

SUMMARY OF TAX EXPENDITURE 2021

Tax Expenditure Report 2021 for federal taxes, based on data pertaining to FY 2019-20, amounted to an estimated Rs. 1,314.27 billion. Tax expenditure in sales tax amounted highest at Rs. 578.46 billion (44% of the total), while in income tax amounted to Rs. 448.05 billion (34%), and in Customs, to Rs. 287.77 billion (22%). In last fiscal year 2019-20, FBR's tax collection was Rs. 3,997.4 billion. Hence, tax expenditure to total collection ratio comes to about 33%, and tax expenditure to GDP ratio stands at around 3.2%.

The tax expenditure estimates are unadjusted amounts, meaning that elimination or repeal of a specific exemption would not necessarily produce the rupee amounts cited in this report. Actual receipts would depend on enforcement, taxpayer compliance, effective dates of legislation repealing the exemption, exact wording of any legislation, taxpayer's behavior, and some other economic factors.

This report briefly outlines federal tax exemptions and concessions. These descriptions do not grant rights or impose obligations; rather, the tax laws and rules made thereunder determine actual tax liability. Each estimate is based on the best information available from public and private sources, including FBR's database. It would be exceptionally burdensome on taxpayers to require detailed reporting of transactions corresponding to each of the exemption sections and clauses. No such detailed reporting is imposed by statute or rules. Consequently, tax returns do not contain data sufficient to estimate the value of all exemptions and exclusions.

Estimation requires identification of pertinent, useful data available from various external sources. Where exemptions identified in tables have not been estimated, it is because requisite data does not exist or have not been identified and acquired from an external source.

Income Tax Estimates		
Summary of Tax Expenditure Estimates of Income Tax – FY 2021		
	Contents	(Rs. Million)
1	Allowances	37,318
2	Tax Credits	105,342
3	Exemptions from Total Income	267,115
4	Reduction in Tax Rates	124
5	Reduction in Tax Liability	2,839
6	Exemption from Specific Provisions	2,687
7	Others / Miscellaneous	32,621
Total		448,046

Allowances				
Sr.	Legal Reference	Description (Exemption or Concession)	Intended Beneficiary	Estimate (Rs in Mln)
1	23	New business entities		30,110.00
2	23A	Industrial undertaking set up in specified rural and under developed areas or engaged in the manufacturing of cellular mobile phones		340.00
3	60	Persons paying Zakat		1,116.38
4	60A	Persons paying Workers' Welfare Fund		2,522.40

5	60B	Persons paying Workers' Participation Fund	2,523.51
6	60C	Individuals paying profit or share in rent and share in appreciation for value of house on loan by banks etc	646.67
7	60D	Individuals having income of less than Rs. 1.5 million, paying tuition fee	59.13
Total			37,318.09

Tax Credits				
Sr.	Legal Reference	Description (Exemption or Concession)	Intended Beneficiary	Estimate (Rs in Mln)
1	61	Tax credit for charitable donations	Persons giving charitable donations	2,869.91
2	62	Tax credit for investment in shares and life insurance	Persons (excluding companies) investing in shares, sukuk, or life insurance	2,222.31
3	62A	Tax credit for investment in health insurance	Persons (excluding companies) investing in health insurance	21.72
4	63	Tax credit for contribution to an Approved Pension Fund.	Eligible persons as defined in sub-section (19A) of section 2 of Ordinance	915.68
5	64B	Tax credit for employment generation by manufacturers	Corporate manufacturing sector	57.40
6	65B	Tax credit for Non-Equity Investment in Plant & Machinery	Corporate manufacturing sector	51,408.24
7	65B	Tax credit for Equity Investment in Plant & Machinery	Corporate manufacturing sector	10,857.36
8	65C	Tax credit for enlistment in registered Stock Exchange	Companies opting for enlistment in a registered stock exchange	181.17
9	65D	Tax credit for newly established industrial undertakings	Corporate industrial units (including corporate dairy farming)	5,193.57
10	65E	Tax credit for industrial undertakings established before the first day of July, 2011	Corporate industrial units (including corporate dairy farming)	13,131.81
11	100C	Tax credit for Non-profit organizations, trusts or welfare institutions	Non-profit organizations, trusts, welfare institutions	18,482.94
Total				105,342.11

Exemptions from Total Income				
Sr.	Legal Reference	Description (Exemption or Concession)	Intended Beneficiary	Estimate (Rs in Mln)
1	3	Salary of foreign personnel engaged by institutions of the Agha Khan Development Network	Foreign experts working with Agha Khan Development Network, (Pakistan)	119.23

2	4	Salary received by Pakistani seafarers	Employees (Pakistani seafarers)	67.68
3	5	Foreign allowances (Government of Pakistan)	Employees (diplomats)	1,001.86
4	8	Pension received by a citizen of Pakistan from a former employer	Employees (pensioners)	2,732.76
5	9	Pensions (Government)	Employees (retired government servants & military personnel)	13,710.00
6	12	Commutation of Pension	Employees (pensioners)	9,642.77
7	13	Gratuities	Employees (recipients of gratuity payments)	695.47
8	17	Income derived by the families and dependents of the "Shaheeds" belonging to the Civil Armed Forces of Pakistan	Families and dependents of the "Shaheeds" belonging to the Civil Armed Forces	2.10
9	19	Encashment of leave preparatory to retirement	Employees (retiring personnel of Armed Forces or Government servant)	1,139.86
10	22	Payments from a provident fund to which the Provident Funds Act, 1925 applies.	Employees (recipient of payments from provident funds)	6,686.92
11	23	The accumulated balance due and becoming payable to an employee participating in a recognized provident fund.	Employees participating in a recognized provident fund.	246.41
12	23A	The accumulated balance up to [50]% received from a pension fund at the time of eligible person's- (a) retirement; or (b) disability rendering him unable to work; or (c) death by his nominated survivors.	Voluntary participants in pension funds	79.63
13	23B	Monthly installments from an income payment plan invested with a pension fund manager	Pensioners	25.17
14	23C	Withdrawal of accumulated balance from approved pension fund	Pensioners	147.75
15	24	Benevolent grants paid from the Benevolent Fund (under Central Employee Benevolent Fund and Group Insurance Act, 1969)	Employees (recipient of benevolent grants)	482.90
16	25	Payments from an approved superannuation fund made on the death of a beneficiary	Families of deceased enrolled in approved superannuation funds	43.97
17	26	Sums received by workers from Workers Participation Fund (WPF)	Low-income workers; recipients of payments from WPF	-
18	39	Special allowance or benefit for employees to meet expenses incurred in the performance of the duties	Employees receiving payments to meet expenses in the performance of duties	947.76
19	40	Income of a newspaper employee representing Local Travelling Allowance	Newspaper employees	-
20	53A	Employment related perquisites (food, education, medical treatment and any other perquisites, if provided by employer for free or at subsidized rates)	Employees receiving employment-related perquisites.	134.16
21	55	House rent allowance (to judges of the Supreme Court of Pakistan or of High Courts)	Judiciary of Superior Courts	35.00

22	56	Perquisites, benefits and allowances received by a Judge of Supreme Court of Pakistan and Judge of High Court	Judiciary of Superior Courts	290.00
23	57(1)	Any income from voluntary contributions, house property and investments in securities of the Federal Government derived by the following, namely:- National Investment (Unit) Trust of Pakistan (ii) Mutual Fund set up by the Investment Corporation of Pakistan, Sheikh Sultan Trust, Karachi	* National Investment (Unit) Trust of Pakistan, * Mutual Funds set up by Investment Corporation of Pakistan * Sheikh Sultan Trust Karachi.	40.20
24	57(2)	Income other than capital gain on stock and shares of public company, PTC vouchers, Modaraba certificates, or any instrument of redeemable capital and derivative products held for less than 12 months derived by any Mutual Fund, investment company, or a collective investment scheme or a REIT Scheme or Private Equity and Venture Capital Fund or the National Investment (Unit) Trust of Pakistan, if not less than ninety per cent of its income of that year is distributed amongst the Unit- holders.	Mutual funds, investment companies, collective investment schemes, REIT schemes, Private Equity & Venture Capital Funds, and National Investment (Unit) Trust of Pakistan	-
Any income of the following funds and institution				
25	57(3)	(i) a provident fund to which the Provident Funds Act, 1925 applies;	Provident Funds	1,783.60
26	57(3)	(ii) trustees on behalf of a recognized provident fund or an approved superannuation fund or an approved gratuity fund;	Trustees of recognized provident funds, approved superannuation funds, and approved gratuity funds	13,120.00
27	57(3)	(iii) a benevolent fund or group insurance scheme approved by the Board for the purposes of this clause;	Benevolent funds and group insurance schemes	138.60
28	57(3)	(iv) Service Fund;	Service Funds;	-
29	57(3)	(v) Employees Old Age Benefits Institution established under the Employees Old Age Benefit Act, 1976 (XIV of 1976);	Employees Old Age Benefits Institution	5,465.78
30	57(3)	(vii) any Unit, Station or Regimental Institute; and	Units, Stations or Regimental Institutes	-
31	57(3)	(vi) any recognized Regimental Thrift and Savings Fund, the assets of which consist solely of deposits made by members and profits earned by investment thereof;	Regimental Thrift and Savings Funds	-
32	57(3)	(viii) a Pension Fund approved by the SECP	Approved Pension Funds	740.18
33	57(3)	(ix) any profit or gain or benefit derived by a pension fund manager from a pension Fund approved under the Voluntary Pension System Rules, 2005, on redemption of the seed capital invested in pension fund as specified in the Voluntary Pension System Rules, 2005;	Pension funds under the Voluntary Pension System Rules 2005	15.00
34	57(3)	(xi) International Irrigation Management Institute.	International Irrigation Management Institute	0
35	57(3)	(xii) Punjab Pension Fund established under the Punjab Pension Fund Act, 2007 (I of 2007) and the trust established thereunder.	Punjab Pension Fund	2,271.37

36	57(3)	(xiii) Sindh Province Pension Fund established under the Sindh Province Pension Fund Ordinance, 2002.	Sindh Province Pension Fund	1,162.26
37	57(3)	(xiv) Punjab General Provident Investment Fund established under the Punjab General Provident Investment Fund Act, 2009 (V of 2009) and the trust established thereunder.”	Punjab General Provident Investment Fund	161.10
38	57(3)	(xv) Khyber Pakhtunkhwa Retirement Benefits and Death Compensation Fund.	Khyber Pakhtunkhwa Retirement Benefits and Death Compensation Fund	219.18
39	57(3)	(xvi) Khyber Pakhtunkhwa General Provident Investment Fund.	Khyber Pakhtunkhwa General Provident Investment Fund	1,118.03
40	57(3)	(xvii) Khyber Pakhtunkhwa Pension Fund ;	Khyber Pakhtunkhwa Pension Fund	1,465.68

Any amount paid as donation to the following institution, foundations, societies, boards, trusts and funds

41	61	(i) any Sports Board or institution recognized by the Federal Government for the purposes of promoting, controlling or regulating any sport or game	ibid	n.a.
42	61	(ia) The Citizens Foundation	ibid	431.52
43	61	(iii) Fund for Promotion of Science and Technology in Pakistan	ibid	-
44	61	(iv) Fund for Retarded and Handicapped Children	ibid	-
45	61	(v) National Trust Fund for the Disabled	ibid	n.a.
46	61	(vii) Fund for Development of Mazaar of Hazrat Burri Imam	ibid	n.a.
47	61	(viii) Rabita-e-Islami’s Project for printing copies of the Holy Quran	ibid	n.a.
48	61	(ix) Fatimid Foundation, Karachi	ibid	15.83
49	61	(x) Al-Shifa Trust	ibid	-
50	61	(xii) Society for the Promotion of Engineering Sciences and Technology in Pakistan	ibid	-
51	61	(xxiii) Citizens-Police Liaison Committee, Central Reporting Cell, Sindh Governor House, Karachi	ibid	-
52	61	(xxiv) ICIC Foundation	ibid	-
53	61	(xxvi) National Management Foundation	ibid	-
54	61	(xxvii) Endowment Fund of the institutions of the Agha Khan Development Network	ibid	-
55	61	(xxviii) Shaheed Zulfiqar Ali Bhutto Memorial Awards Society	ibid	n.a.
56	61	(xxix) Iqbal Memorial Fund	ibid	-

57	61	(xxx) Cancer Research Foundation of Pakistan, Lahore	ibid	-
58	61	(xxxi) Shaukat Khanum Memorial Trust, Lahore	ibid	1,026.20
59	61	(xxxii) Christian Memorial Hospital, Sialkot	ibid	0.01
60	61	(xxxiii) National Museums, National Libraries and Monuments or Institutions declared to be National Heritage by the Federal Government	ibid	n.a.
61	61	(xxxiv) Mumtaz Bakhtawar Memorial Trust Hospital, Lahore	ibid	8.31
62	61	(xxxv) Kashmir Fund for Rehabilitation of Kashmir Refugees and Freedom Fighters	ibid	n.a.
63	61	(xxxvi) Institutions of the Agha Khan Development Network (Pakistan)	ibid	227.00
64	61	(xxxvii) Azad Kashmir President's Mujahid Fund, 1972; National Institute of Cardiovascular Diseases, (Pakistan) Karachi; Businessmen Hospital Trust, Lahore; Premier Trust Hospital, Mardan; Faisal Shaheed Memorial Hospital Trust, Gujranwala; Khair-un-Nisa Hospital Foundation, Lahore; Sind and Balochistan Advocates Benevolent Fund; Rashid Minhas Memorial Hospital Fund.	ibid	-
65	61	(xxxviii) Any relief or welfare fund established by the Federal Government;	ibid	-
66	61	(xxxix) Mohatta Palace Gallery Trust	ibid	-
67	61	(xl) Bagh-e-Quaid-e-Azam project, Karachi	ibid	-
68	61	(xli) Any amount donated for Tameer-e-Karachi Fund	ibid	-
69	61	(xlii) Pakistan Red Crescent Society	ibid	-
70	61	(xliii) Bank of Commerce and Credit International Foundation for Advancement of Science and Technology	ibid	n.a.
71	61	(xliv) Any amount donated to Federal Board of Revenue Foundation.	ibid	-
72	61	(xlv) The Indus Hospital, Karachi	ibid	460.70
73	61	(xlvi) Pakistan Sweet Homes Angels and Fairies Place	ibid	-
74	61	(xlvii) Al-Shifa Trust Eye Hospital	ibid	33.53
75	61	(xlviii) Aziz Tabba Foundation	ibid	163.52
76	61	(xlix) Sindh Institute of Urology and Transplantation, SIUT Trust and Society for the Welfare of SIUT	ibid	142.42
77	61	(i) Sharif Trust	ibid	157.41
78	61	(ii) The Kidney Centre Post Graduate Institute	ibid	-

79	61	(Iii) Pakistan Disabled Foundation	ibid	-
80	61	(Iiii) Sardar Trust Eye Hospital, Lahore	ibid	-
81	61	(Iiv) Supreme Court of Pakistan – Diamer Bhasha & Mohmand Dams	ibid	-
82	61	(Iv) Layton Rahmatullah Benevolent Trust (LRBT)	ibid	270.36
83	61	(Ivi) Akhuwat	ibid	209.32
84	61	The Prime Minister Covid-19 Pandemic Relief Fund 2020	ibid	-
85	61	Ghulam Ishaque Khan Institute of Engineering Science & Technology	ibid	-
86	61	Lahore University of Management Sciences (ivx) Dawat-e-Hadiya Karachi	ibid	72.42
87	61	Baitussalam Welfare Trust	ibid	144.65
88	61	Patient's Aid Foundation	ibid	60.92
89	61	Alkhidmat Foundation	ibid	3.04
90	62	Alamgir Welfare Trust International	ibid	263.34
91	64A	Any amount donated to the Prime Minister's Special Fund for victims of terrorism	Persons making donations into the said Fund.	-
92	64B	Any amount donated to the Chief Minister's (Punjab) Relief Fund for Internally Displaced Persons (IDPs) ofNWFP.]	Persons making donations into the said Fund.	-
93	64C	Prime Minister's Flood Relief Fund 2010 and Provincial Chief Ministers' Relief Funds, for victims of flood 2010.	Persons making donations into the said Fund.	-
94	65A	Income for any tax year commencing from the tax year 2003, derived from the Welfare Fund created under rule-26 of the Emigration Rules, 1979 (made under section 16 of the Emigration Ordinance, 1979 (XVIII of 1979), except the in- come generated by the aforesaid Fund through commercial activities.	Emigrants and their families in Pakistan	-
Any income derived by following entities: Specific Entities by name				
95	66	i. Abdul Sattar Edhi Foundation, Karachi	Abdul Sattar Edhi Foundation, Karachi	870.84
96	66	ii. Al-Shifa Trust, Rawalpindi	Al-Shifa Trust, Rawalpindi	-
97	66	iii. Bilquis Edhi Foundation, Karachi	Bilquis Edhi Foundation, Karachi	429.47
98	66	iv. Fatimid Foundation, Karachi	Fatimid Foundation, Karachi	-
99	66	vi. International Islamic Trade Finance Corporation	International Islamic Trade Finance Corporation	-
100	66	vii. Islamic Corporation for Development of Private Sector	Islamic Corporation for Development of Private Sector	-
101	66	viii. National Memorial Bab-e-Pakistan Trust	National Memorial Bab-e-Pakistan Trust	-

102	66	ix. Pakistan Agricultural Research Council, Islamabad	Pakistan Agricultural Research Council, Islamabad	0.40
103	66	x. Pakistan Engineering Council	Pakistan Engineering Council	480.10
104	66	xi. The corporatized entities of Pakistan Water and Power Development Authority	The corporatized entities of Pakistan Water and Power Development Authority	5,209.13
105	66	xii. The Institution of Engineers, Pakistan, Lahore	The Institution of Engineers, Pakistan, Lahore	11.00
106	66	(xiia) The Prime Minister's Special Fund for victims of terrorism	The Prime Minister's Special Fund for victims of terrorism	-
107	66	(xiib) Chief Minister's (Punjab) Relief Fund for Internally Displaced Persons (IDPs) of NWFP	Chief Minister's (Punjab) Relief Fund for Internally Displaced Persons (IDPs) of NWFP	-
108	66	xiii. The Institutions of the Agha Khan Development Network (Pakistan)	The Institutions of the Agha Khan Development Network (Pakistan)	1,445.65
109	66	xiv. The Liaquat National Hospital Association, Karachi	The Liaquat National Hospital Association, Karachi	196.01
110	66	xv. The Pakistan Council of Scientific and Industrial Research	The Pakistan Council of Scientific and Industrial Research	125.11
111	66	xvi. The Pakistan Water and Power Development Authority	The Pakistan Water and Power Development Authority	19,496.60
112	66	xvii. WAPDA First Sukuk Company Limited	WAPDA First Sukuk Company Limited	-
113	66	(xix) Pension of a former President of Pakistan and his widow under the President Pension Act, 1974	Former Presidents of Pakistan and their widows	-
114	66	(xx) State Bank of Pakistan and State Bank of Pakistan Banking Services Corporation	State Bank of Pakistan and State Bank of Pakistan Banking Services Corporation	48,514.55
115	66	(xxi) International Finance Corporation	International Finance Corporation	-
116	66	(xxii) Pakistan Domestic Sukuk Company Ltd	Pakistan Domestic Sukuk Company Ltd	-
117	66	(xxiii) The Asian Development Bank	The Asian Development Bank	-
118	66	(xxiv) The ECO Trade and Development Bank	The ECO Trade and Development Bank	552.51
119	66	(xxv) The Islamic Chamber of Commerce and Industry under the Organization of Islamic Conference (OIC)	The Islamic Chamber of Commerce and Industry under the Organization of Islamic Conference (OIC)	-
120	66	(xxvi) COMSATS	COMSATS	-
121	66	(xxvii) WAPDA on issuance of twenty billion rupees TFC's/SUKUK certificates for consideration of Diamer Bhasha Dam Projects	WAPDA	-
122	66	(xxviii) Federal Board of Revenue Foundation	Federal Board of Revenue Foundation	-
123	66	(xxix) WAPDA Second Sukuk Company Limited	WAPDA Second Sukuk Company Limited	-

124	66	(xxx) The Citizens Foundation	The Citizens Foundation	66.07
125	66	(xxxi) Sindh Institute of Urology and Transplantation, SIUT Trust and Society for the Welfare of SIUT	Sindh Institute of Urology and Trans-plantation, SIUT Trust and Society for the Welfare of SIUT	918.73
126	66	(xxxii) Greenstar Social Marketing Pakistan (Guarantee) Limited	Greenstar Social Marketing Pakistan (Guarantee) Limited	82.94
127	66	(xxxiii) Pakistan International Sukuk Company Limited	Pakistan International Sukuk Company Limited	n.a.
128	66	(xxxiii) The Indus Hospital, Karachi	The Indus Hospital, Karachi	120.52
129	66	(xxxiv) Second Pakistan International Sukuk Company Limited	Second Pakistan International Sukuk Company Limited	-
130	66	(xxxv) Third Pakistan International Sukuk Company Limited	Third Pakistan International Sukuk Company Limited	-
131	66	(xxxvi) Asian Infrastructure Investment Bank and persons as provided in Article 51 of Chapter IX of the Articles of Agreement signed and ratified by Pakistan and entered into force on the 25th December, 2015.	Asian Infrastructure Investment Bank	-
132	66	(xxxvii) Gulab Devi Chest Hospital.	Gulab Devi Chest Hospital.	-
133	66	(xxxviii) Pakistan Poverty Alleviation Fund.	Pakistan Poverty Alleviation Fund.	617.33
134	66	(xxxix) National Academy of Performing Arts.	National Academy of Performing Arts.	5.20
135	66	(xl) Pakistan Sweet Homes Angels and Fairies Place.	Pakistan Sweet Homes Angels and Fairies Place.	19.37
136	66	(xli) National Rural Support Programme.	National Rural Support Programme.	420.10
137	66	(xlii) SAARC Energy Centre.	SAARC Energy Centre.	-
138	66	(xliii) Pakistan Bar Council.	Pakistan Bar Council.	0.74
139	66	(xliv) Pakistan Centre for Philanthropy.	Pakistan Centre for Philanthropy.	5.11
140	66	(xlv) Pakistan Mortgage Refinance Company Limited.	Pakistan Mortgage Refinance Company Limited.	264.18
141	66	(xlvi) Aziz Tabba Foundation.	Aziz Tabba Foundation.	46.12
142	66	(l) Al-Shifa Trust Eye Hospital.	Al-Shifa Trust Eye Hospital.	n.a.
143	66	(li) Saylani Welfare International Trust.	Saylani Welfare International Trust.	34.00
144	66	(lii) Shaukat Khanum Memorial Trust.	Shaukat Khanum Memorial Trust.	2200.66
145	66	(liii) Layton Rahmatullah Benevolent Trust (LRBT).	Layton Rahmatullah Benevolent Trust (LRBT).	-
146	66	(liv) The Kidney Centre Post Graduate Training Institute.	The Kidney Centre Post Graduate Training Institute.	14.00
147	66	(lv) Pakistan Disabled Foundation.	Pakistan Disabled Foundation.	-
148	66	(lvi) Forman Christian College;	Forman Christian College;	94.47
149	66	(lvii) Habib University Foundation.	Habib University Foundation.	3.21

150	66	(lviii) Begum Akhtar Rukhsana Memorial Trust Hospital.	Begum Akhtar Rukhsana Memorial Trust Hospital.	-
151	66	(lix) Al-Khidmat Foundation.	Al-Khidmat Foundation.	-
152	66	(lx) Dawat-e-Islami Trust	Dawat-e-Islami Trust	263.38
153	66	(lxi) Sardar Trust Eye Hospital, Lahore.	Sardar Trust Eye Hospital, Lahore.	-
154	66	(lxii) Supreme Court of Pakistan – Diamer Bhasha & Mohmand Dams – Fund	Supreme Court of Pakistan – Diamer Bhasha & Mohmand Dams – Fund	0.30
155	66	(lxiii) National Disaster Risk Management Fund.	National Disaster Risk Management Fund.	57.20
156	66	(lxiv) Deposit Protection Corporation	Deposit Protection Corporation (Already accounted for under sub-clause (xx) under consolidated figure for SBP)	4,377.60
157	66	(lxv) Sarmaya-e-Pakistan Limited	Sarmaya-e-Pakistan Limited	-
158	66	(lxvi) Akhuwat	(lxvi) Akhuwat	192.86
159	66	(lxvii) Audit Oversight Board.	Audit Oversight Board.	5.68
160	66	(lxviii) Patient's Aid Foundation.	Patient's Aid Foundation.	13.00
161	72A	Any income derived by Sukuk holder in relation to Sukuk issued by "The Second Pakistan International Sukuk Company Limited" and the Third Pakistan International Sukuk Company Limited, including any gain on disposal of such Sukuk.	Sukuk holders	3,436.50
162	74	Profit on debt derived by Hub Power Company Limited on or after the first day of July, 1991	Hub Power Company Limited	9.37
163	75	Any income of an agency of a foreign Government, a foreign national (company, firm or association of persons), or any other Nonresident person approved by the Federal Government for the purposes of this clause, from profit on moneys borrowed under a loan agreement or in respect of foreign currency instrument approved by the Federal Government.	Agencies of foreign Governments, foreign nationals or any other non-resident person approved by the Federal Government	7,362.80
164	78	Profit on debt on foreign currency accounts	Foreign currency account holders	n.a.
165	79	Profit on debt derived by non-resident Pakistanis on rupee accounts	Citizens of Pakistan residing abroad and remitting foreign exchange	n.a.
166	80	Income derived from a private foreign currency account held with an authorized bank in Pakistan, or certificate of investment issued by investment banks, by a resident individual who is a citizen of Pakistan: (This exemption is not available in respect of any incremental deposits made in the said accounts on or after the 16th day of December, 1999)	Foreign currency account holder resident individual citizens of Pakistan	-
167	90	Profit on debt payable by Pakistani industrial undertakings to financial institutions in foreign countries	Financial institutions in foreign countries lending with approval of Federal Government of Pakistan	n.a.

168	90A	Profit on debt derived by any person on bonds issued by Pakistan Mortgage Refinance Company to refinance the residential housing mortgage market, for a period of five years	Investors / buyers of bonds issued by Pakistan Mortgage Refinance Company	4.20
169	91	Text-book boards of Provinces	Text-book boards of provinces	583.40
170	98	Sports Boards (except Pakistan Cricket Board).	Regulators, organizations and boards established by government to encourage major games and sports	61.84
171	99	Collective Investment Schemes or a REIT Schemes	Collective Investment Schemes and REIT Schemes that are distributing more than 90% of their incomes to certificate holders / shareholders.	16,176.50
172	99A	Profits and gains on sale of immovable property to a REIT Scheme	Taxpayers selling immovable property to a Developmental REIT Scheme or a rental REIT Scheme	-
173	100	Modarabas	Modarabas	261.25
174	101	Venture capital companies & venture capital funds registered under Venture Capital Companies and Funds Management Rules, 2000 and a Private Equity and Venture Capital Funds	Venture capital companies, venture capital funds, and Private Equity & Venture Capital Funds.	3.63
175	102A	Income representing a subsidy granted by the Federal Government	Recipients of subsidies granted by Federal Government	4,508.87
176	103	Distributions received by a taxpayer from collective investment schemes or mutual funds (which are debt or money market funds and do not invest in shares) out of capital gains	Investors investing in debt or money market mutual funds and collective investment schemes	1.00
177	104	Income derived by the Libyan Arab Foreign Investment Company being dividend of the Pak-Libya Holding Company.	Libyan Arab Foreign Investment Company	-
178	105	Income derived by the Government of Kingdom of Saudi Arabia being dividend of the Saudi-Pak Industrial and Agricultural Investment Company Limited.	Government of Kingdom of Saudi Arabia	26.00
179	105A	Income derived by Kuwait Foreign Trading Contracting and Investment Company or Kuwait Investment Authority being dividend of the Pak Kuwait Investment Company in Pakistan	Kuwait Foreign Trading Contracting & Investment Company, and Kuwait Investment Authority	67.50
180	105B	Income received by a taxpayer from a corporate agricultural enterprise, distributed as dividend out of its income from agriculture.	Taxpayers receiving dividend income from corporate agricultural enterprises	44.00
181	110B	Any gain on transfer of a capital asset, being a membership right held by a member of an existing stock exchange, for acquisition of shares and trading or clearing rights acquired by such member in new corporatized stock exchange in the course of corporatization of an existing stock exchange.	Members of Stock Exchange	-

182	110C	Any gain by a person on transfer of a capital asset, being a bond issued by Pakistan Mortgage Refinance Company to refinance the residential housing mortgage market, during the period from the 1st day of July, 2018 till the 30th day of June, 2023.	Persons deriving gain from bonds issued by Pakistan Mortgage Refinance Company	-
183	114	Income under the head “capital gains” derived by industrial undertakings set up in a “Zone” within the meaning of the Export Processing Zones Authority Ordinance, 1980	Industrial undertakings set up in “Zones” within the meaning of Export Processing Zones Authority Ordinance	n.a.
184	126	Public sector universities	Public sector universities	10,715.95
185	126A	Income derived by China Overseas Ports Holding Company Limited, China Overseas Ports Holding Company Pakistan (Private) Limited, Gawadar International Terminal Limited, Gawadar Marine Services Limited and Gawadar Free Zone Company Limited from Gawadar Port operations for a period of twenty three years, with effect from the sixth day of February, 2007.	Listed companies	65.12
186	126AA	Profit and gains derived by a taxpayer from businesses set up in the Gawadar Free Zone Area	All businesses set up in Gawadar Free Zone	-
187	126AB	Profit on debt derived by- (a) any foreign lender; or (b) any local bank having more than 75 per cent shareholding of the Government or the State Bank of Pakistan, under a Financing Agreement with the China Overseas Ports Holding Company Limited	Foreign lenders or public sector banks/ State bank having financing agreement with China Overseas Ports Holding Company Limited	-
188	126AC	Income derived by contractors and sub-contractors of China Overseas Ports Holding Company Limited, China Overseas Ports Holding Company Pakistan (Private) Limited, Gawadar International Terminal Limited, Gawadar Marine Services Limited and Gawadar Free Zone Company Limited from Gawadar Port operations	Contractors and sub-contractors of listed companies from Gawadar Port operations	105.52
189	126AD	Income derived by China Overseas Ports Holding Company Limited being dividend received from China Overseas Ports Holding Company Pakistan (Private) Limited, Gawadar International Terminal Limited Gawadar Marine Services Limited and Gawadar Free Zone Company Limited	China Overseas Ports Holding Company Limited	-
190	126B	Profit and gains derived by Khalifa Coastal Refinery	Khalifa Coastal Refinery	-
191	126BA	Refineries	Oil refineries	1,724.66
192	126C	Industrial undertakings set up in Larkano Industrial Estate	Industrial undertakings set up in Larkano Industrial Estate	-
193	126D	Industrial undertakings set up in the Gawadar declared by the Federal Government to be a Zone within the meaning of Export Processing Zone Authority Ordinance, 1980	Industrial undertaking set up in the Gawadar	-
194	126E	Income derived by a zone enterprise as de- fined in the Special Economic Zones Act, 2012 and developer of zone for a period of ten years	Zone enterprise as defined in the Special Economic Zones Act, 2012, and developers of zones.	200.00

195	126G	Income of Astro Plastics (Pvt) Limited derived from their project Biaxially Oriented Polyethylene Terephthalate (BOPET) Project; and 2. Income of Novatex Limited derived from their project Biaxially Oriented Polyethylene Terephthalate (BOPET) Project.	Astro Plastics (Pvt) Limited, M/s. Novatex Limited	-
196	126H	Income from fruit processing or preservation units set up in Balochistan Province, Malakand Division, Gilgit Baltistan and FATA	Fruit processing or preservation units set up in Balochistan Province, Malakand Division, Gilgit Baltistan and ex-FATA	-
197	126I	Industrial undertakings engaged in the manufacture of plant, machinery, equipment and items with dedicated use for generation of renewable energy	Manufacturers of plant, machinery & equipment for use in generation of renewable energy sources.	12.00
198	126J	Profits and gains derived by a taxpayer, from an industrial undertaking engaged in operating warehousing or cold chain facilities for storage of agriculture produce	Industrial undertakings engaged in operating warehousing or cold chain facilities for storage of agriculture produce	n.a.
199	126K	Profits and gains derived by industrial undertakings set up for establishing and operating a halal meat production unit	Halal meat production units	-
200	126L	Industrial undertakings set up in the Provinces of Khyber Pukhtunkhwa and Baluchistan	Industrial undertakings set up in the Provinces of Khyber Pukhtunkhwa and Baluchistan between 1st day of July, 2015 and 30th day of June, 2018	96.55
201	126M	Profits and gains derived by a taxpayer from a transmission line project set up in Pakistan	Companies deriving income from transmission line projects in Pakistan	4.10
202	126N	Profits and gains derived by a taxpayer from an industrial undertaking, duly certified by the Pakistan Telecommunication Authority, engaged in the manufacturing of cellular mobile phones	Local cellular mobile phone manufacturers	0.40
203	126O	Profits and gains of a company from a green field industrial undertaking incorporated on or after the first day of July, 2019	Green field industrial undertakings	-
204	131	Royalty, commission or fees earned from a foreign enterprise in consideration for the use outside Pakistan of any patent, invention, model, design, secret process or formula or similar property right	Innovators and technical experts	1.50
205	132	Profits and gains derived by a taxpayer from an electric power generation project set up in Pakistan on or after the 1st day of July, 1988.	Electric power generation projects	47,528.40
206	132A	Profit and gains derived by Bosicor Oil Pakistan Limited	Bosicor Oil Pakistan Limited (refinery)	-
207	132B	Coal mining projects in Sindh, supplying coal exclusively to power generation projects.	Coal mining projects in Sindh	-
208	133	Income from exports of computer software or IT services or IT enabled services	Exporters of computer software, IT services or IT enabled services	1,944.60
209	135A	Income derived by non-residents from investment in OGDCL exchangeable bonds issued by the Federal Government.	Non-residents deriving income from investment in OGDCL exchangeable bonds issued by the Federal Government.	-

210	136	Income of a special purpose vehicle as defined in the Asset Backed Securitization Rules, 1999	Special purpose vehicles as defined in the Asset Backed Securitization Rules, 1999	-
211	139	Medical treatment or hospitalization for employees	Employees receiving free medical care from employers.	1,825.76
212	141	Profit and gains derived by LNG Terminal Operators and Terminal Owners	LNG Terminal Operators and Terminal Owners	1,714.29
213	142	Income from social security contributions derived by the four provincial Social Security institutions	Provincial social security institutions	5,636.22
214	143	Start-ups	Startups as defined in clause (62A) of section 2 of the ITO-2001	552.75
215	145A, 146	Income of individuals domiciled or companies and associations of persons resident in the erstwhile Tribal Areas	Individuals domiciled or companies and associations of persons resident in the ex-Tribal Areas	4,460.00
216	16, 39A, 51, 52	Others	Others	1,203.40
Total				267,115.10

Reduction in Tax Rates				
Sr.	Legal Reference	Description (Exemption or Concession)	Intended Beneficiary	Estimate (Rs in Mln)
1	3	The tax in respect of income from services rendered outside Pakistan and construction contracts executed outside Pakistan shall be 50% of the rates as specified in Division III of Part III of the First Schedule	Service providers and contractors	-
2	3B	The income of Pakistan Cricket Board derived from sources outside Pakistan shall be taxed at a rate of four per cent of the gross receipts from such sources	Pakistan Cricket Board	-
3	18	In the case of a Modaraba the rate of income tax shall be 25% of total income excluding such part of total income to which Division III of Part I of the First Schedule or section 153 or section 154 applies.	Modarabas	-
4	18A	The rate of tax shall be reduced to 20% for a company setting up an industrial undertaking between the first day of July, 2014 to the thirtieth day of June, 2017, for a period of five years beginning from the month in which the industrial undertaking is set up or commercial production is commenced whichever is later	Companies setting up industrial undertakings between 2014 and 2017	-

5	18B	The rate of tax shall be reduced by 2% in case of a company whose shares are traded on stock exchange if it fulfills prescribed Shariah compliant criteria approved by State Bank of Pakistan, Securities and Exchange Commission of Pakistan and the Board, and derives income from manufacturing activities only	Shariah compliant companies whose shares are traded on stock exchange	-
6	27	The tax on payments under the Compulsory Monetization of Transport Facility for Civil Servants in BS-20 to BS-22 (as reduced by deduction of driver's salary) shall be charged at the rate of 5% as a separate block of income.	Employees (civil servants of BS-20 and above)	100.00
7	28A	The rate of tax under section 148 on import of hybrid cars shall be reduced as below:— Up to 1200 cc - 100% 1201 to 1800 cc - 50% 1801 to 2500 cc - 25%	Consumers of Hybrid Cars	24.00
8	28C	The rates of tax as specified in Division II of Part-IV of the First Schedule shall be five per- cent in the case of a person running online marketplace as defined in clause (38B) of section 2.	E-commerce sector	-
Total				124.00

Reduction in Tax Liability				
Sr.	Legal Reference	Description (Exemption or Concession)	Intended Beneficiary	Estimate (Rs in Mln)
1	1(1)	Any amount received as flying allowance by flight engineers, navigators of Pakistan Armed Forces, Pakistani Airlines or Civil Aviation Authority, Junior Commissioned Officers or other ranks of Pakistan Armed Forces; and submarine allowance by the officers of the Pakistan Navy, shall be taxed @ 2.5% as a separate block of income	Employees (persons receiving flying allowance)	91.07
2	1(1AA)	Total allowances received by pilots of any Pakistani airlines shall be taxed at a rate of 7.5%, provided that the reduction under this clause shall be available to so much of the allowances as exceeds an amount equal to the basic pay	Employees (pilots of Pakistani Airlines)	321.18
3	1(2)	Tax concession for full time teacher or a researcher	Employees (full time teacher or a researcher)	2,425.00
4	4	In respect of old and used automotive vehicles, tax under section 148 shall not exceed the amount specified in Notification No. S.R.O. 577(I)/2005, dated the 6th June, 2005.	Importers of old and used cars	1.30
5	7	The amount of tax payable by foreign Film makers from making films in Pakistan shall be reduced by fifty percent on income from film-making in Pakistan.	Foreign film-makers	-
6	8	The amount of tax payable by resident companies deriving income from film-making shall be reduced by seventy percent on income from film-making.	Film making companies based in Pakistan	-

7	9	The tax payable on profits and gains derived by a person from low cost housing projects shall be reduced by fifty percent.	Taxpayers deriving income from low cost housing projects	n.a.
Total				2,838.55

Exemption from Specific Provisions				
Sr.	Legal Reference	Description (Exemption or Concession)	Intended Beneficiary	Estimate (Rs in Mln)
1	5	The provisions of section 111 regarding un-explained income or assets shall not apply in respect of foreign exchange deposited in a private Foreign Currency account, excluding such accounts where incremental deposits were made on or after the 16th day of December, 1999	Foreign currency account holders	-
2	11A	(iii) Pakistan Red Crescent Society	Pakistan Red Crescent Society	4.52
3	11A	(xiv) Corporate and Industrial Restructuring Corporation (CIRC)	Corporate and Industrial Restructuring Corporation (CIRC)	-
4	11A	(xxxi) National Disaster Risk Management Fund.	National Disaster Risk Management Fund.	57.20
Note: Other entities under clause 11A which count as tax expenditure have Already been covered in Part 1 of Second Schedule (above).				
5	60A	The provisions of section 148 shall not apply for import of plant, machinery and equipment in the case of:- (a) M/s China State Construction Engineering Corporation Ltd. (M/s CSCEC); and (b) M/s China Communication Construction Company (M/s CCCC).	M/s China State Construction Engineering Corporation Ltd. (M/s CSCEC); and M/s China Communication Construction Company (M/s CCCC).	840.00
6	60D	The provisions of section 148 shall not apply on import of firefighting equipment by industrial undertakings set up in the special economic zones established by the Federal Government.	Industrial undertakings set up in the special economic zones	25.00
7	63	M/s Dawat-e-Hadiya, Karachi and Lahore University of Management Sciences, Lahore] shall be deemed to have been approved by the Commissioner for the purpose of sub-section (36) of section 2 notwithstanding the provisions of clause (c) of sub-section (36) of section 2..	M/s Dawat-e-Hadiya, Karachi and Lahore University of Management Sciences, Lahore	-
8	71	The provisions of this Ordinance shall not be applicable to the M/s TAISEI Corporation un- der the agreement between National Highway Authority, GOP	M/s TAISEI Corporation	-
9	77	Provisions of sections 148 and 153 shall not be applicable on import and subsequent supply of items with dedicated use of renewable sources of energy	Importers and suppliers of items with dedicated use of renewable sources of energy	1,230.00

10	78	Coal Mining and Coal based Power Generation Projects in Sindh:-		
		(i) the dividend income of the shareholders of such a project shall be exempt from provisions of section 150.	Shareholders of coal mining and coal based power generation projects in Sindh	0.68
(ii) the payments made on account of sale or supply of goods or providing or rendering of services during project construction and operations, shall be exempt from the provisions of section 152(2A) and section 153.”				
11	91	The provisions of section 148 shall not apply to-		
		(i) Tillage and seed bed preparation	Farming sector	530.00
		(ii) equipment as specified below		
		(iii) Seeding or planting equipment		
		(iv) Irrigation, drainage and agro-chemical application equipment		
		(v) Harvesting, threshing and storage equipment		
(vi) Post-harvest handling and processing & miscellaneous machinery				
12	102	The provisions of section 231B (1A) shall not apply to light commercial vehicles leased under the Prime Minister’s Youth Business Loan Scheme.	Beneficiaries of PM’s Youth Business Loan Scheme	-
Total				2,687.40

Others / Miscellaneous				
Sr.	Legal Reference	Description (Exemption or Concession)	Intended Beneficiary	Estimate (Rs in Mln)
1	41	Agricultural income	Agriculture sector	-
2	49	Federal Government, Provincial Government, and Local Government income.	Government organizations	32,620.45
Total				32,620.45
Grand Total				448,045.70

SALES TAX ESTIMATES		
Sr	Summary of Tax Expenditure Estimates of Sales Tax - FY 2020	Rs. Million
1	Zero Rating under 5th Schedule to Sales Tax Act 1990	12,887
2	Exemption under 6th Schedule on (Imports)	173,808
3	Exemption under 6th Schedule on Local supplies (after 30% adjustment)	156,134
4	Reduced Rates Under 8th Schedule (1%)	330
5	Reduced Rates Under 8th Schedule (2%)	90,288
6	Reduced Rates Under 8th Schedule (5%)	27,108
7	Reduced Rates Under 8th Schedule (7%)	496
8	Reduced Rates Under 8th Schedule (8%)	1,396

10	Reduced Rates Under 8th Schedule (10%)	69,592
11	Reduced Rates Under 8th Schedule (12%)	19,321
12	Sales Tax on cellular Mobile Phones under 9th Schedule	27,096
Total		578,456

Tax Exemption under 5th Schedule (Zero rated Items)				
S.No	SCHEDULE	ITEM	Beneficiary	Tax Expenditure
1	Section 4 (Zero Rated)	Preparations suitable for infants, put up for retail sale] (PCT Heading 1901.1000)	Manufacturing (Industrial Inputs) General Masses (Food products)	8,202
2	Section 4 (Zero Rated)	Supplies of raw materials components and goods for further manufacture of goods in the Export Processing Zones.	Exporters, General Masses	1,934
3	Section 4 (Zero Rated)	Supply, repair or maintenance of any ship which is neither;	Manufacturing (Industrial Inputs)	1,755
4	Section 4 (Zero Rated)	Raw materials, components, sub-components and parts, if imported or purchased locally for use in the manufacturing of such plants and machinery as is chargeable to sales tax at the rate of zero percent, subject to the condition that the importer or purchaser of such goods holds a valid sales tax registration showing his registration category as “manufacturer”; and in case of import , all the conditions, restrictions, limitations and procedures as are imposed by notification under section 19 of the Customs Act,1969(IV of 1969), shall apply	Manufacturing (Industrial Inputs)	995
5	Section 4 (Zero Rated)	Supply to diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various Acts, Orders, Rules, Regulations and Agreements passed by the Parliament or issued or agreed by the Government of Pakistan.]	Diplomatic Supplies	842
6	Section 4 (Zero Rated)	Pens, ball pens, markers and porous tipped pens	Educational Items	608
7	Section 4 (Zero Rated)	Raw materials, packing materials, sub-components, components, sub-assemblies and assemblies imported or purchased locally for the manufacture of the goods specified at S.no. 12 of 5th Schedule to Sales Tax Act, 1990, subject to the conditions, limitations	Manufacturing (Industrial Inputs) General Masses	439
8	Section 4 (Zero Rated)	Import Of Color sets, writing, drawing and marking inks and Erasers (4016.9210 and), Exercise Books (4820.2000), Pencil	Manufacturing (Industrial Inputs) General Masses (educational Items)	439

		Sharpener (8214.1000), Geometry boxes (9017.2000), Pen, Ball pens, markers and porous tipp		
9	Section 4 (Zero Rated)	12. Goods and the raw materials, packing materials, sub-components, components, sub-assemblies and assemblies imported or purchased locally for the manufacture of the said goods, limitations and restrictions as specified in chapter xiv of sale	Manufacturing (Industrial Inputs) General Masses	439
10	Section 4 (Zero Rated)	12(xxiv) Pencil sharpeners (PCT heading 8214.1000)	Manufacturing (Industrial Inputs) General Masses (Educational Items)	303
11	Section 4 (Zero Rated)	Others	Manufacturing (Industrial Inputs) General Masses	266
12	Section 4 (Zero Rated)	Exercise books (PCT heading 4820.2000)	Manufacturing (Industrial Inputs) General Masses (Educational Items)	238
13	Section 4 (Zero Rated)	Bicycles (PCT heading 87.12).	Manufacturing (Industrial Inputs) General Masses	140
14	Section 4 (Zero Rated)	12(xxii) Erasers (PCT heading 4016.9210 and 4016.9290)	Manufacturing (Industrial Inputs) General Masses (Educational Items)	138
15	Section 4 (Zero Rated)	1(ii) Supply, repair or maintenance of any aircraft which is neither;	Manufacturing (Industrial Inputs)	127
16	Section 4 (Zero Rated)	Pencils including color pencils (PCT heading 96.09)	Manufacturing (Industrial Inputs) General Masses (Educational Items)	124
17	Section 4 (Zero Rated)	Supplies made to exporters under the Duty and Tax Remission Rules, 2001 subject to the observance of procedures, restrictions and conditions prescribed therein	Manufacturing (Industrial Inputs) Exporters,	115
18	Section 4 (Zero Rated)	Imports or supplies made to Gawadar Special Economic Zone, excluding vehicles falling under heading 87.02 of the Pakistan Customs Tariff, subject to such conditions, limitations and restrictions as the 3 [Board] may impose.]	Special Economic Zone, Manufacturing (Industrial Inputs)	96
19	Section 4 (Zero Rated)	6 Supplies of such locally manufactured plant and machinery 6 to petroleum and gas sector Exploration and Production companies, their contractors and sub-contractors] as may be specified by the Federal Government, by notification in the official Gazette, subject to such conditions and restrictions as may be specified in such notification.]	Manufacturing (Industrial Inputs)	80
20	Section 4 (Zero Rated)	Supplies of locally manufactured plant and machinery of the following specifications, to manufacturers in the Export Processing Zone, subject to the conditions, restrictions and procedure given below, namely:-	Manufacturing (Industrial Inputs)	51

21	Section 4 (Zero Rated)	ship of gross tonnage of less than 15 LDT; nor	Manufacturing (Industrial Inputs)	49
22	Section 4 (Zero Rated)	9 Goods exempted under section 13, if exported by a manufacturer	Manufacturing (Industrial Inputs)	42
23	Section 4 (Zero Rated)	12(xxi) Writing, drawing and marking inks (PCT heading.	Manufacturing (Industrial Inputs) General Masses (Educational Items)	39
24	Section 4 (Zero Rated)	1(iii) Supply of spare parts and equipment for ships and aircraft falling under (i) and (ii) above.	Manufacturing (Industrial Inputs)	35
25	Section 4 (Zero Rated)	1(v) Supply of equipment and machinery for air navigation services.	Manufacturing (Industrial Inputs)	22
26	Section 4 (Zero Rated)	12(xxv) Geometry boxes (PCT heading 9017.2000)	Manufacturing (Industrial Inputs) General Masses (educational Items)	10
27	Section 4 (Zero Rated)	12(xx) Colors in sets (PCT heading 3213.1000).	Manufacturing (Industrial Inputs) General Masses (Educational Items)	6
28	Section 4 (Zero Rated)	1(ii)(b) an aircraft designed or adapted for use for recreation or pleasure.	Manufacturing (Industrial Inputs)	6
29	Section 4 (Zero Rated)	6(A) supply of Locally manufactured plant and machinery (EPZ)	Manufacturing (Industrial Inputs) Exporters	6
30	Section 4 (Zero Rated)	1(vi) Supply of equipment and machinery for other services provided for the handling of ships or aircraft in a port or Customs Airport	Manufacturing (Industrial Inputs)	4
31	Section 4 (Zero Rated)	1(iv) Supply of equipment and machinery for pilot age, salvage or towage services.	Manufacturing (Industrial Inputs)	3
32	Section 4 (Zero Rated)	Supplies to duty free shops, provided that in case of clearance from duty free shops against various baggage rules issued under the Customs Act, 1969, (IV of 1969), the supplies from duty free shops shall be treated as import for the purpose of levy of sales tax.	Manufacturing (Industrial Inputs) Diplomatic Supplies and General Masses	3
33	Section 4 (Zero Rated)	6(A) supply of Locally manufactured plant and machinery (EPZ)	Manufacturing (Industrial Inputs) Export Processing Zones	3
34	Section 4 (Zero Rated)	1(i)(b) a ship designed or adapted for use for recreation or pleasure.	Manufacturing (Industrial Inputs)	2
35	Section 4 (Zero Rated)	6(A)(iv) Parts of machinery as specified in clauses (i), (ii) and (iii), identifiable for use in or with such machinery.	Manufacturing (Industrial Inputs)	1
36	Section 4 (Zero Rated)	1(ii)(a) an aircraft of weight-less than 8000 kilograms; nor	Manufacturing (Industrial Inputs)	1
37	Section 4 (Zero Rated)	6(A)(iii) Mechanical and electrical control and transmission gear, meant or adapted for use in conjunction with machinery specified in clause (i); and	Manufacturing (Industrial Inputs)	1
38	Section 4 (Zero Rated)	6(A)(ii) Apparatus, appliances and equipment specifically meant or adapted for use in conjunction with	Manufacturing (Industrial Inputs)	0

		the machinery specified in clause (i);		
39	Section 4 (Zero Rated)	6(A)(i) Plant and machinery, operated by power of any description, as is used for the manufacture or production of goods by that manufacturer;	Manufacturing (Industrial Inputs)	0
Sub Total				17,562
Less Adjustments				4,675
Total				12,887

Adjustments

* Note-I (adjustment in estimation): In case of zero-rated items, the adjustment includes leaving out tax expenditure estimation on some items, which if were not zero-rated, the full input tax would have been claimed, such as crude oil, machinery for E&P sector, and material related to exports. The tax expenditure to the extent of these items is thus deducted from the total estimation of Part 1 (zero rated items). Item-wise cost is below:

Tax Exemption under 5th Schedule (Zero rated Items)

S.No	Legal Ref	ITEM	Beneficiary	Tax Expenditure
1	Section 4 (Zero Rated)	Supplies of raw materials components and goods for further] manufacture of goods in the Export Processing Zones.	Manufacturing (Industrial Inputs) Exporters, General Masses	1,934
2	Section 4 (Zero Rated)	Raw materials, components, sub-components and parts, if imported or purchased locally for use in the manufacturing of such plants and machinery as is chargeable to sales tax at the rate of zero percent, subject to the condition that the importer or purchaser of such goods holds a valid sales tax registration showing his registration category as “manufacturer”; and in case of import , all the conditions, restrictions, limitations and procedures as are imposed by notification under section 19 of the Customs Act,1969(IV of 1969), shall apply	Manufacturing (Industrial Inputs)	995
3	Section 4 (Zero Rated)	Supply to diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various Acts, Orders, Rules, Regulations and Agreements passed by the Parliament or issued or agreed by the Government of Pakistan.	Diplomatic Supplies	842
4	Section 4 (Zero Rated)	Pens, ball pens, markers and porous tipped pens (PCT heading 96.08)	Educational Items/ General Masses	608
5	Section 4 (Zero Rated)	7 Supplies made to exporters under the Duty and Tax Remission Rules, 2001 subject to the observance of procedures, restrictions and conditions prescribed therein.]	Manufacturing (Industrial Inputs), Exporters	115
6	Section 4 (Zero Rated)	6 Supplies of such locally manufactured plant and machinery to petroleum and gas sector Exploration and Production companies, their contractors and sub-contractors] as may be specified by the Federal Government, by notification in the official Gazette, subject to such conditions and restrictions as may be specified in such notification.]	Manufacturing (Industrial Inputs)	80
7	Section 4 (Zero Rated)	6(A) Supplies of locally manufactured plant and machinery of the following specifications, to manufacturers in the Export Processing Zone, subject	Manufacturing (Industrial Inputs)	51

to the conditions, restrictions and procedure given below, namely:-

8	Section 4 (Zero Rated)	9 Goods exempted under section 13, if exported by a manufacturer	Manufacturing (Industrial Inputs), Exporters, General Masses	42
9	Section 4 (Zero Rated)	6(A) supply of Locally manufactured plant and machinery (EPZ)	Manufacturing (Industrial Inputs), Exporters,	6
10	Section 4 (Zero Rated)	6(A) supply of Locally manufactured plant and machinery (EPZ)	Manufacturing (Industrial Inputs) Exporters	3
Total				4,675

EXEMPTION ON IMPORTS UNDER 6TH SCHEDULE				
Sr	Legal Reference	ITEM	Intended Beneficiary	Estimates In Million
11	6th Schedule-Table-3	12. machinery, equipment and other project related items including capital goods, for setting up of hotels, power generation plants, water treatment plants and other infrastructure related projects located in an area of 30 km around the zero point	Manufacturing (Industrial Inputs) General Masses	58,507
12	6th Schedule-Table-1	24 Edible oils and vegetable ghee, including cooking oil, on which Federal Excise Duty is charged, levied and collected by a registered manufacturer or importer as if it were a tax payable under section 3 of the Act.	Manufacturing (Industrial Inputs) General Masses (Food Products)	57,204
13	6th Schedule-Table-3	8.1 exemption of Sales Tax @ 0% on Machinery and equipment meant for power transmission and grid stations including under construction projects. subject to condition given at S.No. 8 of Annexure of Table-III of 6th Schedule to the Sales Tax Act, 1990.	Manufacturing (Industrial Inputs) General Masses	27,900
14	6th Schedule-Table-1	105 Raw materials for the basic manufacture of pharmaceutical active ingredients and for manufacture of pharmaceutical products, provided that in case of import, only such raw materials shall be entitled to exemption which are liable to customs duty not exceed	Manufacturing (Industrial Inputs), Health Sector General Masses	21,048
15	6th Schedule-Table-1	104 Substances registered as drugs under the Drugs Act, 1976 (XXXI of 1976) and medicaments as are classifiable under Chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969) except the following, even if medicated or medicinal in nature	Health Sector Manufacturing (Pharmaceutical Industrial Inputs) General Masses	19,675
16	6th Schedule-Table-3	6.1 exemption of Sales Tax @ 0% on Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through gas, coal, hydel, and oil including under construction projects.	Manufacturing (Industrial Inputs)	18,279
17	6th Schedule-Table-1	Pulses.	General Masses, Food products	15,605
18	6th Schedule-Table-1	24. Edible oils and vegetable ghee including cooking oil on which federal excise duty is charged, levied and collected by a registered manufacturer or importer as if it were a tax payable under section 3 of the act.	Manufacturing (Industrial Inputs) General Masses food products	12,478

19	6th Schedule- Table-1	133 Pesticides and their active ingredients registered by the department of plant protection under the Agricultural Pesticides Ordinance, 1971 (II of 1971), stabilizers, emulsifiers and solvents namely:- Details given at the S.No. 133 of Table 1 of 6th Schedule	Agriculture Sector General Masses	11,990
20	6th Schedule- Table-3	14A.7.(a) PV Modules.	Manufacturing (Industrial Inputs) General Masses	8,281
21	6th Schedule- Table-3	Exemption of Sales Tax @ 0% on Coal mining machinery, equipment, spares including vehicles for site use i.e single or double cabin pick-ups and dump trucks imported for Thar Coal Field - subject to condition given at S.No. 4 of Annexure of Table-III	Mining sector (Industrial Inputs)	3,927
22	6th Schedule- Table-1	Edible fruits excluding imported fruits (except fruits imported from Afghanistan) whether fresh, frozen or otherwise preserved but excluding those bottled or canned.	General Masses Food Items	3,313
23	6th Schedule- Table-1	Live animals and live poultry respective headings of chapter 1.	Poultry General Masses	3,208
24	6th Schedule- Table-1	Edible vegetables including roots and tubers, except ware potato and onions, whether fresh, frozen or otherwise preserved (e.g. in cold storage) but excluding those bottled or canned.	Manufacturing (Industrial Inputs) General Masses	3,160
25	6th Schedule- Table-1	132 Personal computers	General Masses	2,920
26	6th Schedule- Table 1	61 Respective Headings	Manufacturing (Industrial Inputs) General Masses	2,814
27	6th Schedule- Table-1	84 Preparations suitable for infants, put up for retail sale	Manufacturing (Industrial Inputs) General Masses	2,738
28	6th Schedule- Table-1	153 Steel billets, ingots, ship plates, bars and other long re-rolled profiles, on such imports and supplies by the manufacturer on which federal excise duty is payable in sales tax mode	Steel Sector (Industrial Inputs) General Masses	2,424
29	6th Schedule- Table-1	73A Milk and Cream , concentrated or containing added sugar or other sweetening matter, excluding that sold in retail packing under a brand name	Manufacturing (Industrial Inputs) General Masses / Food Items	2,402
30	6th Schedule- Table-1	20 Seeds, fruit and spores of a kind used for sowing.	Agriculture Sector (Industrial Inputs) General Masses	2,335
31	6th Schedule- Table-1	120 Diagnostic kits or equipment, namely:- HIV Kits , 4C Es Trionyx , 5C Cell control normal , Bovine precision multi sera , Pregnancy test , DNA SSP DRB Generic IC , Reticulocyte count (control) Retic C Control , Kit for vitamin B12 estimation , Ferritin	Health Sector (Industrial Inputs) General Masses	2,320
32	6th Schedule- Table-3	5.1 exemption of Sales Tax @ 0% on Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through oil, gas, coal, wind and wave energy including under construction p	Manufacturing (Industrial Inputs) General Masses	2,010

33	6th Schedule- Table-1	131 Laptop computers, notebooks whether or not incorporating multimedia kit	General Masses	1,965
34	6th Schedule- Table-1	141 Preparation for making animal feed	Manufacturing (Industrial Inputs) General Masses	1,904
35	6th Schedule- Table-1	32 Newsprint, newspapers, journals, periodicals, books but excluding directories.	General Masses Educational Items	1,785
36	6th Schedule- Table-1	19 Cereals and products of milling industry excluding the products of milling industry, other than wheat and meslin flour, as sold in retail packing bearing brands name or a trade mark.	Manufacturing (Industrial Inputs) General Masses, food products	1,556
37	6th Schedule- Table-3	7.1 exemption of Sales Tax @ 0% on Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through nuclear and renewable energy sources like solar, wind, micro-hydel	Manufacturing (Industrial Inputs) General Masses	1,266
38	6th Schedule- Table-1	151 Imports of plant, machinery, equipment for installation in tribal areas and of industrial inputs by the industries located in the tribal areas, as defined in the Constitution of Islamic Republic of Pakistan subject to furnishing of security	FATA/PATA	1,264
39	6th Schedule- Table-3	117. 3006.9100, 118. 3926.9050, 119. 8539.3930, 120. 3822.0000, 121. respective heading, 122. respective headings, 123. 8802.4000, 124. respective headings, 125. respective headings, 126. respective headings, 127. respective headings, 128. respective head	Manufacturing (Industrial Inputs) General Masses	1,142
40	6th Schedule- Table-1	13. edible vegetables including roots and tubers, whether fresh, frozen or otherwise preserved (e.g. in cold storage) but excluding potato onion those bottled or canned under respective PCT headings	General Masses (Food Products)	955
41	6th Schedule- Table-1	124 Maintenance kit for use in trainer aircrafts of PCT headings 8802.2000 and 8802.3000	Manufacturing (Industrial Inputs)	937
42	6th Schedule- Table-1	102. Machinery. equipment and materials imported either for exclusive use within the limits of EPZ or for making exports there from, and goods imported for warehousing purpose in EPZ, subject to the conditions that such machinery, equipment, materials	Manufacturing (Industrial Inputs) Exporters	741
43	6th Schedule- Table-1	17 Ginger excluding those sold in retail packing bearing brand names and trademarks.	General Masses (Food Products)	738
44	6th Schedule- Table-1	85 Fat filled milk, excluding that sold in retail packing under a brand name or a trademark	General Masses (Food Products)	738
45	6th Schedule- Table-1	45 Dextrose and saline infusion giving sets along with empty non-toxic bags for infusion solution, Dextrose and saline infusion giving sets, Artificial parts of the body, Intra-Ocular lenses and Glucose testing equipment.	Health Sector (Industrial Inputs) General Masses	719
46	6th Schedule- Table-1	76 Whey, excluding that sold in retail packing under a brand name	General Masses (Food Products)	685
47	6th Schedule- Table-3	6.2 exemption of Sales Tax @ 0% on Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary	Manufacturing (Industrial Inputs)	569

		basis as required for the construction of project.- subject to condition given at S.No. 6 of Annexure of Table-I	Construction Industry / General Masses	
48	6th Schedule- Table-1	12. live plants including bulbs roots and the like under respective PCT headings	General Masses	562
49	6th Schedule- Table-1	100 Construction materials to Gawadar Export Processing Zone's investors and to Export Processing Zone Gawadar for development of Zone's infrastructure	Export Processing Zone	547
50	6th Schedule- Table-1	14. pulses under respective PCT headings	General Masses	536
51	6th Schedule- Table-3	15A-I Parts and Components for manufacturing LED lights:- (i). Aluminum Housing/ Shell for LED (LED Light Fixture)	Manufacturing (Industrial Inputs) General Masses	531
52	6th Schedule- Table-3	02. following machinery, equip., apparatus, & medical, surgical, dental & vet. furniture, materials, fixtures and fittings imported by hospitals and medical or diagnostic institutes:- medical equipment sr. (1) to (13) b. cardiology/cardiac surgery equipment	Health Sector (Industrial Inputs) General Masses	522
53	6th Schedule- Table-3	15(ix). PV module, with or without, the related components including invertors (off-grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT), charge controllers and solar batteries	Manufacturing (Industrial Inputs) General Masses	493
54	6th Schedule- Table-1	1 Live Animals and live poultry	Poultry Sector General Masses	477
55	6th Schedule- Table-3	19 Plant and machinery, except the items listed under Chapter 87 of the Pakistan Customs Tariff, imported for setting up of a Special Economic Zone (SEZ) by zone developers and for installation in that zone by zone enterprises, on one time basis as prescribe	Special Economic Zones General Masses	383
56	6th Schedule- Table-3	156 exemption of Sales Tax @ 0% on 6. PV module, with or without, the related components including invertors, charge controllers and batteries-Items for promotion of renewable energy technologies subject to certification by Alternative Energy Development	Manufacturing (Industrial Inputs) General Masses	383
57	6th Schedule- Table-3	14.1.v. Inverters (off-grid/ on-grid/ hybrid with provision for direct connection/ input renewable energy source and with Maximum Power Point Tracking (MPPT).	Manufacturing (Industrial Inputs) General Masses	372
58	6th Schedule- Table-1	103. import and supply thereof, up to the year 2020, of ships of gross tonnage of less than 15 LDT and all floating crafts including tugs, dredgers, survey vessels and other specialized crafts purchased or bare-boat chartered by a Pakistan entity	Manufacturing (Industrial Inputs)	353
59	6th Schedule- Table-3	15A(iii). Constant Current Power Supply for of LED Lights(1-300W)	Manufacturing (Industrial Inputs) General Masses	342
60	6th Schedule- Table-1	46 Exemption of Sales Tax under Serial No 46 to 59 of 6th Schedule of Sales Tax, Act where exemption of Customs Duty is claimed under chapter 99.	Manufacturing (Industrial Inputs)	321

61	6th Schedule- Table-3	15A(ii). Metal Clad Printed Circuit Boards (MCPCB) for LED	Manufacturing (Industrial Inputs) General Masses	321
62	6th Schedule- Table-1	98 Pencils including colour pencils	Manufacturing (Industrial Inputs) General Masses	291
63	6th Schedule- Table-1	112 cardiology/cardiac surgery, neurovascular, electrophysiology, endo-surgery, endoscopy, oncology, urology, gynecology, disposables and other equipment as stated in serial 112 of Table I of 6th schedule.	Health Sector (Industrial Inputs) General Masses	260
64	6th Schedule- Table-3	14. Following items for use with solar energy, Solar Power Systems	Manufacturing (Industrial Inputs) General Masses	260
65	6th Schedule- Table-3	15(xv). Invertors (off-grid/on grid/hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT).	Manufacturing (Industrial Inputs) General Masses	259
66	6th Schedule- Table-3	8.2 exemption of Sales Tax @ 5% on Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.- subject to condition given at S. No. 8 of Annexure of Table-3	Manufacturing (Industrial Inputs) General Masses	229
67	6th Schedule- Table-1	60 Contraceptives and accessories thereof.	Health Sector (Industrial Inputs) General Masses	225
68	6th Schedule- Table-1	150 Plant and machinery excluding consumer durable goods and office equipment as imported by greenfield industries, intending to manufacture taxable goods, during their construction and installation period subject to conditions noted below and issuance of exe	Manufacturing (Industrial Inputs)	206
69	6th Schedule- Table-3	15B-CKD kits for single cylinder agriculture diesel engines (compression-ignition internal combustion piston engines) of 3 to 36 HP.	Agriculture Sector (Industrial Inputs)	206
70	6th Schedule- Table-1	130 Sodium Iron (Na Fe EDTA), and other premixes of vitamins, minerals and micro-nutrients (food grade) and subject to conditions imposed for importation under the Customs Act, 1969	Manufacturing (Industrial Inputs) General Masses	203
71	6th Schedule- Table-1	153 steel billets, ingots, ship plates, bar and other long re-rolled profiles, on such imports and supplies by the manufacturer on which federal excise duty is payable in sales tax mode.	Steel Sector, Manufacturing (Industrial Inputs) General Masses	202
72	6th Schedule- Table-1	125 Spare parts for use in aircrafts, trainer aircrafts or simulators	Manufacturing (Industrial Inputs)	198
73	6th Schedule- Table-1	121 Blood bag CPDA-1 with blood transfusion set pack in ammonium foil with set	Health Sector (Industrial Inputs) General Masses	194
74	6th Schedule- Table-1	113 High Efficiency Irrigation Equipment. (If used for agriculture sector) 1) Submersible pumps (up to 75 lbs. and head 150 meters) 2) Sprinklers including high and low pressure (center pivotal) system, conventional sprinkler equipment, water reel travel	Agriculture Sector General Masses	193

75	6th Schedule- Table-1	135 Sunflower and canola hybrid seeds meant for sowing	Agriculture Sector General Masses	185
76	6th Schedule- Table-1	26 Fruit juices, whether fresh, frozen or otherwise preserved but excluding those bottled, canned or packaged.	Manufacturing (Industrial Inputs) General Masses (Food Products)	182
77	6th Schedule- Table-1	88 Erasers	Manufacturing (Industrial Inputs) General Masses	176
78	6th Schedule- Table-3	14A.4.b.i Parts for Solar Desalination System, (i). Solar photo voltaic panels.	Manufacturing (Industrial Inputs) General Masses	175
79	6th Schedule- Table-1	93 Bicycles	Manufacturing (Industrial Inputs) General Masses	171
80	6th Schedule- Table-1	146 Equipment imported by M/s China Railway Corporation to be furnished and installed in Lahore Orange Line Metro Train Project subject to the conditions as contained in Sr No 146 of Table-1 of the 6th-Schedule (Sales Tax) Act 1990.	Mass Transit System / General Masses	171
81	6th Schedule- Table-1	61.goods produced or manufactured in and exported from Pakistan which are subsequently imported in Pakistan within one year of their exportation provided conditions of section 22 of the customs act 1969 (iv of 1969) are complied with under respective PCT	Exporter/Importers, Manufacturing (Industrial Inputs) General Masses	162
82	6th Schedule- Table-1	102 Machinery, equipment and materials imported either for exclusive use within the limits of Export Processing Zone or for making exports therefrom, and goods imported for warehousing purpose in Export Processing Zone, subject to the conditions that such mac	Exporters, Manufacturing (Industrial Inputs) General Masses	158
83	6th Schedule- Table-3	14A.7.b.i Parts for PV Modules, (i). Solar cells.	Manufacturing (Industrial Inputs) General Masses	151
84	6th Schedule- Table-3	14A.15. Any other item approved by the Alternative Energy Development Board (AEDB) and concurred to by the FBR.	Manufacturing (Industrial Inputs) General Masses / Alternative Energy Development	151
85	6th Schedule- Table-1	116. plant, machinery and equipment imported for setting up industries in fata subject to the same conditions and procedure as are applicable for import of such plant, machinery and equipment under the customs act, 1969 (iv of 1969). under respective head	Manufacturers in (Industrial Inputs) General Masses	150
86	6th Schedule- Table-1	94 Wheelchairs	General Masses / “differently-abled persons	149
87	6th Schedule- Table-3	15A(iv). Lenses for LED lights	Manufacturing (Industrial Inputs)	145

			General Masses	
88	6th Schedule- Table-1	134 Goods received as gift or donation from a foreign government or organization by the Federal or Provincial Governments or any public sector organization subject to recommendations of the Cabinet Division and concurrence by the Federal Board of Revenue	General masses and Governments	145
89	6th Schedule- Table-3	13 exemption of Sales Tax @ 0% on Effluent treatment plants- subject to conditions. Subject to conditions given in the preamble of Table-3 of 6th Schedule to the Sales Tax Act, 1990.	Manufacturing (Industrial Inputs) General Masses	135
90	6th Schedule- Table-3	14(1) i Off-grid/On-grid solar power system (with or without provision for USB/charging port) comprising of : i. PV Module.	Energy Sector Manufacturing (Industrial Inputs) General Masses	129
91	6th Schedule- Table-1	101 Raw and pickled hides and skins, wet blue hides and skins, finished leather, and accessories, components and trimmings, if imported by a registered leather goods manufacturer, for the manufacture of goods wholly for export, provided that conditions	Leather Sector Exporters Manufacturing (Industrial Inputs) General Masses	128
92	6th Schedule- Table-1	148 Imported construction materials and goods imported by M/s China State Construction Engineering Corporation Limited (M/s CSCECL), whether or not locally manufactured, for construction of Karachi-Peshawar Motorway (Sukkur-Multan Section) subject to fulfilment	Road and Highways / General Masses	110
93	6th Schedule- Table-1	143(i) Hearing aids (all types and kinds) (ii) Hearing assessment equipment; (a) Audiometers (b) Tympanometer (c) ABR (d) Oto Acoustic Omission	Manufacturing (Industrial Inputs) General Masses Differently-abled persons	99
94	6th Schedule- Table-1	52. goods imported by or donated to hospitals run by the federal government or a provincial government and non-profit making educational and research institutions subject to the similar restrictions, limitations, conditions and procedures as are envisaged	Health Sector General Masses	91
95	6th Schedule- Table-3	3.1 exemption of Sales Tax @ 5% on Machinery, equipment, materials, capital goods, specialized vehicles (4x4 non luxury) i.e single or double cabin pickups, accessories, spares, chemicals and consumables meant for mine construction phase or extraction phase	General Masses	89
96	6th Schedule- Table-1	3. fish and crustaceans excluding live fish whether or not fresh, frozen or otherwise preserved	(Food Products) General Masses	89
97	6th Schedule- Table-3	5.2 exemption of Sales Tax @ 0% on Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.- subject to condition given at S.No. 5 of Annexure of Table-I	Construction Industry General Masses	87
98	6th Schedule- Table-1	46. goods imported by various agencies of the united nations, diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various act and orders, rules and regulations made thereunder and agreements by the	Manufacturing (Industrial Inputs) Diplomatic Missions/ General	87

federal government			Masses	
99	6th Schedule-Table-3	14.1. iii. Batteries for specific utilization with the system (not exceeding 50 Ah in case of portable system).	Manufacturing (Industrial Inputs) General Masses	83
100	6th Schedule-Table-3	14A.4.b.v Inverters (off grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT)	Energy Sector Manufacturing (Industrial Inputs) General Masses	72
101	6th Schedule-Table-1	110 The following items with dedicated use of renewable source of energy like solar and wind, subject to certification by the Alternative Energy Development Board (AEDB), Islamabad:- as listed at sub-serial number (a) to (j).	Energy Sector Manufacturing (Industrial Inputs) General Masses / Alternative Energy Development	71
102	6th Schedule-Table-1	97 Pens, ball pens, markers and porous tipped pen	Manufacturing (Industrial Inputs) General Masses / Educational Items	69
103	6th Schedule-Table-1	20. seeds , fruit and spores of a kind used for sowing under respective PCT headings	Manufacturing (Industrial Inputs) General Masses	66
104	6th Schedule-Table-1	83 Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry meat and fish excluding those sold in retail packing under a brand name or a trademark	(Food Products) General Masses	61
105	6th Schedule-Table-1	Combined harvesters up to five years old	Manufacturing (Industrial Inputs) General Masses	53
106	6th Schedule-Table-3	Exemption of Sales Tax on Machinery and equipment for initial installation, balancing, modernization, replacement or expansion of desalination plants, cola-firing system, gas processing plants and oil and gas field prospecting. Subject to conditions given	Manufacturing (Industrial Inputs) General Masses	53
107	6th Schedule-Table-1	Goods Imported by or donated to hospitals run by the Federal or Provincial Government; and non-profit making educational and research institutions, limitations, conditions and procedures as are envisaged for the purpose of applying zero-rate of customs d	Health Sector General Masses	50
108	6th Schedule-Table-1	import of all goods received, in the event of a natural disaster or other catastrophe, as gifts and relief consignments, including goods imported for the president's fund for afghan refugees, relief goods donated for afghan refugees, gifts for president's f	General Masses	50
109	6th Schedule-Table-3	Machinery, equipment, raw materials, components and other capital goods for use in building, fittings, repairing or refitting of ships, boats or floating structures imported by Karachi Shipyard and Engineering Works Limited.	Manufacturing (Industrial Inputs)	48
110	6th Schedule-Table-1	149 Micro feeder equipment	Manufacturing (Industrial Inputs) General Masses	47

111	6th Schedule- Table-1	142 Promotional and advertising material including technical literature, pamphlets, brochures and other giveaways of no commercial value, distributed free of cost by the exhibitors	Media Manufacturing (Industrial Inputs) General Masses	47
112	6th Schedule- Table-1	115. plant, machinery and equipment imported for setting up fruit processing and preservation units in Gilgit-Baltistan, Balochistan province and Malakand division subject to the same conditions and procedure as are applicable for import of such plant, ma	Manufacturing (Industrial Inputs) General Masses	44
113	6th Schedule- Table-3	3.2 exemption of Sales Tax @ 0% on Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for mine construction or extraction phase - subject to condition given at S.No. 3 of Annexure	General Masses	42
114	6th Schedule- Table-3	15(v). Solar torches.	(Industrial Inputs) General Masses	41
115	6th Schedule- Table-1	140 Bovine Semen	General Masses	40
116	6th Schedule- Table-3	14. following items with dedicated use of renewable source of energy like solar, wind, geothermal etc:- (1)solar home systems.(2)solar parabolic trough power plants.(3)solar dish sterling engine.(4)solar air conditioning system.(5)solar desalination system	Energy Sector Manufacturing (Industrial Inputs) General Masses	38
117	6th Schedule- Table-3	15(xiv). Sun Tracking Control System	Manufacturing (Industrial Inputs) General Masses	38
118	6th Schedule- Table-3	12 exemption of Sales Tax @ 0% on Machinery, equipment and other project related items including capital goods, for setting up of hotels, power generation plants, water treatment plants and other infrastructure related projects located in an area of 30 km a	Energy Sector Manufacturing (Industrial Inputs) General Masses	38
119	6th Schedule- Table-3	15(xii). Energy saver lamps of varying voltages	Energy Sector Manufacturing (Industrial Inputs) General Masses	36
120	6th Schedule- Table-1	11 Eggs including eggs for hatching	Poultry Sector Manufacturing (Industrial Inputs) General Masses	36
121	6th Schedule- Table-1	15. edible fruits excluding imported fruits (except fruits imported from Afghanistan) whether fresh, frozen or otherwise preserved but excluding those bottled or canned under respective PCT headings (0810.3000 omitted)	(Food Products) General Masses	35
122	6th Schedule- Table-1	2 Meat of bovine animals, sheep and goat, excluding poultry and offal, whether or not fresh, frozen or otherwise, preserved or packed	Manufacturing (Industrial Inputs) General Masses	34
123	6th Schedule- Table-1	12 Live plants including bulbs, roots and the like.	Manufacturing (Industrial Inputs) General Masses	34

124	6th Schedule- Table-3	14A.5. Solar Thermal Power Plants with accessories.	Manufacturing (Industrial Inputs) General Masses	33
125	6th Schedule- Table-1	100A Materials and equipment (plant, machinery, equipment, appliances and accessories) for construction and operation of Gwadar Port and development of Free Zone for Gwadar Port as imported by or supplied to China Overseas Ports Holding Company Limited (COPHCL	Manufacturing (Industrial Inputs) General Masses / Economic zones	32
126	6th Schedule- Table-1	108 Components or sub-components of energy saver lamps, namely:- (a) Electronic Circuit (b) Plastic Caps (Upper and Lower) (c) Base Caps B22 and E27 (d) Tungsten Filaments (e) Lead-in-wire (f) Fluorescent Powder (Tri Band Phosphor) (g) Adhesive Additive	Manufacturing (Industrial Inputs) General Masses	31
127	6th Schedule- Table-1	87 Writing, drawing and marking inks	Manufacturing (Industrial Inputs) General Masses	30
128	6th Schedule- Table-1	122 Urine drainage bags	Health Sector Manufacturing (Industrial Inputs) General Masses	29
129	6th Schedule- Table-3	15 (xi). Water pumps operating on solar energy along with solar pump controllers	Manufacturing (Industrial Inputs) General Masses	29
130	6th Schedule- Table-1	80 Processed cheese not greeted or powdered, excluding that sold in retail packing under a brand name	(Food Products) General Masses	28
131	6th Schedule- Table-1	130 Import and supply thereof, up to the year 2020, of ships and all floating crafts including tugs, dredgers, survey vessels and other specialized crafts purchased or bare-boat chartered by a Pakistan entity and flying	Manufacturing (Industrial Inputs) General Masses	27
132	6th Schedule- Table-1	33. currency notes, bank notes, shares, stocks and bonds under PCT 49.07	General Masses	27
133	6th Schedule- Table-3	14A.4.b(ii). Solar water pumps.	Manufacturing (Industrial Inputs) General Masses	25
134	6th Schedule- Table-3	15(xiii). Energy Saving Tube Lights.	Manufacturing (Industrial Inputs) General Masses	25
135	6th Schedule- Table-1	106 Import of Halal edible offal of bovine animals.	General Masses Food Items	24
136	6th Schedule- Table-1	114 Green House Farming and Other Green House Equipment consisting of plastic covering and mulch film, anti-insect net and shade net (If used for agriculture sector) 1) Tunnel farming equipment. 2) Greenhouses (prefabricated).	agriculture sector Manufacturing (Industrial Inputs) General Masses	24
137	6th Schedule- Table-3	14A.7.b.iiTempered Glass.	Manufacturing (Industrial Inputs) General Masses	24

138	6th Schedule- Table-1	11. eggs including eggs for hatching under respective headings	Poultry Sector Manufacturing (Industrial Inputs) General Masses	24
139	6th Schedule- Table-1	129 Import of plant, machinery and production line equipment used for the manufacturing of mobile phones by the local manufacturers of mobile phones duly certified by Pakistan Telecommunication Authority	Manufacturing (Industrial Inputs) General Masses	23
140	6th Schedule- Table-1	127 Operational tools, machinery, equipment and furniture and fixtures on one-time basis for setting up Greenfield airports by a company authorized by Aviation Division	Manufacturing (Industrial Inputs) General Masses	20
141	6th Schedule- Table-1	109 Goods imported temporarily with a view to subsequent exportation, as concurred by the Board, including passenger service item, provision and stores of Pakistani Airlines.	Manufacturing (Industrial Inputs) General Masses	18
142	6th Schedule- Table-1	86 Colors in sets (Poster colors)	Manufacturing (Industrial Inputs) General Masses	18
143	6th Schedule- Table-3	14A.12.b.i Turbine with Generator/ Alternator.	Manufacturing (Industrial Inputs) General Masses	18
144	6th Schedule- Table-1	100D Machinery, equipment, materials and goods imported either for exclusive use within the limits of Gwadar Free Zone, or for making exports therefrom, subject to the conditions that such machinery, equipment, materials and goods, are imported by investors of	Exporters Manufacturing (Industrial Inputs)	18
145	6th Schedule- Table-1	76. WHEY 04.04	Food Products General Masses	16
146	6th Schedule- Table-3	11.7 exemption of Sales Tax @ 0% on 7) Machine and tool for stone work; sand blasting machines; tungsten carbide tools; diamond tools & segments (all type & dimensions), hydraulic jacking machines, hydraulic manual press machines, air/hydro pillows, compress	Manufacturing (Industrial Inputs) General Masses	16
147	6th Schedule- Table-1	96 Other drawing, marking out or mathematical calculating instruments (geometry box)	Manufacturing (Industrial Inputs) General Masses	15
148	6th Schedule- Table-1	79 Cheese, excluding that sold in retail packing under a brand name	Food Products General Masses	15
149	6th Schedule- Table-3	14A.7.b.ix Ribbon for PV Modules (made of silver & Lead).	Manufacturing (Industrial Inputs) General Masses	14
150	6th Schedule- Table-1	137 Paper weighing 60 g/m2 for printing of Holy Quran imported by Federal or Provincial Governments and Nashiran-e-Quran as per quota determined by IOCO	Manufacturing (Industrial Inputs) General Masses	14
151	6th Schedule- Table-1	92 Sewing machines of the household type	General Masses	13
152	6th Schedule-	123 Aircraft, whether imported or acquired on wet or dry lease	Manufacturing (Industrial Inputs)	13

Table-1			General Masses	
153	6th Schedule- Table-3	14A.7.b.iii Aluminum frames.	Manufacturing (Industrial Inputs) General Masses	12
154	6th Schedule- Table-1	32. News Print, News Papers, Journals, Periodicals Books But Excluding Directories Under Respective PCT Headings	Media General Masses	12
155	6th Schedule- Table-3	07. (1) machinery, equip. & spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power gen. through nuclear & renewable energy sources like solar, wind, micro- hydel bio-energy, ocean, waste-to-energy	Manufacturing (Industrial Inputs) General Masses	12
156	6th Schedule- Table-1	3 Fish and crustaceans excluding live fish whether or not fresh, frozen or otherwise preserved or packed	Food Products General Masses	11
157	6th Schedule- Table-1	51. impoted samples, subject to the same condition as are envisaged for the purposes of applying zero-rate of customs duty under customs act 1969 (iv of 1969) under respective PCT headings	Manufacturing (Industrial Inputs) General Masses	11
158	6th Schedule- Table-3	14.1.ii. Charge controller.	Manufacturing (Industrial Inputs) General Masses	11
159	6th Schedule- Table-1	31 Holy Quran, complete or in parts, with or without translation; Quranic Verses recorded on any analogue or digital media; other Holy books.	General Masses	10
160	6th Schedule- Table-1	92. Sewing machines of the household	Manufacturing (Industrial Inputs) General Masses	10
161	6th Schedule- Table-1	16 Red chilies excluding those sold in retail packing bearing brand names and trademarks.	Food Products Manufacturing (Industrial Inputs) General Masses	10
162	6th Schedule- Table-1	112. Following cardiology/cardiac surgery, neurovascular, electrophysiology, Endosurgery, endoscopy, oncology, urology, gynecology, disposables & other equip:- a. angioplasty products. sr.1-6, b. angiography products. sr. 1-6, contrast media for angiography	Health Sector General Masses	9
163	6th Schedule- Table-1	18 Turmeric excluding those sold in retail packing bearing brand names and trademarks.	Food Products Manufacturing (Industrial Inputs) General Masses	8
164	6th Schedule- Table-3	01. Machinery and equipment for initial installation, balancing, modernization, replacement or expansion of desalination plants, coal firing system, gas processing plants and oil and gas field prospecting under respective headings.	Manufacturing (Industrial Inputs) General Masses	8
165	6th Schedule- Table-3	14A.2.b.i Parts for Solar Dish Sterling Engine. (i). Solar concentrating dish.	Manufacturing (Industrial Inputs) General Masses	7
166	6th Schedule- Table-1	2 meat of bovine animals sheep and goat, excluding poultry and offal, whether or not fresh, frozen or otherwise preserved PCT 02.01 02.02 and 02.04	General Masses	7

167	6th Schedule- Table-1	82. Frozen, prepared or preserved sausages and similar products of poultry meat or meat offal (1601.0000). 83. Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry meat and fish. (1602.3200,1602.3900,	Food Products Manufacturing (Industrial Inputs) General Masses	7
168	6th Schedule- Table-3	14A.7.b.xi EVA (Ethyl Vinyl Acetate) Sheet (Chemical).	Manufacturing (Industrial Inputs) General Masses	7
169	6th Schedule- Table-1	138 Fish Feed	Manufacturing (Industrial Inputs) General Masses	6
170	6th Schedule- Table-1	18. turmeric excluding those sold in retail packing bearing brand names and trademarks under respecting PCT heading	Food Products Manufacturing (Industrial Inputs) General Masses	5
171	6th Schedule- Table-1	82 Frozen, prepared or preserved sausages and similar products of poultry meat or meat offal excluding those sold in retail packing under a brand name or a trademark	Food Products Manufacturing (Industrial Inputs) General Masses	5
172	6th Schedule- Table-3	14.8 exemption of Sales Tax @ 0% on 8. PV Modules.-PV Modules for dedicated use of renewable source of energy like solar, wind, geothermal etc. subject to conditions given in the preamble of Table-3 of 6th Schedule to the Sales Tax Act, 1990.	Manufacturing (Industrial Inputs) General Masses	5
173	6th Schedule- Table-3	14A. Junction box & Cover.	Manufacturing (Industrial Inputs) General Masses	5
174	6th Schedule- Table-1	89 Exercise books	Manufacturing (Industrial Inputs) General Masses	5
175	6th Schedule- Table-3	9.23 exemption of Sales Tax @ 0% on 23) Spares, accessories and reagents for scientific equipment.- Machinery, equipment and other education and research related items imported by technical, training institutes, research institutes, schools, colleges and universities	Manufacturing (Industrial Inputs) General Masses	5
176	6th Schedule- Table-3	11. Following machinery and equipment for marble, granite and gem stone extraction and processing industries: sr. # (1) to (24) under respective headings and conditions.	Manufacturing (Industrial Inputs) General Masses	4
177	6th Schedule- Table-1	Pencil sharpeners	Manufacturing (Industrial Inputs) General Masses	4
178	6th Schedule- Table-3	14A.7.b.viii Sheet mixture of Paper and plastic	Manufacturing (Industrial Inputs) General Masses	4
179	6th Schedule- Table-1	45. dextrose and saline infusion giving sets along with empty nontoxic bags for infusion solution, dextrose and saline infusion giving sets, artificial parts of the body, intra-ocular lenses and glucose testing equipment under respective PCT headings	Health Sector Manufacturing (Industrial Inputs) General Masses	4

180	6th Schedule- Table-1	73 Milk	Food Products Manufacturing (Industrial Inputs) General Masses	4
181	6th Schedule- Table-3	15.i Following items for promotion of renewable energy technologies or for conservation of energy:- (i). SMD/LED/LVD lights with or without ballast, fittings and fixtures.	Manufacturing (Industrial Inputs) General Masses	4
182	6th Schedule- Table-3	09. Following machinery, equip. and other education and research related items imported by technical, training institutes, schools, colleges and universities:- sr.# (1) to (23) under respective headings.	Education Sector General Masses	4
183	6th Schedule- Table-1	59. artificial kidneys, eye cornea, hemodialysis machines, hemodialyzers, a.v. fistula needles, hemodialysis fluids and powder, blood tubing tines for dialysis and reverse osmosis plants for dialysis, double lumen catheter for dialysis, catheter for renal failure	General Masses Health items	3
184	6th Schedule- Table-3	15(xvi). Charge controller/ Current controller. Provided that exemption under this serial shall be available with effect from 01.07.2016. (xvi). Charge controller/ Current controller. Provided that exemption under this serial shall be available with effect	Manufacturing (Industrial Inputs) General Masses	3
185	6th Schedule- Table-3	14A.4.b.iv Charge controllers.	Manufacturing (Industrial Inputs) General Masses	3
186	6th Schedule- Table-1	139 Fans for Dairy Farms	General Masses	3
187	6th Schedule- Table-1	126 Machinery, equipment and tools for setting up maintenance, repair and overhaul (MRO) workshop by MRO company recognized by Aviation Division	Manufacturing (Industrial Inputs) General Masses	2
188	6th Schedule- Table-1	50. articles imported through post as unsolicited gifts, subject to the same conditions as are envisaged for the purposes of applying zero-rate of customs duty under the customs act 1969 (iv of 1969) under respective PCT heading	Manufacturing (Industrial Inputs) General Masses	2
189	6th Schedule- Table-3	2 exemption of Sales Tax @ 0% on Machinery, equipment, apparatus, and medical, surgical, dental and veterinary furniture, materials, fixture and fittings imported by hospitals and medical or diagnostic institutes - subject to condition given at S.No. 2	Manufacturing (Industrial Inputs) General Masses	2
190	6th Schedule- Table-3	15.4 exemption of Sales Tax @ 0% on 4. Solar torches.-Items for promotion of renewable energy technologies. Subject to conditions given in the preamble of Table-3 of 6th Schedule to the Sales Tax Act, 1990.	Manufacturing (Industrial Inputs) General Masses	2
191	6th Schedule- Table-3	14A.3.b.ii Cooling towers.	Manufacturing (Industrial Inputs) General Masses	2
192	6th Schedule- Table-1	16. red chilies excluding those sold in retail packing bearing brand names and trademarks under respective PCT headings	Manufacturing (Industrial Inputs) General Masses (Food Product)	2

193	6th Schedule- Table-1	73. MILK AND CREAM.... 04.01 AND 04.02	General Masses (Food Product)	2
194	6th Schedule- Table-3	15.(vi). Lanterns and related instruments.	Manufacturing (Industrial Inputs) General Masses	2
195	6th Schedule- Table-3	14A.6.c.iv Electric Heater/ Immersion Rod (one piece with one solar water heater)	Manufacturing (Industrial Inputs) General Masses	2
196	6th Schedule- Table-1	72 Uncooked poultry Meat whether or not fresh, frozen or otherwise, preserved or packed	(Food Product) General	2
197	6th Schedule- Table-3	15(viii). LED Bulb/Tube lights.	Manufacturing (Industrial Inputs) General Masses	2
198	6th Schedule- Table-1	53. imports of all such gifts as are received and such equipment for fighting tuberculosis, leprosy, aids and cancer and such equipment and apparatus for the rehabilitation of the deaf, the blind crippled or mentally retarded as are purchases or otherwise sec	Manufacturing (Industrial Inputs) General Masses	2
199	6th Schedule- Table-1	71.goods and services purchased by non-resident entrepreneurs and traders visiting Pakistan to participate in trade fairs and exhibitions subject to reciprocity and such conditions and restrictions as may be specified by the board under respective heading	Manufacturing (Industrial Inputs) General Masses	1
200	6th Schedule- Table-1	115 Plant, machinery and equipment imported for setting up fruit processing and preservation units in Gilgit-Baltistan, Makran and Malakand Divisions subject to the same conditions and procedure as are applicable for import of such plant, machinery and equipment	Manufacturers in backward areas	1
201	6th Schedule- Table-3	14A.8.viii Aluminum and silver paste.	Manufacturing (Industrial Inputs) General Masses	1
202	6th Schedule- Table-1	78 Desi Ghee, excluding that sold in retail packing under a brand name	General Masses (Food Product)	1
203	6th Schedule- Table-1	93. bicycles (87.12). 94. wheelchairs (8713.1000 AND 8713.9000)	Manufacturing (Industrial Inputs) General Masses / Differently-abled Persons	1
204	6th Schedule- Table-1	29 Table salt including iodized salt excluding salt sold in retail packing bearing brand names and trademarks.	Manufacturing (Industrial Inputs) General Masses (Food Product)	1
205	6th Schedule- Table-1	84. preparations for infant use, put up for retail sale (1901.1000). 85. fat filled milk (1901.9090)	Manufacturing (Industrial Inputs) General Masses (Food Product)	1
206	6th Schedule- Table-1	52-a goods supplied to hospitals run by the federal or provincial governments or charitable operating hospitals of fifty beds or morerespective headings	Manufacturing (Industrial Inputs) General Masses	1

207	6th Schedule- Table-1	91 Energy saver lamps. As per Note 1 of the 6th Schedule to the Sales Tax Act, 1990, exemption shall be admissible on the basis of description of goods as mentioned in column (2) of the Schedule. PCT classification of headings is provided for ease of reference	Manufacturing (Industrial Inputs) General Masses	1
208	6th Schedule- Table-1	75 Yogurt, excluding that sold in retail packing under a brand name	Manufacturing (Industrial Inputs) General Masses (Food Products)	1
209	6th Schedule- Table-3	14A.12.b.iv Pole/ Tower.	Manufacturing (Industrial Inputs) General Masses	1
210	6th Schedule- Table-1	110. the following items with dedicated use of renewable sources of energy like solar and wind, subject to certification by the alternative energy development board (aedb), Islamabad:- (a) solar pv panels (9405.1090), (b) lvd induction lamps, (c)SMD, LEDS	Manufacturing (Industrial Inputs) General Masses	1
211	6th Schedule- Table-1	147 Goods supplied to German Development Agency (Deutsche Gesellschaft für International Zusammenarbeit) GIZ	Diplomatic mission	1
212	6th Schedule- Table-1	74 Flavored Milk, excluding that sold in retail packing under a brand name	Manufacturing (Industrial Inputs) General Masses	1
Sub Total				316,015
Less 45% adjustment on account of value addition of Local Supplies				142,207
Total				173,808

EXEMPTION ON LOCAL SUPPLIES UNDER 6TH SCHEDULE

Sr	Legal Reference	Description Exemption or Concession	Intended Beneficiaries	Estimates Rs. Million
1	(Section 13) 6th Schedule Table I	1 Live Animals 2 [and live poultry.]	General Masses	15,119
2	(Section 13) 6th Schedule Table II	1 Supply of cottonseed exclusively meant for sowing purposes, subject to such conditions as the Board may specify	Agriculture Sector General Masses	828
3	(Section 13) 6th Schedule Table III	1 Machinery and equipment for initial installation, balancing, modernization, replacement or expansion of desalination plants, coal firing system, gas processing plants and oil and gas field prospecting.	Manufacturing (Industrial Inputs) General Masses	260
4	(Section 13) 6th Schedule Table I	2 Meat of bovine animals, sheep and goat, excluding poultry and offal, whether or not fresh, frozen or otherwise, preserved 2 [or packed]	Food Products General Masses	1,032
5	(Section 13) 6th Schedule Table II	2 Supply of locally produced crude vegetable oil obtained from the locally produced seeds 1 [other than cotton seed], except cooking oil, without having undergone any process except the process of washing	Manufacturing (Industrial Inputs) General Masses	1,905
6	(Section 13) 6th Schedule Table III	2 Following machinery, equipment, apparatus, and medical, surgical, dental and veterinary furniture, materials, fixtures and fittings	Food Products Manufacturing (Industrial Inputs) General Masses	281

		imported by hospitals and medical or diagnostic institutes:-		
7	(Section 13) 6th Schedule Table I	3 Fish and crustaceans excluding live fish whether or not fresh, frozen or otherwise preserved 4 [or packed]	Food Products General Masses	485
8	(Section 13) 6th Schedule Table II	Supplies made by cottage industry.	Manufacturing (Industrial Inputs) General Masses	60
9	(Section 13) 6th Schedule Table II	4 Raw material and intermediary goods manufactured or produced, and services provided or rendered, by a registered person, consumed in-house for the manufacture of goods subject to sales tax.	Manufacturing (Industrial Inputs) General Masses	159
10	(Section 13) 6th Schedule Table III	4 Coal mining machinery, equipment, spares, including vehicles for site use i.e. single or double cabin pick-ups 1 [and dump trucks], imported for Thar Coal Field.	Mining Sector Manufacturing (Industrial Inputs) General Masses	5
11	(Section 13) 6th Schedule Table II	6 Supply of fixed assets against which input tax adjustment is not available under a notification issued in terms of clause (b) of subsection (1) of section 8 of the Sales Tax Act, 1990.	Manufacturing (Industrial Inputs) General Masses	236
12	(Section 13) 6th Schedule Table II	7 Breads prepared in tandoors and bakeries, vermicillies, nans, chapattis, sheer mal, bun, rusk.	Food products Manufacturing (Industrial Inputs) General Masses	4,277
13	(Section 13) 6th Schedule Table II	8 Foodstuff cooked or prepared in-house and served in messes run on the basis of mutuality and industrial canteens for workers.	Food products Manufacturing (Industrial Inputs) General Masses	1
14	(Section 13) 6th Schedule Table III	8 Machinery and equipment meant for power transmission and grid stations including under construction projects.	Manufacturing (Industrial Inputs) General Masses	152
15	(Section 13) 6th Schedule Table II	9 Foodstuff and other eatables prepared in the flight kitchens and supplied for consumption on-board in local flights.	Food products Manufacturing (Industrial Inputs) General Masses	103
16	(Section 13) 6th Schedule Table III	9 machinery, equipment and other education and research related items imported by technical, training institutes, research institutes, schools, colleges and universities:-	Education Sector General Masses	4
17	(Section 13) 6th Schedule Table II	10 Agricultural produce of Pakistan, not subjected to any further process of manufacture.	Agriculture Sector General Masses	1,751
18	(Section 13) 6th Schedule Table I	11 Eggs including eggs for hatching	Poultry Sector General Masses	1,440
19	(Section 13) 6th Schedule Table II	11 Supply of ware potato and onions	Food Sector General Masses	17
20	(Section 13) 6th Schedule Table III	11 Following machinery and equipment for marble, granite and gem stone extraction and processing industries:	Manufacturing (Industrial Inputs) General Masses	10
21	(Section 13) 6th Schedule Table I	12 Live plants including bulbs, 1 [roots and the like.]	General Masses	316
22	(Section 13) 6th Schedule Table I	13 Edible vegetables including roots and tubers, 2 [except ware potato and onions], whether fresh, frozen or otherwise preserved (e.g. in cold storage) but excluding those bottled 3 [or] canned 4 [***]	Food Products Manufacturing (Industrial Inputs) General Masses	2,494
23	(Section 13) 6th Schedule Table III	13 Effluent treatment plants	Manufacturing (Industrial Inputs) General Masses	40
24	(Section 13) 6th Schedule Table I	14 Pulses.	Food Products General Masses	8,505

25	(Section 13) 6th Schedule Table III	14 items for use with solar energy:- Solar Power Systems	Manufacturing (Industrial Inputs) General Masses	1,116
26	(Section 13) 6th Schedule Table I	15 Edible fruits excluding imported fruits (except fruits imported from Afghanistan) whether fresh, frozen or otherwise preserved but excluding those bottled 2 [or] canned 3 [***].	Food Products General Masses	665
27	(Section 13) 6th Schedule Table I	16 Red chillies excluding those sold in retail packing bearing brand names and trademarks.	Food Products General Masses	65
28	(Section 13) 6th Schedule Table II	16 Raw cotton 1 [omitted]	Manufacturing (Industrial Inputs) General Masses	51
29	(Section 13) 6th Schedule Table I	17 Ginger excluding those sold in retail packing bearing brand names and trademarks	Food Products General Masses	1,604
30	(Section 13) 6th Schedule Table II	17 Raw and pickled hides and skins, wet blue hides and skins	Manufacturing (Industrial Inputs) General Masses	57
31	(Section 13) 6th Schedule Table III	17 Machinery, equipment, raw materials, components and other capital goods for use in building, fittings, repairing or refitting of ships, boats or floating structures imported by Karachi Shipyard and Engineering Works Limited.	Manufacturing (Industrial Inputs)	2
32	(Section 13) 6th Schedule Table I	18 Turmeric excluding those sold in retail packing bearing brand names and trademarks.	Food Products General Masses	50
33	(Section 13) 6th Schedule Table II	18 Supplies made by manufacturers of marble and granite having annual turnover less than five million rupees even if their annual utility bill is more than eight hundred thousand rupees	Manufacturing (Industrial Inputs) General Masses	2
34	(Section 13) 6th Schedule Table I	19 Cereals and products of milling industry 4 [excluding the products of milling industry, other than wheat and meslin flour, as sold in retail packing bearing brand name or a trademark].	Manufacturing (Industrial Inputs) General Masses /Food items	5,469
35	(Section 13) 6th Schedule Table II	19 Bricks	Manufacturing (Industrial Inputs) General Masses	264
36	(Section 13) 6th Schedule Table III	19 Plant and machinery, except the items listed under Chapter 87 of the Pakistan Customs Tariff, imported for setting up of a Special Economic Zone (SEZ) by zone developers and for installation in that zone by zone enterprises, on one time basis as prescribed in the SEZ Act, 2012 and rules thereunder subject to such condition, limitations and restriction as a Federal Board of Revenue may impose from time to time.	Manufacturing (Industrial Inputs / SEZs	93
37	(Section 13) 6th Schedule Table I	20 Seeds, fruit and spores of a kind used for sowing.	Manufacturing (Industrial Inputs) General Masses	2,888
38	(Section 13) 6th Schedule Table II	20 Crushed stone	Manufacturing (Industrial Inputs) General Masses	88
39	(Section 13) 6th Schedule Table I	21 Cinchona bark.	Manufacturing (Industrial Inputs) General Masses	1,096
40	(Section 13) 6th Schedule Table II	21 Poultry feed, cattle feed, sunflower seed meal, rape seed meal and canola seed meal	General Masses	28,072
41	(Section 13) 6th Schedule Table I	22 Sugar beet	Food Products General Masses	6
42	(Section 13) 6th Schedule Table II	22 Single cylinder agriculture diesel engines (compression ignition internal combustion piston engines) of 3 to 36 HP.	Agriculture Sector General Masses	370
43	(Section 13) 6th Schedule Table II	23 Match boxes	Manufacturing (Industrial Inputs) General Masses	1,241

44	(Section 13) 6th Schedule Table I	24 Edible oils and vegetable ghee, including cooking oil, on which Federal Excise Duty is charged, levied and collected 4 [by a registered manufacturer or importer] as if it were a tax payable under section 3 of the Act. 5 [Explanation.— Exemption of this entry shall not be available 6 [on local supplies made by importers,] distributors, wholesalers or retailers.	Food Products General Masses	352
45	(Section 13) 6th Schedule Table II	24 LED or SMD lights and bulbs meant for conservation of energy	Manufacturing (Industrial Inputs) General Masses	1,960
46	(Section 13) 6th Schedule Table II	25 Cottonseed oil	Manufacturing (Industrial Inputs) General Masses	558
47	(Section 13) 6th Schedule Table I	26 Fruit juices, whether fresh, frozen or otherwise preserved but excluding those bottled, canned or package	Food Products General Masses	139
48	(Section 13) 6th Schedule Table I	27 Ice and waters excluding those for sale under brand names or trademark	Manufacturing (Industrial Inputs) General Masses	397
49	(Section 13) 6th Schedule Table I	29 Table salt including iodized salt excluding salt sold in retail packing bearing brand names and trademarks	Manufacturing (Industrial Inputs) General Masses	203
50	(Section 13) 6th Schedule Table I	31 Holy Quran, complete or in parts, with or without translation; Quranic Verses recorded on any analogue or digital media; other Holy books	General Masses	252
51	(Section 13) 6th Schedule Table I	32 [Newsprint, newspapers], journals, periodicals, books 6 [***] but excluding directories.	Manufacturing (Industrial Inputs) General Masses	1,540
52	(Section 13) 6th Schedule Table I	33 Currency notes, bank notes, shares, stocks and bonds.	General Masses	2,921
53	(Section 13) 6th Schedule Table I	38 Monetary gold.	General Masses	2
54	(Section 13) 6th Schedule Table I	45 Dextrose and saline infusion giving sets 2 [***] along with empty non-toxic bags for infusion solution, Dextrose and saline infusion giving sets, Artificial parts of the body, Intra-Ocular lenses and Glucose testing equipment.	Health Sector Manufacturing (Industrial Inputs) General Masses	1,726
55	(Section 13) 6th Schedule Table I	46[Goods imported by various agencies of the United Nations, diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various Acts and, Orders, rules and regulations made thereunder; and agreements by the Federal Government provided that such goods are charged to zero-rate of customs duty under Customs Act, 1969 (IV of 1969)	Manufacturing (Industrial Inputs) UN and Diplomatic Missions	63
56	(Section 13) 6th Schedule Table I	47 Import of articles of household and personal effects including vehicles and also the goods for donation to projects established	Manufacturing (Industrial Inputs) General Masses	230
57	(Section 13) 6th Schedule Table I	48 Goods imported or supplied under grants-in-aid for which a specific consent has been obtained from the 1 [Board]; supplies and imports under agreements signed by the Government of Pakistan before the 30th June, 1996, provided the agreements contained the provision for exemption of tax at the time of signing of agreement	Manufacturing (Industrial Inputs) General Masses	612
58	(Section 13) 6th Schedule Table I	49 Import of all goods received, in the event of a natural disaster o	General Masses	5
59	(Section 13) 6th	50 Articles imported through post as	General Masses	4

Schedule Table I		unsolicited gifts, subject to the same conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969. (IV of 1969)		
60	(Section 13) 6th Schedule Table I	51 Imported samples, subject to the same conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969. (IV of 1969).	General Masses	66
61	(Section 13) 6th Schedule Table I	52 Goods imported by or donated to hospitals run by the Federal Government or a Provincial Government; and non-profit	Health Sector General Masses	2,163
62	(Section 13) 6th Schedule Table I	53 Import of all such gifts as are received, and such equipment for fighting tuberculosis, leprosy, AIDS and cancer and such equipment and apparatus for the rehabilitation of the deaf, the blind, crippled or mentally retarded as are purchased or otherwise secured by a charitable non-profit making institution solely for the purpose of advancing declared objectives of such institution	Health Sector General Masses	6
63	(Section 13) 6th Schedule Table I	54 Educational, scientific and cultural material imported from a country signatory to UNESCO Agreement or a country signatory to bilateral commodity exchange agreement with Pakistan, subject to the same conditions as are envisaged for the purposes of exemption under the Customs Act, 1969 (IV of 1969).	Educational Sector General Masses	2
64	(Section 13) 6th Schedule Table I	55 Import of replacement goods supplied free of cost in lieu of defective goods imported, subject to similar conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969.	Manufacturing (Industrial Inputs) General Masses	1
65	(Section 13) 6th Schedule Table I	57 Goods (including dry fruits imported from Afghanistan) temporarily imported into Pakistan, meant for subsequent exportation charged to zero-rate	Importers Manufacturing (Industrial Inputs) General Masses	35
66	(Section 13) 6th Schedule Table I	58 Import of ship stores, subject to the procedures, conditions and restrictions as may be specified by the Collector of Customs in this behalf including those consignments of such stores that have been released without charging sales tax since the 1st July, 1998, but excluding such consignments of ship stores as have been cleared on payment of sales tax	Importers Manufacturing (Industrial Inputs) General Masses	1
67	(Section 13) 6th Schedule Table I	59 Artificial kidneys, eye cornea, hemodialysis machines, hemodialyzers, A.V. fistula needles, hemodialysis fluids and powder, blood tubing lines for dialysis and reverse osmosis plants for dialysis, double lumen catheter for dialysis, catheter for renal failure patient and peritoneal dialysis solution, cochlear implants systems	Health Sector Manufacturing (Industrial Inputs) General Masses	3,275
68	(Section 13) 6th Schedule Table I	Contraceptives and accessories thereof.	Health Sector Manufacturing (Industrial Inputs) General Masses	758
69	(Section 13) 6th Schedule Table I	61 Goods produced or manufactured in and exported from Pakistan which are subsequently imported in Pakistan within one year of their exportation, provided conditions of section 22 of the Customs Act, 1969 (IV of 1969), are complied with.	Exporters Manufacturing (Industrial Inputs) General Masses	110

70	(Section 13) 6th Schedule Table I	63 Personal wearing apparel and bona fide baggage imported by overseas Pakistanis and tourists, if imported under various baggage rules and is exempt from Customs duties	General Masses	14
71	(Section 13) 6th Schedule Table I	71 Goods and services purchased by non- resident entrepreneurs and in trade fairs and exhibitions subject to reciprocity and such conditions and restrictions as may be specified by the Board.	Non-Residents	1
72	(Section 13) 6th Schedule Table I	72 Uncooked poultry Meat whether or not fresh, frozen or otherwise, preserved or packed	Food Products General Masses	1,282
73	(Section 13) 6th Schedule Table I	73 Milk	Food Products Manufacturing (Industrial Inputs) General Masses	17,000
74	(Section 13) 6th Schedule Table I	74 Flavored milk, excluding that sold in retail packing under a brand name	Food Products Manufacturing (Industrial Inputs) General Masses	66
75	(Section 13) 6th Schedule Table I	75 Yogurt, excluding that sold in retail packing under a brand name	Food Products Manufacturing (Industrial Inputs) General Masses	67
76	(Section 13) 6th Schedule Table I	76 Whey, excluding that sold in retail packing under a brand name	Food Products Manufacturing (Industrial Inputs) General Masses	151
77	(Section 13) 6th Schedule Table I	77 Butter, excluding that sold in retail packing under a brand name	Food Products Manufacturing (Industrial Inputs) General Masses	195
78	(Section 13) 6th Schedule Table I	78 Desi ghee, excluding that sold in retail packing under a brand name	Food Products Manufacturing (Industrial Inputs) General Masses	124
79	(Section 13) 6th Schedule Table I	79 Cheese, excluding that sold in retail packing under a brand name	Food Products Manufacturing (Industrial Inputs) General Masses	222
80	(Section 13) 6th Schedule Table I	80 Processed cheese not grated or powdered, excluding that sold in retail packing under a brand name	Food Products Manufacturing (Industrial Inputs) General Masses	547
81	(Section 13) 6th Schedule Table I	81 Cotton seed	Manufacturing (Industrial Inputs) General Masses	7,237
82	(Section 13) 6th Schedule Table I	82 Frozen prepared or preserved sausages and similar products of poultry meat or meat offal 2 [, excluding those sold in retail packing under a brand name or a trademark]	Food Products Manufacturing (Industrial Inputs) General Masses	205
83	(Section 13) 6th Schedule Table I	83 Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry, meat and fish 3 [,excluding those sold in retail packing under a brand name or a trademark]	Food Products Manufacturing (Industrial Inputs) General Masses	2,144
84	(Section 13) 6th Schedule Table I	84 preparation suitable for infants	Food Products Manufacturing (Industrial Inputs) General Masses	2,701
85	(Section 13) 6th Schedule Table I	85 Fat filled milk excluding that sold in retail packing under a brand name or a trademark]	Food Products Manufacturing (Industrial Inputs) General Masses	1,966
86	(Section 13) 6th Schedule Table I	86 Colors in sets (Poster colors)	Manufacturing (Industrial Inputs) General Masses	122
87	(Section 13) 6th Schedule Table I	87 Writing, drawing and making inks	Manufacturing (Industrial Inputs) General Masses	54
88	(Section 13) 6th Schedule Table I	88 Erasers	Manufacturing (Industrial Inputs) General Masses	28
89	(Section 13) 6th Schedule Table I	89 Exercise books	Manufacturing (Industrial Inputs) General Masses	60

90	(Section 13) 6th Schedule Table I	90 Pencil sharpeners	Manufacturing (Industrial Inputs) General Masses	27
91	(Section 13) 6th Schedule Table I	91 Energy saver lamps	Manufacturing (Industrial Inputs) General Masses	99
92	(Section 13) 6th Schedule Table I	92 Sewing machines of the household type	Manufacturing (Industrial Inputs) General Masses	25
93	(Section 13) 6th Schedule Table I	93 Bicycles	Manufacturing (Industrial Inputs) General Masses	180
94	(Section 13) 6th Schedule Table I	94 Wheelchairs	Manufacturing (Industrial Inputs) General Masses	49
95	(Section 13) 6th Schedule Table I	96 Other drawing, marking out or mathematical calculating instruments (geometry box)	Manufacturing (Industrial Inputs) General Masses	4
96	(Section 13) 6th Schedule Table I	97 Pens, ball pens, markers and porous tipped pens	Manufacturing (Industrial Inputs) General Masses	149
97	(Section 13) 6th Schedule Table I	98 Pencils including color pencils	Manufacturing (Industrial Inputs) General Masses	322
98	(Section 13) 6th Schedule Table I	99 Compost (non-commercial fertilizer) produced and supplied locally	Manufacturing (Industrial Inputs) General Masses	149
99	(Section 13) 6th Schedule Table I	100 Construction materials to 6 [Gwadar] Export processing Zone's investors and to Export Processing Zone 3	Manufacturing (Industrial Inputs) General Masses	16
100	(Section 13) 6th Schedule Table I	101 Raw and pickled hides and skins, wet blue hides and skins, finished leather, and	Manufacturing (Industrial Inputs) General Masses	5
101	(Section 13) 6th Schedule Table I	102 Machinery, equipment and materials imported either for exclusive use within the limits of Export Processing Zone or for making exports therefrom, and goods imported for warehousing purpose in Export Processing Zone, subject to the conditions that such machinery, equipment, materials and goods are imported by investors of Export Processing Zones, and all the procedures, limitations and restrictions as are applicable on such goods under the Customs Act, 1969 (IV of 1969) and rules made thereunder shall mutatis mutandis, apply.	Manufacturing (Industrial Inputs) General Masses	27
102	(Section 13) 6th Schedule Table I	103 Import and supply thereof, up to the year, of ships	Manufacturing (Industrial Inputs) General Masses	104
103	(Section 13) 6th Schedule Table I	104 Substances registered as drugs under the Drugs Act, 1976 (XXXI of 1976) and medicaments as are classifiable under chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969) except the following, even if medicated or medicinal in nature, n	Manufacturing (Industrial Inputs) General Masses	91,892
104	(Section 13) 6th Schedule Table I	105 Raw materials for the basic manufacture of pharmaceutical active ingredients and for manufacture of pharmaceutical products, provided that in case of import, only such raw materials shall be entitled to exemption which are liable to customs duty not exceeding 1 [eleven] per cent ad valorem, either under the First Schedule 2 [or Fifth Schedule] to the Customs Act, 1969 (IV of 1969) or under a notification issued under section 19 thereof.	Health Sector Manufacturing (Industrial Inputs) General Masses	11,076
105	(Section 13) 6th Schedule Table I	106 Import of Halal edible offal of bovine animals	General Masses	90
106	(Section 13) 6th Schedule Table I	107 Import and supply of iodized salt bearing brand names and trademarks whether or not sold in retail packing.	General Masses	268

107	(Section 13) 6th Schedule Table I	108 Components or sub-components of energy saver lamps, namely:- (a) Electronic Circuit (b) Plastic Caps (upper and lower) (c) Base Caps B22 and E27 (d) Tungsten Filaments (e) Lead-in-wire (f) Fluorescent powder (Tri Band Phosphor) (g) Adhesive Additive (h) Al-oxide Suspension (i) Capping Cement (j) Stamp Pad	Manufacturing (Industrial Inputs) General Masses	7
108	(Section 13) 6th Schedule Table I	110 The following items with dedicated use of renewable source of energy like solar and wind, subject to certification by the Alternative Energy Development Board (AEDB), Islamabad 1 [for the period ending on the 30th June, 2023]:- (a) Solar PV panels; (b) LVD induction lamps; (c) SMD, LEDs, with or without ballast, with fittings and fixtures; (d) Wind turbines including alternators and mast; (e) Solar Tor	Manufacturing (Industrial Inputs) General Masses Alternative Energy Development	1,762
109	(Section 13) 6th Schedule Table I	112 Following cardiology/cardiac surgery, neurovascular, electrophysiology, endo-surgery,	Health Sector Manufacturing (Industrial Inputs) General Masses	1,620
110	(Section 13) 6th Schedule Table I	113 High Efficiency Irrigation Equipment (If used for agriculture sector) (1) Submersible pumps (up to 75 lbs and head 150 meters) (2) Sprinklers including high and low pressure (center pivotal) system, conventional sprinkler equipment, water reel travelling sprinkler, drip or trickle irrigation equipment, mint irrigation sprinkler system (3) Air release valves, pressures gauges, water meters, back flow preventers, and automatic controllers	Agriculture Sector Manufacturing (Industrial Inputs) General Masses	209
111	(Section 13) 6th Schedule Table I	114 Green House Framing and Other Green House Equipment (If used for Agriculture Sector) (1) Tunnel farming	Manufacturing (Industrial Inputs) General Masses	296
112	(Section 13) 6th Schedule Table I	115 Plant, machinery and equipment imported for setting up fruit processing and preservation units in Gilgit-Baltistan, Balochistan Province and Malakand Division up to the 30th June, 2019 subject to the same conditions and procedure as are applicable for import of such plant, machinery and equipment under the Customs Act, 1969 (IV of 1969)	Manufacturers of backward areas (Industrial Inputs) General Masses	2
113	(Section 13) 6th Schedule Table I	116 Plant, machinery and equipment imported for setting up industries in FATA up to 30th June 2019 subject to the same conditions and procedure as are applicable for import of such plant, machinery and equipment under the Customs Act, 1969 (IV of 1969)	Manufacturer in FATA Manufacturing (Industrial Inputs) General Masses	1
114	(Section 13) 6th Schedule Table I	117 Appliances and items required for ostomy procedures as specified in the Chapter 99 of the First Schedule to the Customs Act, 1969, subject to same conditions as specified therein]	Manufacturing (Industrial Inputs) General Masses	2
115	(Section 13) 6th Schedule Table I	120 Diagnostic kits or equipment, namely:- HIV Kits 4C Es Trionyx 5C Cell control normal Bovine precision multi sera Pregnancy test DNA SSP DRB Generic IC Reticulocyte count (control) retic C Control Kit for vitamin B12 estimation Ferritin kit HEV (Hepatitis E virus) ID-DA Cell Urine Analysis Strips Albumin beg Cratinin	Health Sector Manufacturing (Industrial Inputs) General Masses	4,165

116	(Section 13) 6th Schedule Table I	121 Blood Bag CPDA-1 with blood transfusion set pack in aluminum foil with set	Manufacturing (Industrial Inputs) General Masses	253
117	(Section 13) 6th Schedule Table I	122 Urine drainage bags	Manufacturing (Industrial Inputs) General Masses	24
118	(Section 13) 6th Schedule Table I	123 Aircraft, whether imported or acquired on wet or dry lease 1 [:] Provided that in case of import or acquisition on wet or dry lease by Pakistan International Airlines Corporation, this exemption shall be available with effect from 19th March, 2015.	Health Sector Manufacturing (Industrial Inputs)	2
119	(Section 13) 6th Schedule Table I	125 Spare parts for use in aircrafts, trainer aircrafts or simulators	Manufacturing (Industrial Inputs)	5
120	(Section 13) 6th Schedule Table I	126 Machinery, equipment and tools for setting up maintenance, repair and overhaul (MRO) workshop by MRO company recognized by Aviation Division	Manufacturing (Industrial Inputs)	2
121	(Section 13) 6th Schedule Table I	127 Operational tools, machinery, equipment and furniture and fixtures on one-time basis for setting up Greenfield airports by a company authorized by Aviation Division.	Manufacturing (Industrial Inputs) General Masses	26
122	(Section 13) 6th Schedule Table I	128 Aviation simulators imported by airline company recognized by Aviation Division	Manufacturing (Industrial Inputs)	76
123	(Section 13) 6th Schedule Table I	129 Import of plant, machinery and	Manufacturing (Industrial Inputs) General Masses	28
124	(Section 13) 6th Schedule Table I	130 Sodium Iron (Na Fe EDTA), and other premixes of vitamins, minerals and micro- nutrients (food grade) and subject to conditions imposed for importation under the Customs Act, 1969]	Manufacturing (Industrial Inputs) General Masses	95
125	(Section 13) 6th Schedule Table I	131 Laptop computers, notebooks whether or not incorporating multimedia kit	Industrial Inputs) General Masses	2,154
126	(Section 13) 6th Schedule Table I	132 Personal computers	General Masses	1,116
127	(Section 13) 6th Schedule Table I	133 Pesticides and their active ingredients registered by the Department of Plant Protection under the Agricultural Pesticides Ordinance, 1971(II of 1971), stabilizers, emulsifiers and solvents	Agriculture Sector Manufacturing (Industrial Inputs) General Masses	18,108
128	(Section 13) 6th Schedule Table I	135 Sunflower and canola hybrid	Manufacturing (Industrial Inputs) General Masses	11
129	(Section 13) 6th Schedule Table I	136 Combined harvesters up to five years old	Manufacturing (Industrial Inputs) General Masses	15
130	(Section 13) 6th Schedule Table I	138 Fish Feed	Manufacturing (Industrial Inputs) General Masses	47
131	(Section 13) 6th Schedule Table I	139 Fans for dairy farms	Manufacturing (Industrial Inputs) General Masses	1
132	(Section 13) 6th Schedule Table I	140 Bovine semen	Manufacturing (Industrial Inputs) General Masses	51
133	(Section 13) 6th Schedule Table I	141 Preparations for making animal feed	Manufacturing (Industrial Inputs) General Masses	1,232
134	(Section 13) 6th Schedule Table I	142 Promotional and advertising material including technical literature, pamphlets, brochures and other giveaways of no commercial value, distributed free of cost by the exhibitors	Manufacturing (Industrial Inputs) General Masses	3
135	(Section 13) 6th Schedule Table I	146 Equipment imported by M/s China Railway Corporation to furnished and installed in Orange Line Metro Lahore	Mass transit Schemes	1

136	(Section 13) 6th Schedule Table I	Goods supplied to German Development Agency (Deutsche Gesellschaft für Internationale Zusammenarbeit) GIZ	General Masses	10
137	(Section 13) 6th Schedule Table I	148 Imported construction materials and goods imported by M/s China State Construction Engineering Corporation Limited (M/s CSCECL), whether or not locally manufactured, for construction of Karachi- Peshawar Motorway (Sukkur-Multan Section) subject to fulfilment of same conditions, limitations and restrictions as are specified under S. No. 145 of this table, provided that total incidence of exemptions of all duties and taxes in respect of construction materials and goods imported for the project shall not exceed ten thousand eight hundred ninety-eight million rupees including the benefit of exemption from duties and taxes availed before 30th June, 2018 under the provisions of the Sales Tax Act, 1990, the Customs Act, 1969, the Federal Excise Act, 2005 and the Inco	Roads and Highways	6
138	(Section 13) 6th Schedule Table I	150 Plant and machinery excluding consumer durable goods and office equipment as imported by greenfield industries, intending to manufacture taxable goods, during their construction and installation period subject to conditions noted below and issuance of exemption certificate by the Commissioner Inland Revenue having jurisdiction:— Conditions: (a) the importer is registered under the Act on or after the first day of July, 2019; and (b) the industry is not established by splitting up or reconstruction or reconstitution of an undertaking already in existence or by transfer of machinery or plant from another industrial undertaking in Pakistan	Manufacturing (Industrial Inputs) General Masses	128
139	(Section 13) 6th Schedule Table I	152 Supplies of electricity, as made from the day of assent to the Constitution (Twenty-fifth Amendment) Act, 2018, till 30th June, 2023, to all residential and commercial consumers in tribal areas, and to such industries in the tribal areas which were set and started their industrial production before 31st May, 2018, but excluding steel and ghee or cooking oil industries	General Masses / FATA	4,238
140	(Section 13) 6th Schedule Table I	153 Steel billets, ingots, ship plates, bars and other long re-rolled profiles, on such imports and supplies by the manufacturer on which federal excise duty is payable in sales tax mode	Steel Sector Manufacturing (Industrial Inputs) General Masses	29
141	(Section 13) 6th Schedule Table I	100A Materials and equipment 2 [(plant, machinery, equipment, appliances and accessories)] for construction and operation of 3 [Gwadar] Port and development of Free Zone for 3 [Gwadar] Port as imported by or supplied to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies namely (i) China Overseas Ports Holding Company Pakistan (Private) Limited (ii) Gwadar International Terminal Limited, (iii) Gwadar Marin Services	Exporters	19

Limited and (iv) Gwadar Free Zone Company Limited, their contractors and sub-contractors; and Ship Bunker Oils bought and sold to the ships calling on/visiting 3 [Gwadar] Port, 3 [by the aforesaid operating companies] having Concession Agreement with the Gwadar Port Authority, for a period of forty year, subject to the following conditions and procedure,

142	(Section 13) 6th Schedule Table I	100A((i)) This exemption shall be admissible only to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies, their contractors and subcontractors which hold the Concession Agreement;	Construction / Highways	5
143	(Section 13) 6th Schedule Table I	100A((ii)) Ministry of Ports and Shipping shall certify in the prescribed manner and format as per Annex-I that the imported materials and equipment are bonafide requirement for construction and operation of 1 [Gwadar] Port and development of Free Zone for 1 [Gwadar] Port. The authorized officer of that Ministry shall furnish all relevant information online to Pakistan Customs against a specific user ID and password obtained under section 155D of the Customs Act, 1969 (IV of 1969). In already computerized Collectorate or Customs station, where the computerized system is not operational, the Project Director or any other person authorized by the Collector in this behalf shall enter the requisite information in the Customs Computerized System on daily basis, whereas entry of the data obtained from the customs stations which have not yet been computerized shall be made on weekly basis, provided that this condition shall not apply to ship bunker oils; and	Manufacturing (Industrial Inputs) Ports and Shipping	11
144	(Section 13) 6th Schedule Table I	104(a) filled infusion solution bags imported with or without infusion given sets;	Health Sector Manufacturing (Industrial Inputs) General Masses	318
145	(Section 13) 6th Schedule Table I	108(a) Electronic Circuit	Manufacturing (Industrial Inputs) General Masses	1
146	(Section 13) 6th Schedule Table I	108(b) Plastic Caps (upper and lower)	Manufacturing (Industrial Inputs) General Masses	3
147	(Section 13) 6th Schedule Table I	108(i) Capping Cement	Manufacturing (Industrial Inputs) General Masses	1
148	(Section 13) 6th Schedule Table I	110(a) Solar PV panels;	Manufacturing (Industrial Inputs) General Masses	379
149	(Section 13) 6th Schedule Table I	110© SMD, LEDs, with or without ballast, with fittings and fixtures;	Manufacturing (Industrial Inputs) General Masses	3
150	(Section 13) 6th Schedule Table I	110(g) PV modules along with related components, including invertors, charge controllers and batteries.	Manufacturing (Industrial Inputs) General Masses	284
151	(Section 13) 6th Schedule Table I	110(j) Invertors (off-grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT).	Manufacturing (Industrial Inputs) General Masses	4
152	(Section 13) 6th Schedule Table I	112A(vi) Inflation Devices/Priority Packs	Manufacturing (Industrial Inputs) General Masses	1
153	(Section 13) 6th Schedule Table I	112A(xxv) Intracardiac Echocardiography Machine & Catheters]	Health Sector Manufacturing (Industrial	2

Inputs) General Masses

154	(Section 13) 6th Schedule Table I	112J(ii) Cannulas	Health Sector Manufacturing (Industrial Inputs) General Masses	1
155	(Section 13) 6th Schedule Table I	112K(i) Cardiac Angiography Machine	Health Sector Manufacturing (Industrial Inputs) General Masses	16
156	(Section 13) 6th Schedule Table I	112K(ii) Echocardiography Machines	Health Sector Manufacturing (Industrial Inputs) General Masses	1
157	(Section 13) 6th Schedule Table I	113(i) Submersible pumps (up to 75 lbs and head 150 meters)	Manufacturing (Industrial Inputs) General Masses	14
158	(Section 13) 6th Schedule Table I	114(i) Tunnel farming equipment 1 [consisting of plastic covering and mulch film, anti-insect net and shade net]	Manufacturing (Industrial Inputs) General Masses	46
159	(Section 13) 6th Schedule Table I	114(ii) Greenhouses (prefabricated)	Manufacturing (Industrial Inputs) General Masses	6
160	(Section 13) 6th Schedule Table III	14(1) Off-grid/On-grid solar power system (with or without provision for USB/charging port) comprising of :	Manufacturing (Industrial Inputs) General Masses	44
161	(Section 13) 6th Schedule Table III	14(1)(i) PV Module.	Manufacturing (Industrial Inputs) General Masses	114
162	(Section 13) 6th Schedule Table III	14(1)(iii) Batteries for specific utilization with the system (not exceeding 50 Ah in case of portable system).	Manufacturing (Industrial Inputs) General Masses	2
163	(Section 13) 6th Schedule Table I	14(1)(v) Inverters (off-grid/ on-grid/ hybrid with provision for direct connection/ input renewable energy source and with Maximum Power Point Tracking (MPPT)	Manufacturing (Industrial Inputs) General Masses	5
164	(Section 13) 6th Schedule Table I	143(i) Hearing aids (all types and kinds)	Manufacturing (Industrial Inputs) General Masses / Differently-abled persons	2
165	(Section 13) 6th Schedule Table I	143(i)(a) Audiometers	Manufacturing (Industrial Inputs) General Masses	1
166	(Section 13) 6th Schedule Table III	14A systems and items for dedicated use with renewable source of energy like solar, wind, geothermal 1 [as imported on or before the 30th June, 2023.]	Manufacturing (Industrial Inputs) General Masses	233
167	(Section 13) 6th Schedule Table III	14A(10) Solar chargers for charging electronic devices	Manufacturing (Industrial Inputs) General Masses	1
168	(Section 13) 6th Schedule Table III	14A(4a) Solar Desalination System	Manufacturing (Industrial Inputs) General Masses	1
169	(Section 13) 6th Schedule Table III	14A(4b)(i) Solar photo voltaic panels.	Manufacturing (Industrial Inputs) General Masses	1
170	(Section 13) 6th Schedule Table III	14A(4b)(iv) Charge controllers.	Manufacturing (Industrial Inputs) General Masses	8
171	(Section 13) 6th Schedule Table III	14A(4b)(v) Inverters (off grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT)	Manufacturing (Industrial Inputs) General Masses	1
172	(Section 13) 6th Schedule Table III	14A(7a) PV Modules.	Manufacturing (Industrial Inputs) General Masses	85
173	(Section 13) 6th Schedule Table I	14A(7b) Parts for PV Modules	Manufacturing (Industrial Inputs) General Masses	8
174	(Section 13) 6th Schedule Table III	14A(7b)(i) Solar cells.	Manufacturing (Industrial Inputs) General Masses	10

175	(Section 13) 6th Schedule Table III	14A(8) Solar Cell Manufacturing Equipment.	Manufacturing (Industrial Inputs) General Masses	2
176	(Section 13) 6th Schedule Table II	15(a) Sprinkler Equipment	Manufacturing (Industrial Inputs) General Masses / Agriculture Sector	4
177	(Section 13) 6th Schedule Table II	15(b) Drip Equipment	Manufacturing (Industrial Inputs) General Masses	13
178	(Section 13) 6th Schedule Table III	15(i) SMD/LED/LVD lights with or without ballast, fittings and fixtures.	Manufacturing (Industrial Inputs) General Masses	84
179	(Section 13) 6th Schedule Table III	15(ii) SMD/LED/LVD lights, with or without ballast, PV module, fitting and fixtures	Manufacturing (Industrial Inputs) General Masses	6
180	(Section 13) 6th Schedule Table III	15(iii) Tubular Day lighting Device.	Manufacturing (Industrial Inputs) General Masses	7
181	(Section 13) 6th Schedule Table III	15(ix) PV module, with or without, the related components including invertors (off-grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT), charge controllers and solar batteries	Manufacturing (Industrial Inputs) General Masses	234
182	(Section 13) 6th Schedule Table III	15(v) Solar torches.	Manufacturing (Industrial Inputs) General Masses	3
183	(Section 13) 6th Schedule Table I	15(viii) LED Bulb/Tube lights.	Manufacturing (Industrial Inputs) General Masses	68
184	(Section 13) 6th Schedule Table I	15(x) Light emitting diodes (light emitting in different colors).	Manufacturing (Industrial Inputs) General Masses	6
185	(Section 13) 6th Schedule Table I	15(xi) Water pumps operating on solar energy along with solar pump controllers	Manufacturing (Industrial Inputs) General Masses	19
186	(Section 13) 6th Schedule Table III	15(xv) Invertors (off-grid/on grid/hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT).	Manufacturing (Industrial Inputs) General Masses	8
187	(Section 13) 6th Schedule Table I	150(a) the importer is registered under the Act on or after the first day of July, 2019;	Importers Manufacturing (Industrial Inputs) General Masses	28
188	(Section 13) 6th Schedule Table I	151(a) Supplies; and	Manufacturing (Industrial Inputs) General Masses	1,233
189	(Section 13) 6th Schedule Table I	151(b) imports of plant, machinery, equipment for installation in tribal areas and of industrial inputs by the industries located in the tribal areas, as defined in the Constitution of Islamic Republic of Pakistan, – as made till 30th June, 2023, to which the provisions of the Act or the notifications issued thereunder, would have not applied had Article 247 of the Constitution not been omitted under the Constitution (Twenty-fifth Amendment) Act, 2018 (XXXVII of 2018):	FATA General Masses	34
190	(Section 13) 6th Schedule Table III	15A(i) Housing /shell. Shell cover and base cap for all kinds of LED lights and bulbs	Manufacturing (Industrial Inputs) General Masses	6
191	(Section 13) 6th Schedule Table III	15A(ii) Bare and stuffed Metal Clad Printed Circuit Boards (MCPCB) for LED	Manufacturing (Industrial Inputs) General Masses	5
192	(Section 13) 6th Schedule Table III	15A(iii) Constant Current Power Supply for of LED Lights and Bulbs	Manufacturing (Industrial Inputs) General Masses	10
193	(Section 13) 6th Schedule Table III	18(iii) Microprocessor/ Controllers	Manufacturing (Industrial Inputs) General Masses	3
194	(Section 13) 6th Schedule Table III	18(xii) LCD / LED Screen	Manufacturing (Industrial Inputs) General Masses	1
195	(Section 13) 6th Schedule Table I	29C Glass bangles	Manufacturing (Industrial Inputs) General Masses	1

196	(Section 13) 6th Schedule Table III	2A Medical Equipment.	Manufacturing (Industrial Inputs) General Masses	8
197	(Section 13) 6th Schedule Table III	2A(ii) Medical surgical dental or veterinary furniture	Manufacturing (Industrial Inputs) General Masses	10
198	(Section 13) 6th Schedule Table III	2A(iii) Operating Table.	Manufacturing (Industrial Inputs) General Masses	1
199	(Section 13) 6th Schedule Table III	2A(vii) Cooling Cabinet.	Manufacturing (Industrial Inputs) General Masses	1
200	(Section 13) 6th Schedule Table III	2A(viii) Refrigerated Liquid Bath.	Manufacturing (Industrial Inputs) General Masses	2
201	(Section 13) 6th Schedule Table III	2B Cardiology / Cardiac Surgery Equipment	Health Sector Manufacturing (Industrial Inputs) General Masses	20
202	(Section 13) 6th Schedule Table III	2B(iii) Intravenous cannula i.v. catheter.	Health Sector Manufacturing (Industrial Inputs) General Masses	12
203	(Section 13) 6th Schedule Table III	2C Disposable Medical Devices	Health Sector Manufacturing (Industrial Inputs) General Masses	14
204	(Section 13) 6th Schedule Table III	2D(ii) Fixtures & fittings for hospitals	Manufacturing (Industrial Inputs) General Masses	2
205	(Section 13) 6th Schedule Table III	3(i) Machinery, equipment, materials, capital goods, specialized vehicles (4x4 non-luxury) i.e. single or double cabin pickups, accessories, spares, chemicals and consumables meant for mine construction phase or extraction phase.	Manufacturing (Industrial Inputs) General Masses	7
206	(Section 13) 6th Schedule Table III	3(ii) Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for mine construction or extraction phase	Manufacturing (Industrial Inputs) General Masses	28
207	(Section 13) 6th Schedule Table I	52A Goods 2 [excluding electricity and natural gas] supplied to hospitals run by the Federal or Provincial Governments or charitable operating hospitals of fifty beds or more or the teaching hospitals of statutory universities of two hundred or more beds.	Manufacturing (Industrial Inputs) General Masses	4,311
208	(Section 13) 6th Schedule Table III	7(i) Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through nuclear and renewable energy sources like solar, wind, micro-hydel bio-energy, ocean, and waste-to- energy and hydrogen cell. 1 [This exemption in relation to renewable energy shall remain in force up to the 30th June, 2023.]	Manufacturing (Industrial Inputs) General Masses	134
209	(Section 13) 6th Schedule Table I	7(ii) Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.	Construction Sector Manufacturing (Industrial Inputs) General Masses	2
210	(Section 13) 6th Schedule Table I	73A Milk and cream, concentrated or containing added sugar or other sweetening matter, excluding that sold in retail packing under a brand name	Food Products General Masses	1,404
211	(Section 13) 6th Schedule Table III	8(i) Machinery and equipment meant for power transmission and grid stations including under construction projects.	Manufacturing (Industrial Inputs) General Masses	35
212	(Section 13) 6th Schedule Table III	8(i)(b) apparatus, appliances, metering and testing apparatus, mechanical and electrical	Manufacturing (Industrial Inputs) General Masses	11

control, transmission gear and transmission tower, power transmission and distribution cables and conductors, insulators, damper spacer and hardware and parts thereof adapted to be used in conjunction with the machinery and equipment as specified in clause (a) above; and

213	(Section 13) 6th Schedule Table III	9(xxii) Parts and accessories of automatic regulating or controlling instruments and apparatus	Manufacturing (Industrial Inputs) General Masses	26
Sub Total				283,880
Less 45% adjustment on account of value addition to taxable activities				127,746
Total				156,134

Exemption Under 8th Scheduled at Reduced Rates

Reduced Rate of 1%

Sr	Legal Reference	Description Exemption or Concession	Intended Beneficiary	Estimate Rs. Million	Rates
1	Clause (aa) of sub-Section 2 of Section 3	62 Gold, in unworked condition	Manufacturing (Industrial Inputs) General Masses	7	1
2	Clause (aa) of sub-Section 2 of Section 3	63 Articles of jewelry, or parts thereof, of precious metal or of metal clad with precious metal.	Manufacturing (Industrial Inputs) General Masses	324	1
Sub Total				330	

Reduced Rate of 2%

Sr	Legal Reference	Description Exemption or Concession	Intended Beneficiary	Estimate Rs. Million	Rates
3	Clause (aa) of sub-Section 2 of Section 3	52 Fertilizers (all types)	Manufacturing (Industrial Inputs) General Masses	73,968	2
4	Clause (aa) of sub-Section 2 of Section 3	52 Fertilizers (All types)		16,320	2
Sub Total				90,288	

Reduced Rate of 5%

Sr	Legal Reference	Description Exemption or Concession	Intended Beneficiary	Estimate Rs. Million	Rates
5	Clause (aa) of sub-Section 2 of Section 3	29(xvii) Harvesting threshing and storage equipment: Combined harvesters	Agriculture Sector	281	5
6	Clause (aa) of sub-Section 2 of Section 3	23 second hand and worn clothing or footwear	General Masses	4,072	5
7	Clause (aa) of sub-Section 2 of Section 3	17 Re-importation of foreign origin goods which were temporarily exported out of Pakistan subject to similar conditions as are envisaged for the purposes of customs duty under the Customs Act, 1969, and	Exporters	156	5

taxable value shall be the value
determined under PCT h

8	Clause (aa) of sub-Section 2 of Section 3	26(xii)Ditcher	Manufacturing (Industrial Inputs) General Masses	1	5
9	Clause (aa) of sub-Section 2 of Section 3	28(iv)Boom or field sprayers	Manufacturing (Industrial Inputs) General Masses	2	5
10	Clause (aa) of sub-Section 2 of Section 3	26(xix)Land leveler	Manufacturing (Industrial Inputs) General Masses	39	5
11	Clause (aa) of sub-Section 2 of Section 3	26(vii)Border disc	Manufacturing (Industrial Inputs) General Masses	7	5
12	Clause (aa) of sub-Section 2 of Section 3	27(ii) Seeding or planting equipment: Cotton or maize planter with fertilizer attachment	Agriculture Sector	1	5
13	Clause (aa) of sub-Section 2 of Section 3	27(vii) Seeding or planting equipment: Sugarcane planter	Agriculture Sector	1	5
14	Clause (aa) of sub-Section 2 of Section 3	29(iii)Maize or ground nut thresher or Sheller	Manufacturing (Industrial Inputs) General Masses	3	5
15	Clause (aa) of sub-Section 2 of Section 3	28(v)Self-propelled sprayers	Manufacturing (Industrial Inputs) General Masses	3	5
16	Clause (aa) of sub-Section 2 of Section 3	26(xx) Laser land leveler comprising of laser transmitter, laser receiver, control box, rigid mast pack, with or without scrapper under respective heading	General Masses	14	5
17	Clause (aa) of sub-Section 2 of Section 3	30(ii) Postharvest handling and processing & miscellaneous machinery: Fodder and feed cube maker equipment	General Masses	6	5
18	Clause (aa) of sub-Section 2 of Section 3	29(x) Harvesting threshing and storage equipment: Wheat or rice reaper	Agriculture Sector	33	5
19	Clause (aa) of sub-Section 2 of Section 3	8 (Chapter 84 and 85) If imported by registered manufacturer who is member of Pakistan Dairy Association 1. Milk chillers. 2. Tubular heat exchanger (for pasteurization). 3. Milk processing plant, milk spray drying plant, Milk UHT plant. 4. Milk filters 5.	Food Products General Masses	9	5
20	Clause (aa) of sub-Section 2 of Section 3	27(vi) Seeding or planting equipment: Canola or sunflower drill	Agriculture Sector	8	5
21	Clause (aa) of sub-Section 2 of Section 3	67LNG imported for servicing CNG sector and local supplies thereof	Manufacturing (Industrial Inputs) General Masses	2,092	5
23	Clause (aa) of sub-Section 2 of Section 3	29(vii)Sunflower thresher	Manufacturing (Industrial Inputs) General Masses	3	5
24	Clause (aa) of sub-Section 2 of Section 3	26(xvii)K.R.Karundi	Manufacturing (Industrial Inputs) General Masses	3	5
25	Clause (aa) of sub-Section 2 of	30(ii)Fodder and feed cube maker equipment	Manufacturing (Industrial Inputs)	2	5

Section 3			General Masses		
26	Clause (aa) of sub-Section 2 of Section 3	29(xiii)Post hole digger	Manufacturing (Industrial Inputs) General Masses	1	5
27	Clause (aa) of sub-Section 2 of Section 3	29(v)Groundnut digger	Manufacturing (Industrial Inputs) General Masses	1	5
22	Clause (aa) of sub-Section 2 of Section 3	29(v) Harvesting threshing and storage equipment: Potato digger or harvester	Agriculture Sector	1	5
28	Clause (aa) of sub-Section 2 of Section 3	44 Sales tax @ 5% of Phosphoric Acid	Manufacturing (Industrial Inputs) General Masses	5,465	5
29	Clause (aa) of sub-Section 2 of Section 3	9Capital goods otherwise not exempted, for Transmission Line Projects.	Manufacturing (Industrial Inputs) General Masses	3,659	5
30	Clause (aa) of sub-Section 2 of Section 3	Natural gas	Manufacturing (Industrial Inputs) General Masses	2,796	5
31	Clause (aa) of sub-Section 2 of Section 3	29(ix) Harvesting threshing and storage equipment: Fodder rake	Agriculture Sector	8	5
32	Clause (aa) of sub-Section 2 of Section 3	4 Oil Seeds meant for sowing subject to conditions against S.No. 4 of Table-I of 8th Schedule to the Sales Tax Act, 1990.	Agriculture Sector	14	5
33	Clause (aa) of sub-Section 2 of Section 3	25 Agricultural tractors	Manufacturing (Industrial Inputs) General Masses	4,285	5
34	Clause (aa) of sub-Section 2 of Section 3	30(i) Postharvest handling and processing & miscellaneous machinery: Vegetables and fruits cleaning and sorting or grading equipment	Agriculture Sector	17	5
35	Clause (aa) of sub-Section 2 of Section 3	28(i) Irrigation drainage and agrochemical application equipment: Tube wells filters or strainers	Agriculture Sector	4	5
36	Clause (aa) of sub-Section 2 of Section 3	2 Cool chain machinery and equipment.- subject to conditions. Subject to conditions given in preamble of Table-2 of 8th Schedule to the Sales Tax Act, 1990.	Mining Sector	111	5
37	Clause (aa) of sub-Section 2 of Section 3	27(v) Seeding or planting equipment: Rice transplanting	Agriculture Sector	21	5
38	Clause (aa) of sub-Section 2 of Section 3	25 Agricultural Tractors HS code 8701.9220 & 8701.9320 are added in the system in pursuance of letter C>No. 4/24-STB/2017 dated 21.07.2017	Agriculture Sector	412	5
39	Clause (aa) of sub-Section 2 of Section 3	30(i)Vegetables and fruits cleaning and sorting or grading equipment	Manufacturing (Industrial Inputs) General Masses	14	5
40	Clause (aa) of sub-Section 2 of Section 3	29(viii) Harvesting threshing and storage equipment: Straw balers	Agriculture Sector	21	5
41	Clause (aa) of	26(ix) Disc harrow	Agriculture Sector	2	

	sub-Section 2 of Section 3				5
42	Clause (aa) of sub-Section 2 of Section 3	26(xiv) Rotary tiller	Agriculture Sector	54	5
43	Clause (aa) of sub-Section 2 of Section 3	28(i)Tube wells filters or strainers	Manufacturing (Industrial Inputs) General Masses	5	5
44	Clause (aa) of sub-Section 2 of Section 3	26(xvi)Soil-scraper	Manufacturing (Industrial Inputs) General Masses	5	5
45	Clause (aa) of sub-Section 2 of Section 3	29(xi) Harvesting threshing and storage equipment: Chaff or fodder cutter	Agriculture Sector	42	5
46	Clause (aa) of sub-Section 2 of Section 3	4.1 Machinery, equipment, materials, capital goods, specialized vehicles (4x4 non luxury) i.e single or double cabin pickups, accessories, spares, chemicals and consumables meant for mineral exploration phase.- subject to conditions given against S.No. 4 of	General Masses	3	5
47	Clause (aa) of sub-Section 2 of Section 3	29(xviii)Tractor mounted trancher	Manufacturing (Industrial Inputs) General Masses	26	5
48	Clause (aa) of sub-Section 2 of Section 3	29(xvii)Reaping machines	Manufacturing (Industrial Inputs) General Masses	95	5
49	Clause (aa) of sub-Section 2 of Section 3	29(xii)Chaff or fodder cutter	Manufacturing (Industrial Inputs) General Masses	6	5
50	Clause (aa) of sub-Section 2 of Section 3	28(ii) Irrigation drainage and agrochemical application equipment: Knapsack sprayers	Agriculture Sector	108	5
51	Clause (aa) of sub-Section 2 of Section 3	28(vi) Irrigation drainage and agrochemical application equipment: Orchard sprayer	Agriculture Sector	11	5
52	Clause (aa) of sub-Section 2 of Section 3	27(vii)Sugarcane planter	Manufacturing (Industrial Inputs) General Masses	10	5
53	Clause (aa) of sub-Section 2 of Section 3	28(v) Irrigation drainage and agrochemical application equipment: Self-propelled sprayers	Agriculture Sector	2	5
54	Clause (aa) of sub-Section 2 of Section 3	20 Plant. Machinery and equipment used in production of bio-diesel subject to conditions mentioned against S.no. 20 of Table I of 8th Schedule to the Sales Tax Act, 1990	General Masses	174	5
55	Clause (aa) of sub-Section 2 of Section 3	4 Oilseeds meant for sowing.	Manufacturing (Industrial Inputs) General Masses	9	5
56	Clause (aa) of sub-Section 2 of Section 3	2 Cool chain machinery and equipment.	Manufacturing (Industrial Inputs) General Masses	29	5
57	Clause (aa) of sub-Section 2 of Section 3	26(x)Bar harrow	Manufacturing (Industrial Inputs) General Masses	1	5
58	Clause (aa) of sub-Section 2 of	29(ix)Straw balers	Manufacturing (Industrial Inputs)	3	5

Section 3			General Masses		
59	Clause (aa) of sub-Section 2 of Section 3	26 Incinerators of disposal of waste management, motorized sweepers and snow ploughs	Manufacturing (Industrial Inputs) General Masses	4	5
60	Clause (aa) of sub-Section 2 of Section 3	28(iv) Irrigation drainage and agrochemical application equipment: Boom or field sprayers	Agriculture Sector	2	5
61	Clause (aa) of sub-Section 2 of Section 3	29(ii)Wheat thresher	Manufacturing (Industrial Inputs) General Masses	10	5
62	Clause (aa) of sub-Section 2 of Section 3	29(i)Harvesting, threshing and storage equipment	Manufacturing (Industrial Inputs) General Masses	59	5
63	Clause (aa) of sub-Section 2 of Section 3	20 Plant, machinery, 2 [and equipment] used in production of biodiesel	Manufacturing (Industrial Inputs) General Masses	8	5
64	Clause (aa) of sub-Section 2 of Section 3	29(viii)Post hole digger	Manufacturing (Industrial Inputs) General Masses	5	5
65	Clause (aa) of sub-Section 2 of Section 3	26(i) Rotavator	Manufacturing (Industrial Inputs) General Masses	37	5
66	Clause (aa) of sub-Section 2 of Section 3	26(ii) Cultivator	Agriculture Sector	1	5
67	Clause (aa) of sub-Section 2 of Section 3	29(vii) Harvesting threshing and storage equipment: Post hole digger	Agriculture Sector	1	5
68	Clause (aa) of sub-Section 2 of Section 3	27(i)Seed-cum-fertilizer drill (wheat, rice barley, etc	Manufacturing (Industrial Inputs) General Masses	13	5
69	Clause (aa) of sub-Section 2 of Section 3	27(v)Rice trans planter	Manufacturing (Industrial Inputs) General Masses	8	5
70	Clause (aa) of sub-Section 2 of Section 3	29(xi)Wheat or rice reaper	Manufacturing (Industrial Inputs) General Masses	13	5
71	Clause (aa) of sub-Section 2 of Section 3	23 Secondhand and worn clothing or footwear	Manufacturing (Industrial Inputs) General Masses	2,542	5
72	Clause (aa) of sub-Section 2 of Section 3	53 The following cinematographic equipment imported during the period commencing on the 1st day of July, 2018 and ending on the 30th day of June, 2023. (i) Projector (ii) Parts and accessories for projector (iii) Other instruments and apparatus for cinema (i	General Masses	2	5
73	Clause (aa) of sub-Section 2 of Section 3	26(xiv)Rotary tiller	Manufacturing (Industrial Inputs) General Masses	29	5
74	Clause (aa) of sub-Section 2 of Section 3	29(xviii) Harvesting threshing and storage equipment: Pruner/shears	Agriculture Sector	1	5
75	Clause (aa) of sub-Section 2 of Section 3	29(xvi)Tractor trolley or forage wagon	Manufacturing (Industrial Inputs) General Masses	4	5
76	Clause (aa) of sub-Section 2 of	19 Waste paper	Manufacturing (Industrial Inputs)	192	5

Section 3			General Masses		
77	Clause (aa) of sub-Section 2 of Section 3	29(x)Fodder rake	Manufacturing (Industrial Inputs) General Masses	16	5
78	Clause (aa) of sub-Section 2 of Section 3	26(xiii)Land leveler or land planer	Manufacturing (Industrial Inputs) General Masses	2	5
79	Clause (aa) of sub-Section 2 of Section 3	28(ii)Knapsack sprayers	Manufacturing (Industrial Inputs) General Masses	7	5
80	Clause (aa) of sub-Section 2 of Section 3	28(vi)Orchard sprayer	Manufacturing (Industrial Inputs) General Masses	1	5
Sub Total				27,108	

Reduced Rate of 7%					
Sr	Legal Reference	Description Exemption or Concession	Intended Beneficiary	Estimate Rs.Million	Rates
81	Clause (aa) of sub-Section 2 of Section 3	29(xvi) Harvesting threshing and storage equipment: Reaping machines	Agriculture Sector	36	7
82	Clause (aa) of sub-Section 2 of Section 3	45(i) Machinery for preparing feeding stuff @ 7%	General Masses	46	7
83	Clause (aa) of sub-Section 2 of Section 3	45(v) Evaporative air cooling system	General Masses	36	7
84	Clause (aa) of sub-Section 2 of Section 3	45(ii) Incubators, brooders and other poultry equipment @ 7%	Poultry Sector	287	7
85	Clause (aa) of sub-Section 2 of Section 3	45(vi) Evaporative cooling pad @ 7%	General Masses	23	7
86	Clause (aa) of sub-Section 2 of Section 3	45(ii)Incubators, brooders and other poultry equipment	Manufacturing (Industrial Inputs) General Masses	13	7
87	Clause (aa) of sub-Section 2 of Section 3	45(iii) Insulated sandwich panels @ 7%	General masses	3	7
88	Clause (aa) of sub-Section 2 of Section 3	45(vi)Evaporative cooling pad	Manufacturing (Industrial Inputs) General Masses	5	7
89	Clause (aa) of sub-Section 2 of Section 3	45(iv) Poultry sheds @ 7%	Poultry Sector	2	7
90	Clause (aa) of sub-Section 2 of Section 3	45(i)Machinery for preparing feeding stuff	Manufacturing (Industrial Inputs) General Masses	28	7
91	Clause (aa) of sub-Section 2 of Section 3	45(iii)Insulated sandwich panels	Manufacturing (Industrial Inputs) General Masses	1	7
92	Clause (aa) of sub-Section 2 of Section 3	45v Evaporative air cooling system	Manufacturing (Industrial Inputs) General Masses	4	7
93	Clause (aa) of sub-Section 2 of Section 3	45(iv)Poultry sheds	Manufacturing (Industrial Inputs) General Masses	11	7

Reduced Rate of 8%					
Sr	Legal Reference	Description Exemption or Concession	Intended Beneficiary	Estimate Rs.Million	Rates
94	Clause (aa) of sub-Section 2 of Section 3	64 Prepared Food, foodstuff and sweetmeats supplied by restaurants, bakeries, caterers and sweetmeat shops	Manufacturing (Industrial Inputs) General Masses / food items	851	8
95	Clause (aa) of sub-Section 2 of Section 3	69 Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry, meat and fish	Manufacturing (Industrial Inputs) General Masses / food items	165	8
96	Clause (aa) of sub-Section 2 of Section 3	68 Frozen prepared preserved sausages and similar products of poultry meat or meat offal	Manufacturing (Industrial Inputs) General Masses / food items	380	8
Sub Total				1,396	

Reduced Rate of 10%					
Sr	Legal Reference	Description Exemption or Concession	Intended Beneficiary	Estimate Rs.Million	Rates
98	Clause (aa) of sub-Section 2 of Section 3	5 Raw Cotton and Ginned Cotton	Agriculture	11,730	10
99	Clause (aa) of sub-Section 2 of Section 3	6 Sales Tax @ 10% on The Import Of Plant, Machinery Not Manufactured Locally & Having No Compatible Local Substitutes, Subject To Conditions Given In S.No. 6 Of Table I of 8th Schedule To Sales Tax Act, 1990.	Manufacturing (Industrial Inputs)	9,112	10
100	Clause (aa) of sub-Section 2 of Section 3	6 Machinery, equipment and other capital goods meant for initial installation, balancing, modernization, replacement or expansion of oil refining (mineral oil, hydro- cracking and other value added petroleum products), petrochemical and petrochemical downst	Manufacturing (Industrial Inputs)	1,411	10
101	Clause (aa) of sub-Section 2 of Section 3	15 Ingredients of poultry feed, cattle feed, except soybean meal of PCT heading 2304.0000 and oil-cake of cotton seed falling under PCT heading 2306.1000. Besides, benefit of this S.No. will also be available to following goods:- 2308.9000 (Guar Meal), 2303	Agriculture	1,357	10
102	Clause (aa) of sub-Section 2 of Section 3	7 Flavored milk	Manufacturing (Industrial Inputs) General Masses	607	10
103	Clause (aa) of sub-Section 2 of Section 3	11 Cream	Manufacturing (Industrial Inputs) General Masses	525	10
104	Clause (aa) of	10 Butter, sold in retail packing	food items	10	10

	sub-Section 2 of Section 3	under a brand name			
97	Clause (aa) of sub-Section 2 of Section 3	22 Soya bean seed on import by solvent extraction industries, subject to the condition that no refund of input tax shall be admissible	Manufacturing (Industrial Inputs) General Masses	14,664	10
105	Clause (aa) of sub-Section 2 of Section 3	57 Rock Phosphate	Manufacturing (Industrial Inputs)	520	10
106	Clause (aa) of sub-Section 2 of Section 3	5 Complete plants for relocated industries.- subject to condition. Subject to conditions given in preamble of Table-2 of 8th Schedule to the Sales Tax Act, 1990.	Manufacturing (Industrial Inputs)	97	10
107	Clause (aa) of sub-Section 2 of Section 3	1 Machinery and equipment for development of grain handling and storage facilities including silos - subject to conditions. Subject to conditions given in preamble of Table-2 of 8th Schedule to the Sales Tax Act, 1990.	Manufacturing (Industrial Inputs)	989	10
108	Clause (aa) of sub-Section 2 of Section 3	65 Ginned cotton	Textile	88	10
109	Clause (aa) of sub-Section 2 of Section 3	5 Complete plants for relocated industries.	Manufacturing (Industrial Inputs)	264	10
110	Clause (aa) of sub-Section 2 of Section 3	65 Supplies as made from retail outlets as are integrated with Board's computerized system for real-time reporting of sales	Manufacturing (Industrial Inputs) General Masses	8,224	10
111	Clause (aa) of sub-Section 2 of Section 3	60 Fat filled milk If sold in retail packing under a brand name or trademark	Agriculture, Livestock	52	10
112	Clause (aa) of sub-Section 2 of Section 3	1 Machinery and equipment for development of grain handling and storage facilities 1 [including silos].	Manufacturing (Industrial Inputs) General Masses	228	10
113	Clause (aa) of sub-Section 2 of Section 3	9 Cheese, sold in retail packing under a brand name	Agriculture, Livestock	9	10
114	Clause (aa) of sub-Section 2 of Section 3	58 Reduced rate of 10% on import of LPG	Energy Sector	3,520	10
115	Clause (aa) of sub-Section 2 of Section 3	46 Multimedia Projectors @ 10%	Media Productions	5	10
116	Clause (aa) of sub-Section 2 of Section 3	8 Yogurt	Manufacturing (Industrial Inputs) General Masses	514	10
117	Clause (aa) of sub-Section 2 of Section 3	1 Soybean meal	Manufacturing (Industrial Inputs) General Masses	6,597	10
118	Clause (aa) of sub-Section 2 of Section 3	LPG	Manufacturing (Industrial Inputs) General Masses	1,886	10
119	Clause (aa) of sub-Section 2 of Section 3	6 Plant and machinery not manufactured locally and having no compatible local substitutes	Manufacturing (Industrial Inputs) General Masses	443	10

120	Clause (aa) of sub-Section 2 of Section 3	60 Fat filled milk	Manufacturing (Industrial Inputs) General Masses	3,915	10
121	Clause (aa) of sub-Section 2 of Section 3	11 Cream, sold in retail packing under a brand name		1	10
122	Clause (aa) of sub-Section 2 of Section 3	57 Rock phosphate	Manufacturing (Industrial Inputs) General Masses	1	10
123	Clause (aa) of sub-Section 2 of Section 3	15Ingredients of poultry feed, cattle feed, except soya bean meal of PCT heading 2304.0000 and oilcake of cotton-seed falling under PCT heading 2306.1000	Manufacturing (Industrial Inputs) General Masses	842	10
124	Clause (aa) of sub-Section 2 of Section 3	59 Products of milling industry except wheat and meslin flour	Manufacturing (Industrial Inputs) General Masses	57	10
125	Clause (aa) of sub-Section 2 of Section 3	22 Soya bean seed	Manufacturing (Industrial Inputs) General Masses	4	10
126	Clause (aa) of sub-Section 2 of Section 3	14 Milk and cream, concentrated or containing added sugar or other sweetening matter	Manufacturing (Industrial Inputs) General Masses	1,468	10
127	Clause (aa) of sub-Section 2 of Section 3	6 Machinery, equipment and other capital goods meant for initial installation, balancing, modernization, replacement or expansion of oil heavy chemical industry, cryogenic facility for ethylene storage and handling. refining (mineral oil, hydro-cracking and other value added petroleum products), petrochemical and petrochemical downstream products including fibers and	Manufacturing (Industrial Inputs) General Masses	8	10
128	Clause (aa) of sub-Section 2 of Section 3	10 Butter	Food Products General Masses	181	10
129	Clause (aa) of sub-Section 2 of Section 3	12 Desi ghee	Food Products General Masses	48	10
130	Clause (aa) of sub-Section 2 of Section 3	9 Cheese	Food Products General Masses	208	10
131	Clause (aa) of sub-Section 2 of Section 3	13 Whey	Food Products General Masses	10	10

Sub Total

69,592

Reduced Rate of 12%					
Sr	Legal Reference	Description Exemption or Concession	Intended Beneficiary	Estimate Rs.Million	Rates
132	Clause (aa) of sub-Section 2 of Section 3	50 LNG/RLNG	Industry / General Masses	759	12
134	Clause (aa) of sub-Section 2 of Section 3	66 Supplies as made from retail outlets as are integrated with Board's computerized system for real-time reporting of sales	Manufacturing (Industrial Inputs) General Masses	1,082	12

133	Clause (aa) of sub-Section 2 of Section 3	51 LNG/RLNG	Energy Sector General Masses	17,480	12
Sub Total				19,321	

Reduced Rates under 9th Schedule				
Sr	Legal Reference	Description Exemption or Concession	Intended Beneficiary	Estimate Rs. Million
1	9th Schedule	Mobile Phones	General Masses	27,096
Sub Total				27,096
Grand Total				578,456

Explanatory notes on Sales Tax Estimates

A. Types of Concessions

In sales tax act, concessions are granted broadly by three ways

- I. Zero rating,
- II. Exemptions,
- III. Reduced rates.

1. Zero rating

Under Section 4 of the Act, goods exported, or the goods specified in the Fifth Schedule; supply of stores and provisions for consumption aboard a conveyance proceeding to a destination outside Pakistan as specified in section 24 of the Customs Act, 1969 (IV of 1969); such other goods, as the Federal Government may specify by notification in the official Gazette, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements are charged to tax at the rate of zero per cent.

2. Exemptions

Under section 13 of the Sales Tax Act 1990, supply of goods or import of goods specified in the Sixth Schedule are, subject to such conditions as may be specified by the Federal Government, are exempt from tax under the Act. The Federal Government is empowered to issue exemptions whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements, by notification in the official Gazette. Exemptions can be on any supplies made or imports, of any goods or class of goods from the whole or any part of the tax chargeable under the Act, subject to the conditions and limitations specified therein.

3. Reduced rates

Under section 3(2)(b), Federal Government is empowered to declare that in respect of any taxable goods, the tax shall be charged, collected and paid in such manner and at such higher or lower rate or rates as may be specified, subject to such conditions and restrictions as it may impose, by notification in the official Gazette.

B. Nature of exemptions and concessions

In sales tax act, concessions are granted broadly by three ways: i.e. Zero Rating, Exemptions, and reduced rates.

1. Product-based Concessions

In some cases, product based concession is granted under sales tax act, for example, in case of food and grocery items, certain products are exempt or have reduced rate of sales tax. It may get tricky because these exemptions

can then have rules within rules. Prepared foods and ready-to-eat food items may be exempted or have reduced rate whereas the same items if sold under brand name may not have the concession.

2. Use-based Concessions

Under the Act certain products that are intended to be used for in-house consumption, for use of a specific organization are given tax concession. Typically, this is where, the end consumers are not liable to be taxed, or intended to be given tax concession.

3. Buyer-based Concessions

Diplomats, diplomatic missions, diplomatic organizations, non-profit organizations or government agencies often are not required to pay sales tax. This concession in the form of zero rating or exemption is extended to these national and international agencies.

4. Economic activity-based concessions

Certain tax concessions under the act are granted for a specific economic activity. Like export promotions or certain activities in export processing zones. A unique case in Pakistan is the case of exemptions in erstwhile Federally Administered Tribal Areas (FATA), where exemptions are granted for mainstreaming of the geographic areas.

C. Suggestion for further improvement of Sales Tax estimates

The reporting and calculation of tax expenditures estimates may be improved through:

Legal Enactment

In previous estimates it was suggested that in sales tax act, concessions are granted broadly by three ways, i.e. zero rating, exemptions, and reduced rates. The sales tax return of any registered person may not be considered as true and valid return, without mentioning exempt supply, if any. This will help in computing the exemption incidence when exempt supplies are made by various registered persons in supply chain.

Administrative Measures

Industry-ratios and/or standardized minimum value addition formulas may be issued, with the consultation of major industries, to have more accurate and rational estimates, and so that exact extent of value addition in each industry can be estimated.

Engagement of Experts and Internees

Various expert, working in the universities may be engaged to develop a broad based consultancy and opportunities may be provided to young university graduates to apply various statistical tools on the data for improvement in reporting and calculating tax buoyancy

Training of the Team

The team engaged in SPR&S may be trained in National and International well reputed institutes for understanding and opting international best practices.

Summary of Customs Duty Estimates

		<i>Rs. in million</i>
1	Chapter-99 Exemptions	12,635
2	FTA & PTA Exemptions	34,210
3	5th Schedule Exemptions & Concessions	137,418
4	General Concessions: Automobile sector, E&Ps,	55,877

	CPEC, etc.	
5	Export Related Exemptions	47,631
Total		287,771

Legal Reference	Exemption Type	Beneficiary Sector	CD Cost of Exemption FY 2019-20
<i>Chapter-99 Exemptions</i>			
9901.0000 -	Chapter-99 Exemptions: Goods imported by various agencies of the United Nations	Agencies under the United Nations	188
9902.0000 -	Chapter-99 Exemptions: Goods imported by Diplomats/Embassies/ Consulates	Diplomats/Embassies/ Consulates under the Diplomatic and Consular Privileges Act, 1972	506
9903.0000 -	Chapter-99 Exemptions: Goods imported by privileged personnel or by organizations or by any person authorized by the contracting parties, under grant-in- aid agreements	Privileged personnel or by organizations or by any person authorized by the contracting parties, under grant-in- aid agreements (including those agreements which cover off budget foreign contributions or funds brought by registered INGO's without any financial liabilities to the Government of Pakistan)	3,240
9904.0000 -	Chapter-99 Exemptions: Vehicles in CKD condition, imported by recognized local manufacturer for supply to diplomat, diplomatic mission, privileged person	Vehicles in CKD condition, imported by recognized local manufacturer for supply to diplomat, diplomatic mission, privileged person	7
9905.0000 -	Chapter-99 Exemptions: Imports by Dignitaries of UAE, Qatar and Bahrain	Dignitaries of UAE, Qatar and Bahrain	0
9906.0000 -	Chapter-99 Exemptions: Goods imported under the President/ Prime Minister/ Governors/ 's Salary, Allowances and Privileges Act, 1975	The President and the Prime Minister of Pakistan. The Governors and the Acting Governors of the Provinces	0
9908.0000 -	Chapter-99 Exemptions: Goods received as gift or donation from a foreign government or organization by the Federal or Provincial Government or any public sector organization or Goods received as gift by Pakistani organizations from Church World Services or the Catholic Relief Services	Gifts received by the Federal, the provincial or any public sector organization	-
9909.0000 -	Chapter-99 Exemptions: Articles, value of which does not exceed Rs.20,000/- per parcel, if imported through post or courier service as unsolicited gift parcel	Articles, value of which does not exceed Rs.20,000/- per parcel, if imported through post or courier service as unsolicited gift parcel	7
9910.0000 -	Chapter-99 Exemptions: Samples of no commercial value imported by manufacturers	Samples of no commercial value imported by the manufacturers	28
9911.0000 -	Chapter-99 Exemptions: Relief goods donated for free distribution among the victims	(i) Relief goods donated for free distribution (ii) Plant, machinery and equipment	737

	of natural disaster or other catastrophe OR Plant, machinery and equipment imported by way of donation for installation in the earthquake hit districts	imported by way of donation for installation in the earthquake hit districts as certified by ERRA/National Disaster Management Authority.	
9912.0000 -	Chapter-99 Exemptions: Imports by Edhi Foundation	Imports by Edhi Foundation	23
9913.0000 -	Chapter-99 Exemptions: Gifts or donations received by a charitable non-profit making hospital or institution	Gifts or donations received by a charitable non-profit making hospital or institution	3,111
9914.0000 -	Chapter-99 Exemptions: Imports by Charitable Institutions and Hospitals	Imports by Charitable Institutions and Hospitals	1,716
9915.0000 -	Chapter-99 Exemptions: Goods imported by or donated to non - profit making educational and research institutions	Goods imported by or donated to non -profit making educational and research institutions	309
9916.0000 -	Chapter-99 Exemptions: Goods supplied free of cost as replacement of identical goods previously imported	Goods supplied free of cost as replacement of identical goods previously imported including goods imported within warranty period Replacement Goods.	112
9922.0000 -	Chapter-99 Exemptions: Ship spares, stores and equipment imported for use in ships registered in Pakistan	Ship spares, stores and equipment imported for use in ships registered in Pakistan Temporary Import or Export.	45
9924.0000 -	Chapter-99 Exemptions: Eye cornea	Eye cornea	1
9925.0000 -	Chapter-99 Exemptions: Artificial kidneys, hemodialysis machines, hemodialyzers, A.V. fistula needles, hemodialysis fluids & powder, blood tubing tines for dialysis, reverse osmosis plants for dialysis, double lumen catheter for dialysis, catheters for renal failure patients, peritoneal dialysis solution and cardiac catheters. colostomy bags and appliances identifiable for Ostomy use	Medical appliances/equipment.	543
9927.0000 -	Chapter-99 Exemptions: Pharmaceutical raw materials if imported for manufacture of contraceptives in accordance with the input output ratios determined by the Directorate of Input Output Co-efficient Organization. Contraceptives and accessories thereof.	Pharmaceutical raw materials if imported for manufacture of contraceptives	84
9930.0000 -	Chapter-99 Exemptions: Any goods, including vehicles, specified in the First schedule to the Customs Act, 1969 (IV of 1969) imported by Federal/Provincial/ Local Government Departments, Municipal bodies and Development authorities subject to the condition that the goods	Any goods, including vehicles, specified in the First schedule to the Customs Act, 1969 (IV of 1969) imported by Federal/Provincial/ Local Government Departments, Municipal bodies and Development authorities subject to the condition that the goods are donated to the importers for use in an approved foreign grant funded project	484

	are donated to the importers for use in an approved foreign grant funded project under a proper grant relating to Capital Aid-Technical Assistant Agreement signed between the Government of Pakistan and a foreign government or agency subject to concurrence of the Federal Board of Revenue.		
9931.0000 -	Chapter-99 Exemptions: Ground handling equipment, service and operation vehicles, catering equipment and fuel trucks not manufactured locally, imported by domestic airlines or by any other service company to which a license has been issued by the Civil Aviation Authority for such purposes.	Ground handling equipment imported by airlines	5
9937.0000 -	Chapter-99 Exemptions: Items relating to disabled persons, like Wheel chairs, Artificial human part, Items used for rehabilitation of blind persons etc..	Certain items imported by the Disabled persons	226
9938.0000 -	Chapter-99 Exemptions: Disposables, as are not manufactured locally, for Cardiology/cardiac surgery, Neurovascular, Electrophysiology, Endo-surgery, Endoscopy, Oncology, Urology, Gynecology;	Certain Disposables, as are not manufactured locally, for Cardiology/cardiac surgery, Neurovascular, Electrophysiology, Endo-surgery, Endoscopy, Oncology, Urology, Gynecology;	958
9939.0000 -	Chapter-99 Exemptions: Diagnostic kits for HIV and Hepatitis	Diagnostic kits for HIV and Hepatitis	304
9941.0000 -	Chapter-99 Exemptions: Goods imported by or donated to municipal authorities including development authorities , Federal Government, Provincial Government, Government of Azad Jammu and Kashmir, Government of Gilgit-Baltistan, National Disaster Management Authority (NDMA), Provincial Disaster Management Authority (PDMA) and Government Emergency/Rescue services,	Goods imported by or donated to municipal authorities including development authorities , Federal Government, Provincial Government, Government of Azad Jammu and Kashmir, Government of Gilgit-Baltistan, National Disaster Management Authority (NDMA), Provincial Disaster Management Authority (PDMA) and Government Emergency/Rescue services,	-
Sub-Total:- Chapter-99 Exemptions			12,635

FTA & PTA Exemptions: Bilateral arrangements with different Governments /Regional commitments			
558(I)/2004 Table I	Section 19	FTA: General exemption on import from ECO	0
558(I)/2004 Table II	Section 19	FTA: General exemption on import from SAARC	76
1296(I)/2005 Table-I	Section 19	FTA: Pak-China Early Harvest Program (prescribes FTA CD Rate)	0
1296(I)/2005 Table-II	Section 19	FTA: Pak-China Early Harvest Program (prescribes %age of concession in CD Rate)	0

1274(I)/2006 Table-I	Section 19	FTA: General exemption on import from SAARC countries under SAFTA Agreement	394
1274(I)/2006 Table-II	Section 19	FTA: General exemption on import from SAARC countries under SAFTA Agreement	7
SRO 659(I)/2007 Table-I	Section 19	FTA: General exemption on import from China under Pak-China FTA	9,323
SRO 659(I)/2007 Table-II	Section 19	FTA: General exemption on import from China under Pak-China FTA	1,876
SRO 1640(I)/2019 -	Section 19	FTA: General exemption on import from China under Pak-China FTA	13,258
SRO1151(I)/2007 Table	Section 19	PTA: General exemption on import from Mauritius under PTA	-
SRO1261(I)/2007 Table I	Section 19	PTA: General exemption on import from Malaysia under PTA	2,299
SRO1261(I)/2007 Table II	Section 19	PTA: General exemption on import from Malaysia under PTA	873
SRO741(I)/2013 Table	Section 19	PTA: General exemption on import from Indonesia under Pak-Indonesia PTA	3,303
SRO280(I)/2014 d	Section 19	FTA: General exemption on import from Sri Lanka under Pak-Sri Lanka FTA	375
SRO280(I)/2014 I	Section 19	FTA: General exemption on import from Sri Lanka under Pak-Sri Lanka FTA	
SRO280(I)/2014 Table-I	Section 19	FTA: General exemption on import from Sri Lanka under Pak-Sri Lanka FTA	2,260
SRO280(I)/2014 TABLE-III	Section 19	FTA: General exemption on import from Sri Lanka under Pak-Sri Lanka FTA	165
Sub- Total:- FTA & PTA Exemptions			34,210

<u>5th Schedule(Customs Duty)</u>			
5th Schedule (Customs Duty) Part-I	Exemption under 18(1A) of the Customs Act, 1969	Imports of Plant, Machinery, Equipment and Apparatus, including Capital Goods for various industries/sectors	55,595
5th Schedule (Customs Duty)-Part II Table-A	Exemption under 18(1A) of the Customs Act, 1969	Import of Active Pharmaceutical Ingredients by pharma sector	1,728
5th Schedule (Customs Duty)-Part II Table-B	Exemption under 18(1A) of the Customs Act, 1969	Excipient/Chemicals by pharmaceutical sector	589
5th Schedule (Customs Duty)-Part II Table-C	Exemption under 18(1A) of the Customs Act, 1969	Drugs (mostly Life Saving) by pharmaceutical sector	6,955
5th Schedule (Customs Duty)-Part II Table-D	Exemption under 18(1A) of the Customs Act, 1969	Packing Materials/Raw Materials for Packing by pharmaceutical sector	1,080
5th Schedule (Customs Duty)-Part II Table-E	Exemption under 18(1A) of the Customs Act, 1969	Diagnostic Kits/Equipment) by pharmaceutical sector	3,151
5th Schedule(Customs Duty)-Part III	Exemption under 18(1A) of the Customs Act, 1969	Poultry and Textile Sectors	39,227
5th Schedule(Customs Duty)-Part IV	Exemption under 18(1A) of the Customs Act, 1969	Machinery and Equipment for Textile Sector	547
5th Schedule(Customs Duty)-Part V	Exemption under 18(1A) of the Customs Act, 1969	Automotive Manufacturing Sector (Auto Policy)	66
5th Schedule(Customs Duty)-Part VI	Exemption under 18(1A) of the Customs Act, 1969	Aviation Sector (Aviation Policy)	403
5th Schedule (Customs Duty) Part-VII	Exemption under 18(1A) of the Customs Act, 1969	Essential edible items like pulses, potato etc, Oil and Oil products, Inputs of export sectors etc.	7,567

5th Schedule(Customs Duty)- Part VIII	Exemption under 18(1A) of the Customs Act, 1969	Miscellaneous.	20,509
Sub-Total:- 5th Schedule(Customs Duty)			137,418
268(I)/2015	Section 19	Mining equipment & machinery imported by Thar Coal Field	2,452
565(I)/2006	Section 19	Raw material of survey based Local industries: Stationary/ Electrical Capacitors/ Pesticides / Distilled Fatty Acids / CRC & GI coils / Fans/ Transformers / Electric Motors manufacturers	14,331
SRO 499(I)/2013	Section 19	Auto Sector: General concession for import of Hybrid Electric Vehicles	434
SRO678(I)/2004	Section 19	Exploration and Production (E&P)Companies	5,024
107(I)/2019 and SRO 48(I)/2018	Section 19	Textile Sector (Local Yarn Producers): Import of Cotton	-
SRO 121(I)/2014	Section 219	Afghan Transit Trade	7
SRO 48(I)/2018	Section 19	Import of cotton	-
SRO 642(I)/2016	Section 19	Imports by M/s CSECL for Karachi- Peshawar Motorway	19
SRO 644(I)/2018	Section 19	General: Concession of CD on import of electric motor vehicles	475
SRO40(I)/2017	Section 19	Lahore Orange Metro Train Project	50
SRO655(I)/2006	Section 19	Vendors of Automotive sector	13,361
SRO656(I)/2006	Section 19	OEMs of Automotive Sector	15,930
SRO235(I)/2020	Section 19	COVID-19 Exemptions - General	810
SRO318(I)/2020	Section 19	COVID-19 Exemptions - General	2,614
SRO556(I)/2020	Section 19	COVID-19 Exemptions - General	364
SRO558(I)/2020	Section 19	COVID-19 Exemptions - General	6
SRO559(I)/2020	Section 19	COVID-19 Exemptions - General	-
Sub-total			55,877
Export Related Exemptions			
SRO450(I)/2001	Section 219	DTRE	5,707
SRO450(I)/2001	Section 219	Manufacturing Bonds	9,976
SRO 327(I)/2008	Section 219	Export Oriented Units	15,338
SRO 492(I)/2008	Section 219	Temporary Imports	10,007
SRO 450(I)/2008/9917.0000	Section 219	EPZ (abroad)	6,603
Sub-Total:-			47,631
Grand Total:			287,771

Benchmark for Customs Duty Cost Estimation

- Statutory rates of Customs Duty (CD), Regulatory Duty (RD), and Additional Customs Duty (ACD) have been taken as benchmark rates. Customs related exemptions / concessions are generally sector based.
- While making calculations, any deviation from statutory rates has been considered as exemption / concession.
- Period of study is FY 2010, i.e. July 2019 to June 2020.
- Report is based on figures in respect of customs duty exemptions given under chapter-99 (Rs.12,635 million). FTA/PTAs (Rs.34,210 million), 5th Schedule to Customs Act, 1969 (Rs.137,418 million) and exemptions given under other SROs (Rs.55,877 million) including export oriented exemption/concession SROs.

Methodology for Customs Duty Cost Estimation

Data for estimations of Customs is also taken from FBR's official database, and estimations were calculated against statutory rates of duties, using revenue forgone approach.

VAT GAP MODEL: USING SUPPLY-USE TABLES

1. FRAMEWORK OF VAT GAP

Definition of the VAT Gap: The VAT Gap refers to the VAT Policy Gap or the VAT Compliance Gap.

The VAT Policy Gap: The VAT Policy Gap is the difference between the Potential VAT collectible under a benchmark or standard regime' of the VAT (where there are no exemptions, lower rates or special treatment of any type of consumption or sector/class of taxpayers), and the Potential VAT collectible under the current regime (which includes any special treatment of consumption or sector/class of taxpayers). The VAT Policy Gap estimates the revenue foregone due to the current policy of the government.

The VAT Compliance Gap: The VAT Compliance Gap is the difference between this Potential VAT collectible under the current regime and the Actual VAT collection. The VAT Compliance Gap estimates the gap in VAT due to non-compliance by taxpayers.

This study estimates VAT Policy GAP for the year 2021.

2. BACKGROUND ON VAT-GAP

Efficient collection of taxes is considered as a cornerstone of a good tax system. However, because of non-compliance and other VAT foregone this efficiency may not be achieved. Therefore, it creates a Gap between potential VAT and actually collected VAT. Given tax base, if taxes remain unpaid, would cause burden on those who are contributing in this regards. Which is unfair and creates distortions in the economy. Further these unpaid VAT would put burden on the overall public finances resulting in either curtailing the government expenditures or increase the debt burden. Both of which are detrimental for growth and development goals of the government. Despite healthy revenue growth especially by FBR (for the period 2001-2020 average growth is 13.9%), Pakistan's overall revenue collection has been low when compared to the expenditure outlays.

One of the core reason for these under or low payment in relation to the base is because of Tax Expenditures¹. These are normally reported² and Governments throughout the world use tax expenditures as an alternative policy option to achieve social objectives and promote economic growth. Tax expenditures as a percentage of the total tax collected (income, sales, FED, and customs) have been increasing over time. In Tax Expenditure Report 2020, based on data pertaining to Financial Year 2018-19, it has increased to an estimated Rs. 1,150 billion in which Tax expenditure for Sales Tax amounted the highest at Rs. 518.8 billion (45% of the total), and in Customs Rs. 253.1 billion (22%). In FY 2018-19, FBR's tax collection was Rs. 3,828 billion. Overall, tax expenditure to GDP ratio stands at around 3%.

Understanding the scale and the scope of VAT policy gap and evaluating cost and benefit analysis is prerequisite for fiscal governance especially for high deficit countries like Pakistan. One of the suitable approaches to measure the VAT Gap is Top-down approach. In the present analysis only "VAT-GAP" model estimation is done using Supply Use Tables. Sales Tax is currently single largest tax revenue source for FBR. In FY 2019-20 it amounted to 1,597

¹ A tax expenditure is a deviation from a defined "benchmark" tax structure. A benchmark is a reference tax system that defines what ought to be taxed in the normal course, when there are no deviations.

² Amongst the G20 countries, 17 provide public estimates of tax expenditures (Hutton Eric, 2017). In Pakistan also under the PFM Act-2019 a detailed report was published for FY2019-20 by FBR and presented along with budget FY2020-21 in parliament. Whereas overall estimates have been published in Economic Survey, Ministry of Finance since 2008.

Billion Rs. which is approximately 40% of the total tax collected by FBR. For Sales Tax (Domestic) the base is considered to be Large Scale Manufacturing (LSM) and for Sales Tax (Imports) the base is imports.

The assessment of VAT gap analysis provides a tool to tax administrators, policy makers and relevant stakeholders, which can be roped through policy choices.

3. METHODOLOGY

We use a detailed input-output model of Pakistan's economy to estimate the potential VAT from domestic sales. This supply-use table provide information on the final consumption as well as the production and use of goods and services in the economy. Not only does the model provide information on total use or gross sales for each of the 40 sectors in the supply-use table but it also provides crucial information on the intermediate and value of primary use, the value of import and exports, and the value of investment expenditures. In other words, the Input-output model provides the necessary information to the model 'Pakistan's potential sales tax base', including the taxable supplies, input credits, and refunds on exports. The most recent Input-output model for Pakistan's economy is for 2017³. We re-benchmark this model to reflect the level of Pakistan's economy by sectors values for 2020, using national accounts data. The accuracy of our VAT gap estimates suffer significantly because the I-O model does not fully capture the informal sector.

4. ANALYSIS

4.1 Consumption Approach

The supply-use table provides information on the final consumption of consumer, government, exporters. The final consumption of commodities includes the VAT in the value. We eliminate the VAT from consumption at commodity level first, then we apply the Commodity VAT rate to calculate the potential VAT Policy Gap using the Supply-Use table.

The VAT Policy Gap is the difference between the Potential VAT collectible under a benchmark of the VAT (where there are no exemptions, lower rates or special treatment of any type of consumption or sector/class of taxpayers), and the Potential VAT collectible under the current regime (which includes any special treatment of consumption or sector/class of taxpayers).

Potential Policy VAT GAP

$$= (Final\ Consumption - VAT) \times \tau - \sum_c ((Final\ Consumption_c - VAT_c) \times \tau_c$$

Table 1: VAT Collected upto June 2020		
	VAT Collected	VAT Collected
	(Rs. Million)	(\$ billion ⁴)
ST(Imports)	876,352	5.84
ST(Domestic)	720,532	4.81
Total ST	1,689,477	10.65

³ Constructed by Asian Development Bank (ADB)

⁴ Average exchange rate in 2020=150

FED (Imports)	9,518	0.06
FED (Domestic)	240,956	1.61
Total FED	250,474	1.67
Customs	626,612	4.18
VAT Collected	2,473,970	16.50

Table 2: Supply-Use Tables: Potential VAT GAP calculated using Consumption Approach				
	Sales Tax (\$Billion)	VAT Under Current Regime (\$Billion)	VAT Gap (\$Billion)	VAT Gap (% of Actual VAT Collected)
VAT Policy GAP	25.7	22.21	3.5	21.0

- The estimates suggest VAT policy gap is about \$ 3.5 billion which is approximately 21 percent of Actual VAT collected upto 2020.

4.2 Value Added Approach

To understand the methodology used to estimate the VAT gap, it is necessary to review some GDP accounting identities. There are three approaches to estimate the GDP, the income approach, expenditure approach, and the production approach or value added approach. As Input-output table uses both the expenditures approach (horizontally along the row of the model) and the model value added approach (vertically along the columns of the model) to GDP accounting.

The following GDP identities are

$$GDP = C + I + G + X - M = \sum Value_Added_c = \sum (Total_use - Value_Added)_c \quad (1)$$

Where C is the final consumption expenditures. I is the gross investment expenditures, G is the government purchases of goods and services, X is the value of exports and M is the value of imports

The subscripts c stands for the commodities (sectors)

We can obtain an expression for the sales tax base by solving the left-hand-side of (1) for final consumption (C), which yields the following expression

$$Sales\ tax\ base = GDP + M - I - G - X \quad (2)$$

Substituting (2) into the right-hand-side (1), we obtain an equivalent expression for the sales tax base.

$$Sales\ tax\ base = (\sum Value_Added_i + M_i - I_i - X_i) - G \quad (3)$$

Multiplying (3) by the sales tax rate (τ_i) and re-arranging the resulting expression, we obtain the following definition

$$Potential\ VAT_c = (\sum \tau_c \times (Total\ Use_c + M_i - I_i - X_c - G_c)) \quad (4)$$

$$\text{Potential VAT Policy Gap} = \left(\sum_c (\text{Total Use}_c + M_i - I_i - X_c - G_c) \right) \times \tau$$

$$- \left(\sum \tau_c \times (\text{Total Use}_c + M_i - I_i - X_c - G_c) \right) \quad (5)$$

The equation (5) provides operational definitions that are useful for estimating VAT Policy GAP.

Table 3: Supply-Use Tables: Potential VAT GAP calculated using Value Added Approach				
	Sales Tax (\$Billion)	VAT under current Regime (\$Billion)	VAT Gap (\$Billion)	VAT Gap (% of Actual VAT Collected)
VAT Policy GAP	26.1	22.3	3.8	23.0

- Using the value added approach, the estimates suggest gap is about \$ 3.8 billion which is approximately 23 percent of VAT under current regime. This gap close to the VAT policy gap measured by the consumption approach.