

# TAX FACT CARD | 2019-20



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**INCOME TAX**  
**RATES OF TAXES**

**INDIVIDUALS (SALARY INCOME)**

| S. No. | Taxable Income                                                                     | Rate of Tax                                                   |
|--------|------------------------------------------------------------------------------------|---------------------------------------------------------------|
| 1.     | Where taxable income does not exceed Rs. 600,000                                   | 0%                                                            |
| 2.     | Where the taxable income exceeds Rs. 600,000 but does not exceed Rs. 1,200,000     | 5% of the amount exceeding Rs. 600,000                        |
| 3.     | Where the taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 1,800,000   | Rs. 30,000 + 10% of the amount exceeding Rs. 1,200,000        |
| 4.     | Where the taxable income exceeds Rs. 1,800,000 but does not exceed Rs. 2,500,000   | Rs. 90,000 + 15% of the amount exceeding Rs. 1,800,000        |
| 5.     | Where the taxable income exceeds Rs. 2,500,000 but does not exceed Rs. 3,500,000   | Rs. 195,000 + 17.5% of the amount exceeding Rs. 2,500,000     |
| 6.     | Where the taxable income exceeds Rs. 3,500,000 but does not exceed Rs. 5,000,000   | Rs. 370,000 + 20% of the amount exceeding Rs. 3,500,000       |
| 7.     | Where the taxable income exceeds Rs. 5,000,000 but does not exceed Rs. 8,000,000   | Rs. 670,000 + 22.5% of the amount exceeding Rs. 5,000,000     |
| 8.     | Where the taxable income exceeds Rs. 8,000,000 but does not exceed Rs. 12,000,000  | Rs. 1,345,000 + 25% of the amount exceeding Rs. 8,000,000     |
| 9.     | Where the taxable income exceeds Rs. 12,000,000 but does not exceed Rs. 30,000,000 | Rs. 2,345,000 + 27.5% of the amount exceeding Rs. 12,000,000  |
| 10.    | Where the taxable income exceeds Rs. 30,000,000 but does not exceed Rs. 50,000,000 | Rs. 7,295,000 + 30% of the amount exceeding Rs. 30,000,000    |
| 11.    | Where the taxable income exceeds Rs. 50,000,000 but does not exceed Rs. 75,000,000 | Rs. 13,295,000 + 32.5% of the amount exceeding Rs. 50,000,000 |



|     |                                                 |                                                             |
|-----|-------------------------------------------------|-------------------------------------------------------------|
| 12. | Where the taxable income exceeds Rs. 75,000,000 | Rs. 21,420,000 + 35% of the amount exceeding Rs. 75,000,000 |
|-----|-------------------------------------------------|-------------------------------------------------------------|

- The above rates of tax are applicable from 1 July 2019, in cases where salary income exceeds 75% of the total taxable income during the year.
- Value of accommodation and conveyance provided by the employer is chargeable to tax under rule 4 & 5 of the Income Tax Rules, 2002.
- All perquisites and allowances are liable to tax without any exemption except special and medical allowance under clause 39 & 139 respectively of Part-I of 2nd Schedule.

#### INDIVIDUALS AND AOPs (NORMAL INCOME)

| S. No. | Taxable Income                                                                    | Rate of Tax                                              |
|--------|-----------------------------------------------------------------------------------|----------------------------------------------------------|
| 1.     | Where taxable income does not exceed Rs. 400,000                                  | 0%                                                       |
| 2.     | Where the taxable income exceeds Rs. 400,000 but does not exceed Rs. 600,000      | 5% of the amount exceeding Rs. 400,000                   |
| 3.     | Where the taxable income exceeds Rs. 600,000 but does not exceed Rs. 1,200,000    | Rs. 10,000 + 10% of the amount exceeding Rs. 600,000     |
| 4.     | Where the taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 2,400,000  | Rs. 70,000 + 15% of the amount exceeding Rs. 1,200,000   |
| 5.     | Where the taxable income exceeds Rs. 2,400,000 but does not exceed Rs. 3,000,000  | Rs. 250,000 + 20% of the amount exceeding Rs. 2,400,000  |
| 6.     | Where the taxable income exceeds Rs. 3,000,000 but does not exceed Rs. 4,000,000. | Rs. 370,000 + 25% of the amount exceeding Rs. 3,000,000. |

|    |                                                                                    |                                                            |
|----|------------------------------------------------------------------------------------|------------------------------------------------------------|
| 7. | Where the taxable income exceeds Rs. 4,000,000 but does not exceeds Rs. 6,000,000. | Rs. 620,000 + 30% of the amount exceeding Rs. 4,000,000.   |
| 8. | Where the taxable income exceeds Rs. 6,000,000.                                    | Rs. 1,220,000 + 35% of the amount exceeding Rs. 6,000,000. |

**INCOME FROM PROPERTY**  
**For INDIVIDUALS & AOPs**

| S. No. | Gross Amount of Rent                                                                   | Rate of Tax                                                        |
|--------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| 1.     | Where the gross amount of rent does not exceed Rs. 200,000                             | Nil                                                                |
| 2.     | Where the gross amount of rent exceeds Rs. 200,000 but does not exceed Rs. 600,000     | 5% of the gross amount exceeding Rs. 200,000                       |
| 3.     | Where the gross amount of rent exceeds Rs. 600,000 but does not exceed Rs. 1,000,000   | Rs. 20,000 plus 10% of the gross amount exceeding Rs. 600,000      |
| 4.     | Where the gross amount of rent exceeds Rs. 1,000,000 but does not exceed Rs. 2,000,000 | Rs. 60,000 plus 15% of the gross amount exceeding Rs. 1,000,000    |
| 5.     | Where the gross amount of rent exceeds Rs. 2,000,000 but does not exceeds 4,000,000    | Rs. 210,000 plus 20% of the gross amount exceeding Rs. 2,000,000   |
| 6.     | Where the gross amount of rent exceeds Rs. 4,000,000 but does not exceeds 6,000,000    | Rs. 610,000 plus 25% of the gross amount exceeding Rs. 4,000,000   |
| 7.     | Where the gross amount of rent exceeds Rs. 6,000,000 but does not exceeds 8,000,000    | Rs. 1,110,000 plus 30% of the gross amount exceeding Rs. 6,000,000 |
| 8.     | Where the gross amount of rent exceeds Rs. 8,000,000.                                  | Rs. 1,710,000 plus 35% of the gross amount exceeding Rs. 8,000,000 |

- Individuals and AOP's deriving income from property exceeding Rs. 4,000,000/- have option to offer tax on net income basis.

### COMPANIES

| Type              | Income Tax Rates |      |
|-------------------|------------------|------|
|                   | 2020             | 2019 |
| Small Companies   | 23%              | 24%  |
| Banking Companies | 35%              | 35%  |
| Other Companies   | 29%              | 29%  |

- Income of Insurance and Banking Companies is chargeable to tax under 4th & 7th Schedules respectively.

### SUPER TAX

| S. No. | Person                                                                                     | Rate of Tax      |                  |
|--------|--------------------------------------------------------------------------------------------|------------------|------------------|
|        |                                                                                            | 2020             | 2019             |
| 1.     | Banking Company                                                                            | 3% of the Income | 4% of the Income |
| 2.     | Person, other than a banking company, having income equal to or exceeding Rs. 500 million. | 1% of the Income | 2% of the Income |

### PROFIT ON DEBT (INDIVIDUALS & AOPs)

| S. No. | Profit on Debt                                                                 | Rate of Tax |
|--------|--------------------------------------------------------------------------------|-------------|
| 1.     | Where profit on debt does not exceed Rs. 5,000,000.                            | 15%         |
| 2.     | Where profit on debt exceeds Rs. 5,000,000 but does not exceed Rs. 25,000,000. | 17.5%       |
| 3.     | Where profit on debt exceeds Rs. 25,000,000 but does not exceeds 36,000,000.   | 20%         |

- Profit on debt exceeding 36 million shall be subject to tax under normal law.

### CAPITAL GAIN TAX ON DISPOSAL OF IMMOVABLE PROPERTY

| Capital Gain                                                             | Rate of Tax |
|--------------------------------------------------------------------------|-------------|
| Where the gain does not exceed Rs. 5 million                             | 5%          |
| Where the gain exceeds Rs. 5 million but does not exceed Rs. 10 million  | 10%         |
| Where the gain exceeds Rs. 10 million but does not exceed Rs. 15 million | 15%         |
| Where the gain exceeds Rs. 15 million                                    | 20%         |

- 25% of gain arising on sale made after one year of holding period shall be exempt from tax.
- Capital gain shall be exempt from tax where holding period exceeds:
  - 4 years in case of constructed property; and
  - 8 years in case of open plots.

### CAPITAL GAIN TAX ON SALE OF SHARES/ SECURITIES/COMMODITIES

| Sr. No. | Holding period                                                                                                             | Tax Year 2020                          |                                       |
|---------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------------|
|         |                                                                                                                            | Securities acquired before 1 July 2016 | Securities acquired after 1 July 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                               | 12.5%                                  |                                       |
| 3.      | Where holding period of a security is twenty- four months or more but the security was acquired on or after 1st July, 2013 | 7.5%                                   |                                       |

|    |                                                                                        |    |    |
|----|----------------------------------------------------------------------------------------|----|----|
| 4. | Where the security was acquired before 1st July, 2013                                  | 0% | 0% |
| 5. | Future commodity contracts entered into by the members of Pakistan Mercantile Exchange | 5% | 5% |

### RATES OF MINIMUM TAX (ON TURNOVER)

| S. No. | Person(s)                                                                                                                                                                                                                                                                                                                                                                         | Rates |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 1.     | <ul style="list-style-type: none"> <li>Oil Marketing Companies, Oil refineries, SSGCL and SNGPL (where annual turnover exceeds rupees 1 Billion);</li> <li>Pakistani Airlines;</li> <li>Poultry Industry including breeding and broiler, egg and feed production;</li> <li>Dealers or distributors of fertilizers; and</li> <li>Person running an online market place.</li> </ul> | 0.75% |
| 2.     | Companies operating trading houses                                                                                                                                                                                                                                                                                                                                                | 0.5%  |
| 3.     | Motorcycle dealers registered under the Sales Tax Act, 1990                                                                                                                                                                                                                                                                                                                       | 0.3%  |
| 4.     | <ul style="list-style-type: none"> <li>Distributors of pharmaceutical products, fast moving consumer goods and cigarettes;</li> <li>Petroleum agent and distributors and registered under the Sales Tax Act 1990;</li> <li>Rice mills and dealers; and</li> <li>Flour Mills</li> </ul>                                                                                            | 0.25% |
| 5.     | Dealers and sub-dealers of sugar, cement and edible oil.                                                                                                                                                                                                                                                                                                                          | 0.25% |
| 6.     | In all other cases                                                                                                                                                                                                                                                                                                                                                                | 1.5%  |

### ADVANCE INCOME TAX

| Installment Number | Quarter   | Due Date              |                       |
|--------------------|-----------|-----------------------|-----------------------|
|                    |           | Individuals           | AOP/Companies         |
| 1.                 | September | 15 <sup>th</sup> Sep  | 25 <sup>th</sup> Sep  |
| 2.                 | December  | 15 <sup>th</sup> Dec  | 25 <sup>th</sup> Dec  |
| 3.                 | March     | 15 <sup>th</sup> Mar  | 25 <sup>th</sup> Mar  |
| 4.                 | June      | 15 <sup>th</sup> June | 15 <sup>th</sup> June |

**COLLECTION / DEDUCTION OF TAX AT SOURCE**

| Section | Responsible          | Nature of Payment                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Rates  |
|---------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| 148     | Collector of Customs | <ul style="list-style-type: none"> <li>▪ Imports of : <ul style="list-style-type: none"> <li>– Remeltable steel (PCT Heading 72.04) by Industrial Undertaking;</li> <li>– Potassic fertilizers in pursuance of ECC cabinet's decision No. ECC-155/12/2004 dated 09-12-2004;</li> <li>– Urea;</li> <li>– Items covered under SRO 1125(I)/2011 dated December 31, 2011 by manufacturers;</li> <li>– Gold;</li> <li>– Cotton; and</li> <li>– LNG</li> </ul> </li> </ul> | 1%M    |
|         |                      | ▪ Persons importing Pulses                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2%M    |
|         |                      | ▪ Items covered under SRO 1125(I)/2011 dated December 31, 2011 by Commercial importers                                                                                                                                                                                                                                                                                                                                                                               | 3%M    |
|         |                      | ▪ Persons importing Coal                                                                                                                                                                                                                                                                                                                                                                                                                                             | 4%M    |
|         |                      | ▪ Persons importing finished pharmaceutical products that are not manufactured otherwise in Pakistan                                                                                                                                                                                                                                                                                                                                                                 | 4%M    |
|         |                      | ▪ Persons importing plastic raw material (PCT heading 39.01 to 39.12):                                                                                                                                                                                                                                                                                                                                                                                               |        |
|         |                      | – Industrial undertaking                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1.75%M |
|         |                      | – Commercial Importers                                                                                                                                                                                                                                                                                                                                                                                                                                               | 4.5%M  |
|         |                      | ▪ Ship Breakers on import of ships                                                                                                                                                                                                                                                                                                                                                                                                                                   | 4.5%M  |
|         |                      | ▪ Companies and Industrial Undertakings not covered above                                                                                                                                                                                                                                                                                                                                                                                                            | 5.5%   |
|         |                      | ▪ Persons not covered above                                                                                                                                                                                                                                                                                                                                                                                                                                          | 6%M    |



| Section    | Responsible                                         | Nature of Payment                                                                                                                                                                                                                                                                                                                                                                                | Rates                                                                        |
|------------|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| 149        | Employer                                            | <ul style="list-style-type: none"> <li>Salary</li> <li>Compensation on termination of employment including Golden Handshake etc.</li> <li>Directorship fee or fee for board meetings</li> </ul>                                                                                                                                                                                                  | <p>Average rate</p> <p>Average rate of tax for 3 years (Opt.)</p> <p>20%</p> |
| 150 & 236S | Every person paying dividend and dividend in specie | <ul style="list-style-type: none"> <li>Dividend by independent power purchaser including specie dividend</li> <li>All other dividends, including mutual funds and specie dividends</li> <li>Dividend by company not paying tax due to: <ul style="list-style-type: none"> <li>Exemption of income</li> <li>Carry forward of business losses</li> <li>Claim of tax credits</li> </ul> </li> </ul> | <p>7.5%F</p> <p>15%</p> <p>25%</p>                                           |
| 150A       | All Payers                                          | <ul style="list-style-type: none"> <li><b>Return on investment in Sukuks:</b> <ul style="list-style-type: none"> <li>Company</li> <li>Individual &amp; AOP: <ul style="list-style-type: none"> <li>Return on investment more than Rs. 1 million</li> <li>Return on investment less than Rs. 1 million</li> </ul> </li> </ul> </li> </ul>                                                         | <p>15%</p> <p>12.5%</p> <p>10%</p>                                           |
| 151        | All Payers, Banking                                 | <ul style="list-style-type: none"> <li><b>Profit on debt, deposit, bond, securities, certificate etc.:</b> <ul style="list-style-type: none"> <li>Amount Upto Rs. 500,000/-</li> </ul> </li> </ul>                                                                                                                                                                                               | <p>10%</p>                                                                   |

| Section | Responsible                                                                                                                    | Nature of Payment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Rates                                            |
|---------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| 151     | Company,<br>Financial<br>Institutions,<br>Federal<br>Govt.,<br>Provincial<br>Govt., Local<br>Authority,<br>Finance<br>Society. | <ul style="list-style-type: none"> <li>– More than Rs. 500,000/-</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                      | 15%                                              |
| 152     | All Payers                                                                                                                     | <ul style="list-style-type: none"> <li>▪ <b>Payment to non-resident</b> <ul style="list-style-type: none"> <li>– Construction, assembly or installation contracts / all other contracts including services rendered and contracts for Advertisement by Satellite Channels</li> <li>– Royalty / Fee for Technical Services</li> <li>– Insurance and Reinsurance premium</li> <li>– Advertisement services by media person relaying from outside Pakistan</li> <li>– Others</li> </ul> </li> </ul> | 7%M<br><br>15%F<br><br>5%F<br><br>10%<br><br>20% |
| 152     | All Payers                                                                                                                     | <ul style="list-style-type: none"> <li>▪ <b>Payment to Permanent Establishment of a Non-Resident</b> <ul style="list-style-type: none"> <li>– Sale of Goods               <ul style="list-style-type: none"> <li>• Companies</li> <li>• Other than companies</li> </ul> </li> <li>– Rendering or providing of Services               <ul style="list-style-type: none"> <li>• Transport services</li> </ul> </li> </ul> </li> </ul>                                                              | 4%<br>4.50%<br><br>2%M                           |

| Section | Responsible                                                                                                                                                          | Nature of Payment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Rates                                                                                     |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| 152     | All Payers                                                                                                                                                           | <ul style="list-style-type: none"> <li>• Other than Transport (Companies)</li> <li>• Other than companies</li> <li>– On execution of contracts</li> <li>• Payment to a person</li> <li>• Payment to Sports persons</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 8%M<br>10%M<br>7%M<br>10%M                                                                |
|         | Banking Company or Financial institutions                                                                                                                            | <ul style="list-style-type: none"> <li>▪ Fee for offshore digital services remitting outside Pakistan to non-resident person</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 15%F                                                                                      |
| 152A    | All Payers                                                                                                                                                           | <ul style="list-style-type: none"> <li>▪ Payment to a non-resident person for foreign produced commercial for advertisement</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 20%F                                                                                      |
| 153(1)  | Federal Govt., Company, A.O.P Constituted by or under Law, Foreign Contractor or Consultant or Consortium or Joint Venture or an AOP & Individual Having Turnover of | <ul style="list-style-type: none"> <li>▪ <b>Payments to Companies</b> <ul style="list-style-type: none"> <li>– Sale of goods</li> <li>– Rendering of Services except specified services</li> <li>– Execution of Contracts</li> <li>– Electronic and print media</li> <li>– Distributors of fast moving consumer goods</li> </ul> </li> <li>▪ <b>Payment to other taxpayers</b> <ul style="list-style-type: none"> <li>– Sale of Goods</li> <li>– Rendering of Services except specified services</li> <li>– Execution of Contracts</li> <li>– Payment to Sports Person</li> <li>– Electronic and print media</li> <li>– Distributors of fast moving consumer goods</li> </ul> </li> </ul> | 4%<br>8%M<br>7%<br>1.5%M<br>2%M/A<br><br>4.5%M<br>10%M<br>7.5%M<br>10%F<br>1.5%F<br>2.5%M |

| Section | Responsible                                                                                                               | Nature of Payment                                                                                                                                                                                                                                                                                                            | Rates           |
|---------|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 153(1)  | Rs.50 M or above, Non-Profit Organization, Person registered under Sales Tax Act, 1990.                                   | <ul style="list-style-type: none"> <li>▪ Rice, Cotton seeds oil, Edible oil</li> <li>▪ Services of: Transport, freight forwarding, courier, air cargo, manpower, hotel, security, IT, advertisement (other than print electronic), share registrar, car rental, building maintenance, PSX, PMEL etc.</li> </ul>              | 1.5%<br><br>3%M |
| 153(2)  | Every exporter or Export House                                                                                            | <ul style="list-style-type: none"> <li>▪ Services rendered in connection with export of goods</li> </ul>                                                                                                                                                                                                                     | 1%M             |
| 153B    | Every person                                                                                                              | <ul style="list-style-type: none"> <li>▪ Every person paying an amount of royalty, in full or in part including by way of advance, to a resident person shall deduct tax from the gross amount payable</li> </ul>                                                                                                            | 15%             |
| 154     | Authorized foreign exchange dealers/ Banking Company, EPZ Authority, Direct Exporter/ Export House, Collector of Customs. | <ul style="list-style-type: none"> <li>▪ Export proceeds on supply of goods, on realization of foreign exchange on exports, export of goods by an industrial undertaking within EPZ and payment to Indirect Exporter for a contract by direct exporter</li> <li>▪ Commission due to an indenting commission agent</li> </ul> | 1%F<br><br>5%F  |

| Section | Responsible                                                                                                                                                                                                                                                                                                                             | Nature of Payment                                                                                                                                                                                | Rates                         |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 155     | Federal Govt.,<br>Provincial Govt.<br>Local Govt.,<br>Company,<br>Non-Profit<br>Organization,<br>Diplomatic<br>Mission,<br>Private<br>Education<br>Institution.<br>Boutique,<br>Beauty Parlour,<br>Hospital, Clinic,<br>Maternity<br>home,<br>Individuals &<br>AOPs paying<br>Gross Rent of<br>Rs. 1.5million<br>or above in a<br>year. | <ul style="list-style-type: none"> <li>▪ <b>Payment of Rent to:</b> <ul style="list-style-type: none"> <li>– Payment of Rent to Companies</li> <li>– Other than companies</li> </ul> </li> </ul> | 15%<br><br>Applicable<br>rate |
| 156     | All Payers                                                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>▪ Prize on Prize bonds or cross word puzzle</li> <li>▪ Winning prizes from raffle, lottery, quiz etc.</li> </ul>                                          | 15%F<br><br>20%F              |
| 156A    | All Payers                                                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>▪ Commission/Discount on Petroleum products to Petrol pump operator</li> </ul>                                                                            | 12%F                          |
| 231A    | Banking Companies                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>▪ Cash withdrawals exceeding Rs. 50,000 in a day</li> </ul>                                                                                               | 0.6% NF                       |

| Section | Responsible                                                                | Nature of Payment                                                                                                                                                                                                                                                                                                                                             | Rates                                                                |
|---------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| 231AA   | Banks, NBFI, Exchange Companies<br>Authorized dealers of Foreign exchange. | <ul style="list-style-type: none"> <li>▪ Sale against cash or any instrument including DD, Pay Order, CDR, STDR, SDR, RTC or any instrument of bearer nature or on receipt of cash on cancellation of any of these instruments exceeding Rs. 25,000</li> </ul>                                                                                                | 0.6% NF                                                              |
| 231B    | Motor Vehicle Registering Authority, Manufacturer of Motor Cars or Jeeps.  | <ul style="list-style-type: none"> <li>▪ Engine capacity from 850cc and above: <ul style="list-style-type: none"> <li>– At first registration</li> <li>– At subsequent registration</li> <li>– At the time of leasing of motor vehicle</li> </ul> </li> </ul> <p><i>Rate of tax shall be reduced by 10% each year from the date of first registration</i></p> | <p>Rs. 7,500 to Rs. 250,000</p> <p>NIL to Rs. 62,500</p> <p>4%NF</p> |
| 233     | Federal Govt., Provincial Govt., Local Govt., Company                      | <ul style="list-style-type: none"> <li>▪ Brokerage or commission paid to: <ul style="list-style-type: none"> <li>– Advertisement Agents</li> <li>– Life Insurance Agents; where commission received is less than Rs. 0.5 million p/a</li> </ul> </li> </ul>                                                                                                   | <p>10%M</p> <p>8%M</p>                                               |

| Section | Responsible                            | Nature of Payment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Rates                                                                                                                    |
|---------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| 233     | AOP constituted by or under law.       | <ul style="list-style-type: none"> <li>Person running online market place</li> <li>Persons not covered in above</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 5%<br><br>12%M                                                                                                           |
| 233A    | Stock Exchanges Registered in Pakistan | <ul style="list-style-type: none"> <li>Commission on purchase and sale of shares:               <ul style="list-style-type: none"> <li>Purchase of shares</li> <li>Sale of shares</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0.01% of purchase value<br><br>0.01% of sale value                                                                       |
| 233AA   | NCCPL                                  | <ul style="list-style-type: none"> <li>Margin Financing, etc.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 10%                                                                                                                      |
| 234     | Person collecting motor vehicle tax    | <ul style="list-style-type: none"> <li><b>Goods Transport Vehicle</b> <ul style="list-style-type: none"> <li>Transport vehicles with different registered laden weights</li> <li>Transport vehicle with laden weight of 8,120 Kg or more after a period ten years from the date of first registration</li> </ul> </li> <li><b>Passenger Transport Vehicles</b> <ul style="list-style-type: none"> <li>Seating Capacity                   <ul style="list-style-type: none"> <li>Four or more person but less than ten persons</li> <li>Ten or more persons but less than twenty persons</li> <li>Twenty persons or more</li> </ul> </li> </ul> </li> </ul> | Rs.2.50 /Kg<br><br>Rs. 1,200<br><br><br><br><br><br><br><br><br><br>Rs.50 /Seat<br><br>Rs. 100 /Seat<br><br>Rs.300 /Seat |

| Section | Responsible                                 | Nature of Payment                                                                                                                                                                                                                                                                                                                                                       | Rates                                                                                        |
|---------|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 234     |                                             | <ul style="list-style-type: none"> <li>▪ <b>Other Private Motor Vehicles</b> <ul style="list-style-type: none"> <li>– Engine Capacity between 1000cc to 2000cc and above</li> </ul> </li> <li>▪ <b>Where motor vehicle tax collected in lump-sum</b> <ul style="list-style-type: none"> <li>– Engine Capacity between 1000cc to 2000cc and above</li> </ul> </li> </ul> | <p>Rs. 800 to Rs. 10,000</p> <p>Rs. 10,000 to Rs. 120,000</p>                                |
| 234A    | Person preparing bills                      | <ul style="list-style-type: none"> <li>▪ Gas bill of a compressed Natural Gas Station</li> </ul>                                                                                                                                                                                                                                                                        | 4% M                                                                                         |
| 235     | Person preparing Electricity bills          | <ul style="list-style-type: none"> <li>▪ Commercial / Industrial consumer of electricity: <ul style="list-style-type: none"> <li>– Bill amount Rs. 0 to Rs. 400</li> <li>– Gross bill amount Rs. 401 to Rs. 20,000</li> <li>– Gross bill amount exceeding Rs. 20,000</li> </ul> </li> </ul>                                                                             | <p>0%</p> <p>Rs. 80 to Rs. 1,500</p> <p>12 % for commercial &amp; 5% for industrial user</p> |
| 235A    | Person preparing Domestic Electricity bills | <ul style="list-style-type: none"> <li>▪ Bill amount: <ul style="list-style-type: none"> <li>– less than Rs. 75,000</li> <li>– Rs. 75,000 or more</li> </ul> </li> </ul>                                                                                                                                                                                                | <p>0%</p> <p>7.5%</p>                                                                        |

| Section | Responsible                                                    | Nature of Payment                                                                                                                                                                                                                             | Rates                                                                            |
|---------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| 235B    | Person preparing Electricity bills                             | <ul style="list-style-type: none"> <li>Tax on Electricity consumed by steel melters etc</li> </ul>                                                                                                                                            | Rs. 1/- per unit                                                                 |
| 236     | Person issuing bill or selling units through electronic medium | <ul style="list-style-type: none"> <li>Monthly Telephone bill exceeding Rs.1,000.</li> <li>In case of subscribers of Internet, Mobile Phones &amp; Prepaid telephone cards or sale of units in electronic medium or whatever form.</li> </ul> | 10% of amount exceeding Rs. 1,000<br><br>12.5% of bill or sale price of internet |
| 236A    | Person Making Sale by auction or Auction by Tender             | <ul style="list-style-type: none"> <li>Gross sale price of Property/ Goods</li> </ul>                                                                                                                                                         | 10%F                                                                             |
| 236B    | Person Preparing Air ticket                                    | <ul style="list-style-type: none"> <li>Purchase of domestic air ticket.</li> </ul>                                                                                                                                                            | 5%                                                                               |
| 236C    | Person Registering or Attesting Transfer of Immovable Property | <ul style="list-style-type: none"> <li>Sale / Transfer of immovable property</li> </ul>                                                                                                                                                       | 1%                                                                               |
| 236D    | Owner, Operator etc. of a marriage hall, hotel                 | <ul style="list-style-type: none"> <li>Function of marriage in a marriage hall, marquee, hotel, restaurant, commercial lawn, club, a community place or any other place used for such purpose:</li> </ul>                                     |                                                                                  |



| Section | Responsible             | Nature of Payment                                                                                                                                                                                                                                                                | Rates                                                                                                                                                              |
|---------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 236D    | , restaurant, club etc. | <ul style="list-style-type: none"> <li>– For specified cities</li> <li>– Other than specified cities</li> </ul>                                                                                                                                                                  | <p>5% of the bill ad valorem or Rs. 20,000 per function, whichever is higher</p> <p>5% of the bill ad valorem or Rs. 10,000 per function, whichever is higher.</p> |
| 236F    | PEMRA                   | <ul style="list-style-type: none"> <li>▪ Cable TV Operators in respect of: <ul style="list-style-type: none"> <li>– Issuance of License for distribution services</li> <li>– Renewal of License</li> <li>– IPTV, FM Radio, MMDS, Mobile TV, Mobile Audio,</li> </ul> </li> </ul> | <p>Rs.7,500 to Rs. 875,500</p> <p>Rs. 10,000 to Rs.900,000</p> <p>20% of</p>                                                                                       |

| Section     | Responsible                                                                                                                                                         | Nature of Payment                                                                                                                                                                                                                                                                                         | Rates                                      |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 236F        |                                                                                                                                                                     | Satellite TV Channel and lending rights<br><br>– Permission fee or renewal fee for screening of foreign TV drama or play, other than English language                                                                                                                                                     | Permission Fee or Renewal Fee<br><br>50%   |
| 236G & 236H | Manufacturer, Commercial Importer of Electronics, Sugar, Cement, Iron & Steel Products, fertilizers, Cigarettes, Glass, Textiles, Beverages, Paint or Foam sectors. | <ul style="list-style-type: none"> <li>▪ <b>Sale to Distributors</b> <ul style="list-style-type: none"> <li>– Fertilizers</li> <li>– Other than Fertilizers</li> </ul> </li> <li>▪ <b>Sale to Retailers</b> <ul style="list-style-type: none"> <li>– Electronics</li> <li>– Others</li> </ul> </li> </ul> | 0.7%<br><br>0.1%<br><br><br>1%<br><br>0.5% |
| 236HA       | Person selling petroleum Products                                                                                                                                   | ▪ Petroleum products to petrol pump operator or distributor                                                                                                                                                                                                                                               | 0.5% F                                     |
| 236I        | Education Institutions                                                                                                                                              | ▪ Annual fee other than scholarship exceeding Rs. 200,000/-                                                                                                                                                                                                                                               | 5%                                         |
| 236J        | Market Committee                                                                                                                                                    | ▪ Dealers, Commission agents or arhatis at the time of issuance or renewal of Licenses.                                                                                                                                                                                                                   | Rs. 50,000 to Rs. 100,000                  |

| Section | Responsible                                                                                                   | Nature of Payment                                                                                                                                                                                                                                                                              | Rates                                                 |
|---------|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| 236K    | Fed Govt.,<br>Provincial<br>Govt., Local<br>Foreign<br>diplomatic<br>commission<br>in<br>Pakistan<br>Govt. or | <ul style="list-style-type: none"> <li>▪ Purchase/transfer of immoveable property whether on installment or lump sum.</li> </ul>                                                                                                                                                               | 1%                                                    |
| 236L    | Every airline<br>issuing air<br>ticket for<br>journey<br>originating<br>from<br>Pakistan                      | <ul style="list-style-type: none"> <li>▪ Purchase of international air ticket:                             <ul style="list-style-type: none"> <li>– First/Executive class (per person)</li> <li>– Others excluding economy (per person)</li> <li>– Economy (per person)</li> </ul> </li> </ul> | Rs.<br>16,000/-<br><br>Rs.<br>12,000/-<br><br>Rs. 0/- |
| 236P    | All Banking<br>Companies                                                                                      | <ul style="list-style-type: none"> <li>▪ Banking transaction otherwise than cash exceeding Rs. 50,000 in a day.</li> </ul>                                                                                                                                                                     | 0.6% NF                                               |
| 236Q    | All Payers                                                                                                    | <ul style="list-style-type: none"> <li>▪ Payments to a resident person for use or right to use industrial, commercial and scientific equipment and rent of machinery.</li> </ul>                                                                                                               | 10%F                                                  |
| 236U    | Insurance<br>Company                                                                                          | <ul style="list-style-type: none"> <li>▪ General insurance premium</li> <li>▪ Life insurance premium if exceeding Rs 0.3 million per annum</li> </ul>                                                                                                                                          | 4% NF<br><br>1% NF                                    |

| Section | Responsible                                            | Nature of Payment                                                                                                                                                           | Rates |
|---------|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 236V    | Provincial Authority Collecting royalty per metric ton | <ul style="list-style-type: none"> <li>On the value of minerals extracted, produced, dispatched and carried away from the licensed or leased areas of the mines.</li> </ul> | 5% NF |
| 236X    | Pakistan Tobacco Board or its contractors              | <ul style="list-style-type: none"> <li>Advance tax will be collected from every person purchasing tobacco.</li> </ul>                                                       | 5%    |
| 236Y    | Every Banking Company                                  | <ul style="list-style-type: none"> <li>Amount remitted outside Pakistan through credit/debit cards</li> </ul>                                                               | 1%    |

F = Full and Final Discharge of Tax

M = Minimum Tax

NF = Non Filer / Not appearing in active taxpayer list

- For persons not appearing in the active taxpayer list, the rate of tax collected and deducted shall be increased by 100% as per newly introduced 10th schedule to the Ordinance subject to certain exceptions
- All payments are liable to withholding tax without any monetary threshold except for a transaction of Rs.75,000 and Rs. 30,000 for goods and services, respectively.
- Tax deducted u/s 153 on payments received on account of supply of goods by listed Company and a Manufacturer Company shall not be covered under Final Tax Regime.



### DUE DATES OF RETURNS COMPANIES

| Income Year Ended                                 | Due Date                   |
|---------------------------------------------------|----------------------------|
| 1 <sup>st</sup> January to 30 <sup>th</sup> June  | 31 <sup>st</sup> December  |
| 1 <sup>st</sup> July to 31 <sup>st</sup> December | 30 <sup>th</sup> September |

### OTHERS

| Status                                               | Year End      | Due Date                   |
|------------------------------------------------------|---------------|----------------------------|
| Income tax Returns and Statement u/s 114(4) & 115(4) | All year ends | 30 <sup>th</sup> September |

### VARIOUS STATEMENTS TO BE FILLED

| Description                                             | Due Date                     |
|---------------------------------------------------------|------------------------------|
| Withholding statement for the period:                   |                              |
| ▪ January to June                                       | 31 <sup>st</sup> July        |
| ▪ July to December                                      | 31 <sup>st</sup> January     |
| Annual Withholding Statement for Tax Deducted on Salary | 31 <sup>st</sup> day of July |

## FEDERAL SALES TAX

### RATE OF TAXES

#### GENERAL

| Type                 | Rates |
|----------------------|-------|
| ■ Standard Sales Tax | 17%*  |

\*Further tax at the rate of 3% shall be charged for sales made to unregistered person.

#### RETAILERS

|                                                                                                                                                                                 |                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>■ Tier-1 retailer: <ul style="list-style-type: none"> <li>– Integrated with FBR's online system</li> <li>– Others</li> </ul> </li> </ul> | <p style="text-align: center;">14%</p> <p style="text-align: center;">17%</p> |
| ■ Other than Tier-1 Retailers                                                                                                                                                   | Sales tax charged in electricity bills                                        |

#### DUE DATE OF RETURNS

| S. No | Description                       | Date of submission                     |
|-------|-----------------------------------|----------------------------------------|
| 1     | Annexure –C & I relating to Sales | 10 <sup>th</sup> day of the next month |
| 2     | Payment of Sales Tax Payable      | 15 <sup>th</sup> day of a month        |
| 3     | Sales Tax Return (Complete)       | 18 <sup>th</sup> day of a month        |

#### WITHHOLDING OF SALES TAX

| Withholding agent                                                                                                                                                            | Supplier category                                           | Rate or extent of deduction             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------|
| ■ Federal and provincial government departments; autonomous bodies; and public sector organizations & Companies as defined in the Income Tax Ordinance, 2001 (XLIX of 2001). | ■ Registered Persons                                        | 1/5th of Sales Tax as shown on invoice  |
|                                                                                                                                                                              | ■ Person registered as a wholesaler, dealer or distributor. | 1/10th of Sales Tax as shown on invoice |

|                                                                                                                                                      |                                                                                           |                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Federal and provincial government departments; autonomous bodies; and public sector organizations.</li> </ul> | <ul style="list-style-type: none"> <li>Unregistered persons</li> </ul>                    | Whole of the tax involved or as applicable to supplies on the basis of gross value of supplies |
| <ul style="list-style-type: none"> <li>Companies as defined in the Income Tax Ordinance, 2001(XLIX of 2001)</li> </ul>                               | <ul style="list-style-type: none"> <li>Unregistered persons</li> </ul>                    | 5% of gross value of supplies                                                                  |
| <ul style="list-style-type: none"> <li>Registered persons as recipient of advertisement services</li> </ul>                                          | <ul style="list-style-type: none"> <li>Person providing advertisement services</li> </ul> | Whole of sales tax applicable                                                                  |
| <ul style="list-style-type: none"> <li>Registered persons purchasing cane molasses</li> </ul>                                                        | <ul style="list-style-type: none"> <li>Unregistered persons</li> </ul>                    | Whole of sales tax applicable                                                                  |

#### **Exclusions:**

- The rates of above withholding or deduction by the withholding agent shall not be applicable to the following goods and supplies:
  - Electrical energy;
  - Natural gas;
  - Petroleum products as supplied by petroleum production and exploration companies, oil refineries, oil marketing companies and dealers of motor spirit and high speed diesel;
  - Vegetable ghee and cooking oil;
  - Telecommunication services;
  - Goods specified in the Third Schedule to the Sales Tax Act, 1990;
  - Supplies made by importers who paid value addition tax on such goods at the time of import; and
  - Supplies made by an Active Taxpayer to another registered persons with exception of advertisement services.



## PUNJAB SALES TAX ON SERVICES

### RATE OF TAX

| Description                                                                                                                                   | Rate of Tax                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| ▪ Standard Sales Tax Rate                                                                                                                     | 16%                                                                |
| ▪ Telecommunication services except internet provided to students upto Rs.1500 per month                                                      | 19.5%                                                              |
| ▪ Freight forwarding agents.(Per bill of lading)                                                                                              | Rs. 1,000/-                                                        |
| ▪ Call centers                                                                                                                                | 19.5%                                                              |
| ▪ Services provided by persons for inter-city carriage of goods by rail or road                                                               | 15%                                                                |
| ▪ Property developers, builders and promoters (including their allied services ) excluding actual purchase value or development cost of land: |                                                                    |
| – Affordable housing services provided under government sponsored housing programs                                                            | 8% without input tax adjustment and 16% with input tax adjustments |
| – Others                                                                                                                                      | 5% without input tax adjustment and 16% with input tax adjustment  |
| ▪ Construction services and services provided by contractors of building (including related services)<br><b>Excluding:</b>                    | 5% without input tax credit                                        |
| – Where tax is paid as property developers, builders and promoters                                                                            |                                                                    |
| – Construction work is funded by foreign grant of construction consular building                                                              |                                                                    |
| – Construction of one house or an apartment, where covered area does not exceed 10,000 sq. ft. and 20,000 sq. ft. respectively                |                                                                    |
| ▪ Facilities for travel by air Originating from Punjab for domestic and international travel                                                  | 5% without input tax adjustment                                    |



|                                     |                                                                                                       |                                                                      |
|-------------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| advertisement services;<br>company. | <ul style="list-style-type: none"> <li>– Companies being active taxpayer</li> <li>– others</li> </ul> | Whole amount of sales tax mentioned on invoice or at applicable rate |
|-------------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|

**Exclusions:**

- The withholding rules shall not apply to services relating to telecommunication, banking, courier and insurance services (insurance services originating from Punjab).

**SINDH SALES TAX ON SERVICES**  
**RATE OF TAX**

| <b>Description</b>                                                                                                       | <b>Rate of Tax</b>                           |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| ▪ Standard Sales Tax Rate                                                                                                | 13%                                          |
| ▪ Telecommunication Services/ Telephone services/ Internet services/ tracking services                                   | 19.5% or exempt (with certain conditions)    |
| ▪ Other than group life insurance                                                                                        | 3%                                           |
| ▪ Services for sale, purchase or hire of immovable property.                                                             | 13% or 10%                                   |
| ▪ Property developers or promoters:<br>– Development<br>– Construction                                                   | 13% or;<br>Rs. 100/sq. yd.<br>Rs.50/sq. ft.. |
| ▪ Services provided or rendered for personal care by parlors, beauty clinics, slimming clinics or centers and others.    | 13% or 10%                                   |
| ▪ Fumigation, Maintenance or cleaning, Dredging or distilling services, Janitorial services.                             | 13% or 10%                                   |
| ▪ Franchise services                                                                                                     | 8% or 10%                                    |
| ▪ Construction services<br>– With certain exemptions<br>– In relation to Govt. civil works                               | 13% or 8%<br>5%                              |
| ▪ Services provided or rendered by Race Club:<br>– Services of entry/admission<br>– Other services                       | (a) Rs. 200/entry<br>(b) 13%                 |
| ▪ Services provided or rendered by program producers and production houses                                               | 13% or 8%                                    |
| ▪ Services provided or rendered by corporate law consultants                                                             | 13% or 8%                                    |
| ▪ Services provided or rendered by fashion designers                                                                     | 13% or 5%                                    |
| ▪ Services provided and rendered by cab aggregator and owners or drivers of motor vehicles using cab aggregator services | 5%                                           |
| ▪ Vehicle parking and valet services                                                                                     | 5%                                           |
| ▪ Renting of machinery, equipment, appliances and other tangible goods                                                   | 5%                                           |



|                                                                                                                                                                                            |                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| ▪ Insurance agent                                                                                                                                                                          | 5%              |
| ▪ Indoor sports and games                                                                                                                                                                  | 10%             |
| ▪ Advertisement in newspaper and periodicals                                                                                                                                               | 3%              |
| ▪ Services provided by manufacturing or processing of leather goods                                                                                                                        | 3%              |
| ▪ Tour operators excluding Hajj and Umrah                                                                                                                                                  | 13% or 5%       |
| ▪ Services provided or rendered by persons engaged in inter-city transportation or carriage of goods by road:<br>– Through truck addas or bus/wagon stand<br>– Through pipeline or conduit | 3%<br>13% or 8% |
| ▪ Ready mix concrete services                                                                                                                                                              | 13% or 8%       |
| ▪ Intellectual property rights services                                                                                                                                                    | 13% or 10%      |
| ▪ Travel agent                                                                                                                                                                             | 13% or 5%       |
| ▪ Renting of Immoveable Property with certain exemptions                                                                                                                                   | 13% or 3%       |
| ▪ Training services                                                                                                                                                                        | 5%              |
| ▪ Services provided by car/automobile dealers                                                                                                                                              | 13% or 10%      |
| ▪ Auctioneers                                                                                                                                                                              | 13% or 10%      |
| ▪ Property dealers                                                                                                                                                                         | 13% or 10%      |
| ▪ Legal Practitioners & Consultants, Accountants & Auditors and Tax Consultants.                                                                                                           | 13% or 8%       |
| ▪ Security Agencies                                                                                                                                                                        | 13% or 10%      |
| ▪ Rent a car and automobile rental service                                                                                                                                                 | 13% or 10%      |
| ▪ Services provided by cable TV operator                                                                                                                                                   | 13% or 10%      |
| ▪ Services provided or rendered by stand-alone laundries and dry cleaners                                                                                                                  | 13% or 5%       |

### SALES TAX ON SERVICES (WITHHOLDING RULES)

| Withholding agent                                                                                                                                                                                                                                                                                                                         | Nature of payment                                                                                                                                                                                          | Withholding                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Government(Federal, Provincial or Local) including organizations funded by Govt.; Autonomous or public sector organization; FBR or SRB registered person including recipient of advertisement services; advertising agents, renting of immoveable property, auctioneers, inter-city transportation or carriage of goods by road; company. | <ul style="list-style-type: none"> <li>▪ <b>Advertisement services, advertising agents, renting of immoveable property, auctioneers, inter-city transportation or carriage of goods by road</b></li> </ul> | Whole amount of sales tax mentioned on invoice or at applicable rate                                       |
|                                                                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>▪ <b>Other than above:</b> <ul style="list-style-type: none"> <li>– Registered person</li> </ul> </li> </ul>                                                        | 20% of sales tax mentioned on invoice or<br>Whole amount at applicable rate if amount not shown on invoice |
|                                                                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>– Un-registered person</li> </ul>                                                                                                                                   | Whole amount at applicable rate                                                                            |

## SERVICES SUBJECT TO SPECIAL PROCEDURES

- Banking companies, financial institutions, cooperative financing societies, modarabas, musharikas, leasing companies, foreign exchange dealers, non- banking financial institutions, companies providing management services etc.
- Insurance or reinsurance companies.
- Shipping agents.
- Advertising agents.
- Television radio, cable TV and CCTV.
- Sponsor ship services.
- Telecommunication Services.
- Franchise and intellectual property service.
- Customs House Agents, Clearing Agents and Ship-Chandlers.
- Stevedores.
- Freight Forwarding Agents.
- Port Operators and Terminal Operators.
- Airports Operators and Airport Terminal Operators.
- Airport ground service providers and airport service providers.
- Ship Management Services.
- Foreign Exchange Companies, Forex Dealers and Money Changers.
- Stockbrokers, Commodity brokers or future brokers.
- Underwriters.
- Indenters and commission agents.
- Hotels, motels, guest houses, clubs, restaurants, marriage halls and lawns, caterers etc.
- Property developers and promoters.
- Construction services.
- Ready mix concrete services.
- Renting of immovable property services.
- Beauty Parlors, Beauty Clinics, Slimming Clinics, Body Massage Centers, Pedicure Centers etc.
- Security Agency.
- Labour and Manpower Supply Services.
- Legal Practitioners & Consultants, Accountants & Auditors and Tax Consultants.
- Persons or transport agencies engaged in the services of or in relation to intercity transportation or carriage of goods by road or through pipeline or conduit.
- Manufacturing or processing for others on toll basis.



## NOTES

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