



# NR POD

**Pakistan source** — paid by — resident — loan utilized in his business in Pakistan  
non-resident — exp is borne by PE of NR

**WHT** — @ 20%  
Every person  
@ 31%

on POD (2nd schedule or tax treaty)

lower rate — WHT @ 10% — POD — NR having no PE in Pakistan

**tax** — except — private loan — utilized in project in Pakistan  
approved by FG  
loan in forex — on expoet LC — goods manufactured in Pak  
foreign currency accounts — Pakistani banks  
by — Pakistanies  
foreigners residing abroad  
rupee account — Pakistani banks  
by — Pakistani residing abroad  
security issued by resident — if — not associates  
widely issued  
POD paid outside Pakistan  
approved by board

**Thin Capitalization** — Foreign Controlled Resident Company (FCRC) — 50% or more ownership — foreign controller — non-resident — alone  
associate

POD — without WHT  
exempt

foreign debt — max 3 times — foreign equity — at the start of the TY — reduced by — loan by FCRC to FC or its associate  
share of accumulated losses

admissible POD — if  $D:3E > 1$  — total POD /  $D:3E$  — e.g 6/1.22

# NR IFB

permanent establishment

includes everything

except

PE when engaged in negotiation of contracts

except

purchasing contracts

liason office

as a distinct & separate person

taxation

inadmissible expenses and incomes from HO

for use of any

intangible

tangible asset

royalty, fee or other similar payment

compensation for any service

profit on debt

head office expenses

lower of

Actual expenses - insurance - POD

total HO exp \* PE turnover / worldwide turnover

Pakistan source

from

permanent establishment

similar activity as carried on by PE

paid by resident person

independent services

professional services

entertainers

sports persons