

FINANCE BILL

HIGHLIGHTS

2015



GDP CONTRIBUTORS



POPULATION



INFLATION



EXPORTS



Services Sector 53%
Industries 25%

Agriculture, Livestock, Fishing, Forestry 22%

The GDP value of Pakistan represents 0.38 % of the world economy

Inflation is 7.2 % (2014)

Global Rank 30th

Average Inflation of 10.2 % (2003 to 2013)

Petroleum, Petroleum products, Machinery, Plastics, Transportation Equipment,
Edible Oils, Paper and Paperboard, Iron and Steel, Tea.

Major Import Partners: China, Saudi Arabia, UAE, Kuwait.

Textiles, Rice, Leather goods, Sports goods, Chemicals, Carpets and Rugs.

Major Export Partners: US, China, Afghanistan, UAE.

Highlights on the Finance Bill, 2015

This document summarizes significant changes proposed to be brought to statute vide the Finance Bill, 2015 (the Bill) relating to Income Tax, Sales Tax & Federal Excise Duty and Customs.

Effective date of applicability of these changes will be July 1, 2015, unless otherwise mentioned.

Nothing contained in this document shall be construed as our advice in general or on a given case, accordingly, for ascertaining any effect of these changes in general or particular, the wordings in the Bill should carefully be examined, taking into consideration the applicable laws and regulations, and precise advice should be sought before taking any decision based on, or acting up on any of the contents hereof.

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June 06, 2015

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SECTION I BUDGET AT A GLANCE

SOURCES OF FUNDS	2015-16	2014-15	Change
	Rupees in Billion		%
Net Revenue Receipts*	2,464	2,378	3.6
Net Capital Receipts	606	603	0.5
External Receipts	751	692	8.5
Privatization Proceeds	50	18	177.8
Provincial Surplus	297	142	109.2
Bank Borrowings	283	402	-29.6
Total	4,451	4,235	5.1

2014-15

- Net Revenue Receipts: 56%
- Net Capital Receipts: 14%
- External Receipts: 16%
- Privatization Proceeds: 3%
- Provincial Surplus: 7%
- Bank Borrowings: 0%

2015-16

- Net Revenue Receipts: 55%
- Net Capital Receipts: 14%
- External Receipts: 17%
- Privatization Proceeds: 1%
- Provincial Surplus: 6%
- Bank Borrowings: 0%

APPLICATION OF FUNDS	2015-16	2014-15	Change
	Rupees in Billion		%
General Public Service including Debt Servicing	2,701	2,761	-2.2
Defense Affairs and Services	781	720	8.5
Development Expenditure	969	754	28.5
Total	4,451	4,235	5.1

2014-15

- General Public Service including Debt Servicing: 65%
- Defense Affairs and Services: 17%
- Development Expenditure: 18%

2015-16

- General Public Service including Debt Servicing: 61%
- Defense Affairs and Services: 18%
- Development Expenditure: 22%

*NET REVENUE RECEIPTS	2015-16	2014-15	Change
	Rupees in Billion		%
Tax Revenue	3,418	2,910	17.5
Non-tax Revenue	895	1,042	-14.1
Gross Revenue Receipts	4,313	3,952	9.1
Less: Provincial Share in Taxes	1,849	1,574	17.5
Total	2,464	2,378	3.6

2014-15

- Tax Revenue: 74%
- Non-tax Revenue: 26%

2015-16

- Tax Revenue: 79%
- Non-tax Revenue: 21%

SECTION 2 OVERVIEW OF THE ECONOMY

Pakistan economic growth for fiscal year 2014-15 has been recorded at 4.24 percent, against the target of 5.1 percent. In comparison to last year's economic growth of 4.03 percent, advancement in growth is witnessed exhibiting macroeconomic stability demonstrated through rising growth trail in economic indicators such as curtailed inflation growth of 4.6% (2013-14: 8.7%), stability in exchange rate, increase in foreign exchange reserves, absorption of fiscal deficit, increase in foreign remittances and growth in KSE index. Shortfall against target is attributed to economic disruption due to political agitation, decline in international oil pricing, and shortages in gas and electricity impacting industrial/ manufacturing sector.

Following is a synopsis of Pakistan economy during the fiscal year 2014-15:

- Fiscal deficit as a percent of GDP was confined at 3.8 percent for the period July-March 2014-15 against 3.9 percent in the same period of fiscal year 2013-14.
- Growth in Net Domestic Asset (NDA) had increased due to increase in government borrowing from the banking system. NDA of the banking sector grew at 5.45 percent (Rs. 510.5 billion) during July-8th May 2014-15 as compared to net expansion of 4.43 percent (Rs. 380.6 billion) in the same period last year.
- Inflation during July-April 2014-15 averaged at 4.8 percent as against 8.7 percent in the same period last year, which is lowest since 2003. The lower inflation rate is contributed by stability in exchange rate, better production of minor crops in current year, vigilant monitoring of prices, and impact of benefit passed on to general consumer by reducing oil prices being in line with decline in global oil prices.
- Imports during the first ten months (July-April 2014-15) declined by 1.6 percent compared with the same period last year which stood at \$ 34,086 million against \$34,645 million last year. As per SBP data exports during the first ten months (July-April 2014-15) of the current year stood at US\$ 20,176 million against US\$ 20,834 million during corresponding period last year, recording a decline by 3.15 percent. Trade deficit posted marginal increase of around 0.7 percent during July-April 2014-15 primarily due to decline in Exports.
- Improvement in foreign exchange reserves is witnessed. As of May 25, 2015, foreign currency reserves reached to US \$ 17.5 billion from US \$ 14.1 billion at end June 2014, representing an increase of 25.3 percent. PAK Rupee recorded a depreciation of 2.9 percent against US Dollar in July-April 2014-15 in comparison to end of June 2014.
- As at March 2015 public debt reached at Rs. 16,936 billion (61.8 percent of GDP) compared to Rs. 15,534 billion during the same period last year (62 percent of GDP), representing an increase of 940 billion during first nine months of current fiscal year as compared with Rs.1,272 billion during the same period last year. The Credit Rating of the country remained at B-.
- During July-April 2014-15, growth of 10.2 percent was posted in Foreign Direct Investment (FDI) inflows in comparison to same period last year.
- National savings increased to 14.5 percent of GDP in 2014-15 compared to 13.7 percent in 2013-14. Domestic savings being witnessed at 8.4 percent of GDP in 2014-15 against 8 percent of GDP in 2013-14.
- Although the year 2014-15 has been termed as a chaotic year for Pakistani Stock Market, overall Capital market demonstrated a positive growth of 13.8 percent during the first ten months of the current fiscal year.

Summary of key performance indicators are as follows:

Description	2011-12	2012-13	2013-14	2014-15 P
Gross Domestic Product (GDP) – Growth %	3.84	3.65	4.03	4.24
Total Investment – Growth %	17.1	8.4	8.5	10.2
Consumer Price Index (CPI) – Growth %	11.0	7.4	8.7	4.8
Trade Deficit - % of GDP	9.5	8.9	8.2	5.9
Current Account Deficit - % of GDP	2.1	1.1	1.3	0.5
Total Public Debt to GDP Ratio	63.3	63.9 P	63.8 P	61.8
Foreign Exchange Reserves – US\$ billion	15.3	11.0	14.1	17.5*
Depreciation in Rupee Value against US\$ - %	9.9	5.5	-0.9	3.1
International Credit Rating – S&P	B-	B-	B-	B-
KSE – 100 Index – Growth %	10.4	52.2	41.2	13.8

P = Provisional; * As of May 25, 2015

GROWTH

- During the last five years, the economy of Pakistan grew on average by 3% per annum. GDP growth for 2014-15 has been estimated at 4.24 percent compared to 4.03 percent growth in fiscal year 2013-14.
- Lower growth was recorded in the industrial sector which declined to 3.6 percent in comparison to previous year's growth rate of 4.5 percent. Manufacturing posted a lower growth by 1.3 percent in comparison to previous year (2014-15: 3.2%; 2013-14: 4.5%), impacted by power crises, unstable law & order situation, campaign against extremism. Large scale manufacturing posted growth of 2.4 percent against the growth of 4.0 percent in last year. For the current fiscal year, growth in electricity generation & distribution was 1.9 percent in comparison to previous year growth of 5.6 percent. The agriculture and service sectors expanded by 2.9 percent and 5.0 percent respectively against the growth of 2.7 percent and 4.4 percent respectively in the last year. Finance & insurance posted growth at 6.2 percent against the growth of 4.2 percent in last fiscal year.
- Total consumption expenditures remain consistent in comparison to last fiscal year having reached to 91.0 percent of GDP in 2014-15 compared to 91.46 percent of gap in 2013-14. The share of investment in GDP growth in current year is at 1.17 percent compared to 0.63 percent in the outgoing year, while net exports for current year were negative at -0.13 percent compared to negative -0.23 percent last year. Domestic demand continued to be the most significant driving force for economic growth. Contribution of private consumption for sustaining aggregate demand was at 2.80 percent in comparison to 4.17 percent from last year.

Description	2011-12 Growth %	2012-13 Growth %	2013-14 Growth %	2014-15 P Growth %
Gross Domestic Product (GDP)	3.8	3.7	4.0	4.2
Agriculture	3.6	2.7	2.7	2.9
Manufacturing	2.1	4.6	4.5	3.2
Commodity Producing Sector	3.1	1.7	3.6	3.2
Services Sector	4.4	5.1	4.4	5.0

P = Provisional

INVESTMENT & SAVING

- Total investment is recorded at 15.12 percent of GDP as compared to 14.98 percent of GDP last year. Fixed investment is recorded at 13.52 percent of GDP against 13.38 percent of GDP in the outgoing year. Private investment also witnessed contraction and was recorded at 9.66 percent of GDP as compared to 10.03 percent of GDP in the previous fiscal year.
- Public investment as a percentage of GDP recorded an impressive growth rate at 14.9 percent as compared to negative growth -0.45 percent last year.
- National savings are 14.5 percent of GDP in 2014-15 as compared to 13.7 percent of gap in 2013-14. Domestic savings increased to 8.4 percent of GDP in 2014-15 compared to 8.0 percent of GDP in 2013-14. Net foreign resource inflows are financing the saving investment gap.

- During the first ten months of the current fiscal year, foreign direct investments inflow reached to US\$ 2,057 million compared to US\$ 1,866 million in the corresponding period for fiscal year 2013-14, representing growth of 10.2 percent. Foreign private investment also reflected an increase and reached to US\$ 1,666 million against US\$ 1,050 million in the corresponding period of outgoing year.

Description	2011-12	2012-13	2013-14	2014-15 P
Total Investment - % of GDP	15.08	14.96	14.98	15.12
Fixed Investment - % of GDP	13.48	13.36	13.38	13.52
Public Investment - % of GDP	3.75	3.52	3.36	3.86
Private Investment - % of GDP	9.73	9.84	10.03	9.66
National Saving - % of GDP	13.0	13.9	13.7	14.5

P = Provisional

CAPITAL MARKETS

- The year 2014-2015 has been termed as a chaotic year for Pakistani Stock Market. The KSE100 Index demonstrated an overall positive performance during the period from July 2014 to January 2015 attributed to a number of factors including stable exchange rate and downward inflationary trend. After witnessing all time high closing in first week of February, KSE index slipped down by around 6,000 points or 17 percent by March end attributed to recession in oil prices internationally, uncertain political situation at local and international front, and SECP's investigation against some of the brokers for alleged involvement in insider trading, etc. followed by gain to depict a continued bullish trend.
- The benchmark 100 index touched all time high closing level of 34,826.57 points on February 03, 2015. The market also witnessed above 35,000 point level of 35,053.72 during intraday trading on 4th February, 2015. After witnessing 35,000 point level, the Karachi stock market witnessed downward trend and KSE-100 index closed below 29000 level on 30th March, 2015. The bullish trend in KSE is also continuing in 2015 with further gains.
- The aggregate market capitalization at end of April 2015 stood at Rs. 7,306 billion compared to 7,023 billion on June 30, 2014 (April 2014: 6,920 billion). KSE 100 Index opened at 29,653 points on July 1, 2014 and closed at 33,730 points level at the end of April 2015 showing a gain of 13.7 percent during first ten months of current fiscal year.
- The number of companies listed on all three Stock Exchanges increased to 1211 (as of March 2015) compared to 1199 as of June 2014. Some of the relevant statistics related to the Karachi Stock Exchange are as follows:

Description	2011-12	2012-13	2013-14	2014-15 P
KSE – 100 Index Points (Month end June)	13801	21005	29653	33730 A
KSE – 100 Index – Growth %	10.4	52.2	41.2	13.8
Aggregate Market Capitalization (Growth %)	7.0	46.5	29.1	1.6 A
Turnover of Shares (Volume Million)	38.1	54.3	56.6	38.4 A
Funds Mobilized (Rs. in Billion)	115.1	29.5	47.6	29.1 A

P = Provisional

A = April 2015

INFLATION

- Inflation during July-April 2014-15 averaged 4.8 percent as against 8.7 percent in the same period last year, which is the lowest since 2003.
- The food group with 37.47 percent weight in CPI basket showed an increase of 3.59 percent. This was lower by 5.75 percent observed in the corresponding period of last year. Based on the current trend, the contribution of food inflation to the overall CPI is estimated at 27 percent and non-food inflation at 73 percent as against 40 percent and 60 percent respectively in the comparable period last year.

- The non-food inflation showed an increase of 5.7 percent, being lower by 2.5 percent observed in the corresponding period of last year. Decrease in price for Transport was recorded by 3.1 percent with a corresponding price increase of 4.7 percent last year. Highest price increase in other non-food groups was witnessed in Education at 14.6 percent (2013-14: 8.7 percent), followed by clothing & footwear prices increased by 8.5 percent. Price increase in furnishing & household equipment and utilities group (housing, water, electricity, gas & fuel) was witnessed at 7.1 percent and 6.6 percent respectively.
- Core inflation which is non-food & non energy is estimated at 6.9 percent compared to 8.3 percent.

Description	2011-12	2012-13	2013-14	2014-15 P
CPI (Consumer Price Index)	11.0	7.4	8.7	4.8 A
Food Inflation	11.1	7.1	9.3	3.6 A
Non-food Inflation	11.0	7.5	8.2	5.7 A
SPI (Sensitive Price Index)	7.1	7.8	9.8	1.9 A
WPI (Wholesale Price Index)	10.4	7.4	8.3	0.03 A

P = Provisional; A= April 2015

BALANCE OF PAYMENTS & RESERVES

- Overall external account balance posted a surplus of US\$ 2.12 billion during July-April 2014-15, compared to US\$ 1.95 billion in the corresponding period of last year.
- The capital and financial account recorded a lower surplus of US\$ 3.2 billion during July-April 2014-15 compared to US\$ 5.3 billion during the corresponding period of last year.
- Improvement in the current account deficit was recorded, almost reduced to half at US\$ 1.4 billion during July-April 2014-15 against US\$ 2.9 billion in the corresponding period last year. This improvement is marked on account of combination of factors including declining oil prices, larger inflows from Coalition Support Fund (CSF), lower freight charges on imports and steady growth in workers' remittances.
- Trade account deficit marginally increased by 0.7 percent in July-April 2014-15 primarily on account of decline in exports witnessed at negative growth of -8.93 percent.
- During the period July-April 2014-15, service account showed a lower deficit by 30.4 percent in comparison to corresponding period last year (2014-15: US\$ 1.6 billion; 2013-14: US\$ 2.3 billion) mainly contributed on account of inflows of US\$ 1.5 billion under CSF.
- During July-April 2014-15, worker's remittances grew by 16.0 percent (USD 2.07 billion) in comparison to similar period last year.
- As of May 25, 2015 Pakistan's foreign exchange reserves reached to \$ 17.5 billion compared to \$ 14.1 billion as of FY 2014. This improvement in reserve position was largely due to improvement in current account, disbursement of IMF loan under the EFF, and mobilization of Sukuk by the government in the international market.
- The exchange rate against US Dollar stood at Rs. 101.9 as of end March 2015. During the period July-April 2014-15 average exchange rate remained at Rs. 101.5 per US\$, compared to Rs. 104.7 per US\$ last year.
- Some of the relevant statistics related to balance of payments and foreign exchange reserves are as follows:

Description	2011-12	2012-13	2013-14	2014-15 P
	Growth %	Growth %	Growth %	Growth %
Exports	-0.48	12.12	14.12	-8.93
Imports	16.03	25.89	9.48	-0.30
Workers' Remittances (\$ in billion)	13.1	13.9	15.8	14.9
Foreign Direct Investment (FDI)	-49.1	31.1	-12.9	10.2
Foreign Exchange Reserves – US\$ in billion	15.3	11.0	14.1	17.5*

P = Provisional * As of 25-May-2015

PUBLIC DEBT

- Public debt stock reached at Rs.16,936 billion as at end of March 2015 (March 2014: Rs.15,996 billion) representing an increase of Rs.940 billion (2014: 1,703 billion) recording a growth of 5.9 percent (2014: 11.9 percent) from the last fiscal year.
- Public debt to GDP ratio declined to 61.8 percent of GDP by end-March 2015 compared to 63.8 percent during the same period last year.
- The primary source of increase in public debt during first nine months of current fiscal year was in domestic debt that positioned at Rs.11,932 billion representing an increase of Rs.1,012 billion, whereas, external debt posed at Rs.5,004 billion representing a decrease of Rs.72 billion as compared to end June 2014. Despite the net external inflows, decline in external debt during first nine months of current fiscal year is mainly attributed to translational gain of around US\$ 4.3 billion on account of appreciation of US Dollar against other major currencies.
- During July-March 2014-15, the government issued fresh/ rollover guarantees aggregating to Rs.67 billion (2013-14: Rs.106 billion) or 0.2 percent (2013-14: 0.4 percent) of GDP. The outstanding stock of government guarantees as at end March 2015 is positioned at Rs.600 billion (March 2014: Rs.555 billion).
- During July - March 2014-15, public debt servicing reached at Rs.1,193 billion against the annual budgeted estimate of Rs.1,686 billion. Public debt servicing consumed nearly 44.5 percent of total revenues during July-March 2014-15 against a ratio of 47 percent during the same period last year.

Description	2011-12	2012-13	2013-14	2014-15 P
	Growth %	Growth %	Growth %	Growth %
Domestic Currency Debt – Growth	26.9	24.7	14.7	9.3
Foreign Currency Debt – Growth	6.5	-5.7	6.4	-1.4
Foreign Currency Debt to Total Public Debt Ratio	39.8	33.4	31.7	29.5
Total Public Debt to GDP Ratio	63.3	63.9	63.8	61.8
Depreciation in Value of Rupee against US\$ - %	9.9	5.5	-0.9	3.1
International Credit Rating – S&P	B-	B-	B-	B-
New Guarantees issued as a percentage of GDP	1.0	0.6	0.4	0.2

P = Provisional

TAXATION EXEMPTIONS

- Total Taxation exemptions for fiscal year 2014-15 have been estimated at Rs. 665.0 billion compared to Rs. 477.1 billion for the previous fiscal year representing an increase of almost 40 percent.
- Exemptions in income tax contribute 12.5 percent to total exemptions whereas exemptions in sales tax and custom duties account for 72.0 percent and 15.5 percent respectively.
- Sales tax exemptions have been significantly increased from Rs. 249.0 billion to Rs. 478.4 billion for the fiscal year 2014-15.
- Income tax and custom duty exemptions represent a negative growth of 13.5 percent and 21.7 percent respectively.

Description	Rs. Billion			
	2011-12	2012-13	2013-14	2014-15 P
Income Tax	69.6	82.4	96.6	83.6
Sales Tax	24.3	37.4	249.0	478.4
Custom Duties	112.0	119.7	131.5	103.0
Total	205.9	239.5	477.1	665.0

P = Provisional

SECTION 3 SALIENT FEATURES

Income Tax

Relief measures

1. Relief in tax for salaried and non-salaried individuals and AOPs in lower income brackets;
2. 1% reduction of tax rate for companies other than a banking company for Tax Year 2016;
3. Certain conditional tax exemption on profits & gains and from minimum tax granted to transmission line projects, manufacturers of renewable energy related PMEs, warehousing & cold-storage facilities for agricultural sector and industrial units set-up in KPK;
4. Conditional tax exemption on profits & gains of halal meat production units as well as exemption from minimum tax and tax collectible from export proceeds;
5. Tax exemption to LNG Terminal operators & owners as well as exemption from minimum tax & ACT;
6. Increase in maximum threshold for capital & undistributed reserves for small companies from existing 25M to 50M;
7. Increase in monetary threshold to Rs.1,500,000 from existing Rs.1,000,000 in respect of tax credit for investment in shares and life insurance premia;
8. Tax credit available to a company for enlistment in any registered stock exchange to be enhanced to 20% from existing 15%;
9. Donation made to the Indus Hospital Karachi to be eligible for deduction from income;
10. Substitution of tax credit for profit on debt paid on house loan by deduction from income;
11. Tax credit at the rate of 1% of the tax payable for every 50 employees, subject to maximum of 10% of tax payable;
12. Increase in the timeframe allowed for payment of tax demand from 15 to 30 days from the date of service of notice;
13. Exemption from collection of advance tax on domestic air tickets for the routes of Baluchistan coastal belt, Azad Jammu and Kashmir, FATA, Gilgit Baltistan and Chitral;
14. Reduction in the rate of default surcharge from existing 18% to 12%;
15. Reduction in minimum tax rate for dealers of fertilizers from existing 1% to 0.5%;
16. Exemption from minimum tax to rice mills for the tax year 2015;
17. Exemption from tax at import stage to agriculture and aviation sector on specified items.

Revenue measures

1. Direct measures:

Certain direct measures have been adopted in the proposals to increase the Revenue exchequer on account of income tax. These measures include:

- (i) One-time super tax to be levied on banking companies at 4% and persons other than banking companies having income of Rs. 500M at 3% for rehabilitation of temporarily displaced persons;
- (ii) Increase in tax rates for capital gains on disposal of securities as well as timeframe for holding periods;
- (iii) Withdrawal of reduced rate of tax on dividend & capital gain for banking companies, thereby subjecting the whole income to 35% tax rate;
- (iv) Option for exporters in lieu of final tax regime whereby the tax collected on export proceeds shall be treated as minimum tax;
- (v) Levy of minimum tax on land developers at the rate of 2% of the value of land notified for the purpose of stamp duty;

- (vi) Increase in minimum tax rate for distributors of consumer goods from 0.2% to 1% and for distributors of fertilizers from existing 0.2% to 0.5%;
- (vii) PMEX to collect tax at 0.1% from its members. The tax so collected to be treated as minimum tax;
- (viii) Slab-based tax on profit on debt, escalating to 15% instead of prevailing 10%.

2. Indirect/ regulatory measures:

Following the trend from the last year, implicit revenue measures continue form advance tax:

- (a) Higher rates of withholding tax for non-filers, in general, as well as increase in rates for filers in certain cases;
- (b) Tax on undistributed reserves of public listed companies, other than scheduled bank or modaraba;
- (c) CNIC numbers to be considered as NTN;
- (d) ECC's approval necessary for the Federal Government before issuing any concessionary notification;
- (e) Withdrawal of withholding tax exemption from payments in respect of advertising services;
- (f) Withholding tax at the rate of 10% on payment to a resident person on account of rent of machinery and use or right to use scientific or commercial equipment;
- (g) Collection of advance tax at the rate of 14% on internet charges;
- (h) Advance tax to be collected on international air tickets on fixed monetary basis instead of percentage based on gross value of ticket;
- (i) Collection of advance tax at the rate of 5% on the outward remittances on account of education expenses;
- (j) Linkage of rate of compensation for delayed refund to KIBOR;
- (k) Threshold for domestic electricity consumption decreased from Rs. 100,000 to Rs. 75,000 for collecting advance tax;
- (l) Various tax concessions/ exemptions and tax rates transposed/ rearranged for a convenient reference;
- (m) Increase in rates on capital gains from disposal of securities derived by insurance companies.

Sales Tax & Federal Excise

Sales tax

Relief Measures

1. Sales tax exemption on local supply of raw hides and skins;
2. Enhancement of limit of utility bill from Rs. 700,000 to Rs. 800,000 for the promotion of cottage industry;
3. Exemption on appliances for colostomy, colostomy / urostomy bags and tubular daylight devices;
4. Admissibility of credit of input tax adjustment on fabricated buildings;
5. Refund on supplies made under SRO 1125(I)/2011 to be allowed on monthly basis;
6. Reduction in rate of tax to 7% from rate of 17% on import & local supply of agricultural machinery and equipment.

Revenue Measures

1. Enhancement of further tax to 2% from 1% for the supplies to un-registered persons;
2. Enhancement in sales tax on mobile phones by 100%;
3. Dairy products, excluding baby formula milk, to be chargeable to tax at 10%;
4. Increase in sales tax to 10% from 5% on certain machinery & equipment.

Federal Excise Duty

Revenue measures

1. Enhancement of duty from 9% to 12% on aerated waters;
2. Duty on cigarettes has been enhanced.

Islamabad Capital Territory (Tax On Services)

The scope and ambit of tax on services has significantly been broadened; aligning and rationalizing the same with provinces.

SECTION 4 INCOME TAX

1. INDIVIDUALS AND ASSOCIATION OF PERSONS

With no increase in threshold for income exempt from tax for consecutive two years, the Bill seeks to bring some relief up to Rs. 3,000 for both salaried and non-salaried individuals and association of persons.

a. Tax rates for non-salaried individuals and Association of Persons (AOPs)

[Div I Part I of First Schedule]

Taxable Income (Rs.)		Rate of Tax	
From	To		
Up to 400,000			0.00%
400,001	500,000		7% of the amount exceeding Rs.400,000
500,001	750,000	Rs.7,000	10% of the amount exceeding Rs.500,000
750,001	1,500,000	Rs.32,000	15% of the amount exceeding Rs.750,000
1,500,001	2,500,000	Rs.144,500	PLUS 20% of the amount exceeding Rs.1,500,000
2,500,001	4,000,000	Rs.344,500	25% of the amount exceeding Rs.2,500,000
4,000,001	6,000,000	Rs.719,500	30% of the amount exceeding Rs.4,000,000
Above 6,000,000		Rs.1,319,500	35% of the amount exceeding Rs.6,000,000

b. Tax rates for salaried individuals and Association of Persons (AOPs)

[Div IA Part I of First Schedule]

Taxable Income (Rs.)		Rate of Tax	
From	To		
Up to 400,000			0.00%
400,001	500,000		2 % of the amount exceeding Rs.400,000
500,001	750,000	Rs.2,000	5% of the amount exceeding Rs.500,000
750,001	1,400,000	Rs.14,500	10% of the amount exceeding Rs.750,000
1,400,001	1,500,000	Rs.79,500	12.5% of the amount exceeding Rs.1,400,000
1,500,001	1,800,000	Rs.92,000	15% of the amount exceeding Rs.1,500,000
1,800,001	2,500,000	Rs.137,000	PLUS 17.5% of the amount exceeding Rs.1,800,000
2,500,001	3,000,000	Rs.259,500	20% of the amount exceeding Rs.2,500,000
3,000,001	3,500,000	Rs.359,500	22.5% of the amount exceeding Rs.3,000,000
3,500,001	4,000,000	Rs.472,000	25% of the amount exceeding Rs.3,500,000
4,000,001	7,000,000	Rs.597,000	27.5% of the amount exceeding Rs.4,000,000
Above 7,000,000		Rs.1,422,000	30% of the amount exceeding Rs.7,000,000

c. Senior citizens and disabled persons[Clause 1B of Division I of Part I of First Schedule]

The Bill seeks to introduce drafting correction to already available 50% tax reduction for senior citizens and disabled persons.

2. DEFINITIONS

The Bill seeks to introduce certain new definitions and to amend as follows:

Consumer goods

[Section 2(13AA)]

Consumer goods mean goods that are consumed by the end consumer rather than used in the production of another good.

Fast moving consumer goods

[Section 2(22A)]

Fast moving consumer goods means consumer goods which are supplied in retail marketing as per daily demand of a consumer.

Imputable income

[Section 2(28A)]

Imputable income in relation to an amount subject to final tax means the income which would have resulted in the same tax, had this amount not been subject to final tax.

Income

[Section 2(29)]

Bonus shares were included under the purview of income vide section 236N introduced vide the Finance Act, 2014. The bill now seeks to amend definition of 'income' apparently as a corrective measure.

Small company

[Section 2(59A)]

The Bill seeks to increase the maximum threshold for capital and undistributed reserves for small companies from existing Rs. 25 Million to 50 Million.

Whistleblower

[Section 2(75) & 227B]

Whistleblower means a person who reports concealment or evasion of income tax leading to detection or collection of taxes, fraud, corruption or misconduct, to the competent authority having power to take action against the person or an income tax authority committing fraud, corruption, misconduct, or involved in concealment or evasion of taxes.

3. SUPER TAX FOR REHABILITATION OF TEMPORARILY DISPLACED PERSONS

[Section 4B & Div IIA of Part I of First Schedule]

The Bill seeks to impose one-time Super Tax (i.e. for the Tax Year 2015) for rehabilitation of temporarily displaced persons. The said tax is to be levied on income arising from:

- a. profit on debt, dividend, capital gains, brokerage and commission;
- b. taxable income under section (9) of the Ordinance;
- c. imputable income as defined in proposed clause (28A) of section 2; and
- d. income from/ of:
 - (i) insurance business;
 - (ii) income from exploration and production of petroleum and minerals;
 - (iii) banking companies; and
 - (iv) capital gains on listed securities.

Following rates have been proposed for this new tax:

Person	Rate of Super Tax
Banking companies	4%
Persons, other than banking companies, having income of Rs.500 Million and above	3%

It has been proposed that, where the super tax is not paid by a person liable to pay it, the Commissioner shall by an order in writing, determine the Super tax payable, and shall serve upon the person, a notice of demand specifying the super tax payable and within the time specified under section 137 of the Ordinance. The Commissioner shall also be empowered to recover the super tax payable and the provisions of Part IV, X, XI and XII of Chapter X and Part I of Chapter XI of the Ordinance shall apply to the collection of super tax as these apply to the collection of tax under the Ordinance. The Board may make rules for carrying out the purposes of this proposed section by notification in the official Gazette.

4. TAXATION OF COMPANIES

Rate of tax on dividends

[Section 5 & Division III of Part I of First Schedule]

It has been proposed to increase the rate of tax on dividends as follows:

Category	Existing Rate	Proposed Rate
Dividends from privatized power projects or companies set up for power generation or companies supplying coal exclusively to power generation projects	7.5%	7.5%
Dividends declared or distributed in other cases	10.0%	12.5%
Dividends received by a person from stock funds, if dividend receipts are less than capital gains	12.5%	15.0%
Dividends received by a company from a collective investment scheme, REIT scheme or a mutual fund, other than a stock fund	25.0%	25.0%

It has also been proposed that the rate of tax on dividends to be reduced by 50% for 3 years from June 30, 2018 where such dividends are received from Developmental REIT Schemes set up by June 30, 2018 with the object of development and construction of residential buildings.

Tax on undistributed reserves

[Section 5A]

It has been sought to impose tax at the rate of 10% on every public company, other than a scheduled bank or a modaraba, that derives profits for a tax year but does not distribute cash dividends within 6 months of the end of the said tax year or distributes dividends in a manner that its post-distribution reserves exceed its paid up capital. In such cases reserves as exceeding paid up capital shall be treated as income.

Provided that for tax year 2015, cash dividends may be distributed before the due date for filing of return for tax year 2015.

This tax shall not apply to a company in which 50% or more shares are held by the Government.

Reserve for the purpose of this proposed section includes amounts set-aside out of revenue or other surpluses excluding capital reserves, share premium reserves and statutory reserves.

Principles of taxation of companies (Dividend from Non-resident Companies)

[Section 94 & 5]

An amendment to section 5 (tax on dividends) via Finance Act, 2003 required dividend from both resident and non-resident companies to be taxed at rates specified as per Division III of Part I of First Schedule to the Ordinance. The Bill now seeks to amend section 94 to remove the inconsistency with section 5.

Rates of tax for companies

[Div II of Part I of First Schedule]

The Bill seeks to reduce rate of tax for companies, other than banking companies, from 33% for the tax year 2015 to 32% for the tax year 2016.

5. INCOME FROM PROPERTY

Admissible deductions

[Section 15A]

It has been sought to include expenses wholly and exclusively on administration as deductible expenses along with the presently allowable collection charges to the collective extent of 6% of rent chargeable to tax in respect of the property.

6. CAPITAL GAIN ON SALES OF SECURITIES

[Section 37A & Division VII of Part I of First Schedule]

It has been sought to propose the following rates for tax on capital gains on securities for cases other than companies:

S.No.	Holding Period of Security	Tax Year	
		2015	2016
1.	Less than 12 months	12.5%	15.0%
2.	12 months or more but less than 24 months	10.0%	12.5%
3.	24 months or more but less than 4 years	0.0%	7.5%

It has also been proposed that mutual funds, collective investment schemes or REIT schemes shall deduct Capital Gains Tax at the following rates at the time of redemption of securities:

Category of Recipient	Tax Status of Recipient	
	Filer	Non-filer
Individuals and association of persons	10.0%	17.5%
Companies	10.0% for stock funds 25.0% for others	25.0%

In case of a stock fund if dividend receipts of the fund are less than capital gains, the rate of tax deduction shall be 12.5%.

7. EXEMPTIONS AND TAX CONCESSIONS IN THE SECOND SCHEDULE [Section 53]

The Finance (Amendment) Ordinance, 2015 [Ordinance IX of 2015] recently brought an amendment to section 53 of the Ordinance. Now, it is intended to enact the said amendments through the upcoming Finance Act. These amendments abstain the Federal Government to amend the Second Schedule to the Ordinance without sanction of the Economic Coordination Committee (ECC) of Cabinet. The said amendments are to be so approved by the ECC whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations, protection of national economic interests in situations arising out of abnormal fluctuation in international commodity prices, removal of anomalies in taxes, development of backward areas and implementation of bilateral and multilateral agreements.

The Bill also seeks enactment of the earlier amendment vide the said Finance Ordinance that any notification issued after the promulgation of Finance Act, 2015, under sub-section (2) of section 53 shall, if not earlier rescinded, stand rescinded on the expiry of the financial year in which it was issued.

8. TAX CREDITS

Tax credits for investment in shares and insurance [Section 62]

The Bill proposes to enhance benefits from tax credit for investment in shares and insurance by increasing the monetary threshold for eligible amount from existing Rs. 1 Million to Rs. 1.5 Million.

Tax credit on profit on debt & deductible allowance for profit on debt [Section 64 & 64A]

Presently a tax credit is available up to certain prescribed limits to persons in respect of any profit or share in rent and share in appreciation for value of house paid by the person in the year on a loan by a scheduled bank or non-banking finance institution regulated by the Securities and Exchange Commission of Pakistan or advanced by Government or the Local Government or a statutory body or a public company listed on a registered stock exchange in Pakistan where the person utilizes the loan for the construction of a new house or the acquisition of a house.

It has now been sought to substitute this tax credit with deductible allowance for similar cases in addition to such profit or share in rent and share in appreciation for value of house paid to provincial government by individuals.

It has been proposed that the amount of deductible allowance for a tax year shall be lower of 50% of taxable income or Rs. 1 Million. Any allowance or part of an allowance for a tax year that could not be deducted for the year shall not be carried forward to a subsequent tax year. It has however been noted that this section should have been inserted in Part IX of the Ordinance.

Tax credit for employment generation by manufacturers

[Section 64B]

The Bill seeks to grant a new type of tax credit for a period of ten years to new manufacturing units. The said tax credit is proposed to be equal to 1% of the tax payable for every 50 employees, subject to a maximum of 10% of the tax payable.

Conditions for admissibility of tax credit:

- (a) the company is incorporated and manufacturing unit is setup between the July 2015 and June 2018;
- (b) employs more than 50 personnel in a tax year registered with EOBI and provincial Social Security Institutions;
- (c) manufacturing unit is managed by a company, which is incorporated under the Companies Ordinance, 1984 (XLVII of 1984) and having its registered office in Pakistan; and
- (d) the manufacturing unit is not established by the splitting up or reconstruction or reconstitution of an existing undertaking or by transfer of machinery or plant from an undertaking established in Pakistan at any time before July 2015.

Where the said credit is allowed and subsequently it is discovered, on the basis of documents or otherwise, by the Commissioner that any of the conditions specified in this section were not fulfilled; the credit originally allowed shall be deemed to have been wrongly allowed and the Commissioner may re-compute the tax payable by the taxpayer for the relevant year.

A manufacturing unit shall be treated to have been setup on the date on which the manufacturing unit is ready to go into trial production or commercial production.

Miscellaneous provisions relating to tax credits

[Section 65]

The Bill seeks to insert a new subsection (6) to section 65 proposing that where a person is entitled to a tax credit under section 65B (tax credit for investment), 65D (tax credit for newly established industrial undertakings) or 65E (tax credit for industrial undertakings established before the July 1, 2011), provisions of section 169(2)(d) disallowing any tax credits on final tax and section 113(1)(d) disallowing tax credits on minimum tax shall not apply.

Tax credit for enlistment

[Section 65C]

A tax credit of 15% of the tax payable for the tax year is currently allowable for enlisting of companies at any registered stock exchange in Pakistan. It has now been proposed to increase the rate for this credit to 20%.

Tax credit for industrial undertakings established before July 1, 2011

[Section 65E]

A conditional tax credit of 100% of the tax payable is allowable to certain companies established before July 1, 2011. The Bill seeks to rationalize the existing condition of tax credit that was currently being reckoned from the date of installation of plant & machinery. Now the period of tax credit shall be reckoned from date of setting up or commencement of commercial production from the new plant or expansion project, whichever is later.

9. AGREEMENTS FOR THE AVOIDANCE OF DOUBLE TAXATION AND PREVENTION OF FISCAL EVASION

[Section 107]

It has been sought to bring necessary changes to the income tax statute empowering the Federal Government to exchange information with other foreign governments or tax jurisdictions and also to automate such exchange of information. The proposal is also aimed at empowering the Federal Board of Revenue to obtain and collect information when solicited by another country under a tax treaty, a tax information exchange agreement, a multilateral convention, an inter-governmental agreement or under any similar arrangement or mechanism. It has also been proposed any such information received or supplied shall be confidential, notwithstanding the provisions of the Freedom of Information Ordinance, 2002 (XCVI of 2002) and shall be subject to subsection (3) of section 216, which requires public servants to maintain confidentiality of information.

10. MINIMUM TAX

Minimum tax in certain cases **[Section 113 Div IX of Part I of First Schedule]**

- a. It has been proposed to increase the rate of minimum tax for distributors of fertilizers from existing 0.2% to 0.5% and to reduce the same for dealers of fertilizers from existing 1% to proposed 0.5%;
- b. The Bill seeks to increase the rate for distributors of consumer goods from existing 0.2% to 1%.

Minimum tax on builders **[Section 113A]**

Pending any further notification on the mode, manner and time of payment of minimum tax on builders, the Bill seeks to defer the applicability of the said tax till June 2018.

Minimum tax on land developers **[Section 113B]**

It has been sought to propose the rate of minimum tax at 2% of the notified value of land for the purpose of stamp duty on the business of development and sale of residential, commercial or other plots.

Collection of tax by Pakistan Mercantile Exchange Limited (PMEX) **[Section 236T & Div XXII of Part IV of First Schedule]**

The Bill seeks to require PMEX to collect tax at 0.1% from its members on the following:

- a. on purchase and sale of futures commodity contracts;
- b. on purchase and sale of futures commodity contracts in lieu of tax on the commission earned by such members.

The tax collected under this section shall be minimum tax.

11. RETURN OF INCOME **[Section 114]**

Revision of return of income is subject to certain conditions, including a condition that the revised return needs to be accompanied by written approval of the Commissioner. The Bill proposes to waive this condition provided that the revised return is filed within 60 days of filing.

12. BEST JUDGMENT ASSESSMENT/ SPECIAL AUDIT PANEL **[Section 121 & 207]**

It has been sought to propose administrative amendment by including a special audit panel pursuant to a proposed amendment to section 177 and 207.

13. PROCEDURE IN APPEAL **[Section 128]**

The Commissioner (Appeals) is currently empowered to allow an aggregate 30 days stay for recovery of tax. The Bill now seeks that the Commissioner (Appeals), after affording opportunity of being heard to the Commissioner against whose order appeal has been made, may stay the recovery of such tax for a further period of 30 days, provided that the order on appeal shall be passed within the said period of 30 days.

14. DUE DATE FOR PAYMENT OF TAX **[Section 137]**

Where any tax is payable under an assessment order or any other order issued by the Commissioner, a notice is required to be served upon the taxpayer that the tax shall be paid within 15 days from the date of service of the notice. It has now been sought to increase the timeframe for payment to 30 days.

However, the tax payable under provisional assessment order under section 122C, as specified in the above said notice is currently payable immediately after a period of 60 days from the date of service of the notice and the taxpayer may also pay this tax prior to the said 60 days timeframe. The Bill now seeks to reduce the timeframe of 60 days to 45 days.

15. ADVANCE TAX

Advance tax paid by the taxpayer

[Section 147]

Presently under section 147(A), a taxpayer, who is required to make payment of advance tax in accordance with sub-section (4), estimates the tax payable for the relevant tax year, at any time before the last installment is due. In case the tax payable is likely to be more than the amount required to be paid under section 147(4), the taxpayer furnishes to the Commissioner an estimate of the amount of tax payable by him and pays such amount after making adjustment for the amount (if any) already paid in terms of sub-section 147(4). It has now been proposed to substitute 147(4A) as under:

A taxpayer who is required to pay advance tax in accordance with section 147(4), shall be required to estimate the tax payable for the relevant tax year, at any time before the 2nd installment is due. In case the tax payable is likely to be more than the amount that the taxpayer is required to pay under section 147(4), the taxpayer shall be required to furnish to the Commissioner on or before the due date of the second quarter an estimate of the amount of tax payable by the taxpayer and thereafter pay 50% of such amount by the due date of the 2nd quarter of the tax year after making adjustment for the amount (if any) already paid in terms of section 147(4). The balance 50% of the estimate shall be paid after the 2nd quarter in two equal installments payable by the due date of the 3rd and 4th quarter of the tax year.

Imports

[Section 148 & Part II of First Schedule]

The Federal Board of Revenue is currently empowered to specify any goods or class of goods or persons or class of persons importing such goods or class of goods to which tax at import stage may not be collected. It has now been sought to withdraw this authority from the Board.

The Bill seeks to substitute the TABLE of rates for collection of tax at import stage as below:

S. No.	Persons	Rate	
		Filers	Non-filers
1.	(i) Industrial undertaking importing remeltable steel (PCT Heading 72.04) and directly reduced iron for its own use (ii) Persons importing potassic fertilizers in pursuance of ECC's decision No.ECC-155/12/2004 dated the 9th December, 2004 (iii) Persons importing urea (iv) Manufacturers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31 st December, 2011 and importing items covered under S.R.O. 1125(I)/2011 dated the 31 st December, 2011 (v) Persons importing Gold (vi) Persons importing Cotton	1% of the import value as increased by customs-duty, sales tax & FED	1.5% of the import value as increased by customs duty, sales tax & FED
2.	Persons importing pulses	2% of the import value as increased by customs-duty, sales tax & FED	3% of the import value as increased by customs-duty, sales tax & FED
3.	Commercial importers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31 st December, 2011 and importing items covered under S.R.O. 1125(I)/2011 dated the 31 st December, 2011	3% of the import value as increased by customs-duty, sales tax & FED	4.5% of the import value as increased by customs-duty, sales tax & FED
4.	Ship breakers on import of Ships	4.5%	6.5%
5.	Industrial undertakings not covered under S. Nos. 1 to 4	5.5%	8.0%
6.	Companies not covered under S. Nos. 1 to 5	5.5%	8.0%
7.	Persons not covered under S. Nos. 1 to 6	6.0%	9.0%

16. FINAL TAX

Tax on shipping of a resident person

[Section 7A & Clause (21) of Part II of Second Schedule]

It has been proposed to transpose the existing Clause (21) of Part II of Second Schedule by inserting a new section 7A to the Ordinance. The extent and basis of tax remaining unchanged as under:

Ships and all floating crafts including tugs, dredgers, survey vessels and other specialized craft purchased or bare-boat	Presumptive/ Final Tax
Chartered and flying Pakistan flag	Annual tonnage tax equivalent amount to USD 1 per gross registered tonnage
Not registered in Pakistan and hired under any charter other than bare-boat charter	Equivalent amount of 15 US cents/ ton of gross registered tonnage per chartered voyage, subject to a maximum annual amount of USD 1 per ton of gross registered tonnage

The explanation as per existing clause is also proposed to be transposed and reads as 'the expression 'equivalent amount' means the rupee equivalent of a US dollar according to the exchange rate prevalent on December 01 in the case of a company and September 01 in other cases in the relevant assessment year. It appears there is a need to replace the words 'assessment year' with 'tax year' in this proposed transposition. This mode of tax continues to remain valid till June 30, 2020.

Tax on local purchase of cooking oil or vegetable ghee by certain persons

[Section 148A, 169 & Clause 13(C) of Part II of Second Schedule]

The Bill seeks to transpose Clause 13(C) of Part II of Second Schedule in to a new section 148A, which reads as "*The manufacturers of cooking oil or vegetable ghee, or both, shall be chargeable to tax at the rate of two percent on purchase of locally produced edible oil*". This tax shall be final tax in respect of income accruing from locally produced edible oil.

Profit on debt

[Section 151]

Tax deductible on profit on debt is in the nature of final tax for all type of taxpayers other than companies. The Bill now seeks to exclude tax deductible on profit on debt under section 5A (apparently the newly inserted section 7B) from the purview of final tax.

Exports

[Section 154]

Opt-out from final tax option was abolished for exporters through Finance Act, 2014. Now the Bill seeks to adopt a new, rather irrational, option for exporters in lieu of final tax regime. The option is irrevocable and will turn tax collected on export proceeds into 'minimum tax'.

Payment to residents for use of machinery and equipment

[Section 236Q & Div XXIII of Part IV of First Schedule]

The Bill seeks to introduce a new section 236Q, which requires every prescribed person, defined in sub-section (7) of section 153, to deduct tax at 10% from gross amount while making a payment in full or in part including a payment by way of advance to a resident person:

- a. for use or right to use industrial, commercial and scientific equipment; and
- b. on account of rent of machinery.

The tax deductible under this section shall be final tax on the income of such resident person

17. COLLECTION OR DEDUCTION OF WITHHOLDING TAX

Tax on profit on debt

[Section 7B & Division IIIA of Part I of First Schedule]

The Bill seeks to impose slab-based tax on profit on debt, other than exempt profit on debt, received from persons liable to withhold tax under section 151(a) to 151(d) by applying the relevant rate of tax to the gross amount of the profit on debt as per the following rates:

S.No.	Profit on Debt	Rate of Tax
1.	Up to Rs. 25 Million	10%
2.	Exceeding Rs. 25 Million up to Rs.50 Million	Rs. 2.5 Million + 12.5% of the amount exceeding Rs. 25 Million
3.	Exceeding Rs. 50 Million	Rs. 5.625 Million + 15% of the amount exceeding Rs. 50 Million

Dividends [Section 150 & Division I of Part III of First Schedule]

It has been proposed to increase the rate of tax on dividends as under:

Category	Existing Rate		Proposed Rate	
	<i>Filers</i>	<i>Non-filers</i>	<i>Filers</i>	<i>Non-filers</i>
Dividends from privatized power projects or companies set up for power generation or companies supplying coal exclusively to power generation projects	7.5%	7.5%	7.5%	7.5%
Dividends declared or distributed in other cases	10.0%	15.0%	10.0%	17.5%
Dividends received by a person from stock funds, if dividend receipts are less than capital gains	12.5%	15.0%	15.0%	17.5%
Dividends received by a company from a collective investment scheme, REIT scheme or a mutual fund, other than a stock fund	25.0%	25.0%	25.0%	25.0%

It has also been proposed that the rate of tax on dividends to be reduced by 50% for 3 years from June 30, 2018 where such dividends are received from Developmental REIT Schemes set up by June 30, 2018 with the object of development and construction of residential buildings.

Profit on debt [Section 151 & Division IA of Part III of First Schedule]

It has been sought to increase the rate of collection of tax on profit on debt in the case of non-filers from existing 15% to 17.5% where the yield or profit paid is above Rs. 500,000.

Category of Recipient	Rate of Withholding Tax	
	<i>Existing</i>	<i>Proposed</i>
Filers	10.0%	10.0%
Non-filers with debt yield up to Rs. 500,000	10.0%	10.0%
Non-filers with debt yield above Rs. 500,000	15.0%	17.5%

(10% is treated as final tax for non-company recipients and balance 7.5% will be in the nature of advance tax)

Payments to non-residents [Section 152 & First Schedule]

Under section 152(2A), every prescribed person making a payment in full or part including a payment by way of advance to a Permanent Establishment (PE) in Pakistan of a non-resident person for the sale of goods, rendering of or providing services, execution of a contract is liable to deduct tax from the gross amount at specified rates.

It has now been proposed that the Commissioner may, on application made by PE in Pakistan of a non-resident person and after making such inquiry as the Commissioner thinks fit, may allow in cases where the tax deductible under section 152(2A) is adjustable, by order in writing, any person to make the payment, without deduction of tax or deduction of tax at a reduced rate.

It has also been sought to introduce discriminatory rates for filing status in case of non-residents. A comparison of existing and proposed rates are as under:

	Existing Rate		Proposed Rate	
	Filers	Non-filers	Filers	Non-filers
Royalty or fees for technical services	15.0%	15.0%	15.0%	15.0%
Execution of contracts	6.0%	6.0%	6.0%	6.0%
Insurance or re-insurance premium	5.0%	5.0%	5.0%	5.0%
Advertisement services to a non-resident media person relaying from outside Pakistan	10.0%	10.0%	10.0%	10.0%
Sales/ supply of goods				
- by PE of non-resident companies	3.5%	3.5%	4.0%	6.0%
- by PE other non-residents	3.5%	3.5%	4.5%	6.5%
Rendering of or providing transport services by PE of non-residents	2.0%	2.0%	2.0%	2.0%
Rendering of or providing services other than transport services				
- by PE of non-resident companies	6.0%	6.0%	8.0%	12.0%
- by PE of other non-residents	6.0%	6.0%	10.0%	15.0%
Execution of contracts other than a contract for the sale of goods or the rendering of or providing services				
- by PE of non-resident companies	6.0%	6.0%	7.0%	10.0%
- by a sportsperson	6.0%	6.0%	10.0%	10.0%
- by PE of other non-residents	6.0%	6.0%	7.5%	10.0%

Payments for goods, services and contracts

Transposition & clarification [Section 153 & Clause (79) of Part IV of Second Schedule]

Tax deductible at source on rendering of or providing of services is minimum tax for taxpayers other than companies and in the nature of advance tax for companies. The Bill seeks to substitute clause (b) of proviso to section 153(3) of the Ordinance and omit Clause (79) of Part IV of Second Schedule for clarity and with no conceptual change. Moreover, a new clause (d) has been introduced to the said proviso, which clarifies that tax deducted under clause (c) of sub-section (1) in respect of a sportsperson shall be final tax with effect from tax year 2013.

Supply of goods & execution of contracts [Section 153 & Div III Part III of First Schedule]

It has been proposed to adopt discriminatory rates for deduction of tax in case of non-filers as under:

Payment made on Account of	Type of Supplier/ Contractor	Existing Rates	Proposed Rates	
			Filers	Non-filers
Supply of goods	Companies	4.0%	4.0%	6.0%
	Other cases	4.5%	4.5%	6.5%
Execution of contracts	Companies	7.0%	7.0%	10.0%
	Sportsperson	10.0%	10.0%	10.0%
	Other cases	7.5%	7.5%	10.0%

Rendering of services [Section 153 & Div III of Part III of First Schedule]

In a recent amendment vide SRO 136(I)/2015 dated February 13, 2015, discriminatory rates have already been adopted to the statute for deduction of tax at source. Now the bill seeks to enact the same through the upcoming Finance Act, 2015:

Type of Service Provider	Filers	Non-filers
Companies	8.0%	12.0%
Other cases	10.0%	15.0%

Petroleum products [Section 156 & Div VIA of Part III of First Schedule]

It has been proposed to adopt discriminatory rates for deduction of tax in case of non-filers from a uniform rate of 12%. The rate for filers will be 12%, whereas the rate for non-filers is proposed at 15%.

Cash withdrawal from a bank

[Section 231A, Div VI of Part IV of First Schedule & Cl (28B) Part II of Second Sched.]

Banks are required to deduct tax daily cash withdrawals exceeding Rs. 50,000. The Bill now apparently seeks to consolidate exemptions for all of the above-said immune cases in newly proposed section 236O. The rates for collection in case of non-filers are also sought to be enhanced:

Status/ Type of Taxpayer	Existing Rate	Proposed Rate
Filer	0.3%	0.3%
Non-filer	0.5%	0.6%
Exchange company, duly licensed and authorized by SBP, subject to conditions specified as per proposed clause (28B) Part II of Second Schedule	Exempt u/c (61A) of Part IV of Second Schedule	0.15%

Advance tax on transactions in bank [Section 231AA & Div VIA of Part IV of First Schedule]

No advance tax is currently applicable to inter-bank or intra-bank transfer and also where payment is made through a crossed cheque for purchase of Demand Draft, Pay Order, CDR, STDR, SDR, RTC, or any other instrument of bearer nature. The rates for collection in case of non-filers are sought to be enhanced:

Status of Taxpayer	Existing Rate	Proposed Rate
Filer	0.3%	0.3%
Non-filer	0.5%	0.6%

Advance tax on private motor vehicles

[Section 231B & Division VII of Part IV of First Schedule]

The following rates for collection of advance tax currently apply at the time of registration of motor vehicles as well as sale of motor cars or jeeps by manufacturers.

S. No.	Engine Capacity	Tax for filers	Tax for Non-filers
(1)	(2)	(3)	(4)
1.	Upto 850cc	Rs. 10,000	Rs. 10,000
2.	851cc to 1000cc	Rs. 20,000	Rs. 25,000
3.	1001cc to 1300cc	Rs. 30,000	Rs. 40,000
4.	1301cc to 1600cc	Rs. 50,000	Rs. 100,000
5.	1601cc to 1800cc	Rs. 75,000	Rs. 150,000
6.	1801cc to 2000cc	Rs.100,000	Rs. 200,000
7.	2001cc to 2500cc	Rs.150,000	Rs. 300,000
8.	2501cc to 3000cc	Rs.200,000	Rs. 400,000
9.	Above 3000cc	Rs.250,000	Rs. 450,000

The Bill seeks to substitute the words 'car or jeep' with the word motor vehicle, thereby proposing to enhance the scope of collection of tax at the time of sale by manufacturers of all type of vehicle.

It has also been sought to propose separate rates for collection of advance tax at the time of transfer of registration or ownership, which were currently applicable at par with the above cases. The

proposed rates are as under, which are to be reduced by 10% each year from the date of first registration in Pakistan:

S. No.	Engine Capacity	Tax for filers	Tax for Non-filers
(1)	(2)	(3)	(4)
1.	Upto 850cc	NIL	Rs. 5,000
2.	851cc to 1000cc	Rs. 5,000	Rs. 15,000
3.	1001cc to 1300cc	Rs. 7,500	Rs. 25,000
4.	1301cc to 1600cc	Rs. 12,500	Rs. 65,000
5.	1601cc to 1800cc	Rs. 18,750	Rs. 100,000
6.	1801cc to 2000cc	Rs. 25,000	Rs. 135,000
7.	2001cc to 2500cc	Rs. 37,500	Rs. 200,000
8.	2501cc to 3000cc	Rs. 50,000	Rs. 270,000
9.	Above 3000cc	Rs. 62,500	Rs. 300,000

It has been sought to clarify that, for the purposes of the given section, the expression 'date of first registration' means:

- (a) the date of issuance of broad arrow number in case a vehicle is acquired from the Armed Forces of Pakistan;
- (b) the date of registration by the Ministry of Foreign Affairs in case the vehicle is acquired from a foreign diplomat or a diplomatic mission in Pakistan;
- (c) the last day of the year of manufacture in case of acquisition of an unregistered vehicle from the Federal or a Provincial Government; and
- (d) in all other cases the date of first registration by the Excise and Taxation Department.

It has also been sought to clarify that, for the purpose of the given section, the term 'motor vehicle' includes car, jeep, van, sports utility vehicle, pick-up trucks for private use, caravan automobile, limousine, wagon and any other automobile used for private purpose.

Brokerage & commission **[Section 233 & Div II of Part IV of First Schedule]**

Discriminatory rates based on filing status of the taxpayer are proposed to be introduced:

Recipient	Existing Rates	Proposed Rates	
		<i>Filers</i>	<i>Non-filers</i>
Advertising agents	7.5%	10.0%	15.0%
Others	12.0%	12.0%	15.0%

Tax on motor vehicles **[Section 234 & Div III of Part IV of First Schedule]**

The rates of tax for **goods transport vehicles** are proposed to be reduced from existing Rs.5/ kg of laden weight to Rs. 2.5/ kg in case of filers, whereas reduction to Rs. 4/ kg is proposed in case of non-filers.

Tax rates for **passenger transport vehicles** plying for hire are being proposed to be amended as under:

Seating Capacity	Rates (per seat per annum)		
	Existing	Proposed	
		<i>Filers</i>	<i>Non-filers</i>
4 to 9 persons	Rs. 25	Rs. 50	Rs. 100
10 to 19 persons	Rs. 60	Rs. 100	Rs. 200
20 and above	Rs. 500	Rs. 300	Rs. 500

The Bill seeks to substitute the word 'cars' with the word 'vehicles' in case of **private automobiles** and also amend the rate of tax collectible at the time of collection of motor vehicle tax by reducing tax for filers and further enhancing the same in case of non-filers:

S. No.	Engine capacity	Existing Rates		Proposed Rates	
		Filers	Non-filers	Filers	Non-filers
1.	upto 1000cc	Rs. 1,000	Rs.1,000	Rs. 800	Rs.1,200
2.	1001cc to 1199cc	Rs. 1,800	Rs. 3,600	Rs. 1,500	Rs. 4,000
3.	1200cc to 1299cc	Rs. 2,000	Rs.4,000	Rs. 1,750	Rs.5,000
4.	1300cc to 1499cc	Rs. 3,000	Rs.6,000	Rs. 2,500	Rs.7,500
5.	1500cc to 1599cc	Rs 4,500	Rs 9,000	Rs 3,750	Rs 12,000
6.	1600cc to 1999cc	Rs. 6,000	Rs.12,000	Rs. 4,500	Rs.15,000
7.	2000cc & above	Rs.12,000	Rs.24,000	Rs. 10,000	Rs.30,000

Advance tax on domestic electricity consumption

[Section 235 & Division XIX of Part IV of First Schedule]

Advance tax is collectible at 7.5% in cases where electricity consumption is Rs. 100,000 or more. Though there is an error in the proposed clause of Finance Bill, it appears that it is intended to reduce the threshold of Rs. 100,000 to Rs. 75,000.

Telephone and internet users

[Section 236 & Division V of Part IV of First Schedule]

Advance tax is now proposed to be collected on both post-paid subscriptions and prepaid cards at 14% for internet charges at par with subscribers of mobile telephones and prepaid telephone card by enhancing the scope of section 236.

Advance tax on purchase of domestic air ticket

[Section 236B & Division IX of Part IV of First Schedule]

Advance tax is currently being charged at 5% of gross amount of air tickets for all domestic routes. It has been sought to exempt this collection on tickets for the routes of Baluchistan coastal belt, Azad Jammu and Kashmir, FATA, Gilgit-Baltistan and Chitral. Moreover, the prevailing immunity from this section to Federal Government, Provincial Governments or persons holding tax exemption certificate during a tax year is apparently proposed to be consolidated in newly proposed section 236O.

Advance tax on sale or transfer of immovable property

[Section 236C & Division X of Part IV of First Schedule]

Advance tax is currently not being collected in the case of sale or transfer of immovable property by Federal Government, Provincial Government or a Local Government. The Bill now apparently seeks to consolidate exemptions for all of the above-said immune cases in newly proposed section 236O.

Advance tax on sale to distributors, dealers or wholesalers

[Section 236G & Div XIV of Part IV of First Schedule]

It has been sought to enhance the rate for collection of tax on fertilizers. The existing and proposed rates under section 236G are as under:

Category of Sale	Existing Rate		Proposed Rate	
	Filers	Non-filers	Filers	Non-filers
Fertilizers	0.2%	0.4%	0.7%	1.4%
Other than Fertilizers	0.1%	0.2%	0.1%	0.2%

Advance tax on sales to retailers

[Section 236H & Division XV of Part IV of First Schedule]

Every manufacturer, distributor, dealer, wholesaler or commercial importer of electronics, sugar, cement, iron and steel products, fertilizer, motorcycles, pesticides, cigarettes, glass, textile, beverages, paint or foam sector is responsible to collect advance tax at 0.5% at the time of sale to retailer on the gross amount of such sale.

The Bill now proposes to withdraw this requirement in case of sale of fertilizers; however, the cases of sale of all other specified commodities to wholesaler are being proposed to be brought under the ambit of this advance tax.

Collection of advance tax by educational institutions

[Section 236I & Division XVI of Part IV of First Schedule]

Non applicability of advance tax collectible at 5% by educational institutions on the amount of fee from non-residents is now being proposed to be transposed to section 236I from Clause (89) of Part IV of Second Schedule of the Ordinance with no conceptual change.

Advance tax on purchase or transfer of immovable property

[Section 236K & Division XVIII of Part IV of First Schedule]

Advance tax is currently not being collected in the case of purchase or transfer of immovable property by Federal Government, Provincial Government or a Local Government. The Bill now apparently seeks to consolidate exemptions for all of the above-said immune cases in newly proposed section 236O.

Advance tax on international air ticket [Section 236L & Div XX of Part IV of First Schedule]

The Bill seeks to propose the following changes to rate of collection of tax on international air tickets:

Type of Ticket	Existing Rate (based on gross amount of Ticket)	Proposed Rate (per Person)
First/ executive class	4%	Rs.16,000
Others excluding economy	4%	Rs. 12,000
Economy	0%	NIL

Advance tax under this chapter

[Section 236O]

Despite the withdrawal of specific exemptions from collection of advance tax from the Federal Government, Provincial Governments, foreign diplomats or diplomatic missions in Pakistan or persons who produce a certificate from the Commissioner that his income during the tax year is exempt, the proposed insertion of a new section 236O appears as an effort to consolidate the specific/ scattered exemptions in this regard as per various sections.

Advance tax on banking transactions otherwise than through cash

[Section 236P & Div XXI of Part IV of First Schedule]

The newly proposed section 236P seeks to induce filings while increasing advance tax collections at 0.6% on almost all type of banking transactions of non-filers if such transactions exceed Rs. 50,000 in a day. The proposed advance tax is applicable on:

- | | | |
|--------------------------------|---------------------------------|-----------------------------|
| a. demand draft, | k. online transfer, | s. real time third party |
| b. pay order, | l. telegraphic transfer, | account to account fund |
| c. special deposit receipt, | m. mail transfer, direct debit, | transfer, |
| d. cash deposit receipt, | n. payments through internet, | t. automated teller machine |
| e. short term deposit receipt, | o. payments through mobile | (ATM) transfers, |
| f. call deposit receipt, | phones, | u. any other mode of |
| g. rupee traveller's cheque | p. account to account funds | electronic or paper based |
| h. any other instrument of | transfer, | funds transfer. |
| such nature, | q. third party account to | |
| i. cheque or clearing, | account funds transfers, | |
| j. interbank or intra bank | r. real time account to | |
| transfers through cheques, | account funds transfer, | |

Advance tax under this section shall not be collected in the case of Pakistan Realtime Interbank Settlement Mechanism (PRISM) transactions or payments made for Federal, Provincial or local Government taxes.

Collection of advance tax on education related expenses remitted abroad

[Section 236R & Div XXIV of Part IV of First Schedule]

It has been proposed to require collection of advance tax at a rate of 5% by banks, financial institutions, foreign exchange companies or any other person responsible for remitting foreign currency abroad on account of education related expenses. It has also been sought to include for clarity that 'education related expenses' includes tuition fee, boarding and lodging expenses, any

payment for distant learning to any institution or university in a foreign country and any other expense related or attributable to foreign education.

Dividend in specie **[Section 236S & Div I of Part III of First Schedule]**

Dividend in specie has been proposed to be subjected to collection of tax on rates at par with dividends.

18. EXEMPTION OR LOWER RATE CERTIFICATE **[Section 159]**

The Federal Board of Revenue is currently empowered to amend the prescribed rates of withholding tax or exempt persons, class of persons, goods or class of goods from withholding tax. The Bill now seeks to withdraw this authority vested the Board.

19. FAILURE TO PAY TAX COLLECTED OR DEDUCTED **[Section 161]**

Where at the time of recovery of tax under section 161(1) it is established that the tax that was to be deducted from the payment made to a person or collected from a person has meanwhile been paid by that person, no recovery could be made from the person who had failed to collect or deduct the tax, however, the said person is liable to pay default surcharge at the rate of 18% per annum from the date he failed to collect or deduct the tax to the date the tax was paid.

It has been proposed to reduce the rate of this default surcharge from 18% to 12%.

20. FURNISHING OF INFORMATION BY FINANCIAL INSTITUTIONS INCLUDING BANKS **[Section 165B]**

While banks have already been bound to provide information to the Board vide an amendment brought to statute through Finance Act, 2013; it has now been proposed to extend the insight into financial transactions of non-residents handled by all financial institutions by inserting a new section 165B, which reads as under:

- “(1) *Notwithstanding anything contained in any law for the time being in force including but not limited to the Banking Companies Ordinance, 1962 (LVII of 1962), the Protection of Economic Reforms Act, 1992 (XII of 1992), the Foreign Exchange Regulation Act, 1947 (VII of 1947) and any regulations made under the State Bank of Pakistan Act, 1956 (XXXIII of 1956), on the subject every financial institution shall make arrangements to provide information regarding non-resident Persons to the Board in the prescribed form and manner for the purpose of automatic exchange of information under bilateral agreement or multilateral convention.*
- (2) *Subject to section 216, all information received under this section shall be used only for tax and related purposes and kept confidential.”*

21. ADDITIONAL PAYMENT FOR DELAYED REFUNDS **[Section 171]**

Where a refund due to a taxpayer is not paid within 3 months of the date on which it becomes due, he is entitle to a further amount by way of compensation at the rate of 15% per annum of the amount of the refund computed for the period commencing at the end of the 3 month period and ending on the date on which it was paid.

The Bill now seeks to link the rate of compensation to KIBOR with 0.5% add-on.

22. NOTICE TO OBTAIN INFORMATION OR EVIDENCE **[Section 176]**

The Commissioner is empowered to require any person, whether or not liable for tax under this Ordinance to furnish to the Commissioner or an authorised officer, any information relevant to any tax leviable under the Ordinance. It has now been proposed that the Commissioner may also furnish such a notice to any person requiring him to fulfill any obligation under any agreement with foreign government or governments or tax jurisdiction, as specified in the notice.

Moreover, under a proposed new clause (1A) seeks to empower a special audit panel appointed under sub-section (11) of section 177, for any tax year, may, with the prior approval of the Commissioner concerned, enter the business premises of a taxpayer, to obtain any information, require production of any record, on which the required information is stored and examine it within such premises and such panel may if specifically delegated by the Commissioner, also exercise the

powers vested in a Court under the Code of Civil Procedure, 1908 (Act V of 1908) in respect of certain specified matters.

23. AUDIT

[Section 177, 210 & 211]

New sub-sections (11) to (17) are proposed to be added, which read as under:

- “(11) *The Board may appoint as many special audit panels as may be necessary, comprising two or more members from the following:-*
- (a) *an officer or officers of Inland Revenue;*
 - (b) *a firm of Chartered Accountants as defined under the Chartered Accountants Ordinance, 1961 (X of 1961);*
 - (c) *a firm of Cost and Management Accountants as defined under the Cost and Management Accountants Act, 1966 (XIV of 1966); or*
 - (d) *any other person as directed by the Board, to conduct an audit, including a forensic audit, of the income tax affairs of any person or classes of persons and the scope of such audit shall be as determined by the Board or the Commissioner on case to case basis.*
- (12) *Special audit panel shall be headed by a Chairman who shall be an officer of Inland Revenue.*
- (13) *Powers under sections 175 and 176 for the purposes of conducting an audit under sub-section (11), shall only be exercised by an officer or officers of Inland Revenue, who are member or members of the special audit panel, and authorized by the Commissioner.*
- (14) *Notwithstanding anything contained in sub-sections (2) and (6), where a person fails to produce before the Commissioner or a special audit panel under sub-section (11) to conduct an audit, any accounts, documents and records, required to be maintained under section 174 or any other relevant document, electronically kept record, electronic machine or any other evidence that may be required by the Commissioner or the panel, the Commissioner may proceed to make best judgment assessment under section 121 of this Ordinance and the assessment treated to have been made on the basis of return or revised return filed by the taxpayer shall be of no legal effect.*
- (15) *If any one member of the special audit panel, other than the Chairman, is absent from conducting an audit, the proceedings of the audit may continue, and the audit conducted by the special audit panel shall not be invalid or be called in question merely on the ground of such absence.*
- (16) *Functions performed by an officer or officers of Inland Revenue as members of the special audit Panel, for conducting audit, shall be treated to have been performed by special audit panel.*
- (17) *The Board may prescribe the mode and manner of constitution, procedure and working of the special audit panel.”*

It has also been sought to substitute section 210(1B) to empower the Commissioner to delegate to a special audit panel appointed under sub-section (11) of section 177, or to a firm of Chartered Accountants or a firm of Cost and Management Accountants appointed by the Board or the Commissioner to conduct an audit of person under section 177, all or any of the powers or functions to conduct an audit under this Ordinance. A similar necessary amendment is also sought in section 211.

24. TAXPAYER'S REGISTRATION

[Section 181]

[Section reference is 181A as per Finance Bill, which appears a type error]

It has been sought to substitute the proviso after sub-section (3) by a new sub-section (4), as under with no conceptual change, however specifying its applicability from tax year 2015:

“From tax year 2015 and onwards, in case of individuals having Computerized National Identity Card (CNIC) issued by the National Database and Registration Authority, CNIC shall be used as National Tax Number.”

25. OFFENCES AND PENALTIES

[Section 182, Clause (16) of Part III of Second Schedule]

The Bill seeks enactment of changes to certain penalties, as under:

S.No.	Offences	Existing Penalty	Proposed Penalty
1A.	Failure to furnish a statement as required under section 115, 165 or 165A within the due date.	Rs.2,500 for each day of default subject to a minimum penalty of Rs.50,000	Minimum penalty of Rs.10,000 transposed from Clause (16) of Part III of Second Schedule
1AA.	Failure to furnish wealth statement or wealth reconciliation statement	Rs.100 for each day of default	0.1% of the taxable income per week or Rs.20,000, whichever is higher

26. DEFAULT SURCHARGE

[Section 205]

It has been proposed to reduce the rate of default surcharge from existing 18% to 12%.

27. AUTOMATIC SELECTION FOR AUDIT

[Section 214D]

The Bill seeks to introduce a new section 214D, which is proposed to have effect from the date appointed by the Board through notification in official gazette. The proposed section enunciates that—

- (1) A person registered as retailer under rule (4) or rule (6) of the Sales Tax Special Procedure Rules, 2007 who does not fulfill the parameters mentioned in sub-clauses (a) to (e) of sub-section (3) shall be automatically selected for audit of income tax affairs for that tax year.
- (2) Audit of Income Tax affairs of persons automatically selected under sub-section (1) shall be conducted as per procedure given in section 177 and all the provisions of the Ordinance, except the first proviso to subsection (1) of section 177, shall apply accordingly.
- (3) The provisions of sections 177 and 214C for a tax year shall not apply to a person registered as retailer under rule (4) or rule (6) of the Sales Tax Special Procedure Rules, 2007 subject to the conditions that—
 - (a) name of the person registered under rule (4) of the Sales Tax Special Procedure Rules, 2007 appears in the sales tax active taxpayers' list;
 - (b) complete return of income within the meaning of sub-section (2) of section 114 has been filed within the date it was required to be furnished as mentioned in section 118 including the date extended by the Board from time to time;
 - (c) the tax payable under sub-section (1) of section 137 has been paid;
 - (d) 2% tax on turnover under section 113 has been paid by a person registered under rule (6) of the Sales Tax Special Procedure Rules, 2007 who files a return below taxable limit and who in the preceding tax year had either not filed return or had declared income below taxable limit; and
 - (e) 25% higher tax than the previous tax year has been paid by a person registered under rule (6) of the Sales Tax Special Procedure Rules, 2007 who had declared taxable income in the return for immediately preceding tax year.

28. REWARD TO WHISTLEBLOWERS

[Section 227B]

After a scheme of rewards to officers and officials of Inland Revenue introduced earlier vide Finance Act, 2013, the Bill now seeks to empower the Board to sanction reward to whistleblowers in cases of concealment or evasion of income tax, fraud, corruption or misconduct providing credible information leading to such detection of tax. However, claim for reward by the whistleblower shall be rejected if:

- (a) the information provided is of no value;
- (b) the Board already had the information;
- (c) the information was available in public records; or
- (d) no collection of taxes is made from the information provided from which the Board can pay the reward.

The proposed new term "whistleblower" means a person who reports concealment or evasion of income tax leading to detection or collection of taxes, fraud, corruption or misconduct, to the competent authority having power to take action against the person or an income tax authority committing fraud, corruption, misconduct, or involved in concealment or evasion of taxes.

Board may, by notification in the official Gazette, prescribe the procedure in this behalf and also specify the apportionment of reward sanctioned under this section for whistleblowers.

29. EXEMPTIONS FROM TOTAL INCOME

[Second Schedule Part I]

Exemptions proposed to be granted

a. *Deduction from total income for donations*

[Clause (61)(xlv)]

It has been proposed to grant exemption to amount donated to the Indus Hospital, Karachi.

b. *The Indus Hospital, Karachi*

[Clause (66)(xxxiii)]

The Bill seeks to grant exemption from tax to income generated by the Indus Hospital, Karachi.

c. *Sale of immovable property to REIT & Development REIT Scheme*

[Clause (99A)]

Profits and gains accruing to a person on sale of immovable property to a REIT Scheme up to June, 2015 is exempt from tax. The Bill now seeks to exempt profit and gains on sale of

immovable property to a Developmental REIT Scheme with the object of development and construction of residential buildings up to June, 2020.

- d. **Inter-corporate dividends** **[Clause (99A)]**
Profits and gains accruing to a person on sale of immovable property to a REIT Scheme up to June, 2015 is exempt from tax. The Bill now seeks to exempt profit and gains on sale of immovable property to a Developmental REIT Scheme with the object of development and construction of residential buildings up to June, 2020.
- e. **Manufacturers of PME for generation of renewable energy** **[Clause (126I)]**
The Bill seeks to grant exemption to profits & gains of industrial undertakings set-up by December 2016 and engaged in the manufacture of plant, machinery, equipment and items with dedicated use (no multiple uses) for generation of renewable energy from sources like solar and wind. Period of exemption is proposed to be 5 years beginning July 01, 2015.
- f. **Warehouses or cold chain facilities for storage of agriculture produce** **[Clause (126J)]**
It has been sought to grant tax exemption for a period of 3 years to industrial undertakings set-up July 2015 and June 2016 engaged in operating warehousing or cold chain facilities for storage of agriculture produce. The said period of 3 years shall be reckoned from later of the month in which the industrial undertaking is set up or commercial operations are commenced.
- g. **Halal meat production units** **[Clause (126K)]**
Exemption is proposed to be granted to industrial undertakings set up between July 2015 and December 2016, engaged in operating halal meat production and have obtained halal certification. The exemption will be so granted for a period of 4 years commencing from later of the month of set up or commercial production.
- h. **Manufacturing units set up in Khyber Pukhtunkhwa** **[Clause (126L)]**
It has been proposed to exempt profits and gains of manufacturing units set up in Khyber Pukhtunkhwa Province for a period of 5 years commencing the month of set up or commercial production, whichever is later. The exemption under this clause shall be admissible where:
(a) the manufacturing unit is setup between the July 2015 and June 2018; and
(b) the manufacturing unit is not established by the splitting up or reconstruction or reconstitution of an undertaking already in existence or by transfer of machinery or plant from an undertaking established in Pakistan at any time before July 2015.
- i. **Transmission line project** **[Clause (126M)]**
It has been sought to exempt profits and gains derived by a taxpayer from a transmission line projects set-up in Pakistan during July 2015 and June 2018, subject to the conditions that such projects are:
(a) owned and managed by a company formed for operating the said project and registered under the Companies Ordinance, 1984, and having its registered office in Pakistan;
(b) not formed by the splitting up, reconstruction or reconstitution of a business already in existence or by transfer to a new business of any P&M used in a business which was being carried on in Pakistan at any time before the commencement of the new business; and
(c) owned by a company 50% of whose shares are not held by the Federal Government or Provincial Government or a Local Government or which is not controlled by the Federal Government or a Provincial Government or a Local Government.
- j. **LNG Terminal Operators & Owners** **[Clause (141)]**
The Bill proposed to exempt profit and gains derived by LNG Terminal Operators and Terminal Owners for a period of 5 years commencing the commercial operations.
- k. **Income from social security contributions** **[Clause (142)]**
It has been sought to grant exemption to the income from social security contributions derived by Balochistan Employees' Social Security Institution, Employees' Social Security Institution Khyber Pakhtunkhwa, Punjab Employees' Social Security Institution and Sindh Employees' Social Security Institution. An explanation has also been included in the Bill to this effect for clarity.

Exemptions proposed to be withdrawn

- a. Annuity issued under the Pakistan Postal Annuity Certificate Scheme [Clause (20)]**
Income received from an annuity issued under the Pakistan Postal Annuity Certificate Scheme on or after the July 27, 1977, was exempt up to Rs. 10,000 per year. It has been proposed to withdraw this exemption.
- b. Capital gains from the sale of shares of a public company set up in any Special Industrial Zone [Clause (113)]**
The prevailing exemption on capital gains being income from the sale of shares of a public company set up in any Special Industrial Zone for a period of 5 years from the date of commencement of commercial operations is now being proposed to be abolished.
- c. Profits & gains of taxpayers located certain areas of KPK, FATA and PATA [Clause (126F)]**
A time barred clause exempting profits and gains derived by taxpayers (manufacturers and suppliers of cement, sugar, beverages and cigarettes) located in the most affected and moderately affected areas of KPK, FATA and PATA is proposed to be omitted.

Conditional exemptions

Inter-corporate dividends [Clause (103A)]

Income derived from inter-corporate dividend within the group companies entitled to group taxation under section 59AA or section 59B is currently exempt from tax. It has been sought to make this exemption conditional with the filing of return of the group has been filed for the tax year.

Extension in the period of exemption

China Overseas Ports Holding Company Limited [Clause (126A)]

Retrospective exemption was granted earlier vide Finance Act, 2014 to income derived by China Overseas Ports Holding Company Limited from Gwadar Port operations for a period of 20 years, with effect from the February 06, 2007. The period of exemption has now been enhanced from 20 to 23 years.

30. REDUCTION IN TAX RATES

[Second Schedule Part II]

Concession proposed to be granted

Manufacturers of cooking oil or vegetable ghee [Clause (28B)]

Concessionary rate of 0.15% under section 231A is proposed on cash withdrawal by an exchange company, duly licensed and authorized by SBP, exclusively dedicated for its authorized business related transactions, subject to the condition that a certificate issued by the concerned Commissioner Inland Revenue for a financial year mentioning details and particulars of its Bank Account being used entirely for business transactions is provided.

Concessions transposed to section and/ or other schedule

- a. Manufacturers of cooking oil or vegetable ghee [Clause (13C)]**
Concessionary rate of 2% in respect of manufacturers of cooking oil or vegetable ghee or both, the rate of income tax on purchase of locally produced edible oil transposed to section 148A.
- b. Goods transport vehicles & passenger transport vehicles [Clause (14) & (14A)]**
- (i) The concessionary rate of Rs.2/ kg of the laden weight has been increased to Rs. 2.5/ kg in respect of owners of goods transport vehicles being filers. The clause is conceptually proposed to be transposed to Clause 1 of Division III of Part IV of First Schedule.
- (ii) Concessionary rate of Rs. 250 for passenger transport vehicles with seating capacity of more than 20 is applicable currently. It is sought to increase this rate to Rs. 300 for filers and transpose the concession to Clause 2 of Division III of Part IV of First Schedule.
- c. Tax on shipping of a resident person [Clause (21)]**
It has been proposed to transpose the existing Clause (21) by inserting a new section 7A to the Ordinance, with the extent and basis of tax remaining unchanged.

Concession proposed to be withdrawn

Owners of goods transport vehicles

[Clause (14B)]

A time-barred concession for owners of goods transport vehicles is sought to be omitted.

31. REDUCTION IN TAX LIABILITY

[Second Schedule Part III]

Concession transposed to section

Penalty for failure to furnish statement

[Clause (16)]

The minimum penalty for failure to furnish statement under section 115, 115, 165 or 165A is proposed to be transposed to section 182.

32. EXEMPTIONS FROM SPECIFIC PROVISIONS

[Second Schedule Part IV]

Exemptions proposed to be granted

a. Exemptions from the provisions of minimum tax u/s 113

[Clause (11A)]

The Bill seeks to introduce certain new exemptions, as under:

Sub-clause

- (xix) LNG Terminal Operators and LNG Terminal Owners.
- (xx) Taxpayers located in the most affected and moderately affected areas of Khyber Pakhtunkhwa, FATA and PATA for tax year 2010, 2011 and 2012 excluding manufacturers and suppliers of cement, sugar, beverages and cigarettes;
- (xxi) Rice Mills for the Tax Year 2015;
- (xxii) Taxpayers qualifying for exemption under clauses (126I) of Part-I of Second Schedule in respect of income from manufacture of equipment with dedicated use for generation of renewable energy;
- (xxiii) Taxpayers qualifying for exemption under clauses (126J) of Part-I of Second Schedule in respect of income from operating warehousing or cold chain facilities for storage of agriculture produce;
- (xxiv) Taxpayers qualifying for exemption under clauses (126K) of Part-I of Second Schedule in respect of income from operating halal meat production, during the period mentioned in clause (126K);
- (xxv) Taxpayers qualifying for exemption under clauses (126L) of Part-I of this Schedule in respect of income from a manufacturing unit set up in Khyber Pukhtunkhwa Province between 1st day of July, 2015 and 30th day of June, 2018.

b. Exemptions from Alternative Corporate Tax (ACT) u/s 113C

[Clause (11D)]

A new sub-clause 11D is sought to be introduced, granting exemption from the provisions of ACT to LNG Terminal Operators and Owners.

c. Trading houses

[Clause (57)]

It has been sought to insert a clarification that in-house preparation and processing of food and allied items for sale to customers shall not disqualify a company from being treated as a Trading House and for the purpose of exemption from purview of sections 113 & 153, provided that all the conditions in this clause are fulfilled and sale of such items does not exceed 2% of the total sales.

d. Exemption from section 148 and 153 to certain items

[Clause (77)]

Certain items for renewable source of energy are exempt by specification from the provisions of 148 and 153, even if locally manufactured. Tubular daylighting devices such as solatube has also been proposed to be added to this inclusive list.

- e. **Exemption from section 148 for agricultural & aviation sector** [Clause (91) & (92)]
Certain concessions available through various SROs are now sought to be transposed to Part IV of Second Schedule as under in addition to seeking certain new exemptions:

Exemptions under Clause (91)		(iii) Irrigation, drainage and agro-chemical application equipment	Exemptions under Clause (92)	
(i) Tillage and seed bed preparation equipment:			Equipment	PCT Code
	Equipment			
	PCT Code			
	Rotavator		Tubewells filters or strainers	8421.2100, 8421.9990
	Cultivator		Knapsack sprayers	8424.2010
	Ridger		Granular applicator	8424.2010
	Sub soiler		Boom or field sprayers	8424.2010
	Rotary slasher		Self propelled sprayers	8424.2010
	Chisel plow		Orchard sprayer	8424.2010
	Ditcher			
	Border disc	(iv) Harvesting, threshing and storage equipment	Equipment	PCT Code
	Disc harrow		Wheat thresher	8433.5200
	Bar harrow		Maize or groundnut thresher or sheller	8433.5200
	Mould board plow		Groundnut digger	8433.5900
	Tractor rear or front blade		Potato digger or harvester	8433.5300
	Land leveller or land planer		Sunflower thresher	8433.5200
	Rotary tiller		Post hole digger	8433.5900
	Disc plow		Straw balers	8433.4000
	Soil-scrapper		Fodder rake	8433.5900
	K.R.Karundi		Wheat or rice reaper	8433.5900
	Tractor mounted trancher		Chaff or fodder cutter	8433.5900
	Land leveller		Cotton picker	8433.5900
(i)			Onion or garlic harvester	8433.5200
(ii) Seeding or planting equipment:			Sugar harvester	8433.5200
	Equipment		Tractor trolley or forage wagon	8716.8090
	PCT Code		Reaping machines	8433.5900
	Seed-cum-fertilizer drill (wheat, rice barley, etc.)		Combined harvesters	8433.5100
	Cotton or maize planter with fertilizer attachment		Pruner/shears	8433.5900
	Potato planter	(v) Post-harvest handling and processing & miscellaneous machinery	Equipment	PCT Code
	Fertilizer or manure spreader or broadcaster		Vegetables and fruits cleaning and sorting or grading equipment	8437.1000
	Rice transplanter		Fodder and feed cube maker equipment	8433.4000
	Canola or sunflower drill			
	Sugarcane planter			

- f. **Exemption tax on exports u/s 154(1)** [Clause (93)]
It has been proposed to grant exemption from the provisions of section 154(1) to taxpayers operating halal meat production and qualifying for exemption under clause (126K) of Part I of the Schedule for the period specified in clause (126K).

Exemptions proposed to be withdrawn

- a. **Exemption from withholding tax on advertising services** [Clause (16A)]
It has been sought to withdraw the prevailing exemption from withholding tax available on advertising services.
- b. **Exemption from tax at import stage** [Clause (56)]
The Bill seeks to withdraw the prevailing exemption from tax at import stage under section 148 on the following items:
- (i) Chapter 27 of PCT: General/ unconditional import of Mineral fuels, Mineral Oils & Products of their Distillation; Bituminous Substances; Mineral Waxes
- (ii) PCT Heading 9918: Temporary import of Machinery, Equipment, Apparatus, Appliances, etc.

On the other hand it has been sought to specify the following goods and conditions for the purpose of exemption from tax at import stage in respect of items under Chapter 27 of PCT:

Item	PCT Code	Conditions for Exemption
Petroleum oils and oils obtained from bituminous minerals crude	2709.0000	If imported by:
Furnace-oil	2710.1941	a. Pakistan State Oil Company Limited,
High speed diesel oil	2710.1931	b. Shell Pakistan Limited,
Motor spirit	2710.1210	c. Attock Petroleum Limited,
J.P.1	2710.1912	d. Byco Petroleum Pakistan Limited,
Base oil for lubricating oil	2710.1993	e. Admore Gas Private Limited,
		f. Chevron Pakistan Limited,
		g. Total-PARCO Pakistan (Private) Limited,
		h. Hascol Petroleum Limited, and
		i. Oil refineries.

c. Cash withdrawals by exchange companies **[Clause (61A)]**

It has sought to withdraw to the prevailing exemption from deduction of advance tax under section 231A on cash withdrawals. Reduced rate of 0.15% has, however, been prescribed for these companies as per Clause (28B) of Part II of the Second Schedule.

Extension in the period of exemption

Investment in Greenfield industrial undertaking **[Clause (86)]**

The timeframe for non-invocation of provisions of section 111 of the Ordinance is proposed to be extended to June 2017.

Concession transposed to section

a. Payment for rendering of services by companies **[Clause (79)]**

The Bill seeks to transpose the non-applicability of final tax provisions as per existing clause (79) for services rendered by companies to section 153(3).

b. Collection of advance tax by educational institutions **[Clause (89)]**

The Bill seeks to transpose the non-applicability of collection of advance tax on fee by educational institutions in case of non-residents provisions as per existing clause (89) to section 236I.

c. Collection of advance tax from government, privileged persons & diplomats **[Clause (90)]**

The existing exemptions available to Federal Government or provincial governments, individuals entitled to privileges under the United Nations (Privileges and Immunities) Act, 1948 and foreign diplomats or diplomatic missions in Pakistan from applicability of collection of advance tax have been transposed to section 236O.

Corrections and updates

a. Exemption from the provisions of minimum tax u/s 113 **[Clause (11A)]**

Certain necessary updates pursuant to changes in relevant statutes, omission of an in-operative concession for KAPCO and correction for companies qualifying for exemption under clause (132B) of Part I of Second Schedule.

b. Exemption from withholding tax for PEs of Non-residents **[Clause (46)]**

Certain correction of reference from section 153(1) to section 152(2A) in case of PE of Non-resident E&P Companies for supply of petroleum products.

33. INSURANCE BUSINESS **[Fourth Schedule]**

a. Exemption on capital gains from sale of share **[Rule (6A)]**

The Bill seeks to omit a time-barred exemption to insurance companies in respect of capital gains derived which was so exempt up to the tax 2010.

b. Rate of tax for capital gains

[Rule (6B)]

It has been sought to prescribe new rates for tax on capital gains on disposal of shares of listed companies, vouchers of Pakistan Telecommunication corporation, modaraba certificate or instruments of redeemable capital and derivative products. The proviso to clause (6B) is also sought to be omitted accordingly.

S.No.	Holding Period	Tax Year	
		2015	2016
1.	Less than 12 months	12.5%	15.0%
2.	12 months or more but less than 24 months	10.0%	12.5%
3.	24 months or more but less than 4 years	0.0%	7.5%

c. Super tax for tax year 2015

[Rule (6D)]

With the proposed insertion of section 4B, 'Super Tax for Rehabilitation of Temporarily Displaced Persons', the Bill also seeks to insert pursuant Rule (6D) to Fourth Schedule. This one-time tax at 3% for Tax Year 2015 is sought to be imposed upon all companies having income of Rs.500 Million and above.

34. EXPLORATION AND PRODUCTION OF PETROLEUM

[Fifth Schedule Part I]

Super tax for tax year 2015

[Rule (4AA)]

With the proposed insertion of section 4B, 'Super Tax for Rehabilitation of Temporarily Displaced Persons', the Bill also seeks to insert pursuant Rule (4AA) to Part I of Fifth Schedule. This one-time tax at 3% for Tax Year 2015 is sought to be imposed upon all companies having income of Rs.500 Million and above.

35. EXPLORATION AND EXTRACTION OF MINERAL DEPOSITS (OTHER THAN PETROLEUM)

[Fifth Schedule Part II]

Super tax for tax year 2015

[Rule (2A)]

With the proposed insertion of section 4B, 'Super Tax for Rehabilitation of Temporarily Displaced Persons', the Bill also seeks to insert pursuant Rule (2A) to Part II of Fifth Schedule. This one-time tax at 3% for Tax Year 2015 is sought to be imposed upon all companies having income of Rs.500 Million and above.

36. BANKING COMPANIES

[Seventh Schedule]

Tax on income

[Rule (6), (6A), (6B) & (7B)]

Presently dividend income and capital gains are taxed at reduced rates. A new concept of prorating of expenses between dividend income, capital gains and income taxable at usual rate was also introduced via Finance Act, 2014. It has now been sought to withdraw the concession of reduced rate for tax on dividend income and capital gains. Accordingly, the provisions relating to prorating of expenses are also sought to be omitted, thereby proposing the income of banking companies from dividend income and capital gains to be tax at usual rate of 35% under the newly proposed clause (7B).

Super tax for tax year 2015

[Rule (7C)]

With the proposed insertion of section 4B, 'Super Tax for Rehabilitation of Temporarily Displaced Persons', the Bill also seeks to insert pursuant Rule (7C) to Seventh Schedule. This one-time tax for Tax Year 2015 is sought to be imposed on banking companies at 4%.

SECTION 5 SALES TAX & FEDERAL EXCISE DUTY

1. SALES TAX ACT, 1990

Definitions

Active Tax Payer

[Section 2 (1)]

The Bill seeks to introduce the definition of active taxpayer as a registered person who does not fall in any of the following categories, namely:-

- (a) who is blacklisted or whose registration is suspended or is blocked in terms of section 21;
- (b) who fails to file the return under section 26 by the due date for two consecutive tax periods;
- (c) who fails to file an Income Tax return under section 114 or statement under section 115, of the Income Tax Ordinance, 2001, by the due date; and
- (d) who fails to file two consecutive monthly or an annual withholding tax statement under section 165 of the Income Tax Ordinance, 2001;

Cottage Industry

[Section 2(5AB)]

The Bill seeks to enhance the threshold of annual utilities [electricity, gas and telephone (Bills)] from existing rupees seven hundred thousand to rupees eight hundred thousand during the last twelve months for the manufacturer to qualify under cottage industry.

Retailers

[Section 2(28)]

The consideration of total turnover on annual basis of a person having retail and other business for the purposes of registration is sought to be waived from the definition of retailer to align the same since the scheme of registration and charging of sales tax by retailers is no more linked or based on turnover which was previously chargeable to sales tax on turnover basis.

Supply

[Section 2(33)(d)]

It has been sought to amend the definition of supply to bring the activities of toll manufacturers into the tax net. Accordingly, transfer or delivery of goods manufactured by toll manufacturer, to the owner or to a person nominated by the owner, will now be considered as 'supply'.

Whistle blower

[Section 2(46A)]

The Bill seeks to introduce a new term 'Whistle Blower' which means a person who reports concealment or evasion of sales of tax and tax fraud leading to detection or collection of taxes, fraud, corruption or misconduct, to the competent authority having power to take action against the person or a Sales Tax authority committing fraud, corruption, misconduct, or involved in concealment or evasion of taxes.

Scope of tax

[Section 3(1A) & 2(b)]

The Bill proposes to enhance further tax rate at 2% of value against the current applicable rate of 1% where taxable supplies are made to a person who has not obtain registration number.

Time and manner of payment

[Section 6(1)]

The Bill seeks to include recovery powers of Custom Authorities while taking action of collection, payment and enforcement of sales tax in case of goods imported into Pakistan where sales tax is collected by the Customs Authorities under the relevant provision of the Custom Act.

Determination of tax liability

[Section 7(2)(ii)]

It has been sought to enhance the scope of determination of tax liability by allowing input tax credit on goods cleared by Custom Authorities on provisional assessment basis.

Tax credit not allowed

[Section 8]

It has been proposed to allow credit for input tax on pre-fabricated buildings. However, the input tax credit shall not be allowed in respect of the following:

- a) services in respect of which input tax adjustment is barred under the respective Provincial Sales Tax Law;
- b) import or purchase of agricultural machinery or equipment subject to sales tax at the rate of 7% under Eighth Schedule to this Act; and
- c) from the date to be notified by the Board, such goods and services which, at the time of filing of return by the buyer, have not been declared by the supplier in his return.

Joint & several liability of registered persons in supply chain where tax unpaid [Section 8A]

The Bill seeks to shift the burden of proof on the department to ascertain responsibilities in respect of unpaid taxes in the case of joint & several liability of a registered person or persons.

Exemption

[Section 13]

It has been proposed to withdraw the power of the Board to exempt import or supply of goods from payment of whole or any part of tax chargeable under this Act.

The Bill has also sought to empower the Federal Government to exempt taxable supplies in pursuance to the approval of the Economic Coordination Committee of Cabinet, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations, protection of national economic interests in situations arising out of abnormal fluctuation in international commodity prices, removal of anomalies in taxes, development of backward areas and implementation of bilateral and multilateral agreements.

It has been further sought that the Federal Government to place before the national assembly all notification issued in a financial year. However, notification issued not earlier rescinded shall stand rescinded on the expiry of financial year in which it was issued.

Registration

[Section 14]

The Bill seeks to replace the existing provisions relating to registration of tax payer as under:

- (1) Every person engaged in making taxable supplies in Pakistan, including zero-rated supplies, in the course or furtherance of any taxable activity carried on by him, falling in any of the following categories, if not already registered, is required to be registered under this Act, namely:-
 - (a) a manufacturer who is not running a cottage industry;
 - (b) a retailer who is liable to pay sales tax under the Act or rules made thereunder, excluding such retailer required to pay sales tax through his electricity Bill under sub-section (9) of section 3;
 - (c) an importer;
 - (d) an exporter who intends to obtain sales tax refund against his zero-rated supplies;
 - (e) a wholesaler, dealer or distributor; and
 - (f) a person who is required, under any other Federal law or Provincial law, to be registered for the purpose of any duty or tax collected or paid as if it were a levy of sales tax to be collected under the Act;

- (2) Persons not engaged in making of taxable supplies in Pakistan, if required to be registered for making imports or exports, or under any provisions of the Act, or any other Federal law, may apply for registration.
- (3) The registration under this Act shall be regulated in such manner as the Board may, by notification in the official Gazette, prescribe.

Active taxpayers list

[Section 21A]

The Bill seeks to introduce the concept of “Active Taxpayers list” similar to the one introduced under the Income Tax Law through Finance Act 2014 in order to identify the “Filers” and “Non-Filers”.

It is proposed to empower the Board to maintain active taxpayers list in the manner as may be prescribed by the rules and such rules may provide for restrictions and limitations to be imposed on a person who ceases to be an active taxpayer.

Access to record, documents etc.,

[Section 25(3)]

It is proposed to omit the reference of section 36 specified in sub section 3 of section 25 which had already become inoperative vide Finance Act, 2012.

Audit by special audit panels

[Section 32A]

The Bill has proposed to authorize the Board to appoint as many special audit panels as may be necessary comprising two or more members from the following:

- (a) an officer or officers of Inland Revenue;
- (b) a firm of Chartered Accountants or Cost and Management Accountants; or
- (c) any other person as directed by the Board, to conduct audit of a registered person or persons, including audit of refund claims and forensic audit and the scope of such audit shall be determined by the Board or the Commissioner Inland Revenue on a case-to-case basis. In addition, the Board may, where it considers appropriate, also get such audit conducted jointly with similar audits being conducted by provincial administrations of sales tax on services.

It has been further sought that each special audit panel shall be headed by a chairman who shall be an officer of Inland Revenue and the Board may prescribe rules in respect of constitution, procedure and working of special audit panel.

Moreover, if any one member of the special audit panel, other than the chairman, is absent from conducting an audit, the proceedings of the audit may continue and the audit conducted by the special audit panel shall not be invalid or be called in question merely on the ground of such absence.

Offences and penalties

[Section 33]

The Bill has proposed to reduce the number of days from fifteen to ten for computing penalty for failure to furnish a return within due date and fail to deposit the amount of tax due within the stipulated time.

Monitoring or tracking by electronic or other means

[Section 40C]

The Bill seeks to introduce bar-coding on goods to make the electronic tracking more effective and also prescribes that such barcodes to be acquired by the registered person from a licensee appointed and against price approved by the Board which shall include the cost of equipment installed by such licensee in the premises of the said registered person.

Agreement for the exchange of information

[Section 56A]

The Bill proposes to introduce a new section allowing Federal Government to enter into bilateral or multilateral agreements with Provincial Governments or with Governments of Foreign countries for exchange of information, including electronic exchange of information, with respect to Sales Tax imposed under the Sales Tax Act or any other law of Pakistan.

It has been further sought that the provisions of agreements for the avoidance of double taxation and prevention of fiscal evasion as applicable under the Income Tax Ordinance shall apply as it is under the Sales Tax Act as well.

Disclosure of information by a public servant

[Section 56B]

With a view to provide uniformity among relevant statutes, it has been proposed to insert a provision under the Sales Tax Act wherein any information acquired under this Act or in pursuance of a bilateral or multilateral agreement or tax information exchange agreement shall be confidential and no public servant shall disclose any such information.

It has been further sought that the provisions of disclosure of information by a public servant as applicable under the Income Tax Ordinance shall apply as it is under the Sales Tax as well.

Prize schemes to promote tax culture

[Section 56C]

It has been sought to prescribe prize scheme to encourage the general public to make purchase only from registered persons issuing the tax invoices.

Reward to whistle blowers

[Section 72D]

It has been proposed that the Board may sanction reward to whistle blowers for providing credible information leading to detection of evasion of tax in cases of concealment or evasion of duty, corruption or misconduct.

Zero rating of sales tax

[Fifth Schedule]

It has been proposed that supplies of locally manufactured plant and machinery of the following specification and subject to below mentioned conditions / restrictions, to manufacturers in the export processing zone shall be chargeable to sales tax at the rate of zero percent vide amendment in Fifth Schedule of the Sales Tax Act, 1990:

Specifications	Conditions / Restrictions
<ul style="list-style-type: none">i. Plant and machinery, operated by power of any description, as is used for the manufacture or production of goods by that manufacturer;ii. Apparatus, appliances and equipment specifically meant or adapted for use in conjunction with the machinery specified in clause (i);iii. Mechanical and electrical control and transmission gear, meant or adapted for use in conjunction with machinery specified in clause (i); andiv. Parts of machinery as specified in clauses (i), (ii) and (iii) identifiable for use in or with such machinery	<ul style="list-style-type: none">i. the supplier of the machinery is registered under the Act;ii. proper Bill of export is filed showing registration number;iii. the purchaser of the machinery is an established manufacturer located in the Export Processing Zone and holds a certificate from the Export Processing Zone Authority to that effect;iv. the purchaser submits an indemnity bond in proper form to the satisfaction of the concerned Commissioner Inland Revenue that the machinery shall, without prior permission from the said Commissioner, not be sold, transferred or otherwise moved out of the Export Processing Zone before a period of five years from the date of entry into the Zone;v. if the machinery is brought to tariff area of Pakistan, sales tax shall be charged on the value assessed on the Bill of entry; andvi. breach of any of the conditions specified herein shall attract legal action under the relevant provisions of the Act, besides recovery of the amount of sales tax along with default surcharge and penalties involved.

[Sr. No 9]

The Bill proposes that any manufacturer involved in the export of exempt goods can avail the benefit of zero rate regardless of the fact the manufacturer is involved in local supplies of both taxable and exempted goods or not.

Zero rating facility withdrawn

[Sr. No 12]

The Bill further proposes that following goods and raw material, packing materials, sub components, components, sub assemblies & assemblies imported or purchased locally for the manufacture of said goods shall be excluded from chargeability to sales tax at the rate of zero percent:

S No.	Description	PCT Heading
ix	Flavored milk	0402.9900
x	Yogurt	0403.1000
xi	Cheese	0406.1010
xii	Butter	0405.1000
Xiii	Cream	04.01 and 04.02
Xiv	Desi Ghee	0405.9000
Xv	Whey	04.04
Xvi	Milk and cream concentrated and added sugar or other sweetening matter	0402.1000

Exemptions

[Sixth Schedule]

Exemptions withdrawn

[Table I – Imports or Supplies]

The Bill seeks to withdraw exemption of sales tax in respect of the following items:

S. #	Items	PCT Heading
28	Poultry feed and cattle feed including their all ingredients except soyabean meal of PCT heading 2304.0000 and oil cake of cottonseed falling under PCT heading 2306.1000	2301.2090, 2306.4100, 2309.9010, 2309.9020, 2309.9090, 2936.2100, 2936.2200, 2936.2300, 2936.2400, 2936.2500, 2936.2600, 2936.2700 and 2936.2800
39	Incinerators of disposal of waste management, motorized sweepers and snow ploughs.	8417.8000, 8430.2000 and 8479.8990
56	Re-importation of foreign origin goods which were temporarily exported out of Pakistan subject to similar conditions as are envisaged for the purposes of applying zero rate of customs duty under the Customs Act.	99.18

[Table I – Imports or Supplies]

The Bill seeks to propose following changes in the Sixth Schedule of the Sales Tax Act, 1990:

S. #	Description	Heading/Sub-Heading No. Omitted	Heading/Sub-Heading No. substituted / inserted with
19	Cereals & products of a milling industry	1006.1010	
20	Seeds, Fruit and spores of a kind use for sowing		1006.1010
73	Milk		04.01
73A	Milk and cream, concentrated or containing added sugar or other sweetening matter, excluding that sold in retail packing under a brand name		04.01 and 04.02
74	Flavored milk, excluding that sold in retail packing under a brand name		0402.9900
75	Yogurt, excluding that sold in retail packing under a brand name		0403.1000
76	Whey, excluding that sold in retail packing under a brand name		04.04
77	Butter, excluding that sold in retail packing under a brand name		0405.1000
78	Desi Ghee, excluding that sold in retail packing under a brand name		0405.9000
79	Cheese, excluding that sold in retail packing under a brand name		0406.1010
80	Processed cheese not grated or powered, excluding that sold in retail packing under a brand name		0406.3000
114	green house farming and other greenhouse Equipment consisting of plastic covering and mulch film, anti-insect net and shade net(if used for agriculture sector)	8430.3100, 8430.3900	3920.1000,3926.9099, 5608.1900, 5608.9000
	a. Tunnel farming equipment		
	b. Green house prefabricated		

The following items, already exempt through various SRO's have now been proposed to be included under Table – II of the Sixth Schedule of the Act:

[Table II – Imports or Supplies]

S. #	Description	PCT Heading
117	Appliances for colostomy	3006.9100
118	Colostomy and urostomy bags	3926.9050
119	Tubular day lightning devices (TDDs)	8539.3930
120	Various Diagnostic kits or equipment	3822.0000
121	Blood Bag CPDA-1 with blood transfusion set pack in aluminum foil with set	Respective headings
122	Urine drainage bags	Respective headings
123	Aircraft, whether imported or acquired on wet or dry lease	8802.2000,8802.3000, 8802.4000
124	Maintenance kits for use in trainer aircrafts of PCT headings 8802.2000 and 8802.3000	Respective headings
125	Spare parts for use in aircrafts, trainer aircrafts or simulators	Respective headings
126	Machinery, equipment and tools for setting up maintenance, repair and overhaul (MRO) workshop by MRO company recognized by Aviation Division	Respective headings
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	Respective headings
128	Aviation simulators imported by airline company recognized by Aviation Division	Respective headings

The following items, already exempt through various SRO's have now been proposed to be included under Table – II of the Sixth Schedule of the Act:

[Table II – Local Supplies only]

S. #	Description	PCT Heading
17	Raw and pickled hides and skins, wet blue hides and skins	41.01, 41.02, 41.03, 4104.1000, 4105.1000, 4106.2100, 4106.3000, 4106.9000,
18	Supplies made by manufacturers of marble and granite having annual turnover less than give million rupees even if their annual utility Bill is more than eight hundred thousand rupees	Respective headings
19	Bricks (up to 30 th June, 2018)	6901.1000
20	Crushed stone (up to 30 th June, 2018)	2517.1000

It has been sought to withdraw the following exemptions previous available vide the Sixth Schedule of the Sales Tax Act.

[Table II – Local Supplies only]

S. #	Description	PCT Heading
13	Reclaimed lead, if supplied to recognized manufacturers of lead batteries	Respective Headings
14	Waste paper	Respective headings

It has been sought to withdraw the following exemptions previous available vide the Sixth Schedule of the Sales Tax Act.

[Table III – Local Supplies only]

S. #	Description	PCT Headings	Conditions
10	Machinery, equipment, raw materials, components and other capital goods for use in buildings, fittings, repairing or refitting of ships, boats or floating structures imported by Karachi Shipyard and Engineering Works Limited	Respective Headings	
16	Plant, machinery, equipment and specific items used in production of bio-diesel	Respective Headings	The Alternate Energy Development Board (AEDB), Islamabad shall certify in the prescribed manner and format as per Annex-B that the imported goods are bonafide project requirement. The goods shall not be sold otherwise disposed of within a period of five years of their import except with the prior approval of the FBR and payment of customs duties and taxes leviable at the time of import.

Eighth Schedule

The Bill seeks to include the following items in Table-I of Eighth Schedule of the Act chargeable to tax at reduced rate of 10%:

[Table I - Eighth Schedule]

S No.	Description	PCT Heading	Rate	Conditions
7	Flavored milk	0402.9900	10%	Sold in retail packing under a brand name
8	Yogurt	0403.1000	10%	--- do ---
9	Cheese	0406.1010	10%	--- do ---
10	Butter	0405.1000	10%	--- do ---
11	Cream	04.01 and 04.02	10%	--- do ---
12	Desi Ghee	0405.9000	10%	--- do ---
13	Whey	04.04	10%	--- do ---
14	Milk and cream concentrated and added sugar or other sweetening matter	0402.1000	10%	--- do ---

The Bill seeks to adopt reduce rate of sales tax at the rate of 5% on the following items vide Eighth Schedule of the Sales Tax Act.

[Table I - Eighth Schedule]

S #	Description	PCT Heading	Rate	Conditions
15	Poultry feed, cattle feed, and their ingredients except soya bean meal of PCT heading 2304.0000 and oil-cake of cottonseed falling under PCT heading 2306.1000	Respective headings.	5%	Sold in retail packing under a brand name
16	Incinerators of disposal of waste management, motorized sweepers and snow ploughs	8417.8000, 8430.2000 and 8479.8990	5%	
17	Re-importation of foreign origin goods which were temporarily exported out of Pakistan	99.18	5%	Subject to similar conditions as are envisaged for the purposes of customs duty under the Customs Act, 969, and taxable value shall be the value determined under PCT heading 99.18 of the said Act increased by customs duty payable.
18	Reclaimed lead	Respective headings	5%	If supplied to recognized Manufacturers of lead and lead batteries
19	Waste paper	47.07	5%	

S #	Description	PCT Heading	Rate	Conditions
20	Plant, machinery, equipment and specific items used in production of bio-diesel	Respective headings	5%	The Alternative Energy Development Board (AEDB), Islamabad shall certify in the prescribed manner and format as per Annex-B, as given in the Sixth Schedule, that the imported goods are bonafide project requirement. The goods shall not be sold or otherwise disposed of within a period of five years of their import except with the prior approval of the FBR and payment of customs duties and taxes leviable at the time of import
21	Rapeseed, sunflower seed and canola seed	1205.0000,	16%	On import by solvent extraction industries
22	Soya bean seed	1206.0000 1201.1000	6%	On import by solvent Extraction industries, subject to the condition that no refund of input tax shall be admissible
23	Secondhand and worn clothing or footwear	6309.0000	5%	
25	Agriculture tractors	8701.9020	10%	
26	Tillage and seed bed preparation equipment comprising various items etc:	Respective headings	7%	
27	Seeding or planting equipment:		7%	
	(i) Seed-cum-fertilizer drill(wheat, rice barley, etc)	8432.3010 8432.3090		
	(ii) Cotton or maize planter with fertilizer attachment	8432.4000 8432.3090		
	(iii) Potato planter	8432.3010		
	(iv) Fertilizer or manure spreader or broadcaster	8432.3090		
	(v) Rice transplanter			
	(vi) Canola or sunflower drill			
	(vii) Sugarcane planter			
28	Irrigation drainage and agro-chemical application equipment:	8421.2100	7%	
	(i) Tube wells filters or strainers	8421.9990 8424.2010		
	(ii) Knapsack sprayers	8424.2010		
	(iii) Granular applicator	8424.2010		
	(iv) Boom or field sprayers	8424.2010		
	(v) Self propelled sprayers	8424.2010		
	(vi) Orchard sprayer	8424.2010		
29	(i) Harvesting, threshing and storage equipment:	8433.5200	7%	
	(ii) Wheat thresher	8433.5200		
	(iii) Maize or groundnut thresher or sheller	8433.5900 8433.5300		
	(iv) Groundnut digger	8433.5200		
	(v) Potato digger or harvester	8433.5900		
	(vi) Sunflower thresher	8433.4000		
	(vii) Post hole digger	8433.5900		
	(viii) Straw balers	8433.5900		
	(ix) Fodder rake	8433.5900		
	(x) Wheat or rice reaper	8433.5900		
	(xi) Chaff or fodder cutter	8433.5900		
	(xii) Cotton picker	8433.5200		
	(xiii) Onion or garlic harvester	8433.5200		
	(xiv) Sugar harvester	8716.8090		
	(xv) Tractor trolley or forage wagon	8433.5900		
	(xvi) Reaping machines	8433.5100		
	(xvii) Combined harvesters	8433.5900		
	(xviii) Pruner/shears	8433.5900		
30	Post-harvest handling and processing & miscellaneous machinery		7%	
	(i) Vegetables and fruits cleaning and sorting or grading equipment	8437.1000 8433.4000		
	(ii) Fodder and feed cube maker equipment			

[Table I to Eighth Schedule]

Existing			Proposed	
Sr.	Description of goods	Rate of Sales Tax	Description of goods	Rate of Sales Tax
1.	Soyabean meal	5%	Soyabean meal	10%
4.	Oilseeds meant for sowing	5%	Oilseeds meant for sowing	10%
6.	Plant and machinery not manufactured locally and having no compatible local substitutes	5%	Plant and machinery not manufactured locally and having no compatible local substitutes	10%

[Table I to Eighth Schedule]

It has been sought to withdraw the following item from Eighth Schedule of the Sales Tax Act.

S No.	Description	PCT Heading	Rate
3	Directly reduced iron	72.03	5%

[Table II to Eighth Schedule]

The Bill seeks to enhance the rate of sales tax from the existing five percent to ten percent in respect of the following.

Existing			Proposed	
Sr.	Description of goods	Rate of Sales Tax	Description of goods	Rate of Sales Tax
1.	Machinery and equipment for development of grain handling and storage facilities.	5%	Machinery and equipment for development of grain handling and storage facilities.	10%
5.	Complete plants for relocated industries.	5%	Complete plants for relocated industries.	10%
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 downstream products including fibers and heavy chemical industry, cryogenic facility for ethylene storage and handling.	5%	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 downstream products including fibers and heavy chemical industry, cryogenic facility for ethylene storage and handling.	10%

The Bill seeks to remove the following items from the Eighth Schedule of the Sales Tax Act, which were chargeable at 5%:

[Table II to Eighth Schedule]

S.No.	Description	PCT Heading	Conditions
3	Following items imported by Call Centers, Business Processing Outsourcing facilities duly approved by Pakistan Telecommunication Authority.		
	(1) Telephone sets / head-sets.	8517.1100	
	(2) Cat 5/Cat 6/Power cables	8544.4990	
	(3) PABX Switch	8517.6290	
	(4) Plasma TV	8528.7212	
	(5) Dedicated telephone exchange system for call centres	8517.6290	
	(6) Other digital cell recorders	8519.8990	
7	Proprietary Formwork System for building/structures of a height of 100 ft and above and its various items/ components consisting of the following namely	7308.4000	(i) If not manufactured locally and imported by the construction companies registered with the Pakistan Engineering Council;
	(1) Plastic tube	3917.2390	(ii) the system is to be procured from a well renowned international manufacturer;

S.No.	Description	PCT Heading	Conditions
	(2) Plastic tie slot filters/plugs, plastic cone.	3926.9099	(iii) a certificate from one of the following International Pre-shipment Inspection Companies/ Survey Firms to the extent that all the components/parts are to be used in the Proprietary Formwork System for construction of structures/ buildings of more than 100 feet height, is produced, namely:-
	(3) Standard steel ply panels, Special sized steel ply panels, wedges, tube clamps (B-Type & G-Type), push/pull props, brackets (structure) steel soldiers (structure), drop head, standard, prop tic, buard rail post (structure), coupler brace, cantilever frame, decking beam/Infill beam and doorway angles.	7308.4000	(a) Messrs Lloyds of London; (b) Messrs Quality Tech, LLC; (c) Messrs ABS; (d) Messrs Bureau Veritas; and (e) Messrs SGS; and (iv) The Pakistan Engineering Council shall certify that the imported Proprietary Formworks System conform to the requirement of the Company's project.
	(4) Lifting Unit (Structure)	7308.9090	-do-
	(5) Bolts, tie bolts, anchor bolt assembly (fastener), anchor screw (fastener).	7318.1590	-do-
	(6) Nuts	7318.1690	-do-
	(7) Steel pins, tie wing nut (fastener).	7318.1900	-do-
	(8) Steel washers, water plate (fastener).	7318.2290	-do-
	(9) Adjustable base jack (thread rod with nut and steel plate), adjustable fork head (threaded rod with nut and steel channel).	8425.4900	-do-

Ninth schedule

The Bill proposes to enhance the sales tax by 100% on import of handsets and activation of new cards.

(1) Description / Specification of Goods	(2)		(3)	
	Sales tax payable at the time of import		Sales tax payable at the time of registration of a new International Mobile Equipment Identity (IMEI) number	
	<u>Existing</u>	<u>Proposed</u>	<u>Existing</u>	<u>Proposed</u>
A. <u>Low Priced Cellular Mobile Phones or Satellite Phones</u>				
(i) All cameras: 2.0 mega-pixels or less	Rs. 150 per phone	Rs. 300 per phone	Rs. 150 per registration	Rs. 300 per registration
(ii) Screen size: 2.6 inches or less				
(iii) Key pad				
B. <u>Medium Priced Cellular Mobile Phones or Satellite Phones</u>				
(i) One or two cameras: between 2.1 to 10 mega-pixels	Rs. 250 per phone	Rs. 500 per phone	Rs. 250 per registration	Rs. 500 per registration
(ii) Screen size: between 2.6 inches and 4.2 inches				
(iii) Micro-processor: less than 2 GHZ				
C. <u>Smart Cellular Mobile Phones or Satellite Phones</u>				
(i) One or two cameras: 10 mega-pixels and above				
(ii) Touch Screen: size 4.2 inches and above				
(iii) 4GB or higher Basic Memory	Rs. 500 per phone	Rs. 1,000 per phone	Rs. 500 per registration	Rs. 1000 per registration
(iv) Operating system of the type IOS, Android V2.3, Android Gingerbread or higher, Windows 8 or Blackberry RIM				
(v) Micro-processor: 2GHZ or higher, dual core or quad core				

2. FEDERAL EXCISE ACT, 2005

Definitions

Whistle Blower

[Section 2 (24A)]

The Bill seeks to introduce a new term 'Whistle Blower' which means a person who reports concealment or evasion of duty leading to detection or collection of duty, corruption or misconduct, to the competent authority having power to take action against the person or a federal excise authority committing fraud, corruption, misconduct, or involved in concealment or evasion of duty.

Exemptions

[Section 16 (2)]

The Bill proposes to withdraw the powers of the Board to exempt import or supply of goods from payment of whole or any part of duty chargeable under the Federal Excise Act.

It has also been sought to empower the Federal Government to exempt taxable supplies in pursuance to the approval of the Economic Coordination Committee of Cabinet, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations, protection of national economic interests in situations arising out of abnormal fluctuation in international commodity prices, removal of anomalies in taxes, development of backward areas and implementation of bilateral and multilateral agreements.

It has been further sought that the Federal Government to place before the National Assembly all notification issued in a financial year. However notification issued not earlier rescinded shall stand rescinded on the expiry of financial year in which it was issued.

Powers of Board or Commissioner to pass certain orders

[Section 35 (1)]

The Bill seeks to further empower the Board or Commissioner to call information either of their own act or otherwise of any proceedings, for legality, satisfaction & propriety of any decision passed by the subordinate staff.

Reward to Whistle blowers

[Section 42D]

It has been proposed that Board may sanction reward to whistle blowers for providing credible information leading to detection of evasion of duty in cases of concealment or evasion of duty, corruption or misconduct.

It has also been sought that Board may prescribe the procedure for rewarding the whistle blower and apportionment of the reward. Further the claim for reward shall be rejected on the following grounds:

- a. the information provided is of no value;
- b. the Board already had the information;
- c. the information was available in public records; or
- d. no collection of duty is made from the information provided from which the Board can pay the reward;

Monitoring or tracking by electronic or other means

[Section 45A]

The Bill seeks to introduce barcoding on excisable goods to make the electronic tracking more effective and also prescribes that such barcodes to be acquired by the registered person from a licensee appointed and against price approved by the Board which shall include the cost of equipment installed by such licensee in the premises of the said registered person.

Audit

[Section 46]

The Bill has proposed to authorized to the Board to appoint as many special audit panels as may be necessary comprising two or more members from the following:

- (a) an officer or officers of Inland Revenue;
- (b) a firm of Chartered Accountants or Cost and Management Accountants; or
- (c) any other person as directed by the Board, to conduct audit of a registered person or persons, including audit of refund claims and forensic audit and the scope of such audit shall be

determined by the Board or the Commissioner Inland Revenue on a case-to-case basis. In addition, the Board may, where it considers appropriate, also get such audit conducted jointly with similar audits being conducted by provincial administrations of sales tax on services.

It has been further sought that each special audit panel shall be headed by a Chairman who shall be an officer of Inland Revenue and the Board may prescribe rules in respect of constitution, procedure and working of special audit panel.

Moreover, if any one member of the special audit panel, other than the chairman, is absent from conducting an audit, the proceedings of the audit may continue and the audit conducted by the special audit panel shall not be invalid or be called in question merely on the ground of such absence.

Agreements for the exchange of information

[Section 47A]

The Bill seeks to introduce a new section allowing Federal Government to enter into bilateral or multilateral agreements with provincial governments or with governments of foreign countries for exchange of information, including electronic exchange of information, with respect to excise duty imposed under the Federal Excise Act or any other law of Pakistan.

It has been further sought that the provisions of agreements for the avoidance of double taxation and prevention of fiscal evasion as applicable under the Income Tax Ordinance 2001 shall apply as it is under the Federal Excise Act as well.

Disclosure of information by a public servant

[Section 47B]

With a view to provide uniformity among relevant statutes, it has been proposed to insert a provision under the Federal Excise Act wherein any information acquired under this Act or in pursuance of a bilateral or multilateral agreement or tax information exchange agreement shall be confidential and no public servant shall disclose any such information.

It has been further sought that the provisions of disclosure of information by a public servant as applicable under the Income Tax Ordinance shall apply as it is under the Federal Excise Act as well.

Changes to the description of goods and/ or rate of duty

The Bill seeks to propose following changes to the rates of the Federal Excise Duty.

[Table I to First Schedule to the Act]

Existing			Proposed	
Sr.	Description of goods	Rate of FED	Description of goods	Rate of FED
4.	Aerated waters	9% of the retail price	Aerated waters	12% of the retail price
5.	Aerates waters, containing added sugar or other sweetening matter or flavored	9% of the retail price	Aerates waters, containing added sugar or other sweetening matter or flavored	12% of the retail price
6.	Aerated waters if manufactured wholly from juices or pulp of vegetables, food grains or fruits and which do not contain any other ingredient, indigenous or imported, other than sugar, coloring materials, preservatives, or additives in quantities prescribed under the West Pakistan Pure Food Rules, 1965	9% of the retail price	Aerated waters if manufactured wholly from juices or pulp of vegetables, food grains or fruits and which do not contain any other ingredient, indigenous or imported, other than sugar, coloring materials, preservatives, or additives in quantities prescribed under the West Pakistan Pure Food Rules, 1965	12% of the retail price
9.	Locally produced cigarettes if their on-pack printed retail price exceeds Rs. 2,706 per 1,000 cigarettes.	Rs. 2,632 per 1,000 cigarette	Locally produced cigarettes if their on-pack printed retail price exceeds Rs. 3,350 per 1,000 cigarettes.	Rs.3,030 per 1,000 cigarettes
10.	Locally produced cigarettes if their on-pack printed retail price does not exceed Rs. 2,706 per 1,000 cigarettes.	Rs. 1,085 per 1,000 cigarette	Locally produced cigarettes if their on-pack printed retail price does not exceed Rs. 3,350 per 1,000 cigarettes.	Rs. 1,320 per 1,000 cigarette
13.	Portland cement, Aluminous cement, Slag cement, Super-sulphate cement and similar hydraulic cements, whether or not colored or in the form of clinkers	Rs.400 per metric ton	No change in description of goods	5% of the retail price
56.	New insertion		Filter rod for cigarettes	Rupee 0.75 per filter rod.

Changes to the description of services and/ or rate of duty

The Bill also seeks to propose following changes to the description of services as well as subjecting chartered flights to the incidence of duty as under:

[Table II to First Schedule to the Act]

Existing			Proposed	
Sr.	Description of services	Rate of FED	Description of goods	Rate of FED
3.	Facilities for travel		Facilities for travel	
	(a) Services provided or rendered in respect of travel by air of passengers within the territorial jurisdiction of Pakistan		(a) Services provided or rendered in respect of travel by air of passengers within the territorial jurisdiction of Pakistan	
	(i) Long routes	Rs. 2,500	(i) Long routes	Rs. 2,500
	(ii) Short routes	Rs. 1,250	(ii) Short routes	Rs. 1,250
	(iii) Socio-economic routes	Rs. 500	Corresponding entry deleted	

Conditional exemptions - Goods

The Bill seeks to insert the following new clauses:

[Table I to Third Schedule to the Act]

Sr.	Description of goods	Heading/ Sub heading No.
18.	White cement	25.23
19.	Motor cars and other motor vehicles principally designed for the transport of persons including station wagons and racing cars of cylinder capacity exceeding 850cc.	87.03

Conditional exemptions – Services

The Bill seeks to insert the following new clauses:

[Table II to Third Schedule to the Act]

Sr.	Description of goods	Heading/ Sub heading No.
9.	Services provided or rendered in respect of travel by air of passengers on "socio-economic routes", which means the shortest part of journeys starting from or ending at an airport located in Makran coastal region, FATA, Azad Jammu and Kashmir, Gilgit-Baltistan or Chitral	98.03
10.	Services provided or rendered in respect of travel by air of passengers on international journeys from Pakistan to: (a) Hajj passengers; (b) Diplomats; and (c) Supernumerary crew	9803.1000
11.	Advertisements in newspapers and periodicals	9802.4000
12.	Services provided or rendered by banking companies and nonbanking financial companies in respect of Hajj and Umrah, cheque book, insurance, Musharika and Modaraba financing and utility Bill collection.	98.13

SECTION 6 Islamabad Capital Territory (Tax on Services)

The Bill seeks to propose the following changes in the rates of tax as per Islamabad Capital Territory (Tax on Services) Ordinance, 2001:

S #	Description	PCT Heading	Rate of Tax
1	Services provided or rendered by hotels, motels, guest houses, marriage halls and lawns (by whatever name called) including "pandal" and "shamiana" services, clubs including race clubs, and caterers.	9801.1000 9801.3000 9801.4000 9801.5000 9801.6000	16%
2	Advertisement on television and radio, excluding advertisements— (a) sponsored by an agency of the Federal or Provincial Government for health education; (b) sponsored by the Population Welfare Division relating to educational promotion campaign; (c) financed out of funds provided by a Government under grant-in-aid agreement; and (d) conveying public service messages, if telecast on television by the World Wide Fund for Nature (WWF) or United Nations Children's Fund (UNICEF)	9802.100 and 9802.2000	16%
3	Services provided by persons authorized to transact business on behalf of others— (a) stevedore; (b) customs agents; and (c) ship chandlers.	9805.2000 9805.4000 and 9805.8000	16%
4	Courier services and cargo services by road provided by courier companies;	9808.0000 9804.9000	16%
5	Construction services, excluding: (i) construction projects (industrial and commercial) of the value (excluding actual and documented cost of land) not exceeding Rs. 50 million per annum. (ii) the cases where sales tax is otherwise paid as property developers or promoters. (iii) Government civil works including Cantonment Boards. (iv) construction of industrial zones, consular buildings and other organizations exempt from income tax. (v) construction work under international tenders against foreign grants-in-aid. (vi) Residential construction projects where the covered area does not exceed 10,000 square feet for houses and 20,000 square feet for apartments	9824.0000 and 9814.2000	16%
6	Services provided by property developers and promoters (including allied services) excluding the actual purchase value or documented cost of land.	9807.0000 and respective subheadings of heading 98.14	Rs.100/ Sq.Yd for & development and Rs.50/ Sq.Ft for building construction
7	Services provided by persons engaged in contractual execution of work, excluding: (i) annual total value of the contractual works or supplies does not exceed Rs.50 million; (ii) the contract involving printing or supplies of books.	9809.0000	16%
8	Services provided for personal care by beauty parlours, clinics and slimming clinics, body massage centres, pedicure centres; including cosmetic and plastic surgery by such parlours/clinics, but excluding: (i) annual turnover does not exceed Rs.3.6 million; or (ii) the facility of air-conditioning is not installed or available in the premises.	9821.5000	16%
9	Management consultancy services	9815.4000, 9819.9300	16%
10	Services provided by freight forwarding agents, packers and movers.	9805.3000, 9819.1400	16%
11	Services provided by software or IT-based system development consultants.	9815.6000	16%
12	Services provided by technical, scientific and engineering consultants	9815.5000	16%

S #	Description	PCT Heading	Rate of Tax
13	Services provided by other consultants including but not limited to human resource and personnel development services; market research services and credit rating services.	9815.9000 9818.3000 9818.2000	16%
14	Services provided by tour operators and travel agents including all their allied services or facilities (other than Hajj and Umrah)	9805.5100 9805.5000 9803.9000	16%
15	Manpower recruitment agents including labour and manpower supplies.	9805.6000	16%
16	Services provided by security agencies.	9818.1000	16%
17	Services provided by advertising agents	9805.7000	16%
18	Share transfer or depository agents including services provided through manual or electronic book-entry system used to record and maintain securities and to register the transfer of shares, securities and derivatives.	9805.9000	16%
19	Business support services.	9805.9200	16%
20	Services provided by fashion designers, whether relating to textile, leather, jewellery or other product regimes, including allied services, marketing, packing, delivery and display, etc.	9819.6000	16%
21	Services provided by architects, town planners and interior decorators.	9814.1000 9814.9000	16%
22	Services provided in respect of rent-a-car.	9819.3000	16%
23	Services provided by specialized workshops or undertakings (autoworkshops; workshops for industrial machinery, construction and earth- moving machinery or other special purpose machinery etc; workshops for electric or electronic equipments or appliances etc.including computer hardware; car washing or similar service stations and other workshops).	98.20	16%
24	Services provided for specified purposes including fumigation services, maintenance and repair (including building and equipment maintenance and repair including after sale services) or cleaning services, janitorial services, dredging or desilting services and other similar services etc.	98.22	16%
25	Services provided by underwriters, indenters, commission agents including brokers (other than stock) and auctioneers	9819.1100, 9819.1200, 9819.1300 and 9819.9100	16%
26	Services provided by laboratories other than services relating to pathological or diagnostic tests for patients.	98.17	16%
27	Services provided by health clubs, gyms, physical fitness centres, indoor sports and games centres and body or sauna massage centres	9821.1000 and 9821.2000 9821.4000	16%
28	Services provided by laundries and dry cleaners.	9811.0000	16%
29	Services provided by cable TV operators. Technical analysis and testing services	9819.9000 9819.9400	16%
30	Services provided by TV or radio program producers or production houses.		16%
31	Transportation through pipeline and conduit services.		16%
32	fund and asset (including investment) management services.		16%
33	Services provided by inland port operators (including airports and dry ports) and allied services provided at ports and services provided by terminal operators including services in respect of public bonded warehouses, excluding the amounts received by way of fee under any law or by law.		16%
34	Technical inspection and certification services and quality control (standards' certification) services		16%
35	Erection, commissioning and installation services.		16%
36	Event management services		16%
37	Valuation services (including competency and eligibility testing services),		16%
38	Exhibition or convention services		16%
39	Services provided in respect of mining of minerals, oil & gas including related surveys and allied activities		16%
40	Services provided by property dealers and realtors		16%
41	Call centres.		16%
42	Services provided by car/automobile dealers.		16%

SECTION 7 CUSTOMS

1. CUSTOMS ACT, 1969

General power to exempt from customs-duties **[Section 19]**

The Bill seeks to substitute the existing clause where previously the Federal Government was able to issue notifications to exempt any goods imported into, or exported from, Pakistan. Now with the proposed amendment the Federal Government would issue such notification after pursuing the approval from Economic Coordination Committee of Cabinet.

The Bill proposes to insert that all such notifications are needed to be placed before the National Assembly in the same financial year.

Further, it has been proposed to insert that the notifications as issued under this section stands revoked upon expiry of the financial year in which it was issued, if these are not earlier rescinded.

Board's power to grant exemption from duty in exceptional circumstances **[Section 20]**

It has been sought to omit the Board's power to grant exemption from custom duties, under circumstances of exceptional nature.

False statement, error, etc. **[Section 32]**

The bill proposes to increase the limit from less than one hundred rupees to more than Twenty thousand rupees for issuing of show cause notice for the recoverable amount on cases where duty or charge have not been levied or short levied or has been erroneously refunded due to any inadvertence, error or misconstruction.

Declaration and assessment for home consumption or warehousing **[Section 79]**

The bill proposes to include the transshipment for the declaration and for assessment the payment of duties and other charges in-case of transshipment will be at the port of destination.

Transshipment of goods without payment of duty **[Section 121]**

The bill seeks to insert a new proviso of permitting transshipment automatically from the customs-station having Customs Computerized System subject to risk selectivity criteria.

Entry, etc., of transshipped goods **[Section 123]**

The bill proposes to insert an explanation that for the transshipment of LCL goods, The customs-stations of first entry shall be the customs-station where the goods are de-consolidated.

Punishment for offences **[Section 156]**

The bill proposes to insert a new clause of penalty upto Rs. 50,000, in-case of contravention of the requirement of placement of the invoice and packing list along with consignment.

Further, the bill seeks to introduce the existing penalty in-case of offences of misdeclaration, illegal removal and concealment also on the Transit goods.

First schedule

PCT Code	Description	PCT Code	Description	PCT Code	Description
The bill seeks to decrease customs duty on the following tariff codes by 3%:		0502.1000	- Pigs', hogs' or boars bristles and hair and waste thereof		meat, meat offal or blood; food preparations based on these products.
2901.2100	-- Ethylene	0502.9000	- Other	1602.1000	- Homogenised preparations
3817.0000	Mixed alkylbenzenes and mixed alkylnaphthalenes, other than those of heading 27.07 or 29.02.	0803.1000	- Plantains	1602.2000	- Of liver of any animal
The bill seeks to decrease customs duty on the following tariff codes by 5%:		0803.9000	- Other	1602.3100	-- Of turkeys
0103.1000	- Pure- bred breeding animals	0804.1010	--- Fresh	1602.3200	-- Of fowls of the species Gallus domesticus (chicken)
0103.9100	-- Weighing less than 50 kg	0804.1020	--- Dried	1602.3900	-- Other
0103.9200	-- Weighing 50 kg or more	0804.2000	- Figs	1602.4100	-- Hams and cuts thereof
0203.1100	-- Carcasses and half-carcasses	0804.3000	- Pineapples	1602.4200	-- Shoulders and cuts thereof
0203.1200	-- Hams, shoulders and cuts thereof, with bone in	0804.4000	- Avocados	1602.4900	-- Other, including mixtures
0203.1900	-- Other	0804.5010	--- Guavas	1602.5000	- Of bovine animals
0203.2100	-- Carcasses and half-carcasses	0804.5020	--- Mangoes	1602.9000	- Other, including preparations of blood of any animal
0203.2200	-- Hams, shoulders and cuts thereof, with bone in	0804.5030	--- Mangosteens	1701.1200	-- Beet sugar
0203.2900	-- Other	0804.5040	--- Frozen mango	1701.1310	--- Gur (Jaggery)
0206.3000	- Of swine, fresh or chilled	0804.5050	--- Mango pulp	1701.1390	--- Other
0206.4100	-- Livers	0804.5090	--- Other	1701.1400	-- Other cane sugar
0206.4900	-- Other	0805.1000	- Oranges	1701.9910	--- White crystalline cane sugar
0207.1100	-- Not cut in pieces, fresh or chilled	0805.2010	--- Kino (fresh)	1701.9920	--- White crystalline beet sugar
0207.1200	-- Not cut in pieces, frozen	0805.2090	--- Other	1704.1000	- Chewing gum, whether or not sugar-coated
0207.1300	-- Cuts and offal, fresh or chilled	0805.4000	- Grapefruit, including pomelos	1704.9010	--- White chocolate
0207.1400	-- Cuts and offal, frozen	0805.5000	- Lemons (Citrus limon, Citrus limonum) and limes (Citrus aurantifolia, Citrus latifolia)	1704.9090	--- Other
0207.2400	-- Not cut in pieces, fresh or chilled	0805.9000	- Other	1806.1000	- Cocoa powder, containing added sugar or other sweetening matter
0207.2500	-- Not cut in pieces, frozen	0806.1000	- Fresh	1806.2010	--- Chocolate preparation
0207.2600	-- Cuts and offal, fresh or chilled	0806.2000	- Dried	1806.2090	--- Other
0207.2700	-- Cuts and offals, frozen	0807.1100	-- Watermelons	1806.3100	-- Filled
0207.4100	-- Not cut in pieces, fresh or chilled	0807.1900	-- Other	1806.3200	-- Not filled
0207.4200	-- Not cut in pieces, frozen	0807.2000	- Papaws (papayas)	1806.9000	- Other
0207.4300	-- Fatty livers, fresh or chilled	0808.1000	- Apples	1901.9010	--- Malt extract
0207.4400	-- Other, fresh or chilled	0808.3000	- Pears	1901.9020	--- Preparations other than in retail packing, not containing cocoa
0207.4500	-- Other, frozen	0808.4000	- Quinces	1901.9090	--- Other
0207.5100	-- Not cut in pieces, fresh or chilled	0809.1000	- Apricots	1902.1100	-- Containing eggs
0207.5200	-- Not cut in pieces, frozen	0809.2100	-- Sour cherries (Prunus cerasus)	1902.1910	--- Macaroni raw
0207.5300	-- Fatty livers, fresh or chilled	0809.2900	-- Other	1902.1920	--- Vermacelli
0207.5400	-- Other, fresh or chilled	0809.3000	- Peaches, including nectarines	1902.1990	--- Other
0207.5500	-- Other, frozen	0809.4000	- Plums and sloes	1902.2000	- Stuffed pasta, whether or not cooked or otherwise prepared
0207.6000	- Of guinea fowls	0810.1000	- Strawberries	1902.3000	- Other pasta
0209.1000	- Of pigs	0810.2000	- Raspberries, blackberries, mulberries and loganberries	1902.4000	- Couscous
0209.9000	- Other	0810.3000	- Black, white or red currants and gooseberries	1904.1010	--- Corn flakes
0210.1100	-- Hams, shoulders and cuts thereof, with bone in	0810.4000	- Cranberries, bilberries and other fruits of the genus Vaccinium	1904.1090	--- Other
0210.1200	-- Bellies (streaky) and cuts thereof	0810.5000	- Kiwifruit	1904.2000	- Prepared foods obtained from unroasted cereal flakes or from mixtures of unroasted cereal flakes and roasted cereal flakes or swelled cereals
0210.1900	-- Other	0810.6000	- Durians	1904.3000	- Bulgur wheat
0401.1000	- Of a fat content, by weight, not exceeding 1 %	0810.7000	- Persimmons	1904.9000	- Other
0401.2000	- Of a fat content, by weight, exceeding 1 % but not exceeding 6 %	0810.9010	--- Pomegranates	1905.1000	- Crispbread
0401.4000	- Of a fat content, by weight, exceeding 6 % but not exceeding 10%	0810.9090	--- Other	1905.2000	- Gingerbread and the like
0401.5000	- Of a fat content, by weight, exceeding 10 %	0811.1000	- Strawberries	1905.3100	-- Sweet biscuits
0402.1000	- In powder, granules or other solid forms, of a fat content, by weight, not exceeding 1.5 %	0811.2000	- Raspberries, blackberries, mulberries, loganberries, black, white or red currants and gooseberries	1905.3200	-- Waffles and wafers
0402.2100	-- Not containing added sugar or other sweetening matter	0812.1000	- Other	1905.4000	- Rusks, toasted bread and similar toasted products
0402.2900	-- Other	0812.1000	- Cherries	1905.9000	- Other
0402.9100	-- Not containing added sugar or other sweetening matter	0812.9000	- Other	2001.1000	- Cucumbers and gherkins
0402.9900	-- Other	0813.1000	- Apricots	2001.9010	--- Pickles
0403.1000	- Yogurt	0813.2000	- Prunes	2001.9090	--- Other
0403.9000	- Other	0813.3000	- Apples	2002.1000	- Tomatoes, whole or in pieces
0404.1010	--- Whey powder	0813.4020	--- Cherries	2002.9010	--- Tomatoes paste
0404.1090	--- Other	0813.4030	--- Pine nut (chilgoza)	2002.9090	--- Other
0404.9000	- Other	0813.4040	--- Peaches (aroor)	2003.1000	- Mushrooms of the genus Agaricus
0405.1000	- Butter	0813.4050	--- Plums (allocha)	2003.9000	- Other
0405.2000	- Dairy spreads	0813.4060	--- Lichis	2004.1000	- Potatoes
0405.9000	- Other	0813.4070	--- Raisins	2004.9000	- Other vegetables and mixtures of vegetables
0406.1010	--- Cheese	0813.4090	--- Other	2005.1000	- Homogenised vegetables
0406.1020	--- Curd	0813.5000	- Mixtures of nuts or dried fruits of this Chapter	2005.2000	- Potatoes
0406.1090	--- Other	0814.0000	Peel of citrus fruit or melons (Including watermelons) fresh, frozen, dried or provisionally preserved in brine, in sulphur water or in other preservative solutions.	2005.4000	- Peas (Pisum sativum)
0406.2000	- Grated or powdered cheese, of all kinds	1105.2000	- Flakes, granules and pellets	2005.5100	-- Beans, shelled
0406.3000	- Processed cheese, not grated or powdered	1301.9010	--- Cannabis resins and balsams	2005.5900	-- Other
0406.4000	- Blue- veined cheese and other cheese containing veins produced by Penicillium roqueforti	1302.1100	-- Opium	2005.6000	- Asparagus
0406.9000	- Other cheese	1302.3210	--- Guwar gum	2005.7000	- Olives
0409.0000	Natural honey.	1404.9010	--- Tendu leaves (biri leaves)	2005.8000	- Sweet corn (Zea mays var. saccharata)
		1404.9090	--- Other	2005.9100	-- Bamboo shoots
		1501.1000	- Lard	2005.9900	-- Other
		1501.2000	- Other pig fat	2006.0000	Vegetables, fruit, nuts, fruit- peel and other parts of plants, preserved by sugar (drained, glacé or crystallised).
		1503.0010	--- Lard stearin, lard oil		
		1601.0000	Sausages and similar products, of		

PCT Code	Description	PCT Code	Description	PCT Code	Description
2007.1000	- Homogenised preparations	2935.0040	--- Sulphamethoxazole		wash- basins
2007.9100	-- Citrus fruit	2935.0050	--- Sulpha-thiazolediazine	3922.2000	- Lavatory seats and covers
2007.9900	-- Other	2935.0060	--- Sulphanilamide	3922.9000	- Other
2008.9300	-- Cranberries (Vaccinium macrocarpon, Vaccinium oxycoccos, Vaccinium vitis-idaea)	2939.4100	-- Ephedrine and its salts	3923.2100	-- Of polymers of ethylene
		2939.4200	-- Pseudoephedrine (INN) and its salts	3923.2900	-- Of other plastics
2008.9700	-- Mixtures	2941.1000	- Penicillins and their derivatives with a penicillanic acid structure; salts thereof	3923.3090	---
2008.9900	-- Other			3923.4000	- Spools, cops, bobbins and similar supports
2009.1100	-- Frozen	3004.1010	--- Ampicillin, Amoxicillin and Cloxacillin capsules/ syrup	3923.5000	- Stoppers, lids, caps and other closures
2009.1200	-- Not frozen, of a Brix value not exceeding 20	3005.1090	---		---
		3005.9090	--- Other	3923.9090	---
2009.1900	-- Other	3209.1090	---	3924.1000	- Tableware and kitchenware
2009.2100	-- Of a Brix value not exceeding 20	3303.0010	---	3924.9000	- Other
2009.2900	-- Other	3303.0020	---	3925.1000	- Reservoirs, tanks, vats and similar containers, of a capacity exceeding 300l
2009.3100	-- Of a Brix value not exceeding 20	3303.0090	---		
2009.3900	-- Other	3304.1000	- Lip make- up preparations	3925.2000	- Doors, windows and their frames and thresholds for doors
2009.4100	-- Of a Brix value not exceeding 20	3304.2000	- Eye make- up preparations		
2009.4900	-- Other	3304.3010	---	3925.3000	- Shutters, blinds (including Venetian blinds) and similar articles and parts thereof
2009.5000	- Tomato juice	3304.3090	---		
2009.6100	-- Of a Brix value not exceeding 30	3304.9110	---	3925.9000	- Other
2009.6900	-- Other	3304.9120	---	4011.2010	---
2009.7100	-- Of a Brix value not exceeding 20	3304.9190	---	4011.4000	- Of a kind used on motorcycles
2009.7900	-- Other	3304.9910	---	4011.5000	- Of a kind used on bicycles
2009.8100	-- Cranberry (Vaccinium macrocarpon, Vaccinium oxycoccos, Vaccinium vitis-idaea) juice	3304.9920	---	4012.1100	-- Of a kind used on motor cars (including station wagons and racing cars)
		3304.9990	---		
2009.8900	-- Other	3305.1000	- Shampoos	4012.1200	-- Of a kind used on buses or lorries
2009.9000	- Mixtures of juices	3305.2000	- Preparations for permanent waving or straightening	4012.1900	-- Other
2103.1000	- Soya sauce	3305.3000	- Hair lacquers	4012.2000	- Used pneumatic tyres
2103.2000	- Tomato ketchup and other tomato sauces	3305.9010	---	4012.9090	---
		3305.9020	---	4013.1020	---
2103.3000	- Mustard flour and meal and prepared mustard	3305.9090	---	4013.1090	---
		3306.1010	---	4013.2000	- Of a kind used on bicycles
2103.9000	- Other	3306.1090	---	4013.9020	---
2104.1000	- Soups and broths and preparations therefor	3306.2000	- Yarn used to clean between the teeth (dental floss)	4013.9030	---
				4013.9090	---
2104.2000	- Homogenised composite food preparations	3306.9000	- Other	4016.9100	-- Floor coverings and mats
2105.0000	Ice cream and other edible ice, whether or not containing cocoa	3307.1000	- Pre- shave, shaving or after- shave preparations	4016.9310	---
		3307.2000	- Personal deodorants and antiperspirants	4103.3000	- Of swine
2106.1010	---			4106.3100	-- In the wet state (including wet- blue)
2106.1090	---	3307.3000	- Perfumed bath salts and other bath preparations	4106.3200	-- In the dry state (crust)
2106.9010	---	3307.4100	- "Agarbatti" and other odoriferous preparations which operate by burning	4113.2000	- Of swine
				4202.1120	---
2106.9020	---	3307.4900	- Other		
2106.9040	---	3307.9010	---	4202.1190	---
		3307.9090	---	4202.1210	---
2106.9050	---	3401.1100	- For toilet use (including medicated products)	4202.1220	---
2106.9060	---				
2106.9090	---	3401.1900	-- Other	4202.1290	---
2201.1010	---	3401.2000	- Soap in other forms	4202.1900	-- Other
2201.1020	---	3401.3000	- Organic surface- active products and preparations for washing the skin, in the form of liquid or cream and put up for retail sale, whether or not containing soap	4202.2100	-- With outer surface of leather or of composition leather
2201.9000	- Other			4202.2200	-- With outer surface of plastic sheeting or of textile materials
2202.1010	---	3402.1300	-- Non-ionic	4202.2900	-- Other
2202.1090	---	3402.2000	- Preparations put up for retail sale	4202.3100	-- With outer surface of leather or of composition leather
2202.9000	- Other	3402.9000	- Other	4202.3200	-- With outer surface of plastic sheeting or of textile materials
2209.0000	Vinegar and substitutes for vinegar obtained from acetic acid.	3405.1010	---	4202.3900	-- Other
		3405.1010	---	4202.9100	-- With outer surface of leather or of composition leather
2309.1000	- Dog or cat food, put up for retail sale	3405.3000	- Polishes and similar preparations for coachwork, other than metal polishes		
2402.1000	- Cigars, cheroots and cigarillos, containing tobacco			4202.9200	-- With outer surface of plastic sheeting or of textile materials
		3405.9000	- Other		
2402.2000	- Cigarettes containing tobacco	3406.0000	Candles, tapers and the like.	4202.9900	-- Other
2402.9000	- Other	3604.1000	- Fireworks	4203.1010	---
2403.1100	-- Water pipe tobacco specified in Subheading Note 1 to this Chapter	3604.9000	- Other		
		3605.0000	Matches, other than pyrotechnic articles of heading 36.04.	4203.1020	---
2403.1900	-- Other			4203.1030	---
2403.9100	-- "Homogenised" or "reconstituted" tobacco	3808.5090	---	4203.1090	---
		3808.9110	---	4203.2100	-- Specially designed for use in sports
2403.9910	---			4203.2910	---
2710.1290	---	3808.9120	---	4203.2920	---
2710.1949	---	3808.9150	---	4203.2930	---
2710.1951	---	3811.1900	---	4203.3000	---
2710.1952	---	3909.1010	---	4203.4000	---
2710.1953	---			4303.1000	---
				4808.1000	---
2713.9020	---	3915.1000	- Of polymers of ethylene	4808.4000	---
2803.0090	---	3915.2000	- Of polymers of styrene		
2915.1100	---	3915.3000	- Of polymers of vinyl chloride		
2915.2100	-- Acetic acid	3915.9000	- Of other plastics		
2915.3100	-- Ethyl acetate	3918.1000	- Of polymers of vinyl chloride		
2915.3300	-- n -Butyl acetate	3918.9000	- Of other plastics		
2918.2210	---	3919.1020	---		
2924.2910	---	3919.1030	---		
2934.9910	---	3922.1000	- Baths, shower- baths, sinks and		

PCT Code	Description	PCT Code	Description	PCT Code	Description
4808.9000	- Other		100 g/m2	5702.1000	- "Kelem", "Schumacks", "Karamanie" and similar hand- woven rugs
4810.9200	-- Multi-ply	5208.1200	-- Plain weave, weighing more than 100 g/m2	5702.2000	- Floor coverings of coconut fibres (coir)
4810.9900	-- Other			5702.3100	-- Of wool or fine animal hair
4811.4900	-- Other	5208.1300	-- 3-thread or 4-thread twill, including cross twill	5702.3290	-- Other
4811.5100	-- Bleached, weighing more than 150 g/m2	5208.1900	-- Other fabrics	5702.3900	-- Of other textile materials
4811.5930	--- Floor coverings on a base of paper or of paperboard, whether or not cut to size	5208.2100	-- Plain weave, weighing not more than 100 g/m2	5702.4110	--- Carpets machine made
4811.6020	--- Floor coverings on a base of paper or of paperboard, whether or not cut to size	5208.2200	-- Plain weave, weighing more than 100 g/m2	5702.4190	--- Other
4811.9000	- Other paper, paperboard, cellulose wadding and webs of cellulose fibres	5208.2300	-- 3-thread or 4-thread twill, including cross twill	5702.4290	--- Other
4813.1010	--- In the form of booklets	5208.2900	-- Other fabrics	5702.4900	-- Of other textile materials
4813.1020	--- In the form of tubes	5208.3100	-- Plain weave, weighing not more than 100 g/m2	5702.5000	- Other, not of pile construction, not made up
4813.2000	- In rolls of a width not exceeding 5cm	5208.3200	-- Plain weave, weighing more than 100 g/m2	5702.9100	-- Of wool or fine animal hair
4813.9000	- Other	5208.3300	-- 3-thread or 4-thread twill, including cross twill	5702.9200	-- Of man-made textile materials
4814.2000	- Wallpaper and similar wall coverings, consisting of paper coated or covered, on the face side, with a grained, embossed, coloured, design- printed or otherwise decorated layer of plastics	5208.3900	-- Other fabrics	5702.9910	--- Rugs of cotton
4814.9000	- Other	5208.4100	-- Plain weave, weighing not more than 100 g/m2	5702.9920	--- Durries
4817.1000	- Envelopes	5208.4200	-- Plain weave, weighing more than 100 g/m2	5702.9990	--- Other
4817.2000	- Letter cards, plain post- cards and correspondence cards	5208.4300	-- 3-thread or 4-thread twill, including cross twill	5703.1000	- Of wool or fine animal hair
4817.3000	- Boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing an assortment of paper stationery	5208.4900	-- Other fabrics	5703.9000	- Of other textile materials
4818.1000	- Toilet paper	5208.5100	-- Plain weave, weighing not more than 100 g/m2	5704.9000	- Other
4818.2000	- Handkerchiefs, cleansing or facial tissues and towels	5208.5200	-- Plain weave, weighing more than 100 g/m2	5705.0000	Other carpets and other textile floor coverings, whether or not made up.
4818.3000	- Tablecloths and serviettes	5208.5900	-- Other fabrics	5801.1000	- Of wool or fine animal hair
4819.1000	- Cartons, boxes and cases, of corrugated paper or paperboard	5209.1100	-- Plain weave	5801.2100	-- Uncut weft pile fabrics
4819.2000	- Folding cartons, boxes and cases, of non corrugated paper or paperboard	5209.1200	-- 3-thread or 4-thread twill, including cross twill	5801.2200	-- Cut corduroy
4819.3000	- Sacks and bags, having a base of a width of 40 cm or more	5209.1900	-- Other fabrics	5801.2300	-- Other weft pile fabrics
4819.4000	- Other sacks and bags, including cones	5209.2100	-- Plain weave	5801.2600	-- Chenille fabrics
4819.5000	- Other packing containers, including record sleeves	5209.2200	-- 3-thread or 4-thread twill, including cross twill	5801.2700	-- Warp pile fabrics
4819.6000	- Box files, letter trays, storage boxes and similar articles, of a kind used in offices, shops or the like	5209.2900	-- Other fabrics	5801.3100	-- Uncut weft pile fabrics
4820.1010	--- Note books, order books and receipt books	5209.3100	-- Plain weave	5801.3200	-- Cut corduroy
4820.1020	--- Diaries	5209.3200	-- 3-thread or 4-thread twill, including cross twill	5801.3300	-- Other weft pile fabrics
4820.1090	--- Other	5209.3900	-- Other fabrics	5801.3600	-- Chenille fabrics
4820.2000	- Exercise books	5209.4100	-- Plain weave	5801.3700	-- Warp pile fabrics
4820.3000	- Binders (other than book covers), folders and file covers	5209.4200	-- Other fabrics of 3-thread or 4-thread twill, including cross twill	5801.9000	- Of other textile materials
4820.4000	- Manifold business forms and interleaved carbon sets	5209.4300	-- Other fabrics	5802.1100	-- Unbleached
4820.5000	- Albums for samples or for collections	5209.4900	-- Plain weave	5802.1900	-- Other
4820.9000	- Other	5209.5100	-- 3-thread or 4-thread twill, including cross twill	5802.2000	- Terry towelling and similar woven terry fabrics, of other textile materials
4821.1010	--- Paper graphics of a kind used for decoration for vehicles of heading 87.11	5209.5200	-- Other fabrics	5802.3000	- Tufted textile fabrics
4821.1020	--- Paper graphics of a kind used for decoration for vehicles of heading 8701.9020	5209.5900	-- Other fabrics	5803.0000	Gauze, other than narrow fabrics of heading 58.06.
4821.1030	--- Other for motor cars and vehicles	5212.1100	-- Unbleached	5804.1000	- Tulles and other net fabrics
4821.1090	--- Other	5212.1200	-- Bleached	5804.2100	-- Of man-made fibres
4821.9000	- Other	5212.1300	-- Dyed	5804.2900	-- Of other textile materials
4822.1000	- Of a kind used for winding textile yarn	5212.1400	-- Of yarns of different colours	5804.3000	- Hand made lace
4822.9000	- Other	5212.1500	-- Printed	5805.0000	Hand- woven tapestries of the types Gobelins, Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries (for example, petit point, cross stitch) whether or not made up.
4823.6100	-- Of bamboo	5212.2100	-- Unbleached	5806.1000	- Woven pile fabrics (including terry towelling and similar terry fabrics) and chenille fabrics
4823.6900	-- Other	5212.2200	-- Bleached	5806.2000	- Other woven fabrics, containing by weight 5 % or more of elastomeric yarn or rubber thread
4823.7000	- Moulded or pressed articles of paper pulp	5212.2300	-- Dyed	5806.3100	-- Of cotton
4823.9090	--- Other	5212.2400	-- Of yarns of different colours	5806.3200	-- Of man-made fibres
4909.0000	Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings.	5212.2500	-- Printed	5806.3900	-- Of other textile materials
4910.0000	Calendars of any kind, printed, including calendar blocks.	5309.1100	-- Unbleached or bleached	5807.1010	--- Badges
5204.1100	-- Containing 85 % or more by weight of cotton	5309.1900	-- Other	5807.1020	--- Ribbons
5204.1900	-- Other	5309.2100	-- Unbleached or bleached	5807.1030	--- Tapes
5204.2010	--- For sewing	5309.2900	-- Other	5807.1040	--- Webbing
5204.2020	--- For embroidery	5310.1000	-- Unbleached	5807.1090	--- Other
5204.2090	--- Other	5310.9010	--- Jute (hessian cloth)	5807.9000	- Other
5208.1100	-- Plain weave, weighing not more than	5310.9090	--- Other	5808.1000	- Braids in the piece
		5601.2100	-- Of cotton	5808.9000	- Other
		5601.2200	-- Of man-made fibres	5809.0000	Woven fabrics of metal thread and woven fabrics of metallised yarn of heading 56.05, of a kind used in apparel, as furnishing fabrics or for similar purposes, not elsewhere specified or included.
		5601.2900	-- Other	5810.1000	- Embroidery without visible ground
		5607.2100	-- Binder or baler twine	5810.9100	-- Of cotton
		5607.2900	-- Other	5810.9200	-- Of man-made fibres
		5607.4100	-- Binder or baler twine	5810.9900	-- Of other textile materials
		5607.4900	-- Other	5811.0000	Quilted textile products in the piece, composed of one or more layers of textile materials assembled with padding by stitching or otherwise, other than embroidery of heading 58.10.
		5607.5000	- Of other synthetic fibres	5901.1000	- Textile fabrics coated with gum or amylaceous substances, of a kind used for the outer covers of books or the like
		5607.9000	- Other	5901.9010	--- Buckram
		5609.0000	Articles of yarn, strip or the like of heading 54.04 or 54.05, twine, cordage, rope or cables, not elsewhere specified or included.		

PCT Code	Description	PCT Code	Description	PCT Code	Description
5901.9090	--- Other	6006.9090	--- Other	6112.1900	-- Of other textile materials
5903.1000	- With poly(vinyl chloride)	6101.2000	- Of cotton	6112.2000	- Ski suits
5903.2000	- With polyurethane	6101.3000	- Of man- made fibres	6112.3100	-- Of synthetic fibres
5903.9000	- Other	6101.9000	- Of other textile materials	6112.3900	-- Of other textile materials
5904.1000	- Linoleum	6102.1000	- Of wool or fine animal hair	6112.4100	-- Of synthetic fibres
5904.9000	- Other	6102.2000	- Of cotton	6112.4900	-- Of other textile materials
5905.0000	Textile wall coverings.	6102.3000	- Of man- made fibres	6113.0000	Garments, made up of knitted or crocheted fabrics of heading 59.03, 59.06 or 59.07.
5906.1000	- Adhesive tape of a width not exceeding 20 cm	6102.9000	- Of other textile materials		
		6103.1000	- Suits		
5906.9100	-- Knitted or crocheted	6103.2200	-- Of cotton	6114.2000	- Of cotton
5906.9900	-- Other	6103.2300	-- Of synthetic fibres	6114.3000	- Of man- made fibres
5907.0000	Textile fabrics otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio back-cloths or the like.	6103.2900	-- Of other textile materials	6114.9000	- Of other textile materials
		6103.3100	-- Of wool or fine animal hair	6115.1010	--- Socks
5908.0000	Textile wicks, woven, plaited or knitted, for lamps, stoves, lighters, candles or the like; incandescent gas mantles and tubular knitted gas mantle fabric therefor, whether or not impregnated.	6103.3200	-- Of cotton	6115.1090	--- Other
		6103.3300	-- Of synthetic fibres	6115.2100	-- Of synthetic fibres, measuring per single yarn less than 67 decitex
		6103.3900	-- Of other textile materials		
		6103.4100	-- Of wool or fine animal hair	6115.2200	-- Of synthetic fibres, measuring per single yarn 67 decitex or more
		6103.4200	-- Of cotton		
		6103.4300	-- Of synthetic fibres	6115.2900	-- Of other textile materials
		6103.4900	-- Of other textile materials	6115.3010	--- Socks
5910.0000	Transmission or conveyor belts or belting, of textile material, whether or not impregnated, coated, covered or laminated with plastics, or reinforced with metal or other material.	6104.1300	-- Of synthetic fibres	6115.3090	--- Other
		6104.1900	-- Of other textile materials	6115.9400	-- Of wool or fine animal hair
		6104.2200	-- Of cotton	6115.9500	-- Of cotton
		6104.2300	-- Of synthetic fibres	6115.9600	-- Of synthetic fibres
6001.1010	--- Unbleached	6104.2900	-- Of other textile materials	6115.9900	-- Of other textile materials
6001.1090	--- Other	6104.3100	-- Of wool or fine animal hair	6116.1000	- Impregnated, coated or covered with plastics or rubber
6001.2110	--- Unbleached	6104.3200	-- Of cotton		
6001.2190	--- Other	6104.3300	-- Of synthetic fibres	6116.9100	-- Of wool or fine animal hair
6001.2210	--- Unbleached	6104.3900	-- Of other textile materials	6116.9200	-- Of cotton
6001.2290	--- Other	6104.4100	-- Of wool or fine animal hair	6116.9300	-- Of synthetic fibres
6001.2910	--- Unbleached	6104.4210	--- Shisha embroidered dresses	6116.9900	-- Of other textile materials
6001.2990	--- Other	6104.4290	--- Other	6117.1010	--- Shawls
6001.9110	--- Unbleached	6104.4300	-- Of synthetic fibres	6117.1020	--- Scarves
6001.9190	--- Other	6104.4400	-- Of artificial fibres	6117.1030	--- Dupatta
6001.9910	--- Unbleached	6104.4900	-- Of other textile materials	6117.1040	--- Veils (burqa)
6001.9990	--- Other	6104.5100	-- Of wool or fine animal hair	6117.1090	--- Other
6002.9000	- Other	6104.5200	-- Of cotton	6117.8000	- Other accessories
6003.1010	--- Unbleached	6104.5300	-- Of synthetic fibres	6117.9000	- Parts
6003.1090	--- Other	6104.5900	-- Of other textile materials	6201.1100	-- Of wool or fine animal hair
6003.2010	--- Unbleached	6104.6100	-- Of wool or fine animal hair	6201.1200	-- Of cotton
6003.2090	--- Other	6104.6200	-- Of cotton	6201.1300	-- Of man-made fibres
6003.3010	--- Unbleached	6104.6300	-- Of synthetic fibres	6201.1900	-- Of other textile materials
6003.3090	--- Other	6104.6900	-- Of other textile materials	6201.9100	-- Of wool or fine animal hair
6003.4010	--- Unbleached	6105.1000	- Of cotton	6201.9200	-- Of cotton
6003.4090	--- Other	6105.2000	- Of man- made fibres	6201.9300	-- Of man-made fibres
6003.9010	--- Unbleached	6105.9000	- Of other textile materials	6201.9900	-- Of other textile materials
6003.9090	--- Other	6106.1000	- Of cotton	6202.1100	-- Of wool or fine animal hair
6004.1000	- Containing by weight 5% or more of elastomeric yarn but not containing rubber thread	6106.2000	- Of man- made fibres	6202.1200	-- Of cotton
		6106.9000	- Of other textile materials	6202.1300	-- Of man-made fibres
		6107.1100	-- Of cotton	6202.1900	-- Of other textile materials
6004.9000	- Other	6107.1200	-- Of man-made fibres	6202.9100	-- Of wool or fine animal hair
6005.2110	--- Unbleached	6107.1900	-- Of other textile materials	6202.9200	-- Of cotton
6005.2120	--- Bleached	6107.2110	--- Nightshirts	6202.9300	-- Of man-made fibres
6005.2200	-- Dyed	6107.2120	--- Pyjamas	6202.9900	-- Of other textile materials
6005.2300	-- Of yarns of different colours	6107.2210	--- Nightshirts	6203.1100	-- Of wool or fine animal hair
6005.2400	-- Printed	6107.2220	--- Pyjamas	6203.1200	-- Of synthetic fibres
6005.3110	--- Unbleached	6107.2900	-- Of other textile materials	6203.1910	--- Men's or boys' suits of cotton
6005.3120	--- Bleached	6107.9100	-- Of cotton	6203.1990	--- Other
6005.3200	-- Dyed	6107.9900	-- Of other textile materials	6203.2200	-- Of cotton
6005.3300	-- Of yarns of different colours	6108.1100	-- Of man-made fibres	6203.2300	-- Of synthetic fibres
6005.3400	-- Printed	6108.1900	-- Of other textile materials	6203.2900	-- Of other textile materials
6005.4110	--- Unbleached	6108.2100	-- Of cotton	6203.3100	-- Of wool or fine animal hair
6005.4120	--- Bleached	6108.2200	-- Of man-made fibres	6203.3200	-- Of cotton
6005.4200	-- Dyed	6108.2900	-- Of other textile materials	6203.3300	-- Of synthetic fibres
6005.4300	-- Of yarns of different colours	6108.3100	-- Of cotton	6203.3900	-- Of other textile materials
6005.4400	-- Printed	6108.3200	-- Of man-made fibres	6203.4110	--- Trousers
6005.9010	--- Unbleached	6108.3900	-- Of other textile materials	6203.4190	--- Other
6005.9090	--- Other	6108.9100	-- Of cotton	6203.4200	-- Of cotton
6006.1000	- Of wool or fine animal hair	6108.9200	-- Of man-made fibres	6203.4300	-- Of synthetic fibres
6006.2110	--- Unbleached	6108.9900	-- Of other textile materials	6203.4900	-- Of other textile materials
6006.2120	--- Bleached	6109.1000	- Of cotton	6204.1100	-- Of wool or fine animal hair
6006.2200	-- Dyed	6109.9010	--- Baluchi/Peshawari vest	6204.1200	-- Of cotton
6006.2300	-- Of yarns of different colours	6109.9090	--- Other	6204.1300	-- Of synthetic fibres
6006.2400	-- Printed	6110.1100	-- Of wool	6204.1900	-- Of other textile materials
6006.3110	--- Unbleached	6110.1200	-- Of Kashmir (cashmere) goats	6204.2100	-- Of wool or fine animal hair
6006.3120	--- Bleached	6110.1900	--- Other	6204.2200	-- Of cotton
6006.3200	-- Dyed	6110.2000	- Of cotton	6204.2300	-- Of synthetic fibres
6006.3300	-- Of yarns of different colours	6110.3000	- Of man- made fibres	6204.2900	-- Of other textile materials
6006.3400	-- Printed	6110.9000	- Of other textile materials	6204.3100	-- Of wool or fine animal hair
6006.4110	--- Unbleached	6111.2000	- Of cotton	6204.3200	-- Of cotton
6006.4120	--- Bleached	6111.3000	- Of synthetic fibres	6204.3300	-- Of synthetic fibres
6006.4200	-- Dyed	6111.9000	- Of other textile materials	6204.3900	-- Of other textile materials
6006.4300	-- Of yarns of different colours	6112.1100	-- Of cotton	6204.4100	-- Of wool or fine animal hair
6006.4400	-- Printed	6112.1200	-- Of synthetic fibres	6204.4210	--- Shisha embroidered dresses
6006.9010	--- Unbleached			6204.4290	--- other

PCT Code	Description	PCT Code	Description	PCT Code	Description
6204.4300	-- Of synthetic fibres	6214.1000	- Of silk or silk waste	6306.2990	--- Other
6204.4400	-- Of artificial fibres	6214.2000	- Of wool or fine animal hair	6306.3000	- Sails
6204.4900	-- Of other textile materials	6214.3000	- Of synthetic fibres	6306.4000	- Pneumatic mattresses
6204.5100	-- Of wool or fine animal hair	6214.4000	- Of artificial fibres	6306.9000	- Other
6204.5200	-- Of cotton	6214.9010	--- Shawls	6307.1010	--- Dish-cloth
6204.5300	-- Of synthetic fibres	6214.9020	--- Scarves	6307.1020	--- Wash-cloth
6204.5900	-- Of other textile materials	6214.9030	--- Dupatta	6307.1030	--- Dusters
6204.6100	-- Of wool or fine animal hair	6214.9040	--- Veils (burqa)	6307.1040	--- Bar mops
6204.6210	--- Ghagra	6214.9090	--- Other	6307.1050	--- Bath mats
6204.6220	--- Charara	6215.1000	- Of silk or silk waste	6307.1090	--- Other
6204.6290	--- Other	6215.2000	- of man- made fibres	6307.9010	--- Shopping bags, knitted
6204.6310	--- Ghagra	6215.9000	- Of other textile materials	6307.9020	--- Prayer mats(janamaz)
6204.6320	--- Charara	6216.0010	--- Gloves	6307.9030	--- Caps (knitted)
6204.6390	--- Other	6216.0020	--- Mittens and mitts	6307.9040	--- Shoe lace
6204.6910	--- Ghagra	6301.1000	- Electric blankets	6307.9050	--- Tea cosy
6204.6920	--- Charara	6301.2000	- Blankets (other than electric blankets) and travelling rugs, of wool or of fine animal hair	6307.9060	--- Stove pad
6204.6990	--- Other			6307.9070	--- Terry coverlets
6205.2010	--- Baluchi kameez			6307.9080	--- Cushion pillows
6205.2020	--- Kurta	6301.3000	- Blankets (other than electric blankets) and travelling rugs, of cotton	6307.9090	--- Other
6205.2090	--- Other	6301.4000	- Blankets (other than electric blankets) and travelling rugs, of synthetic fibres	6308.0000	Sets consisting of woven fabric and yarn, whether or not with accessories, for making up into rugs, tapestries, embroidered table cloths or serviettes, or similar textile articles, put up in packings for retail sale.
6205.3000	- Of man- made fibres				
6205.9010	--- Of wool or fine animal hair	6301.9000	- Other blankets and travelling rugs		
6205.9090	--- Other	6302.1010	--- Bed sheets	6310.1000	- Sorted
6206.1000	- Of silk or silk waste	6302.1020	--- Pillow covers	6310.9000	- Other
6206.2000	- Of wool or fine animal hair	6302.1090	--- Other	6401.1000	- Footwear incorporating a protective metal toe- cap
6206.3010	--- Multani choli	6302.2100	-- Of cotton	6401.9200	- Covering the ankle but not covering the knee
6206.3020	--- Punjabi kameez	6302.2200	-- Of man-made fibres	6401.9900	-- Other
6206.3030	--- Baluchi kameez	6302.2900	-- Of other textile materials	6402.1200	-- Ski-boots, cross country ski footwear and snowboard boots
6206.3040	--- Kurta	6302.3110	--- Bed sheets, mill-made	6402.1900	-- Other
6206.3090	--- Other	6302.3120	--- Bed sheets, hand-loom made	6402.2000	- Footwear with upper straps or thongs assembled to the sole by means of plugs
6206.4010	--- Multani choli	6302.3130	--- Bed covers, mill-made	6402.9100	-- Covering the ankle
6206.4020	--- Punjabi kameez	6302.3140	--- Bed covers, hand-loom made	6402.9900	-- Other
6206.4030	--- Baluchi kameez	6302.3150	--- Pillow-covers, mill-made	6403.1200	-- Ski-boots, cross country ski footwear and snowboard boots
6206.4040	--- Kurta	6302.3160	--- Pillow-covers, hand-loom made	6403.1900	-- Other
6206.4090	--- Other	6302.3190	--- Other	6403.2000	- Footwear with outer soles of leather, and uppers which consist of leather straps across the instep and around the big toe
6206.9010	--- Multani choli	6302.3200	-- Of man-made fibres	6403.4000	- Other footwear, incorporating a protective metal toe- cap
6206.9020	--- Punjabi kameez	6302.3910	--- Bed sheets	6403.5100	-- Covering the ankle
6206.9030	--- Baluchi kameez	6302.3920	--- Bed covers	6403.5900	-- Other
6206.9040	--- Kurta	6302.3930	--- Pillow covers	6403.9100	-- Covering the ankle
6206.9090	--- Other	6302.3990	--- Other	6403.9900	-- Other
6207.1100	-- Of cotton	6302.4000	- Table linen, knitted or crocheted	6404.1100	-- Sports footwear; tennis shoes, basketball shoes, gym shoes, training shoes and the like
6207.1910	--- Baluchi/Peshawari vest	6302.5110	--- Table-covers, mill-made	6404.1900	-- Other
6207.1990	--- Other	6302.5120	--- Table-covers, hand-loom made	6404.2000	- Footwear with outer soles of leather or composition leather
6207.2100	-- Of cotton	6302.5190	--- Other	6405.1000	- With uppers of leather or composition leather
6207.2200	-- Of man-made fibres	6302.5300	-- Of man-made fibres	6405.2000	- With uppers of textile materials
6207.2900	-- Of other textile materials	6302.5900	-- Of other textile materials	6405.9010	--- Of canvas
6207.9100	-- Of cotton	6302.6010	--- Towels, mill-made	6405.9090	--- Other
6207.9900	-- Of other textile materials	6302.6020	--- Towels of cotton, hand loom	6406.2010	--- Of rubber
6208.1100	-- Of man-made fibres	6302.6090	--- Other	6406.2090	--- Other
6208.1900	-- Of other textile materials	6302.9110	--- Toilet and kitchen linen mill made	6406.9000	- Other
6208.2100	-- Of cotton	6302.9120	--- Toilet and kitchen linen hand loom made	6601.1000	- Garden or similar umbrellas
6208.2200	-- Of man-made fibres			6601.9100	-- Having a telescopic shaft
6208.2900	-- Of other textile materials	6302.9190	--- Other	6601.9900	-- Other
6208.9100	-- Of cotton	6302.9300	-- Of man-made fibres	6602.0010	--- Walking sticks and seat sticks
6208.9200	-- Of man-made fibres	6302.9900	-- Of other textile materials	6602.0090	--- Other
6208.9900	-- Of other textile materials	6303.1200	-- Of synthetic fibres	6702.1000	- Of plastics
6209.2010	--- Babies' garments not knitted or crocheted	6303.1900	-- Of other textile materials	6702.9000	- Of other materials
		6303.9110	--- Mill-made	6801.0000	Setts, curbstones and flagstones, of natural stone (except slate).
6209.2020	--- Babies' clothing accessories	6303.9190	--- Other	6802.1000	- Tiles, cubes and similar articles, whether or not rectangular (including square), the largest surface area of which is capable of being enclosed in a square the side of which is less than 7 cm; artificially coloured granules, chippings and powder
6209.3000	- Of synthetic fibres	6303.9210	--- Mill-made		
6209.9010	--- Babies' garments	6303.9290	--- Other	6802.2100	-- Marble, travertine and alabaster
6209.9090	--- Other	6303.9900	-- Of other textile materials	6802.2300	-- Granite
6210.1000	- Of fabrics of heading 56.02 or 56.03	6304.1100	-- Knitted or crocheted	6802.2900	-- Other stone
6210.2000	- Other garments, of the type described in subheadings 6201.11 to 6201.19	6304.1900	-- Other	6802.9100	-- Marble, travertine and alabaster
		6304.9100	-- knitted or crocheted		
6210.3000	- Other garments, of the type described in subheadings 6202.11 to 6202.19	6304.9200	-- Not knitted or crocheted, of cotton		
		6304.9300	-- Not knitted or crocheted, of synthetic fibres		
6210.4000	- Other men's or boys' garments				
6210.5000	- Other women's or girls' garments	6304.9900	-- Not knitted or crocheted, of other textile materials		
6211.1100	-- Men's or boys'	6305.1000	- Of jute or of other textile bast fibres of heading 53.03		
6211.1200	-- Women's or girls'	6305.2000	- Of cotton		
6211.2000	- Ski suits	6305.3290	--- Other		
6211.3200	-- Of cotton	6305.3300	-- other, Of polyethylene or polypropylene strip or the like		
6211.3300	-- Of man-made fibres	6305.3900	-- Other		
6211.3900	-- Of other textile materials	6305.9000	- Of other textile materials		
6211.4200	-- Of cotton	6306.1210	--- Tarpaulins		
6211.4300	-- Of man-made fibres	6306.1290	--- Other		
6211.4900	-- Of other textile materials	6306.1910	--- Tarpaulins		
6212.1000	- Brassieres	6306.1990	--- Other		
6212.2000	- Girdles and panty- girdles	6306.2200	-- Of synthetic fibres		
6212.3000	- Corsettes	6306.2910	--- Of cotton		
6212.9000	- Other				
6213.2000	- Of cotton				
6213.9000	- Of other textile materials				

PCT Code	Description	PCT Code	Description	PCT Code	Description
6802.9200	-- Other calcareous stone	6911.1030	--- Plates	7321.8100	-- For gas fuel or for both gas and other fuels
6802.9300	-- Granite	6911.1040	--- Tea cups and saucers	7321.8200	-- For liquid fuel
6802.9900	-- Other stone	6911.1090	--- Other	7321.8900	-- Other, including appliances for solid fuel
6803.0000	Worked slate and articles of slate or of agglomerated slate.	6911.9000	- Other	7321.9000	- Parts
6807.1000	- In rolls	6912.0010	--- Tableware and kitchenware	7322.1100	-- Of cast iron
6807.9000	- Other	6912.0090	--- Other	7322.1900	-- Other
6808.0000	Panels, boards, tiles, blocks and similar articles of vegetable fibre, of straw or of shavings, chips, particles, sawdust or other waste, of wood, agglomerated with cement, plaster or other mineral binders.	6913.1000	- Of porcelain or china	7322.9010	--- Air heaters and hot air distributors
6809.1100	-- Faced or reinforced with paper or paperboard only	6913.9000	- Other	7322.9090	--- Other
6809.1900	-- Other	6914.1000	- Of porcelain or china	7323.1000	- Iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like
6809.9090	--- Other	6914.9000	- Other	7323.9100	-- Of cast iron, not enamelled
6810.1100	-- Building blocks and bricks	7003.1200	- Coloured throughout the mass (body tinted), opacified, flashed or having an absorbent, reflecting or non-reflecting layer	7323.9200	-- Of cast iron, enamelled
6810.1900	-- Other	7003.1900	-- Other	7323.9300	-- Of stainless steel
6810.9100	-- Prefabricated structural components for building or civil engineering	7003.2000	- Wired sheets	7323.9400	-- Of iron (other than cast iron) or steel, enamelled
6810.9900	-- Other	7003.3000	- Profiles	7323.9900	-- Other
6811.4000	- Containing asbestos	7004.2000	- Glass, coloured throughout the mass (body tinted), opacified, flashed or having an absorbent, reflecting or non-reflecting layer	7324.1010	--- Sinks
6811.8100	-- Corrugated sheets	7004.9000	- Other glass	7324.1020	--- Wash basins
6811.8200	-- Other sheets, panels, tiles and similar articles	7005.1000	- Non-wired glass, having an absorbent, reflecting or non-reflecting layer	7324.2100	-- Of cast iron, whether or not enamelled
6811.8900	-- Other articles	7005.2100	-- Coloured throughout the mass (body tinted), opacified, flashed or merely surface ground	7324.2900	-- Other
6812.8000	- Of crocidolite	7005.2900	-- Other	7324.9000	- Other, including parts
6812.9100	-- Clothing, clothing accessories, footwear and headgear	7005.3000	- Wired glass	7325.1000	- Of non-malleable cast iron
6812.9200	-- Paper, millboard and felt	7006.0010	--- Glass plates worked	7325.9100	-- Grinding balls and similar articles for mills
6812.9300	-- Compressed asbestos fibre jointing, in sheets or rolls	7006.0020	--- Glass sheet worked	7325.9900	-- Other
6812.9900	-- Other	7006.0090	--- Other	7326.2000	- Articles of iron or steel wire
6813.2090	--- Other	7007.1190	--- Other	7605.2900	-- Other
6813.8190	--- Other	7007.1900	-- Other	7606.9290	--- Other
6813.8900	-- Other	7007.2190	--- Other	8211.1000	- Sets of assorted articles
6814.1000	- Plates, sheets and strips of agglomerated or reconstituted mica, whether or not on a support	7007.2900	-- Other	8211.9100	-- Table knives having fixed blades
6814.9000	- Other	7008.0000	Multiple-walled insulating units of glass.	8211.9200	-- Other knives having fixed blades
6815.9100	-- Containing magnesite, dolomite or chromite	7009.9100	-- Unframed	8211.9300	-- Knives having other than fixed blades
6815.9910	--- Of onyx (marbles)	7009.9200	-- Framed	8211.9400	-- Blades
6815.9990	--- Other	7010.1000	- Ampoules	8211.9500	-- Handles of base metal
6901.0000	Bricks, blocks, tiles and other ceramic goods of siliceous fossil meals (for example, kieselguhr, tripolite or diatomite) or of similar siliceous earths.	7010.2000	- Stoppers, lids and other closures	8212.1000	- Razors
6902.1010	--- Capable of resisting temperature upto 1600 oC	7010.9000	- Other	8212.2000	- Safety razor blades, including razor blade blanks in strips
6902.2010	--- Capable of resisting temperature upto 1600 oC	7013.1000	- Of glass-ceramics	8212.9000	- Other parts
6902.9010	--- Capable of resisting temperature upto 1600 oC	7013.2200	-- Of lead crystal	8213.0000	Scissors, tailors' shears and similar shears, and blades therefor.
6903.9090	--- Other	7013.2800	-- Other	8215.1000	- Sets of assorted articles containing at least one article plated with precious metal
6904.1000	- Building bricks	7013.3300	-- Of lead crystal	8215.2000	- Other sets of assorted articles
6904.9000	- Other	7013.3700	-- Other	8215.9100	-- Plated with precious metal
6905.1000	- Roofing tiles	7013.4100	-- Of lead crystal	8215.9910	--- Spoons
6905.9000	- Other	7013.4200	-- Of glass having a linear coefficient of expansion not exceeding 5x10 ⁻⁶ per Kelvin within a temperature range of 0 °C to 300 °C	8215.9920	--- Forks
6906.0000	Ceramic pipes, conduits, guttering and pipe fittings.	7013.4900	-- Other	8215.9990	--- Other
6907.1000	- Tiles, cubes and similar articles, whether or not rectangular, the largest surface area of which is capable of being enclosed in a square the side of which is less than 7cm	7013.9100	-- Of lead crystal	8301.3000	- Locks of a kind used for furniture
6907.9000	- Other	7013.9900	-- Other	8301.4000	- Other locks
6908.1000	- Tiles, cubes and similar articles, whether or not rectangular, the largest surface area of which is capable of being enclosed in a square the side of which is less than 7cm	7014.0090	--- Other	8301.6000	- Parts
6908.9010	--- Tiles	7016.1000	- Glass cubes and other glass smallwares whether or not on a backing, for mosaics or similar decorative purposes	8301.7000	- Keys presented separately
6908.9090	--- Other	7016.9000	- Other	8302.1090	--- Other
6909.9000	- Other	7018.9090	--- Other	8302.4100	-- Suitable for buildings
6910.1010	--- Wash basin	7020.0020	--- For vacuum flasks	8302.4200	-- Other, suitable for furniture
6910.1020	--- Bath tubs ceramic	7020.0030	--- For other vacuum vessels	8302.4900	-- Other
6910.1030	--- Bidets ceramic	7020.0090	--- Other	8302.5000	- Hat-racks, hat-pegs, brackets and similar fixtures
6910.1040	--- Cisterns ceramic	7212.1000	- Plated or coated with tin	8302.6000	- Automatic door closers
6910.1050	--- Sink ceramic	7315.8900	-- Other	8303.0000	Armoured or reinforced safes, strong-boxes and doors and safe deposit lockers for strong-rooms, cash or deed boxes and the like, of base metal.
6910.1060	--- Toilet ceramic	7315.9000	- Other parts	8304.0000	Filing cabinets, card-index cabinets, paper trays, paper rests, pen trays, office-stamp stands and similar office or desk equipment, of base metal, other than office furniture of heading 94.03.
6910.1070	--- Urinals ceramic	7317.0010	--- Nails	8305.1000	- Fittings for loose-leaf binders or files
6910.1080	--- Water loset pans	7317.0020	--- Tacks	8305.2000	- Staples in strips
6910.1090	--- Other	7317.0030	--- Drawing pins	8305.9000	- Other, including parts
6910.9000	- Other	7317.0090	--- Other	8306.1000	- Bells, gongs and the like
6911.1010	--- Dinner sets	7318.1100	-- Coach screws	8306.2100	-- Plated with precious metal
6911.1020	--- Dishes	7318.1200	-- Other wood screws	8306.2900	-- Other
		7318.1300	-- Screw hooks and screw rings	8306.3000	- Photograph, picture or similar frames; mirrors
		7318.1400	-- Self-tapping screws	8307.1000	- Of iron or steel
		7318.2900	-- Other	8307.9000	- Of other base metal
		7320.2000	- Helical springs	8309.1000	- Crown corks
		7320.9090	--- Other	8309.9090	--- Other
		7321.1110	--- Cooking ranges	8310.0090	--- Other
		7321.1190	--- Other	8311.1000	- Coated electrodes of base metal, for
		7321.1200	-- For liquid fuel		
		7321.1900	-- Other, including appliances for solid fuel		

PCT Code	Description	PCT Code	Description	PCT Code	Description
8414.5110	electric arc- welding	8527.1900	-- Other	9305.1030	--- Slide (for pistols) and cylinders (for revolvers)
8414.5120	--- Ceiling fan	8527.2190	--- Other	9305.1090	--- Other
8414.5130	--- Pedestal fan	8527.2990	--- Other	9305.2010	--- Shotgun barrels
8414.5140	--- Table fan	8528.4110	--- GRT monitors in used/second hand condition	9305.2020	--- Firing mechanisms
8414.5190	--- Exhaust fan	8528.4900	-- Other	9305.2030	--- Frames and receivers, Rifle barrels, Pistons, locking lugs and gas buffers, Magazines and parts thereof, Silencers(sound moderators) and parts thereof, Flash eliminators and parts thereof
8414.5990	--- Other	8528.5900	-- Other	9305.2040	--- Breeches, bolts (gunlocks) and bolt carriers
8415.1010	--- Window or wall type	8528.6900	-- Other	9305.2090	--- Other
8415.1020	--- Self contained or split type comprising of inner and outer unit whether or not imported separately	8528.7110	--- Reception apparatus for receiving satellite signals of a kind used with TV (satellite dish receivers)	9306.2100	-- Cartridges
8415.1030	--- Tropical MPS multi system unit 5 tonnes capacity and above	8528.7190	--- Other	9306.2900	-- Other
8415.1090	--- Other	8528.7211	--- -Liquid crystal display	9306.3010	--- Cartridges for riveting or similar tools or for captive-bolt human killers and parts thereof
8415.8100	-- Incorporating a refrigerating unit and a valve for reversal of the cooling/heat cycle (reversible heat pumps)	8528.7212	--- -Other	9306.3090	--- Other
8415.8200	-- Other, incorporating a refrigerating unit	8528.7220	--- Reception apparatus for receiving satellite signals of a kind used with TV (Satellite dish receivers)	9306.9000	-- Other
8415.8300	-- Not incorporating a refrigerating unit	8528.7290	--- Other	9307.0000	Swords, cutlasses, bayonets, lances and similar arms and parts thereof and scabbards and sheaths thereof.
8418.1000	- Combined refrigerator- freezers, fitted with separate external doors	8528.7300	-- Other, monochrome	9401.3000	- Swivel seats with variable height adjustment
8418.2100	-- Compression-type	8531.2000	- Indicator panels incorporating liquid crystal devices (LCD) or light emitting diodes (LED)	9401.4000	- Seats other than garden seats or camping equipment, convertible into beds
8418.2900	-- Other	8532.1000	- Fixed capacitors designed for use in 50/60 Hz circuits and having a reactive power handling capacity of not less than 0.5 kvar (power capacitors)	9401.5100	-- Of bamboo or rattan
8418.3000	- Freezers of the chest type, not exceeding 800 l capacity	8532.2200	-- Aluminium electrolytic	9401.5900	-- Other
8418.4000	- Freezers of the upright type, not exceeding 900 l capacity	8532.2500	-- Dielectric of paper or plastics	9401.6100	-- Upholstered
8418.5000	- Other furniture (chests, cabinets, display counters, show- cases and the like) for storage and display, incorporating refrigerating or freezing equipment.	8532.2900	-- Other	9401.6900	-- Other
8418.6100	-- Heat pumps other than air conditioning machines of heading 84.15.	8532.3090	--- Other	9401.7100	-- Upholstered
8418.6930	--- Water dispenser	8537.1090	-- Other	9401.7900	-- Other
8418.6990	--- Other	8537.2000	- For a voltage exceeding 1,000 V	9401.8000	- Other seats
8418.9100	-- Furniture designed to receive refrigerating or freezing equipment	8543.7020	--- Infrared insect killer	9401.9090	--- Other
8419.1100	-- Instantaneous gas water heaters	8544.1900	-- Other	9402.1090	--- Other
8419.1900	-- Other	8544.2000	- Co- axial cable and other co- axial electric conductors	9402.9020	--- Hospital beds with mechanical fittings
8421.2900	-- Other	8544.3090	--- Other	9402.9090	--- Other
8421.3940	--- Air filters	8544.4290	--- Other	9403.1000	- Metal furniture of a kind used in offices
8421.3950	--- Filter bags	8544.4910	--- Telephone cables	9403.2000	- Other metal furniture
8421.3990	--- Other	8544.4990	--- Other	9403.3000	- Wooden furniture of a kind used in offices
8450.1100	-- Fully-automatic machines	8544.6000	- Other electric conductors, for a voltage exceeding 1,000 V	9403.4000	- Wooden furniture of a kind used in the kitchen
8450.1200	-- Other machines, with built-in centrifugal drier	8544.7000	- Optical fibre cables	9403.5010	--- Wooden cabinets
8450.1900	-- Other	8546.1000	- Of glass	9403.5020	--- Wooden beds
8450.2000	- Machines, each of a dry linen capacity exceeding 10 kg	8546.2000	- Of ceramics	9403.5030	--- Other
8450.9000	- Parts	8546.9000	- Other	9403.6000	- Other wooden furniture
8483.5090	--- Other	8548.9000	- Other	9403.7000	- Furniture of plastics
8483.6099	--- -Other	8714.9100	-- Frames and forks, and parts thereof	9403.8100	-- Of bamboo or rattan
8483.9090	--- Other	8714.9200	-- Wheel rims and spokes	9403.8900	-- Other
8484.1090	--- Other	8714.9390	--- Other	9403.9000	- Parts
8484.9000	- Other	8714.9400	-- Brakes, including coaster braking hubs and hub brakes, and parts thereof	9404.1000	- Mattress supports
8509.4010	--- Food grinders	8714.9500	-- Saddles	9404.2100	-- Of cellular rubber or plastics, whether or not covered
8509.4020	--- Fruit mixers	8714.9600	-- Pedals and crank-gear, and parts thereof	9404.2900	-- Of other materials
8509.4030	--- Fruit or vegetable juice extractors	8714.9900	-- Other	9404.9000	-Other
8509.8000	- Other appliances	9028.1000	- Gas meters	9405.1010	--- Chandeliers
8511.3090	--- -Other	9028.3000	- Electricity meters	9405.1020	--- Fitting of base metal for fluorescent tubes
8511.4019	--- -Other	9028.9020	--- Other of electricity meters	9405.1090	--- Other
8511.8090	--- Other	9029.2019	--- - Other	9405.2000	- Electric table, desk, bedside or floor-standing lamps
8511.9090	--- Other	9029.2020	--- Stroboscopes	9405.3000	- Lighting sets of a kind used for Christmas trees
8516.3100	-- Hair dryers	9029.9000	- Parts and accessories	9405.4090	--- Other
8516.3200	-- Other hair-dressing apparatus	9302.0091	--- -Revolvers	9405.5000	- Non- electric lamps and lighting fittings
8516.3300	-- Hand-drying apparatus	9302.0092	--- -Pistols, signle barrel , semi-automatic or otherwise	9405.6000	- Illuminated signs, illuminated name-plates and the like
8516.4000	- Electric smoothing irons	9302.0093	--- -Pistols, multiple barrel	9405.9190	--- Other
8516.5000	- Microwave ovens	9302.0099	--- - Other	9405.9200	-- Of plastics
8516.6010	--- Electric oven	9303.1000	- Muzzle- loading firearms	9405.9900	-- Other
8516.6020	--- Electric ranges	9303.2011	--- - Pump-action	9406.0010	--- Green houses
8516.6030	--- Electric roasters/grillers	9303.2012	--- - Semi-automatic	9406.0020	--- Dairy, live stock and poultry sheds
8516.6090	--- Other	9303.2019	--- - Other	9406.0030	--- Silos
8516.7100	-- Coffee or tea makers	9303.2020	--- - Shotguns, multiple barrel, including combination guns	9406.0040	--- For cold storage
8516.7200	-- Toasters	9303.2090	--- Other	9406.0090	--- Other
8516.7910	--- Insect killers	9303.3010	--- Single-shot	9503.0010	--- Wheeled toys designed to be ridden by children (for example, tricycles, scooters, pedal cars); dolls' carriages.
8516.7990	--- Other	9303.3020	--- Semi-automatic	9503.0090	--- Other
8516.8090	--- Other	9303.3090	--- Other		
8517.1290	--- Other	9303.9000	- Other		
8517.6290	--- Other	9304.0000	Other arms (for example, spring, air or gas guns and pistols, truncheons), excluding those of heading 93.07.		
8529.1090	--- Other	9305.1010	--- Firing mechanisms		
8527.1200	-- Pocket-size radio cassette-players	9305.1020	--- Frames and receivers; barrels; Pistons; locking lugs and gas buffers; Magazines and parts thereof; Silencers(sound moderators) and parts thereof; Butts; grips and plates		
8527.1300	-- Other Apparatus combined with sound recording or reproducing Apparatus				

PCT Code	Description	PCT Code	Description	PCT Code	Description
9504.3000	- Other games, operated by coins, banknotes, bank cards, tokens or by other means of payment, other than automatic bowling alley equipment	8518.2990	--- Other	0801.1910	--- Seed
9504.4000	- Playing cards	The bill seeks to increase customs duty on the following tariff codes by 4%:		0904.1130	--- Pepper seeds for sowing
9504.5000	- Video game consoles and machines, other than those of subheading 9504.30	2701.1200	-- Bituminous coal	0904.2120	--- Red chillies seeds for sowing
9504.9010	--- Dice cups	2701.1900	-- Other coal	0909.2100	-- Neither crushed nor ground
9504.9090	--- Other	2710.1941	--- -Furnace-oil	0909.2200	-- Crushed or ground
9505.1000	- Articles for Christmas festivities	The bill seeks to increase customs duty on the following tariff codes by 1%:		0909.3100	-- Neither crushed nor ground
9505.9000	- Other	0102.2110	--- Bulls	0909.3200	-- Crushed or ground
9506.5100	-- Lawn-tennis rackets, whether or not strung	0102.2120	--- Cows	0909.6100	-- Neither crushed nor ground
9506.5910	--- Badminton rackets	0102.2130	--- Oxen	0909.6200	-- Crushed or ground
9506.5920	--- Squash rackets	0102.2190	--- Other	1005.1000	- Seed
9506.5990	--- Other -- Other:	0102.2910	--- Bulls	1006.1010	--- Seed for sowing
9603.1000	- Brooms and brushes, consisting of twigs or other vegetable materials bound together, with or without handles	0102.2920	--- Cows	1007.1000	- Seed
9603.2100	-- Tooth brushes, including dental-plate brushes	0102.2930	--- Oxen	1007.9000	- Other
9603.2900	-- Other	0102.2990	--- Other	1008.3000	- Canary seeds
9603.3000	- Artists' brushes, writing brushes and similar brushes for the application of cosmetics	0102.3100	-- Pure-bred breeding animals	1101.0010	--- Of Wheat
9603.4000	- Paint, distemper, varnish or similar brushes (other than brushes of sub-heading 9603.30); paint pads and rollers	0102.3900	-- Other	1201.1000	- Seed
9603.5000	- Other brushes constituting parts of machines, appliances or vehicles	0102.9000	- Other	1201.9000	- Other
9603.9000	- Other	0104.1000	- Sheep	1204.0000	Linseed, whether or not broken.
9604.0000	Hand sieves and hand riddles.	0104.2000	- Goats	1205.1000	- Low erucic acid rape or colza seeds
9605.0000	Travel sets for personal toilet, sewing or shoe or clothes cleaning.	0201.1000	- Carcasses and half- carcasses	1205.9000	- Other
9606.1000	- Press- fasteners, snap- fasteners and press- studs and parts therefor	0201.2000	- Other cuts with bone in	1206.0000	Sunflower seeds, whether or not broken.
9606.2100	-- Of plastics, not covered with textile material	0201.3000	- Boneless	1207.1000	- Palm nuts and kernels
9606.2200	-- Of base metal, not covered with textile material	0202.1000	- Carcasses and half- carcasses	1207.2100	-- Seed
9606.2920	--- Buttons	0202.2000	- Other cuts with bone in	1207.2900	-- Other
9606.2990	--- Other	0202.3000	- Boneless	1207.3000	- Castor oil seeds
9606.3010	--- Button moulds and other parts of buttons	0204.1000	- Carcasses and half carcasses of lamb, fresh or chilled	1207.4000	- Sesamum seeds
9606.3020	--- Button blanks	0204.2100	-- Carcasses and half-carcasses	1207.5000	- Mustard seeds
9608.1000	- Ball point pens	0204.2200	-- Other cuts with bone in	1207.6000	- Safflower (Carthamus tinctorius) seeds
9608.2000	- Felt tipped and other porous- tipped pens and markers	0204.2300	-- Boneless	1207.7000	- Melon seeds
9615.1100	-- Of hard rubber or plastics	0204.3000	- Carcasses and half- carcasses of lamb, frozen	1207.9900	-- Other
9615.1900	-- Other	0204.4100	-- Carcasses and half-carcasses	1209.1000	- Sugar beet seeds
9616.1000	- Scent sprays and similar toilet sprays, and mounts and heads therefor	0204.4200	-- Other cuts with bone in	1209.2100	-- Lucerne (alfalfa) seeds
9616.2000	- Powder- puffs and pads for the application of cosmetics or toilet preparations	0204.4300	-- Boneless	1209.2200	-- Clover (Trifolium spp.) seeds
9617.0010	--- Vacuum flasks	0204.5000	- Meat of goats	1209.2300	-- Fescue seeds
9617.0020	--- Other	0511.1000	- Bovine semen	1209.2400	-- Kentucky blue grass (Poa pratensis L.) seeds
9619.0020	--- Diapers for Infants and babies	0511.9110	--- Fish eggs	1209.2500	-- Rye grass (Lolium multiflorum Lam., Lolium perenne L.) seeds
9619.0030	--- Sanitary towels and tampons	0601.1010	--- Bulbs	1209.2900	-- Other
9619.0040	--- Napkins and napkin liners for babies	0601.1090	--- Other	1209.3000	- Seeds of herbaceous plants cultivated principally for their flowers
9619.0050	--- Nappies of wadding	0601.2000	- Bulbs, tubers, tuberous roots, corms, crowns and rhizomes, in growth or in flower; chicory plants and roots	1209.9110	--- Of onion
9619.0060	--- Diapers of waddings	0602.1000	- Unrooted cuttings and slips	1209.9120	--- Of tomato
9619.0090	--- Other	0602.2000	- Trees, shrubs and bushes, grafted or not, of kinds which bear edible fruits or nuts	1209.9130	--- Of okra
The bill seeks to decrease customs duty on the following tariff codes by 10%:		0602.3000	- Rhododendrons and azaleas, grafted or not	1209.9190	--- Other
2803.0010	--- Carbon black (rubber grade)	0602.4000	- Roses, grafted or not	1209.9900	-- Other
2803.0020	--- Carbon black (other than rubber grade)	0602.9010	--- Mushroom spawn	1212.9200	-- Locust beans (carob)
4011.1000	- Of a kind used on motor cars (including station wagons and racing cars)	0602.9090	--- Other	2507.0000	Kaolin and other kaolin clays, whether or not calcined.
8517.6100	-- Base stations	0701.1000	- Seed	2510.1000	- Unground
The bill seeks to increase customs duty on the following tariff codes by 19%:		0701.9000	- Other	2510.2000	- Ground
2523.2900	-- Other	0702.0000	Tomatoes, fresh or chilled.	2523.1000	- Cement clinkers
The bill seeks to increase customs duty on the following tariff codes by 10%:		0703.1000	- Onions and shallots	2602.0000	Manganese ores and concentrates, including ferruginous manganese ores and concentrates with a manganese content of 20 % or more, calculated on the dry weight.
8509.9000	- Parts	0703.2000	- Garlic	2610.0000	Chromium ores and concentrates.
The bill seeks to increase customs duty on the following tariff codes by 5%:		0704.1000	- Cauliflowers and headed broccoli	2615.1000	- Zirconium ores and concentrates
3206.4910	--- Master batches (coloured)	0713.1000	- Peas (Pisum sativum)	2704.0010	--- Coke of coal
3206.4990	--- Other	0713.2010	--- Grams (dry whole)	2709.0000	Petroleum oils and oils obtained from bituminous minerals, crude
3903.1990	--- Other	0713.2020	--- Grams split	2710.1210	--- Motor spirit
3903.9000	- Other	0713.2090	--- Other	2710.1220	--- Aviation spirit
8482.1000	- Ball bearings	0713.3100	-- Beans of the species Vigna mungo (L.)Hepper or Vigna radiata (L.)Wilczek	2710.1230	--- Spirit type jet fuel
8517.6990	--- Other	0713.3200	-- Small red (Adzuki) beans (Phaseolus or vigna angularis)	2710.1911	--- -Kerosene
		0713.3300	-- Kidney beans, including white pea beans (Phaseolus vulgaris)	2710.1912	--- -J.P.1
		0713.3400	-- Bambara beans (Vigna subterranea or Voandzeia subterranea)	2710.1913	--- -J.P.4
		0713.3500	-- Cow peas (Vigna unguiculata)	2710.1919	--- -Other
		0713.3910	-- Green beans (dry whole)	2710.1921	--- -Light diesel oil
		0713.3920	-- Green beans (split)	2710.1998	--- -Spin finish oil
		0713.3990	--- Other	2711.1100	-- Natural gas
		0713.4010	--- Dry whole	2711.1200	-- Propane
		0713.4020	--- Split	2711.1300	-- Butanes
		0713.5000	- Broad beans (Vicia faba var. major) and horse beans(Vicia faba var. equina, Vicia faba var.minor)	2711.1400	-- Ethylene, propylene, butylene and butadiene
		0713.6000	- Pigeon peas (Cajanus cajan)	2711.1910	--- -L.P.G.
		0713.9010	--- Black matpe (dry whole)	2711.2100	-- Natural gas
		0713.9020	--- Mash dry whole	2713.1100	-- Not calcined
		0713.9030	--- Mash split or washed	2713.1200	-- Calcined
		0713.9090	--- Other	2713.2000	- Petroleum bitumen
				2714.1000	- Bituminous or oil shale and tar sands
				2714.9000	- Other

PCT Code	Description	PCT Code	Description	PCT Code	Description
2715.0000	Bituminous mixtures based on natural asphalt, on natural bitumen, on petroleum bitumen, on mineral tar or on mineral tar pitch (for example, bituminous mastics, cut-backs).	3906.9040	- - - Dispersing agent and acrylic thickeners	4403.2000	other preservatives
2716.0000	Electrical energy. (optional heading)	3919.1010	- - - Insulation tape double sided	4403.4100	- Other, coniferous
2818.3000	- Aluminium hydroxide	3926.9050	- - - Colostomy bags and urine bags		- - Dark Red Meranti, Light Red Meranti and Meranti Bakau
2829.9000	- Other	4001.1000	- Natural rubber latex, whether or not pre-vulcanised	4403.4910	- - - Sawlogs and veneer logs of non-coniferous species
2835.3100	- - Sodium triphosphate (sodium tripolyphosphate)	4001.2100	- - Smoked sheets	4403.4990	- - - Other
2905.3100	- - Ethylene glycol (ethanediol) (MEG)	4001.2200	- - Technically specified natural rubber (TSNR)	4403.9100	- - Of oak (Quercus spp.)
2909.1910	- - - Methyl tertiary butyle ether (MTBE)	4001.2900	- - Other	4403.9200	- - Of beech (Fagus spp.)
2916.1400	- - Esters of methacrylic acid	4001.3000	- Balata, gutta-percha, guayule, chicle and similar natural gums	4403.9900	- - Other
2916.1910	- - - Maleic acid, AZDN (2-AZOBIS) Isobutyronitrile 99% Min)	4002.1100	- - Latex	4404.1000	- Coniferous
2924.1920	- - - Acrylamido methyl propane sulphonic acid (AMPS)	4002.1900	- - Other	4404.2000	- Non-coniferous
2926.1000	- Acrylonitrile	4002.2000	- Butadiene rubber (BR)	4405.0000	Wood wool; wood flour.
3102.1000	- Urea, whether or not in aqueous solution	4002.3100	- - Isobutene-isoprene (butyl) rubber (IIR)	4406.1000	- Not impregnated
3102.2100	- - Ammonium sulphate	4002.3900	- - Other	4406.9000	- Other
3102.2900	- - Other	4002.4100	- - Latex	4407.1000	- Coniferous
3102.3000	- Ammonium nitrate, whether or not in aqueous solution	4002.4900	- - Other	4407.2100	- - Mahogany (Swietenia spp.)
3102.4000	- Mixtures of ammonium nitrate with calcium carbonate or other inorganic non-fertilising substances	4002.5100	- - Latex	4407.2200	- - Virola, Imbuia and Balsa
3102.5010	- - - Crude	4002.5900	- - Other	4407.2500	- - Dark Red Meranti, Light Red Meranti and Meranti Bakau
3102.5090	- - - Other	4002.6000	- Isoprene rubber (IR)	4407.2600	- - White Lauan, White Meranti, White Seraya, Yellow Meranti and Alan
3102.6000	- Double salts and mixtures of calcium nitrate and ammonium nitrate	4002.7000	- Ethylenepropylene non-conjugated diene rubber (EPDM)	4407.2700	- - Sapelli
3102.8000	- Mixtures of urea and ammonium nitrate in aqueous or ammoniacal solution	4002.8000	- Mixtures of any product of heading 40.01 with any product of this heading	4407.2800	- - Iroko
3102.9000	- Other, including mixtures not specified in the foregoing subheadings	4002.9100	- - Latex	4407.2900	- - Other
3103.1000	- Superphosphates	4002.9900	- - Other	4407.9100	- - Of oak (Quercus spp.)
3103.9000	- Other	4101.2000	- Whole hides and skins, unsplit, of a weight per skin not exceeding 8 kg when simply dried, 10 kg when dry-salted, or 16 kg when fresh, wet-salted or otherwise preserved	4407.9200	- - Of beech (Fagus spp.)
3104.2000	- Potassium chloride	4101.5010	- - - Hides and skins, unsplit, of a weight per skin not exceeding 8 kg when simply dried, 10 kg when dry-salted, or 16 kg when fresh, wet-salted or otherwise preserved	4407.9300	- - Of maple (Acer spp.)
3104.3000	- Potassium sulphate	4101.5020	- - - Hides, cow	4407.9400	- - Of cherry (Prunus spp.)
3104.9000	- Other	4101.5090	- - - Other	4407.9500	- - Of ash (Fraxinus spp.)
3105.1000	- Goods of this Chapter in tablets or similar forms or in packages of a gross weight not exceeding 10 kg	4101.9000	- Other, including butts, bends and bellies	4407.9900	- - Other
3105.2000	- Mineral or chemical fertilisers containing the three fertilising elements nitrogen, phosphorus and potassium	4102.1010	- - - Lamb skins	4413.0000	Densified wood, in blocks, plates, strips or profile shapes.
3105.3000	- Diammonium hydrogenorthophosphate (diammonium phosphate)	4102.1020	- - - Sheep skins	4701.0000	Mechanical wood pulp.
3105.4000	- Ammoniumdihydrogen orthophosphate (monoammonium phosphate) and mixtures thereof with diammonium hydrogenorthophosphate (diammonium phosphate)	4102.2110	- - - Lamb skins without wool	4702.0000	Chemical wood pulp, dissolving grades.
3105.5100	- - Containing nitrates and phosphates	4102.2120	- - - Sheep skins without wool	4703.1100	- - Coniferous
3105.5900	- - Other	4102.2900	- - Other	4703.1900	- - Non-coniferous
3105.6000	- Mineral or chemical fertilisers containing the two fertilising elements phosphorus and potassium	4103.2000	- Of reptiles	4703.2100	- - Coniferous
3105.9000	- Other	4103.9010	- - Goat skins	4703.2900	- - Non-coniferous
3201.2000	- Wattle extract	4103.9020	- - Kids skins	4704.1100	- - Coniferous
3204.1300	- - Basic dyes and preparations based thereon	4103.9090	- - Other	4704.1900	- - Non-coniferous
3204.1510	- - - Indigo blue	4104.1100	- - Full grains, unsplit; grain splits	4704.2900	- - Non-coniferous
3207.4010	- - - Glass frit	4104.1900	- - Other	4705.0000	Wood pulp obtained by a combination of mechanical and chemical pulping processes.
3207.4090	- - - Other	4104.4100	- - Full grains, unsplit; grain splits	4706.2000	- Pulps of fibres derived from recovered (waste and scrap) paper or paperboard
3403.1131	- - - Spin finish oil	4104.4900	- - Other	4706.3000	- Other, of bamboo
3403.9131	- - - Spin finish oil	4105.1000	- In the wet state (including wet-blue)	4706.9100	- - Mechanical
3404.9030	- - - Wax for wax jet engraver	4105.3000	- In the dry state (crust)	4706.9200	- - Chemical
3404.9040	- - - Wax for fungicides	4106.2100	- - In the wet state (including wet-blue)	4706.9300	- - Obtained by a combination of mechanical and chemical processes
3505.2030	- - - Printing gum (pre-gelatinized modified 0% starch for textile printing)	4106.2200	- - In the dry state (crust)	4707.1010	- - - In pressed bundles
3701.1000	- For X-ray	4106.4000	- Of reptiles	4707.2010	- - - In pressed bundles
3803.0000	Tall oil, whether or not refined.	4106.9100	- - In the wet state (including wet-blue)	4707.3010	- - - In pressed bundles
3808.9130	- - Sex pheromone	4106.9200	- - In the dry state (crust)	4707.9010	- - - In pressed bundles
3808.9140	- - - PB rope L& LTT	4107.1100	- Full grains, unsplit	4821.1040	- - - Printed labels of paper
3808.9210	- - - Products registered under the Agricultural Pesticides Ordinance 1971	4107.1200	- Grain splits	4901.9100	- - Dictionaries and encyclopaedias, and serial instalments thereof
3808.9220	- - - For leather industry	4107.1900	- - Other	4901.9910	- - - Holy Quran(Arabic text with or without translation)
3808.9290	- - - Other	4107.9100	- Full grains, unsplit	4901.9990	- - - Other
3809.9110	- - - Printing gum (preparation of modified starches with other gums having specific application in textile printing)	4107.9200	- Grain splits	4902.1000	- - Appearing at least four times a week
3824.1000	- Prepared binders for foundry moulds or cores	4107.9900	- - Other	4902.9000	- Other
3906.9030	- - Pigment thickener	4112.0000	Leather further prepared after tanning or crusting, including parchment-dressed leather, of sheep or lamb, without wool on, whether or not split, other than leather of heading 41.14.	4903.0000	Children's picture, drawing or colouring books.
			- Of goats or kids	5004.0000	Silk yarn (other than yarn spun from silk waste) not put up for retail sale.
			- Of reptiles	5005.0000	Yarn spun from silk waste, not put up for retail sale.
			- Other	5101.1100	- - Shorn wool
			- - Leather shearing-finished leather with wool	5101.1900	- - Other
			- Other	5101.2100	- - Shorn wool
			Artificial fur and articles thereof.	5101.2900	- - Other
			- Fuel wood, in logs, in billets in twigs, faggots or in similar forms	5101.3000	- Carbonised
			- - Coniferous	5105.1000	- Carded wool
			- - Non-coniferous	5105.2100	- - Combed wool in fragments
			- Wood pellets	5105.2900	- - Other
			- - Other	5201.0030	- - - Length not exceeding 20.5 mm
			- Of bamboo	5201.0040	- - - Length exceeding 20.5 mm but not exceeding 24.5 mm
			- Other	5201.0050	- - - Length exceeding 24.5 mm but not exceeding 28.5 mm
			- Treated with paint, stains, creosote or	5201.0060	- - - Length exceeding 28.5 mm but not exceeding 31 mm

PCT Code	Description	PCT Code	Description
5201.0070	--- Length exceeding 31 mm but not exceeding 34.5 mm		sub- heading 8471.41 or 8471.49, whether or not containing in the same housing one or two of the following types of unit: storage units, input units, output units
5201.0080	--- Length exceeding exceeding 34.5 mm		
5201.0090	--- Other	8471.6010	--- Key boards
5301.1000	- Flax, raw or retted	8471.6020	--- Mouse and other pointing devices
5301.2100	-- Broken or scutched	8471.6030	--- Scanner
5301.2900	-- Other	8471.6090	--- Other
5301.3000	- Flax tow and waste	8471.7010	--- Floppy disk drives
5302.1000	- True hemp, raw or retted	8471.7020	--- Hard disk drive
5302.9000	- Other	8471.7030	--- Tape drive
5303.1010	--- Jute, cutting	8471.7040	--- CD-ROM drive
5303.1020	--- Jute, waste	8471.7050	--- Digital video disc drive
5303.1090	--- Other	8471.7060	--- Removable or exchangeable disc drives
5303.9000	- Other		
5305.0010	--- Sisal and other textile fibres of the genus Agave, raw	8471.7090	--- Other
5305.0020	--- Abaca raw	8471.8010	--- C.D.ROM writer
5305.0090	--- Other	8471.8090	--- Other
5402.4410	--- Elastomeric yarn mainly composed of polyurethane (like spandex and lycra excluding other poly-urethane yarn).	8471.9010	--- Control units
		8471.9020	--- Multi media kits for PCs
		8471.9090	--- Other
5608.1100	-- Made up fishing nets	8473.3010	--- Casings (with power supply) for computers
5608.1900	-- Other		
5608.9000	- Other	8473.3020	--- Cleaning discs for computer drives
5806.4000	- Fabrics consisting of warp without weft assembled by means of an adhesive (bolducs)	8473.3090	--- Other
		8473.4000	- Parts and accessories of the machines of heading 84.72
7102.1000	- Unsorted	8473.5000	- Parts and accessories equally suitable for use with machines of two or more of the headings 84.69 to 84.72
7102.3100	-- Unworked or simply sawn, cleaved or bruted		
7103.1000	- Unworked or simply sawn or roughly shaped	8502.1110	--- Of an output not exceeding 5 kVA
		8517.6930	--- Routers
7201.1000	- Non- alloy pig iron containing by weight 0.5 % or less of phosphorus	8517.6970	--- Networking equipments like LAN bridges, hubs, switches and repeaters
7201.2000	- Non- alloy pig iron containing by weight more than 0.5 % of phosphorus:	8517.6980	--- Multi-station access units
		8523.8050	--- Digital Quran
7201.5000	- Alloy pig iron; spiegeleisen:	8528.4190	--- Other
7203.1000	- Ferrous products obtained by direct reduction of iron ore	8528.5100	-- Of a kind solely or principally used in an automatic data processing system of heading 84.71
7203.9000	- Other		
7204.1010	--- Re-rollable	8539.3910	--- Energy saving lamp
7204.1090	--- Other	8539.3920	--- Energy saving tube
7204.2100	-- Of stainless steel	8548.1010	--- Batteries plates
7204.2900	-- Other	8702.9020	--- Fully dedicated CNG buses (CBU)
7204.3000	- Waste and scrap of tinned iron or steel	8702.9030	--- Fully dedicated LPG buses (CBU)
		8905.1000	- Dredgers
7204.4100	-- Turnings, shavings, chips, milling waste, sawdust, filings, trimmings and stampings, whether or not in bundles -- Other:	8908.0000	Vessels and other floating structures for breaking up.
		9019.2010	--- Oxygenator with accessories
7204.4910	--- Re-rollable	9027.1000	- Gas or smoke analysis apparatus
7204.4930	--- Waste and scrap of auto parts in pressed bundle condition	9027.2000	- Chromatographs and electrophoresis instruments
		9027.3000	- Spectrometers, spectrophotometers and spectrographs using optical radiations (UV, visible, IR)
7204.4990	--- Other		
7204.5000	- Remelting scrap ingots	9027.5000	- Other instruments and apparatus using optical radiations (UV, visible,IR)
7311.0010	--- For CNG		
7311.0020	--- For LPG	9027.8000	- Other instruments and apparatus
7326.1920	--- Forgings of surgical & dental instruments	9027.9000	- Microtomes; parts and accessories
		9606.2910	--- Studs
7403.1100	-- Cathodes and sections of cathodes		
7404.0010	--- Brass scrap		
7404.0090	--- Other		
7601.1000	- Aluminium, not alloyed		
7601.2000	- Aluminium alloys		
7602.0090	--- Other		
7802.0000	Lead waste and scrap.		
8443.3210	--- Dot matrix printers		
8443.3220	--- Ink jet printers		
8443.3230	--- Laser jet printers		
8443.3240	--- Line printer		
8443.3250	--- Letter quality daisy wheel printer		
8443.3290	--- Other		
8443.9950	--- Toner and ink cartridges for computer printers excluding disposable type		
8471.3010	--- Laptop computers, notebooks whether or not incorporating multi media kit		
8471.3020	--- Personal computers		
8471.3090	--- Other		
8471.4110	--- Micro computer		
8471.4120	--- Large or Main frame		
8471.4190	--- Other		
8471.4900	-- Other, presented in the form of systems		
8471.5000	- Processing units other than those of		

