
8501.4010	<i>Of an output not exceeding 60 watts</i>
8501.4090	<i>Other</i>
8501.5120	<i>AC clutch motors for industrial sewing machine</i>
8501.5310	<i>Of an output exceeding 75 kW but not exceeding 375 kW (500 HP)</i>
85.03	<i>Parts suitable for use solely or principally with the machines of heading 85.01 or (except</i>
8503.0090)	<i>85.02.</i>
8504.9010	<i>On load-tape changer for power transformers</i>
8504.9020	<i>Bushings for power transformers</i>
8504.9030	<i>Of machines of heading 8504.4090</i>
8504.9040	<i>Toroidal cores and strips</i>
8504.9090	<i>Other</i>

85.05	<i>Electro- magnets; permanent magnets and articles intended to become permanent magnets after magnetisation; electro- magnetic or permanent magnet chucks, clamps and similar holding devices; electro- magnetic couplings, clutches and brakes; electro- magnetic lifting heads</i>
85.11	<i>Electrical ignition or starting equipment of a kind used for spark- ignition or compression- ignition internal combustion engines (for example, ignition magnetos, magneto- dynamos, ignition coils, sparking plugs and glow plugs, starter motors); generators (for example, dynamos, alternators) and cut- outs of a kind used in conjunction with such engines.</i>
85.12	<i>Electrical lighting or signalling equipment (excluding articles of heading 85.39), windscreen wipers, defrosters and demisters, of a kind used for cycles or motor vehicles.</i>
8528.7213	<i>In CKD/SKD condition</i>
85.29	<i>Parts suitable for use solely or principally with the apparatus of headings 85.25 to 85.28.</i>
85.33	<i>Electrical resistors (including rheostats and potentiometers), other than heating resistors.</i>
8534.0000	<i>Printed circuits.</i>
85.35	<i>Electrical apparatus for switching or protecting electrical circuits, or for making connections to or in electrical circuits (for example, switches, fuses, lightning arresters, voltage limiters, surge suppressors, plugs and other connectors, junction boxes), for a voltage exceeding 1,000 volts.</i>
85.37	<i>Boards, panels, consoles, desks, cabinets and other bases, equipped with two or more apparatus of heading 85.35 or 85.36, for electric control or the distribution of electricity, including those incorporating instruments or apparatus of Chapter 90, and numerical control apparatus, other than switching apparatus of heading 85.17.</i>
85.38	<i>Parts suitable for use solely or principally with the apparatus of heading 85.35, 85.36 or 85.37.</i>
85.40	<i>Thermionic, cold cathode or photo- cathode valves and tubes (for example, vacuum or vapour or gas filled valves and tubes, mercury arc rectifying valves and tubes, cathode- ray tubes, television camera tubes).</i>
85.41	<i>Diodes, transistors and similar semi- conductor devices; photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light-emitting diodes(LED); mounted piezo- electric crystals.</i>
85.42	<i>Electronic integrated circuits.</i>
8545.1100	<i>Of A Kind Used For Furnaces</i>
8545.9020	<i>For dry battery cells</i>
85.48	<i>Waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators; electrical parts of machinery or apparatus, not specified or included elsewhere in this Chapter.</i>
8701.2010	<i>Components For The Assembly / Manufacture Of Road Tractors For Semi-Trailers (Prime Movers), In Any Kit Form, Of Less Than 280</i>

8701.2030	<i>Components For The Assembly / Manufacture Of Road Tractors For Semi-Trailers (Prime Movers), In Any Kit Form, Of 280 Hp And Above</i>
8702.1010	<i>Components For Assembly / Manufacture Of Vehicles, In Any Kit Form</i>
8703.2111	<i>Components For The Assembly/ Manufacture Of Vehicles, In Any Kit Form Excluding Those Of Headings 8703.2113 And 8703.2115</i>
8703.2112	<i>Components For The Assembly / Manufacture Of Mini Van Type Vehicles, In Any Kit Form</i>
8703.2114	<i>Components For The Assembly/ Manufacture Of Auto Rickshaws, In Any Kit Form</i>
8703.2191	<i>Components For The Assembly / Manufacture Of Vehicles, In Any Kit Form Excluding Those Of Heading 8703.2193 And 8703.2195</i>
8703.2194	<i>Components For The Assembly / Manufacture Of Mini Van, In Any Kit Form</i>
8703.2210	<i>Components For The Assembly / Manufacture Of Vehicles, In Any Kit Form Excluding Those Of Heading 8703.2240</i>
8703.2311	<i>Components For The Assembly / Manufacture Of Vehicles, In Any Kit Form</i>
8703.2321	<i>Components For The Assembly / Manufacture Of Vehicles, In Any Kit Form Excluding Of Heading 8703.2323</i>
8703.2322	<i>Components For The Assembly / Manufacture Of Sport Utility Vehicles 4X4, In Any Kit Form</i>
8703.3310	<i>Components For The Industrial Assembly/ Manufacture Of Vehicles, In Any Kit Form</i>
8704.1010	<i>Components For Assembly/ Manufacture Of Dump Trucks Designed For Off-Highway Use</i>
8704.2110	<i>Components For The Assembly / Manufacture Of Vehicles, In Any Kit Form</i>
8704.2211	<i>Components For The Assembly / Manufacture Of Vehicles, In Any Kit Form</i>
8704.2291	<i>Components For The Assembly / Manufacture Of Vehicles, In Any Kit Form</i>
8704.2310	<i>Components For The Assembly / Manufacture Of Vehicles, In Any Kit Form</i>
8704.3110	<i>Components For The Assembly / Manufacture, In Any Kit Form Excluding Those Of Heading 8704.3130 And 8704.3150</i>
8704.3120	<i>Components For The Assembly / Manufacture Of Mini Cargo Van, In Any Kit Form</i>
8704.3140	<i>Components For The Assembly / Manufacture Of 3-Wheeler Cargo Loader, In Any Kit Form</i>
8711.2010	<i>Components For The Assembly / Manufacture Of Vehicles, In Any Kit Form</i>
8908.0000	<i>Vessels and other floating structures for breaking up.</i>
90.32	<i>Automatic regulating or controlling instruments and apparatus.</i>
91.04	<i>Instrument panel clocks and clocks of a similar type for vehicles, aircraft, spacecraft or vessels.</i>
9107.0000	<i>Time switches with clock or watch movement or with synchronous motor.</i>
9401.9010	<i>Seat Parts Made Of Foam, Head/Arm Rests And Seat Frames For Motor Cars Of Heading 87.03 And Vehicles Of Sub-Headings 8703.2113, 8703.2115, 8703.2193, 8703.2195, 8703.2240,</i>
9401.9030	<i>Other For Motor Cars And Vehicles</i>
96.06	<i>Buttons, press- fasteners, snap- fasteners and press- studs, button moulds and other parts of these articles; button blanks.</i>
96.07	<i>Slide fasteners and parts thereof.</i>

CODE	DESCRIPTION
Respective headings	Goods not specifically mentioned in Part I or II.”;

Appendix-D

S#	DESCRIPTION
1	Real-time PCR system (standard 96-well plate and 0.2ml tubes format, 5 channel)
2.	Biosafety Cabinet
3.	Auto Clave 50 Liter Capacity
4.	Multi channel pipette (0.5-10 µl)
5.	Single channel pipette a) 2 µl b) 10 µl c) 200 µl d) 1000 µl
6.	Muti channel pipette 20-200 ml
7.	Vacuum fold
8.	Micro Centrifuge (Non-refrigerated, Rotor capacity: 12 x 1.5 / 2.0 ml vessels, 2 x PCR strip, Max. speed: 12,100 x g (13,400 rpm))
9.	PCR Cabinet (HEPA filter system, UV and white light)
10	Real-time PCR kit for the detection of Coronavirus (SARS-CoV-2)
11	Viral RNA Extraction Kit and machine (Automatic Extractors)
12	VTM (Viral Transport Medium)
13	Dr Oligo Synthesizer
14	Refrigerator/freezer (-20 °C)
15	Vortex Machine
16	Refrigerated Centrifuge Machine (Rotor capacity 1.5ml x 24, max. speed 14000 rpm)
17	UPS (6 KVA)
18	Tyvek Suits
19	N-95
20	Biohazard Bags (18 Liters)
21	PAPR (Powdered Air Purifying respirators)
22	Multimode ventilator with air compressor
23	Vital sign monitor with 2IBP and ETco2 two Temp.
24	ICU motorized patient bed with side cabinet and over bed table
25	Syringe infusion pump
26	Infusion pump
27	Electric suction machine

28	<i>Defibrillator</i>
29	<i>X-Ray Mobile Machine</i>
30	<i>Simple Nebulizer</i>
31	<i>Ultrasound machine</i>
32	<i>Noninvasive BIPAP</i>
33	<i>ECG Machine</i>
34	<i>Pulse Oximeters</i>
35	<i>Ripple mattress</i>
36	<i>Blood gas analyzer</i>
37	<i>AMBU Bag</i>
38	<i>Nitrile Gloves</i>
39	<i>Latex Gloves</i>
40	<i>Goggles</i>
41	<i>Face Shields</i>
42	<i>Gum Boots</i>
43	<i>Mackintosh bed sheets</i>
44	<i>Surgical Masks</i>
45	<i>Air Ways</i>
46	<i>Diaflow</i>
47	<i>Disposable Nebulizer Mask Kit</i>
48	<i>ECG Electrodes</i>
49	<i>ETT Tube (Endotracheal Tubes) All sizes</i>
50	<i>Humidifier Disposable Flexible</i>
51	<i>IV Cannula all sizes</i>
52	<i>IV Chambers</i>
53	<i>Oxygen Recovery Kit</i>
54	<i>Padded Sheets</i>
55	<i>Stomach Tube</i>
56	<i>Stylet for Endotracheal Tube</i>
57	<i>Suction Tube control valve</i>
58	<i>Tracheostomy Tube 7, 7.5, 8</i>
59	<i>Ventilator Circuit</i>
60	<i>Ventury Masks</i>
61	<i>Disposable shoes cover (water proof)</i>

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