

KHILJI & CO.

Chartered
Accountants

TAX MEMORANDUM 2017



AN UNBIASED COMMENTARY ON FINANCE ACT 2017 & FEDERAL
BUDGET 2017-18

TAX MEMORANDUM FINANCE BILL 2017-18

Khilji & Co (Chartered Accountants) is pleased to present this tax memorandum, which is primarily aimed to help in understanding the impact of the Budget changes that are brought by the Finance Bill 2017-18 relating to Income Tax, Sales Tax Laws, Federal Excise Duty and Customs Duty. This memorandum gives a brief overview of Pakistan economy and significant amendments proposed by the Finance Bill 2017. All changes proposed through the Finance Bill 2017 are effective July 1, 2017. It is suggested that in order to understand the precise effect of a particular amendment, reference should preferably be made to the relevant wordings of the Act when passed. The bill was presented in the Parliament of Pakistan on May 26, 2017.

Amendments and reshufflings are possible before its approval from National Assembly. It is suggested that changes should not generally be acted upon without first obtaining appropriate professional advice.

This has always been a pleasure to be of service to our clients.

This memorandum can also be accessed on our website <http://khilji.net.pk/taxmemo/>

Sharif Uddin Khilji (FCA)
Chief Executive
Khilji & Co Chartered Accountants
MAY 30, 2017

DISCLAIMER & ACKNOWLEDGMENT

This document has been prepared according to the guide lines of the Finance Bill as announced by the Finance Minister Mr. Ishaq Dar as on May 26, 2017. Although the highest standard of Professional Competence and Care has been followed regarding the showing of facts & figures in this Budget Commentary. However, Khilji & Co, (Chartered Accountants) does not assume any responsibility as to the correctness, alteration or change of these fact & figures in future which may be expected when the bill is presented in National Assembly of Pakistan for its approval. Moreover, Khilji & Co, Chartered Accountants will not be held responsible for any action taken / not taken on the basis of information contained in this document.

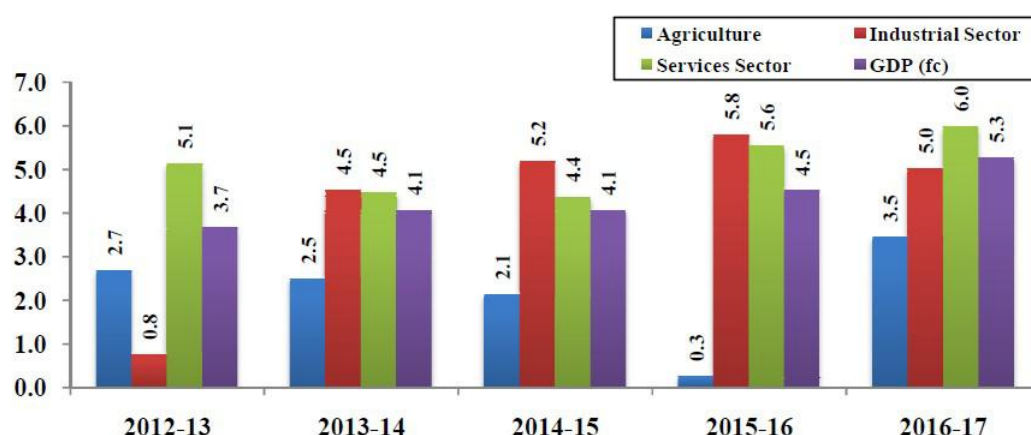
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1. OVERVIEW OF ECONOMY

Since 2013-14, the economy has witnessed a smooth upward trend in growth rate. Real GDP growth was above four percent in 2013-14 and has smoothly increased during the last four years to reach 5.28 percent in 2016-17, which is the highest in 10 years. It is widely acknowledged that Pakistan has immense economic potential. According to a report published in 2017, Pakistan is projected to become the world's 20th largest economy by 2030 and 16th largest by 2050.

Pakistan has seen a noticeable economic turnaround over the last four years due to the implementation of a comprehensive economic revival programme.



KEY AREAS OF REFORMS

1. Fiscal consolidation through improved public financial management and tax administration,
2. Energy restructuring of energy sector including capacity enhancement, divestment through strategic private partnerships and strengthening of regulatory framework.

These reforms are complemented with a number of growth supporting steps such as

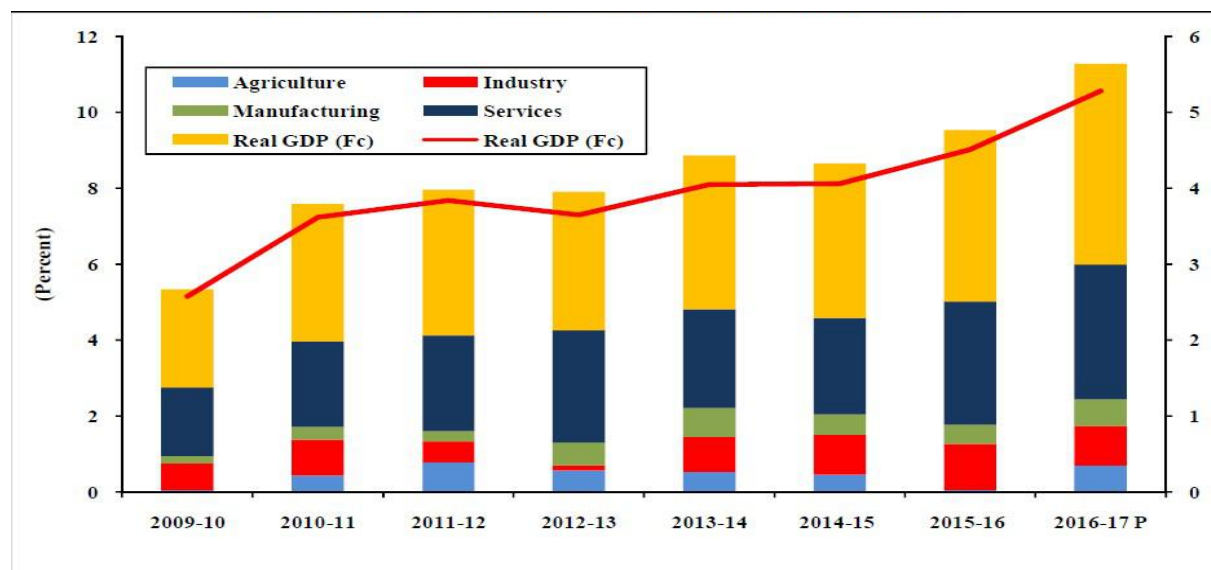
1. National Power Policy
2. Kissan Package
3. Automotive Policy
4. Textile Policy
5. Strategic Trade Policy Framework (STPF) 2015-18
6. Prime Minister's Package of Incentives for Exporters
7. Domestic Resource Mobilization Strategy
8. PSE Reforms Strategy
9. CPEC and National Financial Inclusion Strategy.

On account of these initiatives the macro-economic performance remains robust, with a steadily rising growth of 4.05 percent in FY2014, 4.06 percent in FY2015 and 4.51 percent in FY 2016. The economy continues to maintain its growth momentum above 4.0 percent for the 4th year in a row with highest growth at 5.28 percent in 10 years in FY2017.

The accommodative monetary policy stance, increase in development spending, substantial growth in private sector credit, inspired activities in the power sector, friendly and pro-growth policies for real sector growth, such as relief measures and in particular for the agriculture sector, were instrumental in achieving this impressive growth performance.

The outgoing fiscal year has witnessed an impressive growth in agriculture output and in the services sector. The agriculture sector met its growth target of 3.5 percent, helped by government supportive policies and by increased agriculture credit disbursements. During 2015-16, the agriculture credit disbursement was close to Rs 600 billion while during 2016-17, the target was raised to Rs 700 billion. During July-March 2016-17, the disbursement was observed to be 23 percent higher as compared to the previous year.

The services sector recorded a growth of 5.98 percent and surpassed its target which was set at 5.70 percent. Wholesale and retail trade sector grew at a rate of 6.82 percent. The growth in this sector is bolstered by the output in the agriculture and manufacturing sectors. The share of Agriculture, Manufacturing and Imports in Wholesale and Retail Trade growth is 18 percent, 54 percent and 15 percent respectively. The Transport, Storage and Communication sector grew at a rate of 3.94 percent. Finance and insurance activities show an overall increase of 10.77 percent, mainly because of rapid expansion of deposit formation (15 percent) and demand for loans (11 percent). General government services grew by 6.91 percent, mainly driven by the increase in real wages and salaries in this sector. Also other private services contributed significantly.



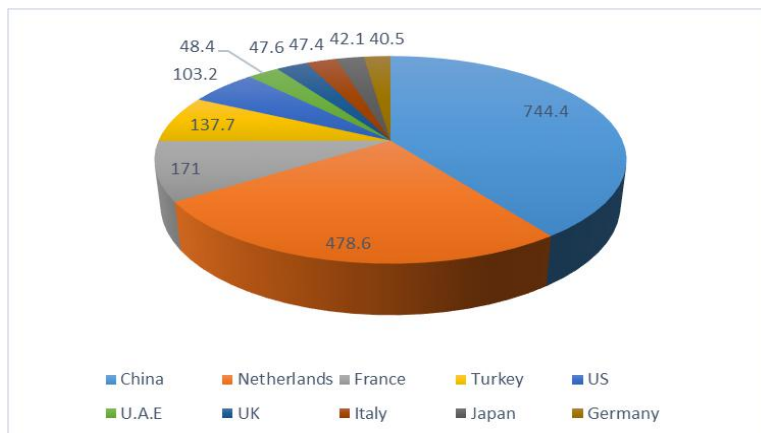
2. KEY PERFORMANCE INDICATORS

Economic growth and sustainable development can be gauged from following briefs, which largely envisages GDP as a whole.

1. Foreign Direct Investment

Foreign Direct Investment, (FDI) amounted to \$1.733 billion during Jul-Apr, FY2017 compared to \$1.537 billion during the same period last year, posting a growth of 12.75 percent. On a YoY basis, it registered significant growth of 17.1 percent in April 2017. The major FDI inflows during the period under review are from

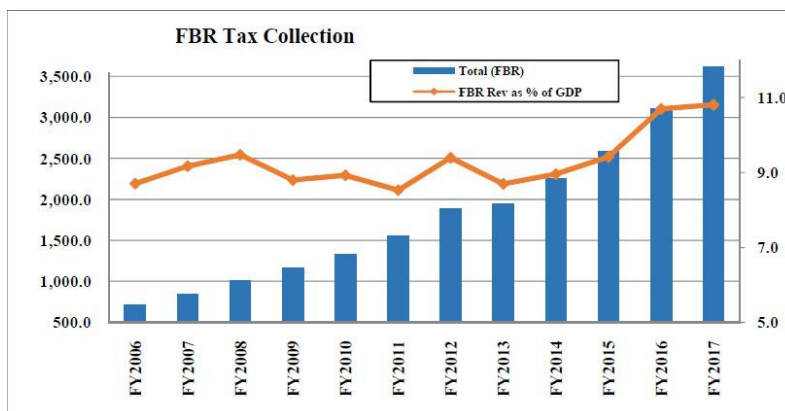
- China (\$ 744.4 million)
- Netherlands (\$478.6 million)
- France (\$171.0 million)
- Turkey (\$137.7 million)
- US (\$103.2 million)
- U.A.E (\$ 48.4 million)
- UK (\$47.6 million)
- Italy (\$ 47.4 million)
- Japan (\$ 42.1 million)
- Germany (\$ 40.5 million)



Food, Power, Construction, Electronics, Oil & Gas exploration, Financial Business and Communication remained the main recipient sectors Foreign Portfolio Investment (FPI) increased to \$ 589.7 million during Jul-Apr, FY2017 compared to \$ - 404.3 million last year.

2. Tax Revenues

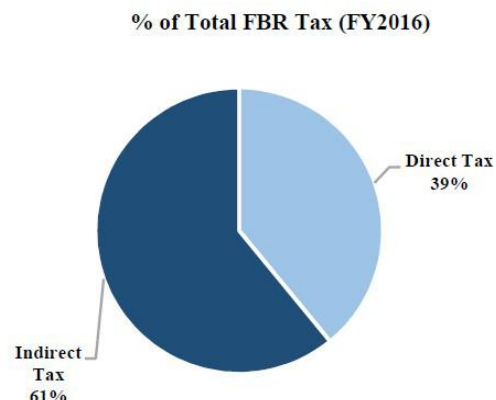
The pace of revenue mobilization has witnessed an upward trajectory since FY2013. Overall revenues increased to 15.3 percent of GDP in FY2016, compared to 13.3 percent of GDP recorded in FY2013. Among those, tax revenues increased from 9.8 percent of GDP in FY2013 to 12.6 percent of GDP in FY2016.



FBR tax revenues recorded a significant increase since FY2013 and gradually grew by 60 percent in FY2016 over FY2013. Surpassing the annual target for the first time in seven years, FBR revenues posted a growth of over 20 percent during FY2016. In percentage of GDP, FBR tax collections increased from 8.7 percent in FY2013 to 10.7 percent of GDP in FY2016. During July-April FY 2017, FBR tax collection posted a growth of 8.0 percent.

3. Banking Sector

The overall performance of the banking sector remained robust during the last couple of years. The alignment of the regulatory capital requirements in Pakistan with best international practices coupled with high profitability has helped achieving strong solvency. The Capital Adequacy Ratio (CAR) of 16.2 percent as of end December 2016 is much stronger and higher than the minimum required level of 10.65 percent.



4. Agriculture

Agriculture is the lifeline of Pakistan's economy accounting for 19.5 percent of the gross domestic product, employing 42.3 percent of the labour force and providing raw material for several value-added sectors. It thus plays a central role in national development, food security and poverty reduction. The rapid growth of Pakistan's urban areas indicate that demand for high-value perishable products such as fruits, vegetables, dairy, and meat is rising. Government is focusing to increase the yield for rural growers through major infrastructure investments including reliable transport networks and other building blocks for modern supply chains. CPEC will go a long way in the enhancement of agribusiness benefits by tapping value-added product innovation and supply chain.

5. Manufacturing

Manufacturing sector is the backbone of Pakistan's economy and constitutes the second largest sector of economy contributing 13.5 percent to Gross Domestic Product (GDP) and generating biggest number of industrial employment with technology transfer. It comprises mainly of

- Large Scale Manufacturing (LSM) with 80 percent share
- Manufacturing 0.7 percent
- Small scale manufacturing accounts for 1.8 percent

In total GDP and 13.7 percent share in manufacturing.

6. STOCK MARKET

The capital market is an essential agent of economic growth and the positive relationship between the two is borne out by all the economic theories and models of economic development. The period, July 1, 2016 to May 08, 2017, witnessed an overall positive and bullish trend for the stock market in Pakistan. The KSE – 100 Index demonstrated exceptional performance of equity market during the period mainly due to improved macroeconomic indicators, wide-ranging reform measures undertaken by SECP, better security situation and Pakistan's reclassification in MSCI EM Index.

Profile of Pakistan Stock Exchange					
Description	2012-13	2013-14	2014-15	2015-16	2016-17 (end March, 2017)
Total Listed Companies	569	557	560	560	560
New Companies Listed	4	5	9	6	4
Funds Mobilized (Rs.in billion)	29.5	47.6	79.6	111.2	21.9
Total Listed Capital (Rs. in million)	1,116,005.0	1,100,340.9	1,189,518.9	1,289,081.0	1,297,159.0
Total Market Capitalization (Rs. in million)	5,154,738.0	6,655,294.8	7,421,031.6	7,588,472.2	9,594,805.0
Total Shares Volume (million)	54,319.0	56,580.6	64,617.2	55,430.3	70,518.6
Average Daily Shares Volume (million)	221.0	229.1	261.0	220.8	379.1
Source: Pakistan Stock Exchange					

7. FOREIGN TRADE & REMITTANCES

Pakistan's external sector continued to face severe stress during 2016-17. Though the rate of export decline was stemmed, Pakistan's exports declined by 3.06 % during the first 9 months of the fiscal year 2016-17. Imports, however, continued to grow at a much faster rate and grew by a large percentage of 18.67 during the first nine months of the FY2017 as compared to the previous year.

Structure of Exports				Structure of Imports			
	Particulars	July-March in Dollars			July-March Values in Dollars		% Change in Value
		2015-16	2016-17 P		2015-16	2016-17 P	
	Total	15,597.5	15,118.6		Total	32,444.7	18.7
A.	Food Group	3,037.8	2,685.9	A.	Food Groups	3,938.6	15.0
B.	Textile Manufactures	9,362.3	9,278.9	B.	Machinery Group	4,321.9	49.6
C.	Petroleum Group	128.9	139.2	C.	Petroleum Group	5,584.8	19.7
D.	Other Manufactures	2,386.7	2,274.1	D.	Consumer Durables	2,727.5	27.2
E.	All Other items	681.7	740.5	E.	Raw Materials	5,714.1	-1.8
				F.	Telecom	1,046.8	-1.7
				G.	All other items	2,799.5	12.1

3. BUDGET HIGHLIGHTS

- The total outlay of budget 2017-18 is Rs 5,103.8 billion. This size is 4.3% higher than the size of budget estimates 2016-17.
- The resource availability during 2017-18 has been estimated at Rs 4,713.7 billion against Rs 4,442 billion in the budget estimates of 2016-17.
- The net revenue receipts for 2017-18 have been estimated at Rs 2,926 billion indicating an increase of 5.3% over the budget estimates of 2016-17.
- The provincial share in federal taxes is estimated at Rs 2,384.2 billion during 2017-18, which is 11.6% higher than the budget estimates for 2016-17.
- The net capital receipts for 2017-18 have been estimated at Rs 552.5 billion against the budget estimates of Rs 453.6 billion in 2016-17 i.e. an increase of 21.8%.
- The external receipts in 2017-18 are estimated at Rs 837.8 billion. This shows an increase of 2.2% over the budget estimates for 2016-17.
- The overall expenditure during 2017-18 has been estimated at Rs 5,103.8 billion, out of which the current expenditure is Rs 3,763.7 billion and development expenditure is Rs 1,340.1 billion.
- The share of current and development expenditure respectively in total budgetary outlay for 2017-18 is 73.7% and 26.3%.
- The expenditure on General Public Services is estimated at Rs 2,553.6 billion which is 67.8% of the current expenditure.
- The development expenditure outside PSDP has been estimated at Rs 152.2 billion in the budget 2017-18.
- The size of Public Sector Development Programme (PSDP) for 2017-18 is Rs 2,113 billion. Out of this, Rs 1,112 billion has been allocated to provinces. Federal PSDP has been estimated at Rs 1,001 billion, out of which Rs 377.9 billion for Federal Ministries/Divisions, Rs 380.6 billion for Corporations, Rs 30 billion for Prime Minister's SDGs Achievement Programme, Rs 40 billion for Special Federal Development Programme, Rs 12.5 billion for Energy for All, Rs 12.5 billion for Clean Drinking Water for All, Rs 7.5 billion for Earthquake Reconstruction and Rehabilitation Authority (ERRA), Rs 5 billion for Special Provision for Competition of CPEC Projects, Rs 45 billion for Relief and Rehabilitation of IDPs, Rs 45 billion for Security Enhancement, Rs 20 billion for Prime Minister's Initiative and Rs 25 billion for Gas Infrastructure Development Cess.
- To meet expenditure, bank borrowing has been estimated for 2017-18 at Rs 390.1 billion, which is significantly lower than revised estimates of 2016-17.

(Rs. in Billion)			
RECEIPTS		EXPENDITURE	
TAX REVENUE	4,330.5	A. CURRENT	3,477.1
- FBR Taxes	4,013.0	Interest Payments	1,363.0
- Other Taxes	317.5	Pension	248.0
- NON-TAX REVENUE	979.9	Defence Affairs & Services	920.2
a) Gross Revenue Receipts	5,310.3	Grants and Transfers	430.2
b) Less Provincial Share	2,384.2	Subsidies	138.8
I. Net Revenue Receipts (a-b)	2,926.1	Running of Civil Govt.	376.8
II. Capital Receipts (Non-Bank)	528.0		
III. External Receipts (net)	511.4	B. DEVELOPMENT	1,275.8
IV. Estimated Provincial Surplus	347.3	Federal PSDP	1,001.0
V. Bank Borrowing	390.1	Net Lending	122.6
VI. Privatization Proceeds	50.0	Other Dev. Expenditure	152.2
<u>TOTAL RESOURCES (I to VI)</u>	<u>4,752.9</u>	<u>TOTAL EXPENDITURE (A+B)</u>	<u>4,752.9</u>

4. AMENDMENTS IN INCOME TAX

Section 2(22A) Fast Moving Consumer Goods

The definition of “Fast Moving Consumer Goods” is proposed to be amended to clarify that durable goods are excluded from the definition

Section 2(38A) Officer Inland Revenue

The definition of “Officer Inland Revenue” is proposed to be expanded to include district taxation officer and assistant director audit.

Section 2 (62A) Start up

Clause 144, Part II, Clause 11A & Clause 43E, Part IV, Second Schedule.

A new exclusive definition of “start-up” is proposed to be inserted. Start-up is proposed to be defined as

- a) A business of resident individual, AOP or company
- b) Incorporated or registered after 1st July 2012
- c) The person is engaged in or intends to provide technology driven products or services
- d) Certified by Pakistan Software Export Board (PSEB)
- e) Turnover is less than Rupees one Hundred Million in the last five years

To incentivize investment in technology sector, startups are provided exemption in the year in which they are certified by PSEB and following two years while exemption from minimum tax (113) and withholding tax (153) are also proposed through amendments in second schedule.

Section 4B Super Tax

Super tax introduced vide finance act 2015 is proposed to be extended to tax year 2017.

Section 5A Tax on Undistributed Profits

Taxation of undistributed reserves is still applicable but proposed to be amended. A tax at the rate of 10% is proposed to be imposed on every public company other than a scheduled bank or a modaraba that derives profit for a tax year but does not distribute at least 40% of its after tax profits within six months of the end of the tax year through cash or bonus shares. For tax year 2017 the bonus shares or dividends should be distributed before 31st December 2017 in case of companies whose year end is 30th June and before 30th September 2018 in case of companies whose year end is 31st December 2017.

The above section 5A is proposed not to be applicable on Companies owning Electric Power Generation Projects and Companies in which 50% or more shares are held by Government.

Section 7C Tax on Builders

The final taxation regime offered to builders is proposed to be restricted to tax year 2017 only. Moreover the regime is proposed to be available to builder if he has paid made first payment of tax @ 5% and the commissioner has issued the payment schedule for the remaining tax payment.

Section 7D Tax on Developers

The final taxation regime offered to developer is proposed to be restricted to tax year 2017 only. Moreover the regime is proposed to be available to developer if he has paid made first payment of tax @ 5% and the commissioner has issued the payment schedule for the remaining tax payment.

Section 13(7) Value of Perquisites

The interest on loans given by employer to his employee is to be taxed at higher of actual interest rate or benchmark rate. However the same is not applicable on loans not above rupees five hundred thousand. This limit is proposed to be raised to one million rupees, thus intended to provide relief to salaried taxpayer.

Section 21(o) Marketing Expenditure

Expense incurred by pharmaceutical manufacturers in respect of sales promotion, advertisement and publicity are allowable up to 5% of turnover. This limit is proposed to be increased to 10%.

Section 22(15) Depreciable Asset

The new proviso proposes to clarify claim of full depreciation on an asset acquired by a person under a musharika financing or diminishing musharika financing arrangement and the asset is jointly owned by the taxpayer and the Islamic financial institution.

Section 37A Capital Gain tax rates (First Schedule)

The rates of tax on capital gain under section 37A are proposed to be modified and instead of slab rates based on holding period fixed rate of 15% for filers and 20% for non-filers are proposed to be prescribed for tax year 2018 & onwards.

Section 53(2) Exemptions and tax concession in the Second Schedule

The powers of federal government to grant exemption on income is proposed to be transferred to FBR conditioned with approval of the minister in-charge.

Section 64AB (Re-numbered as 60D) Deductible Allowance for education expenses

The minimum criteria of income for claiming deduction in respect of educational expenses is proposed to be raised from one million rupees to one and a half million rupees.

Section 62A Tax credit for investment in health insurance

The minimum monetary limit for tax credit on account of investment in health insurance is proposed to be raised from one hundred thousand rupees to one hundred and fifty thousand rupees.

Section 65A Tax credit to a Person registered under the Sales tax Act, 1990

Tax credit at the rate of 3% of tax payable is provided to a person who is registered in sales tax and makes sales of at least 90% to sales tax registered persons. The said tax credit is proposed to be withdrawn by deleting the section.

Section 65C Tax credit for enlistment

Tax credit is available at the rate of 20% of tax payable to companies who opt for enlistment on a stock exchange. The tax credit is available for that tax year and one subsequent tax year. This tax credit is proposed to be extended to three tax years subsequent to listing however the rate of tax credit for the last two years is proposed to be 10% of the tax payable.

Section 94(3) Dividend by a Non-resident company

The dividend paid by a non-resident company to a resident person is taxable in the hand of receiver as "income from Business" or "income from other sources". The treatment is proposed to be deleted.

Section 100(2) Special provisions relating to the production of oil and natural gas, and exploration and extraction of other mineral deposits

The income and gains derived from sui gas fields discovered before 24th September 1954 are not subject to taxation under the fifth schedule. The same is proposed to be subjected to taxation regime under fifth schedule.

Section 100C Tax Credit for Certain Persons

The conditions for allowance of 100% of tax credit to Non-profit Organizations, trusts and welfare institutions are proposed to be increased. Now in addition to other conditions another condition is proposed whereby the administrative and management expenses are required to be kept up to 15% of the total receipts.

The surplus funds of a non-profit organization are proposed to be made taxable at the rate of 10%.

The term "Surplus Funds" is proposed to be defined as the funds or monies;

- a) Not spent on charitable and welfare activities during the tax year;

- b) Received during the tax year as donations, voluntary contributions, subscriptions and other incomes;
- c) Or more than 25% of the total receipts of the non-profit organization received during the tax year
- d) Are not part of restricted funds

The definition of surplus funds needs to be revisited.

The term “restricted funds” is proposed to be defined as any fund received by the organization but could not be spent and treated as revenue during the year due to any obligation placed by the donor.

Section 113 Minimum tax on income of certain persons

The rate of minimum tax is proposed to be raised from 1% to 1.25%.

Section 115 Persons not required to furnish a return income

Widows, orphans below age of 25 years, non-resident persons and disabled persons are provided exemption from filing of return of income if no other conditions provided in section 114 are attracted except ownership of immovable property. Now, they are also provided exemption from filing of return in following cases:

- a) owns immovable property with a land area of five hundred square yards or more located in a rating area
- b) owns a flat having covered area of two thousand square feet or more located in a rating area
- c) owns a motor vehicle having engine capacity above 1000CC

Section 116 Wealth Statement

The time window of revision of wealth statement is proposed to be narrowed from finalization of assessment to issuance of notice.

Section 119 Extension of Time for Furnishing Returns and Other Documents

The taxpayer is proposed to be granted an additional right to approach chief commissioner for extension in time of filing of return, if the commissioner does not grants extension in time.

Section 122C Provision Assessment & Section 121

Section 122C relating to provisional assessment is proposed to be deleted however section 121 is proposed to be modified to empower Commissioner making best judgment in case of failure to furnish return. However action under section 121 is appealable unlike section 122C.

Section 130 Appointment of Judicial Member

Provision relating to appointment of Judicial Member from Income Tax Department is now proposed to be deleted.

Previously a BS 20 or above officer having law degree could become a judicial member. This provision is now thankfully withdrawn.

Sec 146 - Recovery of tax from persons assessed in Azad Jammu and Kashmir and Gilgit-Baltistan.

Gilgit-Baltistan has been added wherever the word "Kashmir" is occurring.

This will increase the scope of recovery under this section to the province of "Gilgit-Baltistan" as well together with Kashmir.

Sec 147 - Advance Tax paid by the taxpayer

Threshold for exclusion of a taxpayer (individual) from advance tax u/s 147 is proposed to be increased from Rs. Five hundred thousand to Rs one million being the latest assessed taxable income other than clauses (a), (b), (ba), (c) and (d) of subsection 1 of the said section.

This will increase the limit for calculation of advance tax from business individual generally from Rs five hundred thousand to Rs one million.

Sec 148(7)(b) - Fertilizer by manufacturer of fertilizer

The above mentioned sub-section excluded the "fertilizer by manufacturer of fertilizer" from tax collected from imports to be treated as final tax earlier. Now by deleting this sub-section the tax collected shall be final tax for fertilizer.

Sec 152 - Payments to non-residents

Clause 1B read with clause 41, part IV, Second Schedule: Previously through clause 41, part IV, second schedule, the non-resident persons were required to file declaration within 3 months of commencement of tax year if they wanted to opt for final tax regime while the declaration was irrevocable for three years. Clause 41 is proposed to be deleted and option for FTR is now available through proviso to clause 1B of section 152 however neither time for exercise of option is specified nor is it mentioned that the option is irrevocable or otherwise.

Clause 4A: has been substituted increasing scope of application for exemption from tax deduction or tax deduction at reduced rate to sub section 1A i.e. non-resident persons engaged in execution of construction, assembly, installation and related work in Pakistan.

Sec 153(1)(b) – Payments for Services

A provision has been proposed to be added after clause (c) whereby the recipient of services receives the payment through an agent or third person and that third person/agent retains the fee by whatever name called from that payment, the recipient shall collect tax on that fee from the agent/third person.

This is primarily proposed for collection of tax from commission retained by agents like travel agents, advertising agents etc.

Sec 165(2A) – Revision of statements

By insertion of clause 2A to the section 165, revision of statements filed under sub-section 1 & 2, have been allowed within sixty days of filing of statement.

Sec 165B – Furnishing of information by the financial institutions including banks

Scope is proposed to be increased by adding “or any other reportable” for the purposes of providing of information to the Board in the prescribed form and manner for automatic exchange of information under bilateral agreement or multilateral convention.

Through the addition of sub-section 3, the meaning of term “reportable person” and “financial institution” have been referred to Chapter XIIA of the Income Tax Rules, 2002.

Sec 176 – Notice to obtain information or evidence

For the purposes of obtaining information or evidence, to exercise the powers under sub-section 1(c) like entering into the premises, requiring production of necessary records “the firm of cost and management accountants” has also been proposed to be prescribed. Previously only firm of Chartered Accountants was mentioned for the purpose.

Sec 182 – Offenses and Penalties

Penalty mentioned at serial number 7 is proposed to be extended to “transactions between Associates” too. Earlier it was limited to “records” only.

Penalty mentioned at serial number 9 is proposed to be extended to “transactions between Associates” too. Earlier it was limited to “notice to obtain information and evidence” only.

Serial number 17 is proposed to be added for failure to comply with section 107, 108 and 165B within due date, penalty of Rs two thousand per day of default for each day subject to a minimum penalty of twenty five thousand rupees.

Serial number 18 is proposed to be added whereby penalty of 1% of the value of transactions, record (required to be maintained) has been imposed on failure to keep and maintain information regarding “transaction between associates” as per section 108.

Sec 191 - Prosecution for non-compliance with certain statutory obligations

In clause (a), reference to sub-section 4 of section 114 is proposed to be added extending scope of sub-section (a) to include the failure to compliance in respect of the notice issued by the Commissioner to a person, who in the Commissioner's opinion required to file a return, in list of offensive acts punishable on conviction with fine or imprisonment up to one year.

Likewise, in clause (c), the expression "or Chapter XII" is proposed to be inserted extending scope to "Chapter XII" i.e. "Transitional advance tax provisions". These provisions include advance tax u/s 233, 234, 235 & 236 i.e. on brokerage and commission, transport business, electricity consumption and telephone users.

Sec 205 - Default Surcharge

A proviso is proposed to be added in sub-section 1B whereby period for the purposes of calculation of default surcharge in respect of "special tax year", has been mentioned to be starting from the first day of fourth quarter of special tax year till the date on which the assessment is made or the last day of special tax year, whichever is earlier.

This sub-section deals with default on account of advance tax under sub-section 4A or 6.

Sec 206A - Advance ruling

The proviso after sub-section 3 has been proposed to be deleted. The proviso excluded the permanent establishment of non-resident from the application of this section. Now this exclusion has been removed hence a PE can also apply for advance ruling.

Sec 207 - Income Tax Authorities

The amendment seeks to include "District Taxation Officer" and "Assistant Director Audit" in the list of taxation authorities mentioned in sub-section 1. Likewise, said authorities have been proposed to be added in sub-section 3A after "Inland Revenue Officers".

Similarly in sub-section 4 & 4A, above mentioned authorities have been added after "Inland Revenue Audit Officers".

Sec 208 - Appointment of Income Tax Authorities

As per above mentioned proposed change in income tax authorities, corresponding change has been made by adding the "District Taxation Officer" and "Assistant Director Audit" in the list of authorities after "Inland Revenue Officers", that the Board may appoint.

Sec 216 - Disclosure of information by a public servant

The amendment seeks to allow sharing of information regarding salaries with "Employees Old Age Institution".

Sec 227B (3)(aa) – Rejection of Reward for Whistleblowers

The sub-section (aa) has been added specifying “the information not supported by any evidence” shall be rejected against claim for reward by the whistleblowers.

Sec 230D – Directorate- General of Broadening of Tax Base

The amendment seeks to add the above Directorate-General consisting a “Director General” and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and as many officers as the Board may appoint, by notification in Official Gazette.

The Board has power to specify the functions, jurisdictions and powers, by notification in Official Gazette.

Sec 230E – Directorate- General of Transfer Pricing

The amendment seeks to add the above Directorate-General consisting a “Director General” and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and as many officers as the Board may appoint, by notification in Official Gazette.

The function of this directorate shall be to conduct transfer pricing audit. This audit shall be independent of audit u/s 177, 214C or 214D of the income tax affairs. It has been clarified that such audit refers to the audit for determination of transfer price at arm’s length in transactions between associates.

The Board has power to specify the functions, jurisdictions and powers, by notification in Official Gazette.

Sec 231B(1A) – Advance Tax on Motor Vehicles

Sub-section 1A has been proposed to be changed to include the financing method, whether shariah compliant or conventional, including ijara for the purposes of collection of advance tax at the rate of three percent of the value of the motor vehicle from non-filers.

Sec 233A – Collection of Tax by a Stock Exchange registered in Pakistan

Sub-section 2 has been proposed to be changed by mentioning tax collected under this head to be final tax from adjustable tax.

Sec 234A – CNG Stations

By amending sub-section 3, the tax collected on electricity bill has also been included in final tax along with consumption of gas by a CNG station.

Clarification: the tax for the purposes of sub-section 3 means tax collected under sub-section (1), inclusive of sales tax and incidental charges.

Sub-section 4 not allowing any adjustment of withholding tax collected or deducted under any other head during the tax year, has been deleted.

It will allow the claim of tax collected/deducted against the tax liability on taxable income.

Sec 235 - Electricity Consumption

The bill has proposed to add a clarification after sub-section (2) regarding the electricity bill to be inclusive of sales tax and all incidental charges.

In sub-section 4(a), the tax collected, other than a Company, up to bill amount of Rs thirty thousand per month was mentioned to be "minimum tax" on the income of such person and no refund was allowed. Now the proposed amendment converted this amount to Rs three hundred and sixty thousand per annum i-e in annual terms.

Sec 235A - Domestic Electricity Consumption

As above, the bill has added a clarification after sub-section (2) regarding the electricity bill to be inclusive of sales tax and all incidental charges.

Sec 236C, 236K & 236 W - Advance Tax on Sale or Transfer of Immovable Property

Tax collected on sale of immovable property is proposed to be "minimum tax" if purchased and sold in the same year. Moreover the word "recording is proposed to be inserted to provide wider coverage to section 236C, 236K & 236W.

Sec 236G and 236H - Advance Tax on Sales to Distributors, Dealers and Wholesalers and Retailers

"Batteries" has also been added in products list after "paint" for the purposes of collection of advance tax.

Sec 236X - Advance Tax on tobacco

Pakistan Tobacco Board is proposed to be made as Withholding agent for collection of advance tax @ 5% of the purchase value of tobacco from every person purchasing tobacco including manufacturers of cigarettes.

Sec 241 - Validation

A new section has been proposed to be inserted to validate the Federal Government notifications issued before the first day of July, 2017 because of recent Court orders.

Exemptions under Second Schedule:

Income of following is proposed to be exempted under Part I, Second Schedule;

1. Society for the welfare of SUIT
2. 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 December 25, 2015;
3. Gulab Devi Chest Hospital;
4. Pakistan Poverty Alleviation Fund;
5. National Academy of Performing Arts;
6. Profit on debt received by Japan International Cooperation Agency (JICA) from Islamabad-Burhan transmission Reinforcement Project (Phase I) undertaken in pursuance to the loan agreement for Islamabad-Burhan transmission Reinforcement Project (Phase I);and
7. Political Parties.

Specific exemptions under Part IV, Second Schedule are proposed to be modified as under:

1. Exemption from 148 under clause 56 proposed to be extended to Z&M oils (Pvt) Ltd, Exceed Petroleum (Pvt) Ltd, Petrowell (Pvt) Ltd, Quality-1 Petroleum (Pvt) Ltd, Horizon Oil Company (Pvt) Ltd, Outreach (Pvt) Ltd, Kepler Petroleum (Pvt) Ltd.
2. Exemption to Hajj operators proposed to be extended for tax year 2017
3. Exemption from import under clause 72B is now proposed to be subjected to the condition that quantity of raw material imported and sought to be exempted shall not exceed 125% (previously 110%) of the raw material imported in the previous year.
4. Exemption from minimum tax on services on certain sectors mentioned in clause 94 is proposed to be extended for tax year 2018
5. Branchless banking proposed to be provided exemption from withholding tax under section 231A on cash withdrawals.
6. Advance tax on vehicles under section 231B(1A) proposed to be exempted for light commercial vehicles leased under Prime Minister Youth Business Loan Scheme.

Seventh Schedule - Banking Companies

An explanation is proposed to be inserted to clarify that taxation of notional loss or notional gain is not applicable unless all the events that determine such gain or loss have occurred and gain or loss can be determined with reasonable accuracy.

Eighth - NCCPL

The quarterly statement filing by NCCPL is proposed to be required within 45 days (previously 30 days) of end of quarter while date of deposit of tax is proposed to be specified as August 15 (previously July 31) after the close of financial year.

5. AMENDMENTS IN SALES TAX

Tier-I Retailers

[Section 2, Clause 43A, Section 3(9A)]

After clause 43, the following new clause is proposed to be inserted which will ascertain the conditions for tier-I retailers. The clause quotes,

“Tier-I retailers means:-

- (a) retailer operating as a unit of a national or international chain of stores;
- (b) a retailer operating in an air-conditioned shopping mall, plaza or centre, excluding kiosks;
- (c) a retailer whose cumulative electricity bill during the immediately preceding twelve consecutive months exceeds rupees six hundred thousand; and
- (d) a wholesaler-cum-retailer, engaged in bulk import and supply of consumer goods on wholesale basis to the retailers as well as on retail basis to the general body of the consumers”

The taxation of Tier 1 retailers was specified through Special Procedure Rules however due to court order, it is now proposed to be provided through insertion of sub-section 9A to section 3 whereby they are required to pay sales tax @ 17% on taxable supplies and file monthly sales tax returns like other registered person or they may opt to pay 2% tax on overall turnover including exempt supplies by notifying Chief Commissioner however adjustment of input will not be available in such case. Further supplies under SRO 1125(I)/2011 are excluded from purview of this provision.

Scope of Tax

[Section 3(1)(b)]

The Courts had held that import of goods for non-tariff areas are not subject to taxation and now the proposed amendment in section 3(1)(b) seeks to insert the words “irrespective of their final destination in territories of Pakistan as specified in clause 2 of Article 1 of the Constitution of Islamic Republic of Pakistan” after the word “Pakistan” to provide taxation of goods imported for non-tariff areas.

[Section 3(1A)]

The proposed amendment seeks to provide applicability of further tax even in case of zero rated goods. However, zero-rated supplies made to diplomats, privileged persons, duty free shops and similar categories shall be excluded from the purview of further tax.

Power to FBR & Validation

[Section 3(2)(b), 3(3A) and 3(5), 4, 7(3), 7(4), 8(1)(b), 13(2)(a), 13(6), 13(7), 60, 65, 71, 74A]

The proposed amendment seeks to substitute the words “Board with the approval of the Minister In-charge of the Federal Government” for the words “Federal Government” thus expanding the role of Federal Board of Revenue and removing administrative difficulties. Further amendments are also proposed to validate earlier notifications.

Appointment of authorities

[Section 30, clause ea and fa]

After clause e and f, the following new clause is proposed to be inserted thus expanding the categories of officers. The clause quotes,

“District Taxation Officer” and “Assistant Director Audit”

[Section 30, sub-section 2A and 2B]

The powers of various officers are proposed to be modified.

Offences and Penalties

[Section 33]

Penalties are proposed to be imposed on persons manufacturing, possessing, transporting, distributing, storing, selling non-duty paid/ counterfeit cigarettes.

After serial number 22, the proposed amendment seeks to insert new serial number 23 and entries relating thereto thus it extends the scope for penalties. The new serial number quotes;

Offences	Penalties	Section of the Act to which offence has reference
(1)	(2)	(3)
Any person who manufactures, possesses, transports, distributes, stores or sells cigarette packs without, or with counterfeited, tax stamps, banderoles, stickers, labels or Barcodes.	(i) Such cigarette stock shall be liable to outright confiscation and destruction. Any person committing the offence shall pay a penalty of Twenty-five thousand rupees or one hundred per cent of the amount of tax involved, whichever is higher. He shall, further be liable, upon conviction by a Special	40C(2)

	<p>Judge, to imprisonment for a term Which may extend to five years, or with additional fine which may extend to an amount equal to the loss of tax involved, or with both.</p> <p>(ii) In case of transport of cigarettes without, or with counterfeited, tax stamps, banderoles, stickers, labels or barcodes, permanent seizure of the vehicle used for transportation of nonconforming or counterfeit cigarette packs; and</p> <p>(iii) In case of repeat sale of cigarettes without or with counterfeited, tax stamps, banderoles, stickers, labels or Barcodes, the premises used for such sale be sealed for a period not exceeding 15 days."</p>	
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Recovery of arrears of tax

[Section 48(1)(f)]

The proposed amendment seeks to provide automatic stay till decision of Commissioner (Appeals) against recovery subject to payment of 25% of the amount of sales tax demand.

Service of orders, decisions etc.

[Section 56(1 & 2), clause d]

The proposed amendment seeks to provide validation to electronic correspondence.

Sales Tax Withholding

As per salient features, sales tax withholding is proposed to be withdrawn on supplies from registered persons to other registered persons with the exception of advertisement services

THIRD SCHEDULE

[Clause (a) of sub-section (2) of section 3]

Existing			Proposed		
Serial No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)	Serial No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)	(1)	(2)	(3)
2.	Ice Cream	21.05	2.	Ice Cream	2105.0000
32.	Fertilizers	Respective heading	32.	omitted	

FIFTH SCHEDULE

[Section 4]

Existing		Proposed	
Serial No.	Description	Serial No.	Description
(1)	(2)	(1)	(2)
12.	The following 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, subject to the conditions, limitations and restrictions as specified in Chapter XIV of the Sales Tax Special Procedure Rules, 2007:- (xvii) Preparations for infant use put up for retail sale (PCT Heading 1901.1000)	12.	The following 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, subject to the conditions, limitations and restrictions as specified in Chapter XIV of the Sales Tax Special Procedure Rules, 2007:- (xvii) preparations suitable for infants or young children, put up for retail sale

SIXTH SCHEDULE
[Section 13(1)]

Table 1

Existing	Proposed
Serial 1. 0101.3100 (asses) 0102.1010 (Buffaloes) 0105.1900 (other)	Serial 1. 0101.3000 (assess) Omitted Omitted
Serial 15. 0803.0000 (Bananas, including plantains, fresh or dried) 0805.2010 (Kino-fresh) 0805.2090 (other) 0805.2200	Serial 15. Omitted 0808.2910 (Kino-fresh) 0805.2100 (other) 0805.2990
Serial 17. 0910.1000 (Ginger)	Serial 17. 09.10 (Ginger)
Serial 19. 1102.3000	Serial 19. Omitted
Serial 20. 1209.1010	Serial 20. omitted
Serial 23. 1212.9990 (Other)	Serial 23. 1212.9300 (Other)
Serial 26. 2009.8000 (Juice of any other single fruit or vegetable)	Serial 26. Omitted
Serial 31. 8523.5100 8523.5200	Serial 31. Omitted Omitted
Serial 33. 4907.0000 (Unused postage, revenue or similar stamps of current or new issue in the country in which they have, or will have, a recognized face value; stamp-impressed paper; banknotes, cheque forms; stock, share or bond certificates and similar documents of title)	Serial 33. 49.07 (Unused postage, revenue or similar stamps of current or new issue in the country in which they have, or will have, a recognized face value; stamp-impressed paper; banknotes, cheque forms; stock, share or bond certificates and similar documents of title)
Serial 38. 7108.2000	Serial 38. 7108.1390
Serial 81. 1207.2000 (Cotton seeds)	Serial 81. 1207.1000 (Cotton seeds)

Serial 84. 1901.1000 (Preparations for infant use, put up for retail sale)	Serial 84. 1901.1000 (Preparations suitable for infants or young children, put up for retail sale)
Serial 91. 8539.3910 (Energy saving lamp)	Serial 91. 8539.3110 (Energy saving lamp)
Serial 97. 96.08 (Pens and ball pens)	Serial 97. 96.08 (Pens and ball pens, markers and porous tipped pens)
Serial 100A. Materials and equipment for construction and operation of Gawadar Port and development of Free Zone for Gawadar 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 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 Gawadar Port, having Concession Agreement with the Gwadar Port Authority, for a period of forty year, subject to the following conditions and procedure, namely,- (A). Conditions and procedure for imports.- (i) This exemption shall be admissible only to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies, their contractors and sub-contractors which hold the Concession Agreement; (ii) Ministry of Ports and Shipping shall certify in the prescribed manner and format as per Annex-I that the imported materials and equipments are bonafide requirement for construction and operation of Gawadar Port and development of Free Zone for Gawadar Port. The authorized officer of that Ministry shall furnish all relevant	Serial 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) and its operating companies namely (i) China Overseas Ports Holding Company Pakistan (Private) Limited (ii) Gwadar International Terminal Limited, (iii) Gwadar Marin Services 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 Gwadar Port, having Concession Agreement with the Gwadar Port Authority, for a period of forty year, subject to the following conditions and procedure, namely,- (A). Conditions and procedure for imports.- (i) This exemption shall be admissible only to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies, their contractors and sub-contractors which hold the Concession Agreement; (ii) Ministry of Ports and Shipping shall certify in the prescribed manner and format as per Annex-I that the imported materials and equipments are bonafide requirement for construction and operation of Gwadar Port and development of Free Zone for Gwadar Port. The authorized officer of that

<p>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</p> <p>(iii) The goods so imported shall not be sold or disposed of without prior approval of the FBR and payment of sales tax leviable at the time of import, provided that this condition shall not apply to ship bunker oils.</p> <p>(B). Conditions and procedure for local supply.-</p> <p>(i) This exemption shall be admissible only to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies, their contractors and sub-contractors which hold Concession Agreement;</p> <p>(ii) for claiming exemption on goods which are otherwise taxable in Pakistan, the operating companies will purchase the materials and equipment for the construction of Gawadar Port and development of Free Zone for Gawadar Port from the sales tax registered persons only;</p> <p>(iii) invoice of the exempt supply,</p>	<p>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</p> <p>(iii) The goods so imported shall not be sold or disposed of without prior approval of the FBR and payment of sales tax leviable at the time of import, provided that this condition shall not apply to ship bunker oils.</p> <p>(B). Conditions and procedure for local supply.-</p> <p>(i) This exemption shall be admissible only to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies, their contractors and sub-contractors which hold Concession Agreement;</p> <p>(ii) for claiming exemption on goods which are otherwise taxable in Pakistan, the operating companies will purchase the materials and equipment for the construction of Gwadar Port and development of Free Zone for Gwadar Port from the sales tax registered persons only;</p>
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<p>containing the particulars required under section 23 of the aforesaid Act, shall for each supply be issued by the registered person to the operating company mentioning thereon that the said invoice is being issued under this notification;</p> <p>(iv) a monthly statement summarizing all the particulars of the supplies made in the month against invoices issued to the operating companies shall be prepared in triplicate by the registered persons making the exempt supplies and shall be signed by the authorized person of the registered person. All three copies of the said signed monthly statement shall be got verified by the registered person from the person authorized to receive the supplies in the office of operating company, confirming that supplies mentioned in the monthly statement have been duly received;</p> <p>(v) after verification from the operating company, original copy of the monthly statement will be retained by the registered person, duplicate by the operating company and the triplicate provided by the registered person to the Collector of Sales Tax having jurisdiction, by twentieth day of the month following the month in which exempt supplies to the operating companies were made; and</p> <p>(vi) the registered person making the exempt supplies shall keep the aforesaid record for presentation to the sales tax department as and</p>	<p>(iii) invoice of the exempt supply, containing the particulars required under section 23 of the aforesaid Act, shall for each supply be issued by the registered person to the operating company mentioning thereon that the said invoice is being issued under this notification;</p> <p>(iv) a monthly statement summarizing all the particulars of the supplies made in the month against invoices issued to the operating companies shall be prepared in triplicate by the registered persons making the exempt supplies and shall be signed by the authorized person of the registered person. All three copies of the said signed monthly statement shall be got verified by the registered person from the person authorized to receive the supplies in the office of operating company, confirming that supplies mentioned in the monthly statement have been duly received;</p> <p>(v) after verification from the operating company, original copy of the monthly statement will be retained by the registered person, duplicate by the operating company and the triplicate provided by the registered person to the Collector of Sales Tax having jurisdiction, by twentieth day of the month following the month in which exempt supplies to the operating companies were made; and</p> <p>(vi) the registered person making the exempt supplies shall keep the aforesaid record for presentation</p>
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when required to do so.	to the sales tax department as and when required to do so.
	Serial 100C. Vehicles imported by 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 Marine Services Limited and (iv) Gwadar Free Zone Company Limited, for a period of twenty three years for construction, development and operations of Gwadar Port and Free Zone Area subject to limitations, conditions prescribed under PCT heading 9917 (3)
Serial 106. 0206.2000	Serial 106. Omitted
Serial 108. Components or sub-components of energy saver lamps, namely against sub-serial (h), in column (3) "3824.9099" (Al-oxide Suspension)	Serial 108. Components or sub-components of energy saver lamps, namely against sub-serial (h), in column (3) "3824.8400" (Al-oxide Suspension)
Serial 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:- 8539.3290, 8543.7090 and 9405.4090 (c) SMD, LEDs, with or without ballast, with fittings and fixtures	Serial 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:+ 8539.3290, 8539.5010, 8539.5020 and 9405.4090 (c) SMD, LEDs, with or without ballast, with fittings and fixtures
Serial 113. High Efficiency Irrigation Equipment (If used for agriculture sector):- 8424.8100, 8424.2010 (2) Sprinklers including high and low	Serial 113. High Efficiency Irrigation Equipment (If used for agriculture sector):- 8424.4100, 8424.2010 (2) Sprinklers including high and low

pressure (centre pivotal) system, conventional sprinkler equipment,	pressure (centre pivotal) system, conventional sprinkler equipment,
Serial 114. Green House Framing and Other Green House Equipment (If used for Agriculture Sector):- 9406.0010 (2) Green houses (prefabricated)	Serial 114. Green House Framing and Other Green House Equipment (If used for Agriculture Sector):- 9406.1010,9406.9010 (2) Green houses (prefabricated)
Serial 130. Premixes for growth stunting:- Respective Headings , and subject to conditions imposed for importation under the Customs Act, 1969;	Serial 130. Premixes for growth stunting:- "Sodium Iron (NA Fe EDTA), and other premixes of Vitamins Minerlas and Micro-nutrients (food grade) and subject to conditions imposed for importation under the Customs Act, 1969;
Serial 133. 2903.3040 (Ingredients for pesticides) 2903.6900 (Cadusafos Technical Material) 2918.9010 (Ingredients for pesticides) 2919.0010 (Ingredients for pesticides) 2919.0090 (Other Ingredients for pesticides) 2922.1300 (Triethanolamine and its salts) 2924.2930 (Ingredients for pesticides) Ingredients for pesticides:- "2939.9910" Chemical preparations:- "3824.9099"	Serial 133. Omitted Omitted Omitted Omitted Omitted Omitted Omitted Omitted Ingredients for pesticides: - "2939.8010" Chemical preparations: - "3824.9999"

	Serial 134. 9908 (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.)
	Serial 135. Sunflower and canola hybrid seeds meant for sowing
	Serial 136. 8433.5100 (Combined harvesters Upto five years old)
	Serial 137. 8408.9000 (Single cylinder agriculture diesel engines (compression-ignition internal combustion piston engines) of 3 to 36 HP, and CKD kits thereof)

Table 3

Existing	Proposed
(ii) except for S. No. 9 and 14 of the Annexure, the Chief Executive, or the person next in hierarchy duly authorized by the Chief Executive or Head of the importing company shall certify in the prescribed manner and format as per Annex-A that the imported items are the company's <i>bona fide</i> requirement. He shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969. In already computerized Collectorates or Customs stations where the Pakistan Customs 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 Pakistan 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; and	(ii) except for S. No. 9 and 14, 14A and 15 of the Annexure, the Chief Executive, or the person next in hierarchy duly authorized by the Chief Executive or Head of the importing company shall certify in the prescribed manner and format as per Annex-A that the imported items are the company's <i>bona fide</i> requirement. He shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969. In already computerized Collectorates or Customs stations where the Pakistan Customs 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 Pakistan 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; and

6. AMENDMENTS IN CUSTOM DUTY

Goods Declaration

[Section 2(la)]

Amendment is proposed in the definition of “Goods Declaration” to include the declarations submitted by Coastal guards under the ambit of goods declaration.

Controlled delivery

[Section 2(z)]

Amendment is proposed to include definition of “controlled delivery” which is defined to mean supervised and coordinated operational activities that allow suspected consignments of prohibited and restricted goods, including items mentioned in clause (s), to pass out of, through or into the territory of Pakistan, with a view to identifying persons involved in the commission of an offence cognizable under Customs Act 1969.

Directorate General of Intelligence and Investigation, Federal Board of Revenue

[Section 2 (3A)]

The bill proposed to modify the statutory designation of the Directorate General of Intelligence and Investigation.

Directorate General of China Pakistan Economic Corridor

[Section 2(3AAA)]

The bill proposed to insert a new section to create legal provision for establishment of a Directorate General CPEC to provide effective supervision and monitoring of trade flows under this directorate general.

Assistance to the Officers of Customs

[Section 7]

The bill seeks to amend the section 7 with a view to include reference of both the officers of Inland Revenue and National Highway & Motorway Police.

Uniform

[Section 8A]

The bill proposed to insert a new proviso to empower the Federal Board of Revenue to notify the wearing of uniform for officers and staff of the Customs Service of Pakistan.

General Power to Exempt from Customs-Duties.

[Section 19]

The bill seeks to amend the section 19 and insert a new provision in sub-section 5 of section 19 with a view to rationalize the existing provisions with the Rules of Business and to provide legal coverage to certain notifications.

The purpose is to empower FBR for issuance of notifications with the approval of Minister In-charge and to provide sanctity to notifications issued after July 2016 so they remain in force till June 30, 2018 unless rescind earlier.

Power to determine the Customs Value

[Section 25A]

The amendment is proposed in section 25A to insert a new proviso clarifying that if value declared in goods declaration is higher than value determined under section 25 then value as per goods declaration shall be the customs value.

End Use Verification of goods

[Section 261A]

The bill proposed to add a new sub-section to empower the Board to frame rules to conduct End Use Verification of dual use precursor chemicals.

Refunds

[Section 33]

A new sub-section 4 of section 33 is proposed to be added to disallow refund in cases of provisional assessment or court matters, if the incidence of customs duty and other levies has been passed on to the buyer or consumer.

Period for which goods may Remain Warehoused

[Section 98]

The bill seeks to amend section 98 to empower a Chief Collector to allow second extension in warehousing period as well as to harmonize discrepancy between Act and rules relating to extended warehousing period provided under various export-oriented regimes.

Cancellation of Registration of Registered User

[Section 155F]

The bill proposed to insert new provision by creating right of Appeal with the Chief Collector in cases of cancellation or suspension of User Id by Collector.

Punishment for Offences.

[Section 156]

The bill proposed to amend the section 156 to enable the Board to regulate the imposition of penalties and to create specific penalty for failure to entertain a delay and detention certificate issued by the officer of Customs.

It is also proposed to insert the following new clause:

S.No.	Offences	Penalties	Section of this Act to Which Offence has Reference
	(1)	(2)	(3)
7A	If any agency or person including port authorities managing or owning a customs port, customs airport or a land customs station or a container freight station, fails to entertain a delay and detention certificate issued by the officer of Customs,	Such agency or person or port authority shall be liable to a penalty not exceeding five hundred thousand Rupees.	14A"; and

Appeals to Collector

[Section 193]

An amendment is proposed to allow filing of an appeal in respect of an order, issued under section 195, by an officer of Customs below the rank of an Additional Collector.

Appeals to the Appellate Tribunal

[Section 194A]

An amendment is proposed to allow filing of an appeal in respect of an order, issued under section 195, by the Board or an officer of Customs not below the rank of an Additional Collector.

Powers of Board or Collector to Pass Certain Orders

[Section 195]

The bill seeks to amend section 195 to add a new sub-section 1A with a view to allow the Board, Collector or Collector (Adjudication) to dispose of a case on its own and further empowering

them to assign the case to an officer of equal or higher rank, as may have passed the earlier order.

Power to Enter into Mutual Legal Assistance Agreements on Customs Matters

[Section 219A]

A new section is proposed to enable the Customs Department to enhance international co-operation, participation in international initiatives / joint operations and greater access to Technical Assistance and Capacity Building activities.

Validation

[Section 221A]

The bill proposes to insert a new section to provide savings vis-à-vis earlier issued notifications.

LEVY OF EXEMPTION FROM AND REPAYMENT OF CUSTOMS-DUTIES

Chapter V, First Schedule

The bill seeks to substitute First Schedule to the Custom Act, 1969 (IV of 1969) however proposed substitutions are not yet released.

Fifth Schedule

The bill seeks to substitute Sixth Schedule (Inserted in Finance Act 2014) to the Custom Act, 1969 however proposed substitutions are not yet released.

7. AMENDMENTS IN FEDERAL EXCISE

Transfer of power to FBR

[Section 2(8a), 3(1)(c), 16(2), 16(6)]

The bill Seeks to substitute the word “Board” for the words “Federal Government in clause (8a) in section 2 for transfer of following powers to Federal Board of Revenue from Federal Government:

1. Fixation of due date of filing of returns of Federal Excise (2(8a))
2. Power for levy & collection of FED on goods manufactured or produced in non-tariff areas and brought into tariff areas for sale or consumption
3. Grant of exemption from FED on goods & services (16(2))
4. Issue of notification under section 16(6).

Offences, Penalties, Fines and Allied Matters

[Section 19]

The bill proposed to substitute the existing sub-section (10) of section 19 to provide penalty for manufacture of illegitimate cigarettes.

Appointment of Federal Excise Officers and Delegation of Powers

[Section 29]

The bill proposes to add designation of “District Taxation Officer and Assistant Director Audit and redefine powers of certain other officers.

Deposit, Pending Appeal, of Duty Demanded or Penalty Levied

[Section 37]

The bill proposed to provide conditional relief from recover measures till decision of Commissioner (Appeals) subject to payment of 25% demand. This proviso appears to be superfluous in the presence of existing condition of 15% payment of demand under proviso to section 37(3) of FE Act 2005.

Validation

[Section 43A]

The bill proposed to insert a new section 43A for validation of notifications issued by Federal Government before commencement of Finance Act 2017. This is similar to validation provisions proposed to be provided in other laws as discussed in this memorandum earlier.

Service of notices and other documents

[Section 47]

The Bill proposed to insert a new clause (d) after clause (c) in sub-section (1) of section 47 to provide legal cover to correspondence through electronic means.

Locally Produced Cigarettes

[Table I, First Schedule]

The bill proposed to substitute new serial numbers 9, 10, 10a for the serial numbers 9, 9a, 10, 10a and the corresponding entries relating thereto in columns (2) and (3) in Table-I in the First Schedule as follows;

First Schedule
TABLE 1
(EXCISABLE GOODS)

S.No.	Description of Goods	New Rate of Duty
9	Locally produced cigarettes if their on pack printed retail price exceeds four thousand five hundred rupees per thousand cigarettes.	Rupees three thousand seven hundred and forty per thousand cigarettes
10	Locally produced cigarettes if their on pack printed retail price exceeds two thousand nine hundred and twenty-five rupees per thousand cigarettes but does not exceed four thousand five hundred rupees per thousand cigarettes	Rupees one thousand six hundred and seventy per thousand cigarettes
10a	Locally produced cigarettes if their on pack printed retail price does not exceed two thousand nine hundred and twenty-five rupees per thousand cigarettes.	Rupees eight hundred per thousand cigarettes";

Restriction-1 & 3 -Reduction/Minimum Price

[Table I First Schedule]

The bill proposed to substitute the existing Restriction after Table 1 in the First Schedule.

Cement

It is also proposed to increase rate of duty on cement from Rs. 1 per Kg as follows:

S.No.	Description of Goods	New Rate of Duty
13	Portland cement, aluminous cement, slag cement, super sulphate cement and similar hydraulic cements, whether or not colored or in the form of clinkers	One Rupee and Twenty Five Per Kilogram

Telecommunication Services

[Table II, First Schedule]

The bill proposed to substitute the following to reduce rate of duty on telecommunication services in Islamabad:

S.No.	Description of Goods	New Rate of Duty
6	Telecommunication services 1[, excluding such services in the area of a Province where such Province has imposed Provincial sales tax and has started collecting the same through its own Board or Authority, as the case may be.	Seventeen Percent of Charges

Conditional Exemptions on Goods

[Table I Third Schedule]

The bill proposed to clarify and provide further exemptions to specified Chinese Company for Gwadar port.

8. INCOME TAX WITHHOLDING RATES (RATE CARD) (PROVISIONAL)

Section	Description	FILER	NON-FILER
148	Industrial undertaking importing remelt-able steel for own use	1.00%	1.50%
	Person importing potassium fertilizers		
	person importing urea		
	Manufactured covered under SRO 1125(I)/2011		
	Persons importing gold		
	Persons importing cotton		
	Designated buyers of LNG on behalf of GOP		
	Person importing pulses	2.00%	3.00%
	Commercial importer covered under SRO 1125(I)/2011	3.00%	4.50%
	Ship breakers on import of ship	4.50%	6.50%
	Industrial undertaking not covered above	5.50%	8.00%
	Companies not covered above	5.50%	8.00%
	Persons (individuals & AOPs) not covered above	6.00%	9.00%
149 SALARY	0-400,000	0%	
	400,000-500,000	2% of amount above 400,000	
	500,000-750,000	2,000 + 5% of amount above 500,000	
	750,000-1,400,000	14,500 + 10% of the amount above 750,000	
	1,400,000-1,500,000	79,500 + 12.5% of the amount above 1,400,000	
	1,500,000-1,800,000	92,000 + 15% of the amount above 1,500,000	
	1,800,000-2,500,000	137,000 + 17.5% of the amount above 1,800,000	
	2,500,000-3,000,000	259,500 + 20% of the amount above 2,500,000	
	3,000,000-3,500,000	359,500 + 22.5% of the amount above 3,000,000	
	3,500,000-4,000,000	472,000 + 25% of the amount above 3,500,000	
	4,000,000-7,000,000	597,000 + 27.5% of the amount above 4,000,000	
	7,000,000 and above	1,422,000 + 30% of the amount above 7,000,000	
150 & 236S (dividend & dividend)	Power Company Privatized by WAPDA	7.50%	7.50%
	Company set up for Power generation		
	Company supplying coal exclusively for power generation		
	Persons other than above	15.00%	20.00%
	Where stock fund pays dividend to ind, AOP or CO. (where div	12.50%	12.50%

in specie)	is more than capital gains)		
	Where stock fund pays dividend to ind, AOP or CO. (where div is less than capital gains)	15.00%	15.00%
	Where money market fund, income fund or REIT scheme or any other fund pays div to ind or AOP	12.50%	15.00%
	Where money market fund, income fund or REIT scheme or any other fund pays div to Co.	25.00%	25.00%
151	If profit on debt does not exceed Rs.500,000	10.00%	10.00%
	If profit on debt exceeds Rs. 500,000	10.00%	17.50%
7B (charging section for individual & AOP)	If profit on debt does not exceed Rs.5,000,000	10.00%	N.A.
	If profit on debt exceeds Rs. 5,000,000 but does not exceed Rs. 25,000,000	12.50%	
	If profit on debt exceeds Rs.25,000,000	15.00%	
152	Royalty or Fee for technical services paid to non-resident	15.00%	15.00%
	Payment for construction/ advertisement contracts	7.00%	13.00%
	Insurance premium or reinsurance premium	5.00%	5.00%
	Amount other than above	20.00%	20.00%
	Payment to PE of a non-resident company for sale of goods	4.00%	7.00%
	Payment to PE of a non-resident non-company for sale of goods	4.50%	7.75%
	Payment to PE of a non-resident for transport services	2.00%	2.00%
	Payment to PE of a non-resident company for other services	8.00%	14.00%
	Payment to PE of a non-resident non-company for other services	10.00%	17.50%
	Payment to PE of a non-resident person for contracts	7.00%	12.00%
	Payment to PE of a non-resident sportsperson	10.00%	13.00%
153	For sale of rice, cotton seed or edible oils	1.50%	1.50%
	For sale of other goods by company	4.00%	7.00%
	For sale of FMCG (Fast moving consumer Goods) goods by a distributor company	2.00%	2.00%
	For sale of FMCG (Fast moving consumer Goods) goods by a distributor non-company	2.50%	2.00%
	For sale of other goods by non-company	4.50%	7.75%
	For transport services	2.00%	2.00%
	For other service provided by Companies	8.00%	14.50%
	For other service provided by non-Companies	10.00%	17.50%
	For advertisement services of print and electronic media by a company	1.50%	12.00%

	For advertisement services of print and electronic media by a non-company	1.50%	15.00%
	Exporter making payment for stitching, dying, printing, embroidery, washing, weaving and Sizing	1.00%	1.00%
	For execution of contracts by Companies	7.00%	12.00%
	For execution of contracts by Non-Companies	7.50%	12.50%
	For Payments to sportsperson	10.00%	10.00%
154	Upon realisation of foreign exchange proceeds from export of goods	1.00%	1.00%
	Upon realisation of foreign exchange proceeds from commission	5.00%	5.00%
155	For Individuals and AOPs where annual rent is less than or equal to 200,000	0.00%	
	For Individuals and AOPs where annual rent is more than 200,000 but less than 600,000	5% of the amount above 200,000	
	For Individuals and AOPs where annual rent is more than 600,000 but less than 1,000,000	20,000 + 10% of the amount above 600,000	
	For Individuals and AOPs where annual rent is more than 1,000,000 but less than 2,000,000	60,000 + 15% of the amount above 1,000,000	
	For Individuals and AOPs where annual rent is more than 2,000,000	210,000 + 20% of the amount above 2,000,000	
	For Companies	15.00%	17.50%
156	winnings from prize bond or cross word puzzle	15.00%	25.00%
	Winnings from raffle, lottery, prize on quiz prize offered for sale promotion	20.00%	20.00%
156A	Petroleum Agents	12%	17.5%
231A	Cash withdrawal from bank	0.30%	0.60%
231AA	Cash banking transactions	0.30%	0.60%
231B	Advance tax on purchase of private motor car/jeep		
	Engine capacity upto 850CC	7,500	10,000
	Engine capacity more than 851CC and less than 1,000CC	15,000	25,000
	Engine capacity more than 1,001CC and less than 1,300CC	25,000	40,000
	Engine capacity more than 1,301CC and less than 1,600CC	50,000	100,000
	Engine capacity more than 1,601CC and less than 1,800CC	75,000	150,000
	Engine capacity more than 1,801CC and less than 2,000CC	100,000	200,000
	Engine capacity more than 2,001CC and less than 2,500CC	150,000	300,000
	Engine capacity more than 2,501CC and less than 3,000CC	200,000	400,000
	Engine capacity more than 3,000CC	250,000	450,000
	Advance tax on transfer of private motor car/jeep Engine		5,000

	capacity upto 850CC	-	
	Engine capacity more than 851CC and less than 1,000CC	5,000	15,000
	Engine capacity more than 1,001CC and less than 1,300CC	7,500	25,000
	Engine capacity more than 1,301CC and less than 1,600CC	12,500	65,000
	Engine capacity more than 1,601CC and less than 1,800CC	18,750	100,000
	Engine capacity more than 1,801CC and less than 2,000CC	25,000	135,000
	Engine capacity more than 2,001CC and less than 2,500CC	37,500	200,000
	Engine capacity more than 2,501CC and less than 3,000CC	50,000	270,000
	Engine capacity more than 3,000CC	50,000	270,000
	Advance tax on lease of motor vehicle to be collected by Bank or leasing company	0	3.00%
233	In case commission is paid to advertising agent	10.00%	15.00%
	In case commission is paid to life insurance agent receiving annual commission of less than 500,000	8.00%	16.00%
	In all other cases	12.00%	15.00%
233AA	Tax to be deducted by NCCPL on profit/mark-up/interest	10.00%	10.00%
234	For goods transport vehicle	Rs. 2.5/kg	Rs. 4/kg
	For goods transport vehicle of 8120 KG or more and after ten years in Pakistan	Rs. 1,200/ Annu m	Rs. 1,200/ An num
	Passenger transport vehicle plying for hire (four or more but less than ten passengers)	50/seat/ann um	100/seat / annum
	Passenger transport vehicle plying for hire (ten or more but less than twenty passengers)	100/seat/an num	200/seat / annum
	Passenger transport vehicle plying for hire (more than twenty passengers)	300/seat/an num	500/seat / annum
	For Private motor cars with engine capacity of upto 1000CC	800	1,200
	For Private motor cars with engine capacity of 1001-1199CC	1,500	4,000
	For Private motor cars with engine capacity of 1200-1299CC	1,750	5,000
	For Private motor cars with engine capacity of 1300-1499CC	2,500	7,500
	For Private motor cars with engine capacity of 1500-1599CC	3,750	12,000
	For Private motor cars with engine capacity of 1600-1999CC	4,500	15,000
	For Private motor cars with engine capacity of 2000CC and above	10,000	30,000
	For Lumpsum collection on private motor cars		
	For Private motor cars with engine capacity of upto 1000CC	10,000	10,000
	For Private motor cars with engine capacity of 1001-1199CC	18,000	36,000

	For Private motor cars with engine capacity of 1200-1299CC	20,000	40,000
	For Private motor cars with engine capacity of 1300-1499CC	30,000	60,000
	For Private motor cars with engine capacity of 1500-1599CC	45,000	90,000
	For Private motor cars with engine capacity of 1600-1999CC	60,000	120,000
	For Private motor cars with engine capacity of 2000CC and above	120,000	240,000
234A	CNG Station	4%	6%
235	Advance tax on commercial or industrial electricity bill		
	Where gross monthly bill is less than Rs. 400	0	
	Where gross monthly bill is more than Rs. 400 less than Rs. 600	80	
	Where gross monthly bill is more than Rs. 600 less than Rs. 800	100	
	Where gross monthly bill is more than Rs. 800 less than Rs. 1,000	160	
	Where gross monthly bill is more than Rs. 1,000 less than Rs. 1,500	300	
	Where gross monthly bill is more than Rs. 1,500 less than Rs. 3,000	350	
	Where gross monthly bill is more than Rs. 3,000 less than Rs. 4,500	450	
	Where gross monthly bill is more than Rs. 4,500 less than Rs. 6,000	500	
	Where gross monthly bill is more than Rs. 6,000 less than Rs. 10,000	650	
	Where gross monthly bill is more than Rs. 10,000 less than Rs. 15,000	1,000	
	Where gross monthly bill is more than Rs. 15,000 less than Rs. 20,000	1,500	
	Where gross monthly bill is more than Rs. 20,000	12% for commercial/5% for industrial	
235A	Advance tax on domestic electricity bill exceeding 100,000/month	7.50%	7.50%
236	For Mobile phone and/or internet subscribers	12.50%	12.50%
	For other subscribers where monthly bill is more than 1,000	10% of amount above 1,000	
236A	Advance tax at the time of sale by auction	10.00%	15.00%
236B	Advance tax on domestic air tickets	5.00%	5.00%
236C	Advance tax at the time of sale or transfer of immovable property	1.00%	2.00%

236D	Advance tax on functions and gathering	5.00%	5.00%
236F	Advance Tax on Cable TV operator License fee/Renewal	Tax on license (Rs.)	Tax on Renewal (Rs.)
	License Category H	7,500	10,000
	License Category H-I	10,000	15,000
	License Category H-II	25,000	30,000
	License Category R	5,000	12,000
	License Category B	5,000	35,000
	License Category B-1	30,000	45,000
	License Category B-2	40,000	60,000
	License Category B-3	50,000	75,000
	License Category B-4	75,000	100,000
	License Category B-5	87,500	150,000
	License Category B-6	175,000	200,000
	License Category B-7	262,500	300,000
	License Category B-8	437,500	500,000
	License Category B-9	700,000	800,000
	License Category B-10	875,500	900,000
236G	Advance tax on sale to distributors, dealers or wholesalers (fertilizers)	0.70%	1.40%
	Advance tax on sale to distributors, dealers or wholesalers (other than fertilizers)	0.10%	0.20%
236H	Retailers (electronics)	1%	1%
	Retailers (others)	0.5%	1%
236I	Advance tax on educational fees	5.00%	5.00%
236J (dealers, arhatis etc.)	Category A	10,000	10,000
	Category B	7,500	7,500
	Category C	5,000	5,000
	Others	5,000	5,000
236K	Advance tax at the time of Purchase or transfer of immovable property of value above 3 Million	2.00%	4.00%
236L	Advance tax on international air tickets First/Executive class	Rs. 16,000/person	
	Advance tax on international air tickets others excluding economy	Rs. 12,000/person	
236M	Bonus shares	5%	5%
236N	Bonus shares	5%	5%

236P	Advance tax on banking transaction other than cash (subject to Government notification)	0.00%	0.60%
236Q	Advance tax on payment to resident for use of machinery and equipment	10.00%	10.00%
236R	Advance tax on remittance of educational expenses abroad	5.00%	5.00%
236U	General Insurance	0%	4%
	Life insurance exceeding 0.2 million premium per annum	0%	1%
	Others	0%	0%
236V	Extraction of minerals	0%	5%
236W	Transfer of immovable property (applied at difference of declared amount and amount notified by FBR)	3%	3%

9. SALES TAX WITHHOLDING RATES (RATE CARD) (PROVISIONAL)

SALES TAX WITHHOLDING RATES			
FEDERAL			
Description		STWH Rate	On what amount
Withholding Agent	Federal and provincial government departments	0%	Sales Tax
	Autonomous bodies	0%	Sales Tax
	Public sector organizations	0%	Sales Tax
	Companies registered for ST, FED or IT	0%	Sales Tax
	Recipient of advertisement services registered for ST	100%	Sales Tax
	Persons registered as Exporters	0%	Sales Tax
Exceptions	ST to be deducted from ST invoice issued by Persons registered as a wholesaler, dealer or distributors	0%	Sales Tax
	Where ST to be withheld by FTN holders from person liable to be registered but unregistered	100%	Total Value of supply
	Where ST to be withheld by "person other than FTN holders" from person liable to be registered but unregistered	1%	Total Value of supply
Exemptions	Electrical energy		
	Natural Gas		
	Petroleum products as supplied by petroleum		
	Production and exploration companies, oil refineries		
	Oil marketing companies and dealer of motor spirit and HSD		
	Registered persons paying sales tax under chapter XI of ST special		
	procedure rules 2007		
	Vegetable ghee and cooking oil		
	Telecommunication services		
	Goods specified in 3rd Sch of ST Act, 1990		
	Supplies made by commercial importers who paid		
	VAT at the time of import		
	All supplies to registered person as per salient features issued with the Finance Bill 2017.		

THANKING NOTE

Lastly, it is matter of true privilege for Khilji & Co, Chartered Accountants, to thank all its team members for their contributions during preparation of this document. It was really helpful to have all inputs. KCO considers itself extremely fortunate to have this highly capable, dedicated and exemplary team.

It has been a monumental effort for all team members contributing through their services and expertise to make this document possible in such a short span of time. We hope and believe that this document would assist our clients and team members in better understanding and evaluation of the Budget proposals.

Since, we are a developing organization therefore, as part of our strategy for continuous improvement we would appreciate feedback on the document.