

## **Notes on Clauses**

### **(PETROLEUM PRODUCTS (SURCHARGE) ORDINANCE, 1961 (XXV OF 1961)**

- Clause 2(1)                      Seeks to substitute in the preamble of the Ordinance, the words “petroleum levy” for the word “surcharge” as it has already been substituted through Ordinance XV of 1961 dated 8.7.2009 as well as Ordinance XXVI of 2009 dated 31.10.2009.
- Clause 2(2)                      Seeks to substitute in section 1 of the Ordinance, the words “petroleum levy” for the word “surcharge” as it has already been substituted through Ordinance XV of 1961 dated 8.7.2009 as well as Ordinance XXVI of 2009 dated 31.10.2009.
- Clause 2(3)(a)                   Seeks to omit in section 2(4Ba) of the Ordinance, the word “development” in order to make short title.
- Clause 2(3)(b)                   Seeks to omit in section 2 of the Ordinance, the clause (4D) as it no longer exists.
- Clause 2(4)(a)                   Seeks to substitute in section 3 of the Ordinance, in the marginal note, the words “petroleum levy” for the words “Development Surcharge” to make this section according to preamble.
- Clause 2(4)(b)                   Seeks to substitute in section 3 of the Ordinance, in the marginal note, the words “petroleum levy”

for the words “development surcharge” to make this section according to preamble.

Clause 2(4)(c) Seeks to insert in section 3 of the Ordinance, a new sub-section namely “(1A) Every Company and licensee shall pay the petroleum levy in such manner as the Federal Government may, by rules, prescribe” to provide transparency.

Clause 2(5)(a) Seeks to substitute in section 3A of the Ordinance, the words “petroleum levy” to keep similarity of words.

Clause 2(5)(b) Seeks to substitute in section 3A of the Ordinance, the words “Federal Excise Act, 2005” for “Central Excise Act, 1944” as latest Act has been promulgated.

Clause 2(5)(c) Seeks to substitute in section 3A for the Ordinance, the words “Central Excise Act, 1944” the words “Federal Excise Act, 2005” as latest Act has been promulgated.

Clause 2(5)(d) Seeks to omit in section 3A of the Ordinance, the figure and word “1 of 1944” as latest Act has been promulgated.

Clause 2(6)(a) Seeks to substitute in section 5 of the Ordinance in the marginal note, the words “petroleum levy” the words “development surcharge” to provide similar words.

Clause 2(6)(b) Seeks to substitute in section 5 the words

“petroleum levy” for “development surcharge” to provide similar words.

- Clause 2(6)(c) Seeks to substitute in section 5 of the Ordinance, the words “Income Tax Ordinance 2001” for “Income Tax Ordinance, 1979” on account of promulgation of latest Ordinance.
- Clause 2(6)(d) Seeks to omit the figures and word “XXXI of 1979” in section 5 of the Ordinance, as new Act has been promulgated.
- Clause 2(7) Seeks to substitute in section 6 the words “petroleum levy” for “development surcharge” to provide similar words in the Ordinance.
- Clause 2(8)(a) Seeks to omit in section 8 of the Ordinance the words “or Secretary of Oil Companies Advisory Committee or his duly authorized nominee” because prices of petroleum products are being regulated by the OGRA.
- Clause 2(8)(b) Seeks to omit the word Explanation in section 8 of the Act as it no more exists.
- Clause 2(9)(a) Seeks to add a new section after section 8 of the Ordinance in order to avoid legal complications and validate revenue already received by the Government.
- Clause 2(10) Seeks to substitute fifth schedule in the Ordinance to provide transparency by fixing rates of petroleum products.

### **Customs Act, 1969(IV of 1969)**

- Clause 3(1)(a)                      Seeks to delete in section 2, in clause (aaa), the coma and words “, Excise and Sales Tax” due to re-designation of Income Tax Appellate Tribunal as Appellate Tribunal Inland Revenue and transfer of jurisdiction to hear appeals pertaining to Sales Tax and Federal Excise to Appellate Tribunal Inland Revenue.
- Clause 3(1)(b)                      Seeks to substitute in section 2, in clause (s), the words “one hundred and fifty thousands” for “fifty thousand” keeping in view the change in rate of exchange of US \$ vis-à-vis Pak rupees so that the bonafide persons are not affected unduly.
- Clause 3(2)                              Seeks to substitute in section 25, in sub-section (15) in clause (b), the words “including any export duty which may be chargeable” for “including any regulatory duty which may be chargeable under sub-section (3) of section 18 of Customs Act, 1969” due to restriction upon levy of export duty vide sub-section (2) of Section 18 of the Customs Act, 1969.
- Clause 3(3)                              Seeks to add new proviso to section 25A so that clarity be given for the application of the value under section 25A till the time the value is revised or superseded or rescinded by the competent

authority.

- Clause 3(4) Seeks to substitute section 25D in order to clarify that review application before Director General Valuation shall lie in cases of the values determined by Director Valuation or Collector of Customs under section 25A and to fix a time limit of 30 days for filling a review application.
- Clause 3(5) Seeks to substitute section 27A as the said facility was envisaged for serviceable component of scrap consignments, therefore, existing provisions of section 27A require modification to restrict the permission for mutilation or scrapping of certain goods, notified by the Board imported with scrap consignments in serviceable condition.
- Clause 3(6) Seeks to insert new clause in section 32 to curb the tendency of misdeclaration and deliberate wrong self-assessment and less payment of revenue through computerized clearance system.
- Clause 3(7) Seeks to amend section 32A, sub-section (1), in clause(c) by inserting words and comma “payment of revenue through self-assessment,” to curb the tendency of deliberate wrong self-assessments on the part of the unscrupulous importers.
- Clause 3(8) Seeks to substitute in section 79, in sub-section (1), the first proviso in order to restrict the facility of filing of goods declaration after examining the goods by the importer to only in case of used

goods. The permission would be granted by the Additional Collector.

Clause 3(9)(a) Seeks to substitute in section 81, in sub-section (2), the words “three” for “six” in order to avoid delay in finalization of provisional assessment.

Clause 3(9)(b) Seeks to amend section 81, sub-section (4) by adding words “On completion of final determination under sub-section (3) or (4), the appropriate officer shall issue an order for recovery/adjustment or refund of amount secured as the case may be.”, in order to streamline procedure for recovery/encashment/ refund.

Clause 3(10)(a) Seeks to substitute in section 156, in sub-section (1), in clause (1), the word “fifty” for “twenty-five” as the increase in general penalty will create deterrence for contravening any provisions of the Customs Act, 1969.

Clause 3(10)(b) Seeks to substitute in section 156, in sub-section (1), in clause (64), the words, “not less than twice the value of the goods” for “exceeding twenty five thousand rupees and any goods”. The amendment is meant for enhancing the penalty for violation of section 128 and 129 of Customs Act, 1969. This penalty will create a deterrence vis-à-vis the smuggling through transit trade.

Clause 3(11) Seeks to delete in section 194, in sub-section (1), the comma and words “, Excise and Sales Tax” due

to re-designation of Income Tax Appellate Tribunal as Appellate Tribunal Inland Revenue and transfer of jurisdiction to hear appeals pertaining to Sales Tax and Federal Excise to Appellate Tribunal Inland Revenue.

Clause 3(12)

Seeks to add in section 194A, in sub-section (1), a new clause (e) which would enable any person or an officer of Customs to file an appeal before the Appellate Tribunal in cases of review order passed by the Director General Customs Valuation under section 25D provided the appeal is heard by the double bench of the Appellate Tribunal.

Clause 3(13)

Seeks to amend The First Schedule to the Customs Act, 1969 (IV of 1969).

**THE CHAIRMAN AND SPEAKER (SALARIES, ALLOWANCES AND PRIVILEGES) ACT, 1975 (LXXXII OF 1975)**

- Clause 4(1)(a)                Seeks to insert in section 2 of the Act, the words “and in sections 13 and 18 includes a person who has held such office after election thereto” after the word “President” to provide certain privileges to former Chairmen and Speakers in view of the status and dignity of the offices.
- Clause 4(1)(b)                Seeks to insert in section 2 of the Act, the words “and in sections 13 and 18 includes a person who has held such office after election thereto” after the word “President” to provide certain privileges to former Chairmen and Speakers in view of the status and dignity of the offices.
- Clause 4(2)                    Seeks to substitute in section 17A of the Act, the words “one million” for the words “six hundred thousand” as this per annum amount is insufficient keeping in view of the status of these office holders.
- Clause 4(3)                    Seeks to insert in section 18 of the Act, the words “or the Finance Committee of the Senate or National Assembly, as the case may be” after the word “Government” to avoid problem of granting additional privileges.
- Clause 4(4)                    Seeks to insert in section 18 of the Act, the words “or the Finance Committee of the Senate or National Assembly, as the case may be” after the word “Government” to avoid problem of granting additional privileges.

## **SALES TAX ACT, 1990**

- Clause 5(1)(a)                      Seeks to provide Unified Appellate Tribunal for three domestic taxes.
- Clause 5(1)(b)&(c)                Seeks to provide nomenclature for unified authority under three domestic taxes.
- Clause 5 (1)(d)to (4)              Appointment and designation of authorities.
- Clause 5 (2)                         Seeks to amend section 3 of the Act to substitute the word “seventeen” for the word “sixteen” wherever occurring to provide for increase in standard rate of sales tax
- Clause 5 (3)                         Seeks to change nomenclature to nominate three domestic taxes.
- Clause 5 (4)                         Seeks to change nomenclature to nominate three domestic taxes.
- Clause 5 (5)&(6)                    Seeks to change nomenclature to nominate three domestic taxes.
- Clause 5 (7)                         Seeks to enhance limit for retention of record from five to six years and where proceeding are pending before various authorities till the finalization of proceedings.
- Clause 5 (8)                         Seeks to bring harmony of conducting audit of three domestic taxes.
- Clause 5 (9)                         Seeks to harmonize nomenclature of authorities of three domestic taxes.

- Clause 5 (10)                      Seeks to introduce concept of non-arm's length transactions in Sales Tax Act as available in (Income Tax Act).
- Clause 5 (11) to (13)            Seeks to harmonize nomenclature of authorities of three domestic taxes.
- Clause 5 (14)                      Seeks to harmonize nomenclature of authorities of three domestic taxes and empowering Board to appoint authorities to carry out operation of this Act.
- Clause 5 (15)                      Seeks to harmonize nomenclature of authorities of three domestic taxes.
- Clause 5 (16)                      Seeks to empower Board to delegate its powers to different authorities to carry out operation of this Act.
- Clause 5 (17)                      Seeks to empower commissioner besides the Board.
- Clause 5 (18) to (21), (23), (24), (25), (26), (28), (30)(a), (31) to (36) (38) to (42), (45), (46).                      Seeks to harmonize nomenclature of authorities under three domestic taxes.
- Clause 5 (22)                      Seeks to empower the commissioner besides the Board.
- Clause 5 (27)                      Consequential to amendment made in section 25 in order to bring uniformity in audit procedures and processes of three domestic tax laws.

- Clause 5 (29)                      Seeks to bring uniformity in appeal procedures of three domestic taxes.
- Clause 5 (30) (b)(c)              Seeks to shift appellate jurisdiction of Sales Tax cases from Customs Tribunal to Appellate Tribunal Inland Revenue and enabling provision for transfer of jurisdiction of case.
- Clause 5 (37)                        Seeks to bring uniformity and improvement in service of notices/orders of three domestic taxes.
- Clause 5 (43)                        Seeks to give general protection to change mode in respect of nomenclature of authorities.

**ORDINANCE XLIX OF 2001 (INCOME TAX)**

- Clause 6(1)(a)            Seeks to provide Unified Appellate Tribunal for three domestic taxes.
- Clause 6(1)(b)            Seeks to provide unified designation of Chief Commissioner for functional and operational integration of three domestic taxes.
- Clause 6(1)(c)            Seeks to provide unified designation of Commissioner for functional and operational integration of three domestic taxes.
- Clause 6(1)(d)            Seeks to provide unified designation of Commissioner (Appeals) for functional and operational integration of three domestic taxes.
- Clause 6(1)(e)            Seeks to remove the ambiguity in the definition of industrial undertaking.
- Clause 6(1)(f)            Seeks to change nomenclature from taxation officer to officer of Inland Revenue in order to harmonize three domestic taxes
- Clause 6(1)(h)            Seeks to change nomenclature from taxation officer to officer of Inland Revenue in order to harmonize three domestic taxes

Clause 6(2)	Seeks to include Division-IB.
Clause 6(3)	Seeks to provide exemption to the benefit arising to an employee due to the waiver of his right of interest
Clause 6(4)	Seeks to correct grammatical error.
Clause 6(5) (a) & (b)	Seeks to tax capital gains on sale of securities
Clause 6(6)	Seeks to tax capital gains on sale of securities
Clause 6(7)	Seeks to provide 10% tax credit on BMR. Seeks to provide tax credit equal to 5% of the tax payable for companies opting for enlistment on registered stock exchange in Pakistan.
Clause 6(8)	Seeks to create first charge of income tax on the estate of deceased.
Clause 6(9)(a)	Seeks to tax the unexplained income in the year to which it relates
Clause 6(10) (a)	Seeks to impose minimum tax on individuals having turnover of Rs.50 million.
Clause 6(10) (b)	Seeks to impose minimum tax on those residents companies/ individuals/AOPs who have paid tax or tax is payable by them less than 1% of turnover from all their sources.
Clause 6(11)(a) (b)	Seeks to streamline the procedure for revision of return and to provide for revision of return after initiation of audit proceedings.
Clause 6(12)	Seeks to shift the requirement for wealth statement to the relevant section.
Clause 6(13)	Seeks to make it obligatory profiling of wealth statement along with return where no return has

been file in response to a notice.

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| Clause 6(14)    | Seeks to provide the dates of filing of return of income for various persons.  |
| Clause 6(15)    | Seeks uniformity in nomenclatures of additional taxes for nonpayment of taxes in respect of three domestic taxes.  |
| Clause 6 (16)   | Consequential to the amendment made in section 177   |
| Clause 6(17)(a) | Consequential to the insertion of new section 122C   |
| Clause 6(17)(c) | Seeks to allow the firm of Cost Management Accountant alongwith Chartered Accountant for exercise of power under section 121.  |
| Clause 6(18)(a) | Seeks to allow amendment of assessment of the revise return filed under section 114(A).  |
| Clause 6(18)(b) | Seeks to further amend the assessment amended under section 122(5A) with retrospective effect from 01.07.2003.   |
| Clause 6(18)(c) | Seeks to allow to amend and further amend an assessment order under section 122(5A) where an appeal has been filed or decided against the order of the Commissioner in respect of any point which was not subject matter of such appeal. |
| Clause 6(19)    | Seeks to change the nomenclature of tax authority  |

from taxation officer to Officer of Inland Revenue having common authority of three domestic taxes.

- Clause 6(20)                      Seeks to make provisional assessment in respect of cases where no return has been filed in response to a notice.
- Clause 6(21)                      Seeks to remove editorial mistake.
- Clause 6(22)                      Consequential to the omission of section 183, 184, 185, 186, 187, 188 & 189.
- Clause 6(23)                      Seeks to appoint Officer of Inland Revenue as Accountant Member of Tribunal, who is in the rank of Regional Commissioner or Commissioner having at least five years experience as Commissioner or Collector.
- Clause 6(24)                      Seeks harmonization of nomenclature of tax authorities of three domestic taxes.
- Clause 6(25)                      Seeks to provide a period of sixty days for deposit of tax in respect of provisional assessment made under section 122C.
- Clause 6(26)                      Seeks to pass on the tax liability on the estate in bankruptcy.
- Clause 6(27)                      Seeks uniformity in nomenclatures of additional taxes for nonpayment of taxes in respect of three domestic taxes.

Clause 6(28) (a)	Seeks to include persons earning income from capital gains in advance tax regime.
Clause 6(28) (b)(i)	Seeks to include AOPs in advance tax regime.
Clause 6(28) (b)(ii)	Seeks to facilitate individuals by enhancing the limit for advance tax from Rs. 200,000.
Clause 6(28) (c)	Seeks to make a consequential amendment for advance tax on AOPs
Clause 6(28) (d)(i)	Seeks to make a consequential amendment for advance tax on AOPs
Clause 6(28) (d)(ii)	Seeks to make a consequential amendment for advance tax.
Clause 6(28) (e)	Seeks to make a consequential amendment for advance tax on AOPs
Clause 6(28) (f)	Seeks to streamline the dates for quarterly payments under advance tax regime
Clause 6(28) (g)(i)	Seeks to provide rates of advance tax for person having income from capital gains.
Clause 6(28) (g)(ii)	Seeks to provide dates of payment of advance tax for each quarter for persons earning income under the head capital gains.
Clause 6(29)	Seeks to clarify the tax on import of edible oil shall not be final but minimum tax.
Clause 6(30)	Seeks to make profit on debt final tax.
Clause 6(31)	Seeks to introduce a procedural change.
Clause 6(32)	Seeks to make certain individual withholding agents,
Clause 6(33)	Seeks to make tax under section 55 adjustable.
Clause 6(34)	Seeks uniformity in nomenclatures of additional taxes for nonpayment of taxes in respect of three

	domestic taxes.
Clause 6(35)	Seeks uniformity in nomenclatures of additional taxes for nonpayment of taxes in respect of three domestic taxes.
Clause 6(36) (a)(i)	Seeks to do away with the requirement of filing of annual withholding statement.
Clause 6(36) (a) (ii)	Seeks to do away with the requirement of filing of annual withholding statement and to provide for filing of quarterly withholding statement.
Clause 6(36) (a) (iii)	Seeks to do away with the requirement of filing of annual withholding statement and to provide for filing of quarterly withholding statement.
Clause 6(36) (a) (iv)	Seeks to do away with the requirement of filing of annual withholding statement and to provide for filing of quarterly withholding statement.
Clause 6(36) (a) (v)	Seeks to do away with the requirement of filing of annual withholding statement and to provide for filing of quarterly withholding statement.
Clause 6(36) (a) (vi)	Seeks to make the filing of withholding tax statement compulsory even where no withholding tax has been deducted.
Clause 6(36)(b)	Seeks to provide the dates for filing of withholding tax statement.
Clause 6(37)(a)&(b)	Seeks Consequential change to the amendment proposed in section 155 (2).
Clause 6(37)(c)	Seeks to clarify existing provision.
Clause 6(38)	Seeks to extend the limitation of retention of record from five to six year and in case of proceedings pending before the authorities till the

final decision of the proceedings.

- Clause 6(39)                      Seeks to empower the Commissioner to appoint firm of Chartered Accountant for calling information for conducting of audit.
- Clause 6(40)                      Seeks to harmonize the audit procedures of three domestic taxes.
- Clause 6(41)                      Seeks to keep record of active taxpayers.
- Clause 6(42)                      Seeks to harmonize the different penal provisions with domestic taxes.
- Clause 6(43)                      Seeks to empower the Federal Government and Board to grant exemption to persons from the payment of the whole or part of the penalty.
- Clause 6(44)                      Consequential to the harmonization of penal provisions clubbed in section 182.
- Clause 6(45)                      Seeks uniformity in nomenclatures of additional taxes for nonpayment of taxes in respect of three domestic taxes.
- Clause 6(46)                      Seeks to authorize the Federal Government for the appointment of Civil Judges and their terms and conditions for their appointment.
- Clause 6(47)                      Seeks uniformity in nomenclatures of additional taxes for nonpayment of taxes in respect of three domestic taxes.

- Clause 6(48)                      Seeks uniformity in nomenclatures of additional taxes for nonpayment of taxes in respect of three domestic taxes.
- Clause 6(49)                      Seeks uniformity in nomenclatures of additional taxes for nonpayment of taxes in respect of three domestic taxes.
- Clause 6(50)                      Seeks uniformity in the nomenclature of authority of three domestic taxes.
- Clause 6(51)                      Seeks to empower the Board to appoint the officers to carry out the operation of the Ordinance.
- Clause 6(52)                      Seeks uniformity in the nomenclature of authority of three domestic taxes.
- Clause 6(53)                      Seeks to empower the Board or the Commissioner for delegation of powers.
- Clause 6(54)                      Seeks uniformity in the nomenclature of authority of three domestic taxes.
- Clause 6(55)                      Seeks uniformity in the nomenclature of authority of three domestic taxes.
- Clause 6(56)                      Seeks to empower the Board for selecting the cases for audit through computer ballot.
- Clause 6(57)                      Seeks uniformity in the nomenclature of authority of three domestic taxes.

- Clause 6(58) Seeks uniformity in the nomenclature of authority of three domestic taxes.
- Clause 6(59) Seeks amendment in the computation of limitation period for different purposes under the ordinance.
- Clause 6(60) Seeks to grant protection to the employees of the Board against any investigation or enquiry without prior approval of the Board
- Clause 6(61) Seeks to empower the Board for appointment of officers in the Directorate General of Training and Research.
- Clause 6(62) Seeks to bring different banking transactions in the withholding net
- Clause 6(63) Seeks to rectify the editorial mistake
- Clause 6(64) Seeks to make the minimum tax liability as adjustable.
- Clause 6(65) Seeks to bring the sale of units through any electronic medium or whatever form in the net of withholding tax.
- Clause 6(66) Seeks to expand the scope of property including property in goods , confiscated or attached
- Clause 6(67) Seeks to introduce advance tax on purchase of domestic air tickets.
- Clause 6(68) Seeks uniformity in nomenclatures of additional

taxes for nonpayment of taxes in respect of three domestic taxes.

Clause 6(69) Seeks uniformity in nomenclatures of additional taxes for nonpayment of taxes in respect of three domestic taxes.

Clause 6(70) Seeks to give general protection of the amendments made in the nomenclature of Tax authorities.

Clause 6(71) Seeks to empower the Board to issue the clarification.

**First Schedule.**  
**Part-I**

Clause 6(72) (i)(a) (i) Seeks to create a separate tax rate for individuals

Clause 6(72) (i)(a) (ii) Seeks to create a separate tax rate for individuals

Clause 6(72) (i)(a) (iii) Seeks to increase exemption limit of Rs.300,000 for business individuals reducing the number of slabs to eight.

Clause 6(72) (i)(a) (iv) Seeks to withdraw the relief provided to women taxpayers.

Clause 6(72) (i)(a) (v) Seeks to raise the exemption limit to Rs.300,000 for salary individuals and tax rate where income exceeds 4,550,000 increased to 20%

Clause 6(72) (i)(b) Seeks to enhance the rate of minimum tax from 0.5% to 1% under section 113.

Clause 6(72) (i) (c) Seeks to introduce separate flat tax rate of 25% for AOPs.

Clause 6(72) (i) (d) Seeks to enhance the tax rate for small companies from 20% to 25%.

Clause 6(72) (i)(e) Seeks to introduce tax rate on capital gain on sale of securities.

**Part-II**  
Clause 6(72)(ii) Seeks to increase rate of advance tax collected on imports from 4% to 5%.

**Part-III**  
Clause 6(72)(iii)(a) Seeks to reduce tax rate on payments made to non-residents from 30% to 20%.

Clause 6(72)(iii)(b) Seeks to replace existing division for tax rates on prizes and winnings with relief of tax rate.

**Part-IV**  
Clause 6(72)(iv)(a) Seeks to introduce tax rate on goods transport vehicles in place of existing slabs

Clause 6(72)(iv)(b) Seeks to reduce the rate under section 235 (advance tax on electricity bill for industrial and commercial consumer) from 10% to 5%.

Clause 6(72)(iv)(c) Seeks to replace expression "CD" with "any electronic medium".

Clause 6(72)(iv)(d) Seeks to introduce rate of tax of 0.3% for banking transactions.

Clause 6(72)(iv)(e) Seeks to introduce tax at 5% on gross amount domestic air tickets.

**Second Schedule.**

**Part-I**

Clause 6(73)(i)(a) Seeks to provide exemption for profit on debt payable to non-residents in respect of foreign loan for Industrial Investment in Pakistan.

Clause 6(73)(i)(b) Seeks to exempt educational institutions established in the Most/Moderately affected areas of Khyber Pakhtunkhwa PTA and FATA for two years ending on 30<sup>th</sup> June 2011.

Clause 6(73)(i)(c) Seeks to withdraw the exemption to Investment Corporation of Pakistan (ICP).

Clause 6(73)(i)(d) Seeks to withdraw exemption on capital gains from sale of modaraba/certificate/share of a public company etc.

Clause 6(73)(i)(e) Seeks to withdraw exemption on transfer of a capital asset from existing stock exchanges to newly corporatized stock exchange.

Clause 6(73)(i)(f) Seeks to exempt profit and gain derived by taxpayer in Most/Moderately Affected areas of Khyber Pakhtunkhwa FATA and PATA from a period of three years w.e.f tax year 2010. This concession is not available manufacturer and suppliers of Cement, sugar, beverages, and cigarette.

**Part-II**  
Clause 6(73)(ii) Seeks to extend reduced tax rate facility of 1% to large distribution houses

**Part-III**  
Clause 6(73)(iii)(a) Seeks to limit reduction in tax liability by 50% for taxpayer aged above 60 or above only in non-PTR cases.

Clause 6(73)(iii)(b) Seeks to raise income limit to rupees one million for 50% senior citizens tax relief.

**Part-IV**  
Clause 6(73)(iv)(a) Seeks to provide exemption from penal provisions (section 182) default surcharge (section 205) to business located in Most/Modarated areas of Khyber Pakhtunkhwa FTA/PATA provided that principal amount tax due is paid by 30.06.2010. Exemption under section 235 for commercial and industrial consumers till 30.06.2011 has also been provided in the said area. Exemption of provision of section 154 has also been provided to exporter based in above areas till 30.06.2011. Exemption from provision of section 148 on import of plant and machinery for establishment of businesses in above mentioned areas has also been provided till 30.06.2011 but this concession will not available to manufacturers of cement/sugar/cigarette and beverages.

Clause 6(73)(iv)(b) Seeks to withdraw exemption from industrial importers of edible oil industry.

Clause 6(73)(iv)(c) Seeks to exempt experts, required with prior approval of Ministry of Textile Industry.

**Third Schedule.**

**Part-I**

Clause 6(74) Seeks to provide 100% depreciation for ramps not exceeding Rs. 250,000 each built to provide access disable persons

**Fifth Schedule.**

**Part-I**

Clause 6(75) Seeks to provide de-commissioning cost over a period of ten years or life of development and production / mining lease which ever is less.

**Seventh Schedule.**

Clause 6(76)(i) Seeks to allow for provision for advances and off balance sheet items at 5% of total advances for consumer and SMEs.

Clause 6(76)(ii) Seeks to provide for deduction for irrecoverable/doubtful advances these actually written off against transactional provision.

## **FEDERAL EXCISE ACT, 2005**

- Clause 7(1)(a)            Seeks to change the nomenclature of Appellate Tribunal in respect of three domestic taxes.
- Clause 7(1)(d)            Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(2)                Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(3)                Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(5)                Seeks to extend the limitation period of retention of record from five to six and in case of proceedings pending before any authority till the final decision of the proceedings.
- Clause 7(6)                Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(7)                Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(8)                Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(9)                Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(10)              Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(11)              Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(12)              Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(13)              Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(14)              Consequential to the amendments made to

- harmonize audit procedures of domestic taxes.
- Clause 7(15) Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(16) Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(17) Seeks to allow filing of reference before the High Court.
- Clause 7(18) Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(19) Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(20) Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(21) Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(22) Seeks to give general protection to the amendments made in the nomenclature of tax authorities. Further seeks to empower the Board to select the case for audit through computer ballot.
- Clause 7(23) Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(24) Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(25) Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(26)(a) &(b) Seeks to harmonize the nomenclature of tax authorities of three domestic taxes.
- Clause 7(26)(c) Seeks to harmonize the audit procedures of three domestic taxes.
- Clause 7(27) Seeks to harmonize and improve the service of

notices/orders etc. of three domestic taxes.

- Clause 7(28)(a) Seeks to amend S. No. 8 and 9 of Table-I in First Schedule to substitute the words “sixty five” for “sixty four” in respect of rate of duty on upper slab and imported cigars, cigarettes, etc.
- Clause 7(28)(b) Seeks to amend S. No. 10 and 11 of Table-I in First Schedule to substitute the words “five rupee and twenty five paisa”, for the words “four rupees and seventy five paisa” to provide for enhanced rates of duty on locally produced cigarettes
- Clause 7(28)(c) Seeks to amend S. No. 12 of Table-I in First Schedule to substitute the words “sixty five” for “sixty four” in respect of rate of duty on cigarettes manufactured in non-tariff area
- Clause 7(28)(d) Seeks to amend S. No. 36 and 37 of Table-I in First Schedule to substitute the words “ten rupees”, for the words “five rupee and nine paisa” to provide for higher rate of duty on natural gas
- Clause 7(28)(e) Seeks to insert new serial numbers 50, 51 and 52 after serial number 49 of Table-I in First Schedule to provide for levy of duty on filter rods for cigarettes, air conditioners and deep freezers
- Clause 7(28)(f) Seeks to amend the Restriction at the end of Table-I in First Schedule to substitute the figures “2010-11” for “2009-10”
- Clause 7(30) Seeks to give retrospective effect to the

amendments except sub-section (17) and clause (d) of sub-section (28) from 5<sup>th</sup> June, 2010.

**DECLARATION UNDER THE PROVISIONAL  
COLLECTION OF TAXES ACT, 1931 (XVI OF 1931)**

The provisions of sub-clause (13) of clause 3, sub-clause (47) of clause 5, sub-clause (77) of clause 6, sub-clause (28) (a), (b), (c), (e) and (f) of clause 7 of this Bill shall have effect, for the purposes of this declaration and of the provisions of Provisional Collection of Taxes Act, 1931 (XVI of 1931), as if they were provisions for imposition of duties and taxes of customs, sales tax, federal excise duty and income tax. It is hereby declared accordingly in terms of section 3 of the Act that it is expedient in public interest that the provision of sub-clause (13) of clause 3 shall have effect from 6<sup>th</sup> June, 2010, whereas the sub-clauses of clause 5, clause 6 and clause 7 mentioned above shall have effect from 5<sup>th</sup> June, 2010, under the Act.

**STATEMENT OF OBJECTS AND REASONS**

The purpose of this Bill is to make financial provisions for the year beginning on the first day of July, 2010. Various provisions have been explained in the Notes on clauses.

(Abdul Hafeez Shaikh)  
Minister for  
Finance, Revenue, Economic Affairs and  
Statistics