

Government of Pakistan
Federal Board of Revenue
(Revenue Division)

No.C.4(1)ITP/2008-Misc/90766-R

Islamabad, June 8, 2009

To : Mr. Nisar Muhammad,
Collector,
Model Collectorate of Customs, PaCCS,
Customs House,
Karachi.

Subject: INADMISSIBILITY OF BENEFIT OF ADVANCE INCOME TAX (IT)
@ 2% UNDER INCOME TAX ORDINANCE, 2001, ON IMPORT
OF RAW COTTON (52.01).

The undersigned is directed to refer to your letter No.MCC/
Misc/26/Group.III/2008 dated 20th May, 2009, on the subject and to state that the
goods classified under PCT Head 52.01 were included in clause (56) of Part IV of
the Second Schedule to the Income Tax Ordinance, 2001, in the Finance Bill,
2008. However, National Assembly amended the same and the existing
provisions of the Finance Act, 2008 are as under:-

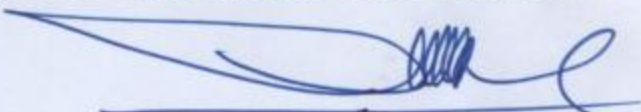
"(56) The provisions of section 148, regarding withholding tax on imports shall
not apply in respect of -

(i) goods classified under Pakistan Customs Tariff falling under Chapters
27, 86 and 99;"

2. As such SRO.567(I)/2008 dated 11th June, 2008 stands redundant.
The matter has already been clarified to the Collectorate vide the Board's letter of
even number dated 31st January, 2009 (Copy enclosed for ready reference).

3. Since the SRO.567(I)/2008 dated 11th June, 2008 is inconsistent with the
provisions of the sub-section (10) of section 239 of the Income Tax Ordinance,
2001, therefore, is invalid.

Encl: As above.


(Ali Husnain)
Secretary (IT Policy)
Ph : 9205561

Copy for information to:

- (i) All Collectors, Model Collectorates of Customs, PaCCS.
- (ii) The Member (FATE), FBR (Hq), Islamabad that this letter may be
placed on web for information of general public, Tax Department
and Customs Authorities.

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