

AN

ORDINANCE

further to amend the Income Tax Ordinance, 2001

WHEREAS, it is expedient further to amend the Income Tax Ordinance, 2001 (XLIX of 2001) in the manner and for the purposes hereinafter appearing;

AND WHEREAS, the Senate and the National Assembly are not in session and the President of the Islamic Republic of Pakistan is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of Article 89 of the Constitution of the Islamic Republic of Pakistan, the President of the Islamic Republic of Pakistan is pleased to make and promulgate the following Ordinance: –

1. Short title and commencement. – (1) This Ordinance shall be called the Income Tax (Amendment) Ordinance, 2024.

(2) It shall, unless provided otherwise, come into force at once.

(3) Nothing in this Ordinance shall affect transactions which are past and closed.

2. Amendment in the First Schedule, Ordinance XLIX of 2001. – In the Income Tax Ordinance, 2001 (XLIX of 2001), hereinafter called as the said Ordinance, in the First Schedule, in Part I, in Division II, for the Table, the following shall be substituted, namely: –

“Type of Company (1)	Rate of Tax (2)		
	Tax Year 2025	Tax year 2026	Tax year 2027 and onwards
Banking Company	44%	43%	42%
Small Company	20%		
Any other company	29%”.		

3. Amendments in the Seventh Schedule, Ordinance XLIX of 2001. – In the said Ordinance, in the Seventh Schedule, in rule 6C, in sub-rule (6A), –

- (a) for the expression ‘2022 and onwards’, the figure ‘2023’ shall be substituted; and**
- (b) the existing explanation appearing at the end, shall be numbered as Explanation-1 and thereafter the following Explanation-2 and the proviso shall be added, namely: –**

“Explanation-2. – For removal of doubt, it is clarified that the term “gross advances and deposit” referred to in this sub-rule for the purpose of computing gross advances to deposit ratio shall be the amount of “gross advances and deposit” at the end of the accounting period and as disclosed in the annual audited accounts:

Provided that from tax year 2025 and onwards profits and gains of a banking company shall be subjected to tax rates under Division II of Part I to the First Schedule and nothing contained in this sub-rule shall apply to compute part or whole of the tax liability of a banking company.”.

ASIF ALI ZARDARI
President