

Federal Budget 2014

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FEDERAL BUDGET 2014

This memorandum gives an overview of Pakistan economy and significant amendments proposed by the Finance Bill 2014 relating to Income Tax, Sales Tax, Federal Excise Duty and Customs Duty. For considering the precise impact of a particular change, reference should be made to the specific wordings in the relevant statute. All changes proposed through the Finance Bill 2014 are effective July 1, 2014.

The proposals introduced in the Bill are to be approved by the National Assembly and should not generally be acted upon without obtaining appropriate advice. Our firm will issue a memorandum on Finance Act, 2014 once approved by the National Assembly.

This memorandum can also be accessed on our website www.imranghazi.com/mtba www.pwc.com/pk

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EXECUTIVE SUMMARY

The proposals in the Finance Bill and the budget documents are summarised as under:

General economic overview

- GDP growth rate of 4.1 percent has been projected as against 3.7 percent last year.
- Inflation is expected to increase from 7.7 to 8.7 percent.
- Budget deficit is expected to decrease from 4.7 to 3.2 percent of GDP.
- Direct taxes of Rs 1,180 billion are expected to be collected as against Rs 891 billion last year.
- Indirect taxes are expected to increase from Rs 1,623 to 1,949 billion.
- Current expenditure is expected to be around Rs 3,527 billion as against Rs 3,404 billion last year.
- Development expenditure to be around Rs 839 billion.

Income Tax

- A new concept of Alternate Corporate Tax (ACT) has been introduced. ACT is minimum tax liability equal to higher of tax on accounting income or taxes determined under the Ordinance.

A company in Pakistan, except insurance, E&P and banking will be subject to ACT equal to 17 percent of the accounting income. The ACT is not applicable to exempt income, income taxable under FTR and that entitled to 100 percent tax credit on account of equity investment.

- The Finance Minister in his Budget Speech whilst presenting the Finance Bill 2013 had stated that the rate of tax for Companies was

to be reduced by 1 percent for each year to bring it down to the level of 30 percent.

The 'Salient Features' issued alongwith the Budget documents for current year reinforced the aforesaid position and state that the rate of tax for Companies for the tax year 2015 shall be 33 percent, however, this provision has inadvertently been missed out in the Finance Bill.

- Bonus shares have been taxed, under FTR, as income in the hands of shareholders at the rate of 5 percent of day end price of first day on closure of books.
- Exemption to mutual funds shall only be available on distribution of dividend in cash.
- Stock funds have been identified separately from other kinds of funds in respect of taxation of dividend.
- Income from dividend and capital gains in the case of banking companies shall now be subject to attribution of expenses related to such income.
- Capital gains on disposal of securities are also now taxable for securities held upto 24 months. Previously such taxability was limited to cases where securities were held for upto 12 months.

The rate of tax earlier prescribed for the year 2015 at 17.5 percent has been reduced to 12.5 percent (securities held for less than 12 months).

- Gain on disposal of Debt securities also to be subjected to tax in the manner similar to other securities.
- A company, being a member in an AoP, is to be taxed separately at the rate applicable to companies. This provision is fundamentally aimed at rationalizing the taxation of non-resident companies being member of AoP.

- The scheme for opting out from FTR, introduced in 2012 for importers, suppliers, exporters etc has been revamped.
- Rates of withholding tax inter alia on supply of goods, services rendered, execution of contracts have been enhanced.

Similarly rate of collection of tax at import stage have been increased.

- A special concessionary rate of 20 percent has been prescribed for new industrial undertakings if the same are atleast 50 percent financed on equity basis by way of FDI.
- A new concept of filers and non-filers has been introduced. A filer has been defined as a person whose name appears on the active taxpayers list.

Persons being non-filers shall be subject to higher incidence of tax.

- For practical purposes a mechanism is to be placed to ascertain the status of a person as being non-filer at the time of withholding.
- Zero rate taxation regime being 100 percent tax credit instead of exemption has been prescribed for certain non-profit organizations, trusts and institutions.
- Tax collection has been introduced on the purchase of immovable properties in certain cases.
- Compulsory registration with the tax authorities have been prescribed for obtaining commercial and industrial electricity connections.
- Manufacturers of motor cars and jeep shall also collect tax on their sale.

Income Support Levy

The levy introduced on holding certain assets in 2013 has been abolished.

Sales tax

- The departure from the VAT Regime by way of restriction for certain adjustment in respect of input tax against output tax which was earlier laid down in the notification has been made a part of law.
- Determination of highest retail price for the sales tax and federal excise duty can now be made for a specified zones or areas.
- As a part of Government's strategy for abolition of SROs appropriate amendments have been made in the Act by way of incorporating the same as respective Schedules in the Act.

Federal Excise Duty

- The rates of duty on cigarettes and cement have been increased.
- Rate of duty on international air travel has been increased.
- Aerated beverages industry which was placed under the capacity tax regime in 2013 has been again placed under the retail price VAT based regime with the rates earlier applicable.

Customs Duty

- In line with the general policy, as a major step for the removal of discretionary regime, the rates of duty, including conditions applicable for certain goods which were earlier laid down in notifications have now been incorporated as a part of the Act.

KEY ECONOMIC INDICATORS

Economic Survey 2013-14

“The economy has taken a turnaround on account of following serious economic agenda and striving sincerely to implement it. Early positive results, particularly stabilizing foreign exchange reserves, appreciation of exchange rate, stability in prices despite heavy adjustments, remarkable industrial growth on account of improved energy supply, exceptional increases in remittances, historical heights of Karachi Stock Exchange, shift in market based (T-Bills and PIB), public debt toward medium to long term, successful launching of Euro Bond and auction of 3G/4G licences reinforced this view.”

Continuation of turnaround would require sustainable actions on these lines on a medium to long term basis.

	FY 13 – 14	FY 12 – 13
GDP growth rate	4.1%	3.7%
Per capita income - US\$	1,386	1,345
FDI (July – April) US\$ million	751	854
Inflation	8.7%	7.7%
Public debt (PKR billion)		
- Domestic	10,823	9,517
- Foreign	4,711	4,849
	15,534	14,366
Budget deficit - %age of GDP	3.2%	4.7%

Source: Economic Survey of Pakistan 2013-2014

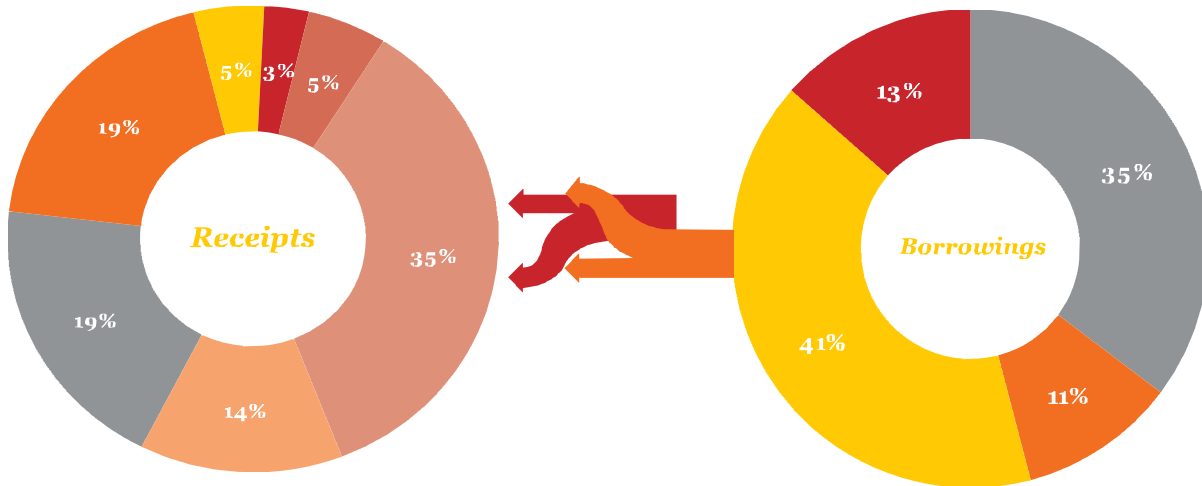
BUDGET AT GLANCE

Budget Financials

The following table sets out the Key Budget Financials:

	2014-2015		2013-2014 (Revised)	
	Rs in Billion	%	Rs in Billion	%
Tax revenue	3,129		2,514	
Non-tax revenue	816		1,083	
Gross revenue receipts	3,945		3,597	
Public account receipt - net	271		170	
Total receipts	4,217	100	3,767	100
Less: Provincial share in Federal taxes	(1,720)	(41)	(1,413)	(38)
Net revenue receipts	2,497	59	2,354	62
Expenditure				
- Current expenditure	3,527	84	3,404	90
- Development expenditure	839	20	859	23
	4,366	104	4,263	113
Deficit	(1,869)	(45)	(1,909)	(51)
- Domestic debts non-bank	484		636	
- Domestic debts banks	227		376	
- Foreign debt	869		714	
- Surplus from provinces	289		183	
	1,869		1,909	

WHERE THE RUPEE COMES FROM

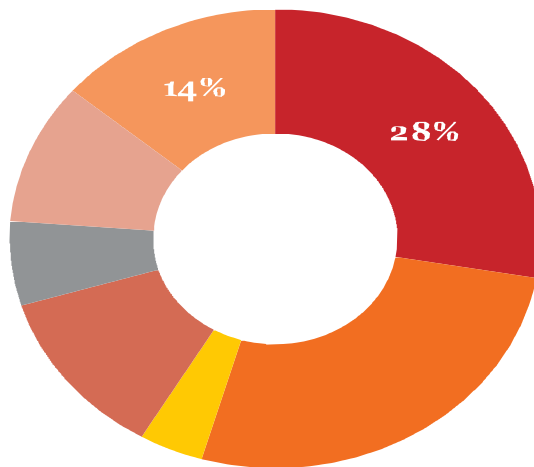


- Income Tax
- Sales Tax
- Customs Duty
- FED
- Petroleum levy & Others
- Borrowings
- Non-tax revenue

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- Domestic debts non-bank
- Domestic debts banks
- Foreign debt
- Surplus from provinces

WHERE THE RUPEE GOES TO



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- Provincial share in Federal taxes
- Debt servicing
- Pensions
- Defence Affairs and Services
- Transfer to Provinces and others
- Federal Government expenses
- Development expenditure

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BREAK-UP OF TAX REVENUE

There is no substantial change in the ratio of direct and indirect taxes.

A substantial and incremental shift is required to decrease disparity in income and reduce the burden of indirect taxes on common man.

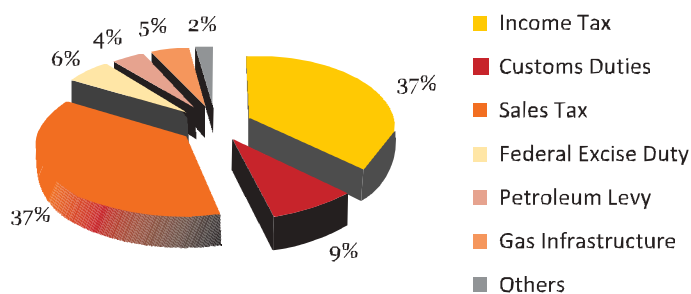
Direct Taxes:

- Income Tax
- Workers' Welfare Fund

Indirect Taxes:

- Customs Duties
- Sales Tax
- Federal Excise Duty
- Petroleum Levy
- Gas Infrastructure Cess
- Natural Gas Surcharge
- Others

FY 14 – 15	FY 13 – 14 (Revised)
Rs in Billion	Rs in Billion
1,164	877
16	14
1,180	891
281	241
1,171	1005
178	138
123	108
145	88
46	39
5	4
1,949	1,623
3,129	2,514



INCOME TAX

ALTERNATE CORPORATE TAX (ACT)

A concept of ACT has been introduced. Under this concept of taxation, which is prevalent in many other jurisdictions including USA and India, the minimum tax liability in case of a company is higher of tax on accounting income or the taxes on income determined under the Ordinance.

A company in Pakistan is subject to tax at the rate prescribed in the First Schedule to the Ordinance, or the final tax or the minimum tax, as the case may be.

Under the newly inserted section 113C, the ACT, being the tax determined on accounting income has been prescribed at seventeen per cent (17%) of such income. The ACT is not applicable to exempt income, income taxable under FTR and that entitled to 100 percent tax credit on account of equity investment.

For the purpose of this section, following terms have been defined as under:

- (a) "Accounting Income" means the accounting profit before tax for the tax year, as disclosed in the financial statements or as adjusted under sub-section (7) or sub-section (11) excluding share from the associate recognized under equity method of accounting;
- (b) "Alternative Corporate Tax" means the tax at a rate of seventeen per cent of a sum equal to accounting income less the amounts, as specified in sub-section (8), and determined in accordance with provisions of sub-section (7) hereinafter;

- (c) "Corporate Tax" means total tax payable by the company, including tax payable on account of minimum tax and final taxes payable, under any of the provisions of this Ordinance but not including those mentioned in sections 8, 161 and 162 and any amount charged or paid on account of default surcharge or penalty and the tax payable under this section.

The provisions of ACT shall not apply on insurance companies, companies engaged in exploration and production of petroleum and banking companies as per Fourth, Fifth and Seventh Schedule to the Ordinance respectively.

In case if the amount of ACT is higher than the corporate tax then the excess so determined shall be adjustable against the normal tax payable for the following years. However, the same cannot be carried for more than 10 years succeeding the tax year in which the excess was first computed. It has been specifically provided that mechanism of adjustment of ACT shall not prejudice the right of carry forward of the normal minimum tax under section 113 of the Ordinance. Tax credit under section 65B shall be allowed against ACT.

The Commissioner Inland Revenue has been empowered to make adjustments in computing the accounting income as per the historical accounting pattern.

This clause requires reconsideration in the light of prevalent accounting framework under Generally Accepted Accounting Principles adopted by the Institute of Chartered Accountants of Pakistan and approved by Securities and Exchange of Pakistan.

RATE OF TAX FOR COMPANIES

The Finance Minister in his Budget Speech whilst presenting the Finance Bill 2013 had stated that the rate of tax for Companies was to be reduced by 1% for each year to bring it down to the level of 30%.

The 'Salient Features' issued alongwith the Budget documents for current year reinforced the aforesaid position and state that the rate of tax for Companies for the tax year 2015 shall be 33%, however, this provision has inadvertently been missed out in the Finance Bill.

BONUS SHARES

Income as defined under section 2(29) of the Income Tax Ordinance, 2001, excludes the amount representing the face value of bonus shares in case of shareholder of a company. It is proposed that this exclusion be removed.

Tax at the rate of five per cent on the value of the 'bonus shares' determined on the basis of day-end price on the first day of closure of books has been proposed to be collected which will be final liability on such income.

The company issuing the bonus shares shall make adequate arrangement for collection of such tax and in case of default; tax shall be collected from the company, without prejudice to any other liability which it may incur under this Ordinance.

It is proposed that the value of bonus share as referred above shall be taxable as 'income from other sources'.

The validity of the aforesaid concept is expected to be tested in courts and the case laws in the comparative jurisdictions support the view that bonus share do not *per se* represent income under the Ordinance.

In the Indian jurisdiction, this matter has been tested in appeals and it has been held that bonus shares are not dividend or for that matter income when issued to holders of ordinary and equity shares.

Unlike the Indian Income Tax Act, 1922 (repealed), in Pakistan, in the Income Tax Act, 1922 (repealed) the bonus shares were included in the definition of income under section 2(6C) of the Act. This inclusion was conceived to be the income in the hands of the company distributing the bonus shares.

In 1977 Lahore High Court in a judgment held that the bonus shares were income in the hands of the shareholder. The position was taken into account by way of introduction of section 12(9) of the repealed Ordinance, 1979, whereby bonus shares were considered as income of the company distributing the bonus shares, however by way of clause 108 of Part I of Second Schedule of the Ordinance, such amount was exempted from tax. Consequently, bonus shares were broadly neither taxed as income of the company nor in the hands of the shareholders till Finance Ordinance, 2001.

Through the Finance Ordinance, 2001, the provisions relating to income in the hands of the distributing company were deleted from the Ordinance and the value of bonus share was included in the definition of income in the hands of the shareholders however, by way of amendment introduced by Finance Ordinance, 2002, bonus shares were excluded from the definition of income in the hands of shareholders of the company in consequence to which the amount was neither income for company distributing the bonus share nor in the hands of the shareholders of the company. This position has been retained till to date.

TAXABILITY OF MUTUAL FUNDS

Exemption from Tax

Income of mutual funds is exempt from tax provided ninety per cent of the accounting income as reduced by realized or unrealized capital gains is distributed to unit holders.

Distribution includes dividend as well as bonus shares.

Through the proposed amendment, for the purpose of claiming exemption, bonus shares, units or certificates shall not be considered towards distribution of ninety per cent of income. It consequently means that only cash dividend shall be taken into consideration for computation of 90 per cent limit to claim exemption.

Distribution by way of bonus shares was incorrectly not being considered by tax authorities for allowing exemption to mutual funds in certain cases. This amendment effectively puts to rest the issue being raised in such cases.

The proposed amendment is in line with the existing clause 100 of Part I of the Second Schedule to the Ordinance in respect of modarabas.

TAX ON DIVIDENDS FROM MUTUAL FUNDS

Another major amendment in respect of mutual fund is the segregation of 'stock fund' from other categories of funds. Stock fund has been defined as collective investment scheme or a mutual fund where the investible funds are invested by way of equity shares in companies, to the extent of more than seventy per cent of the investment.

The rate of tax on dividends received from various categories of fund has been prescribed as follows:

	<i>Stock Fund</i>	<i>Money market Fund, Income Fund or any other fund</i>
Individual	10%	10%
Company	10%	25%
AOP	10%	10%

It has further been provided that in the case of a stock fund where dividend receipts are less than capital gains, the rate of tax deduction for its unit holders shall be twelve and half per cent.

DIVIDEND AND CAPITAL GAINS OF BANKING COMPANIES

Under the Seventh Schedule, income of Banking Companies by way of dividend and gain from sale of listed shares held for more than one year are presently chargeable to tax at the rate of 10% except for the dividends received from its Asset Management Company and money market and income funds which are taxed at 20% and 25% respectively.

It is now proposed that 'net income from dividend' and 'net income from capital gains' on sale of shares held for more than one year would be taxed at 10% and 12.5% respectively. There is no change proposed for the taxation of dividend received from asset Management Company and money market and income funds.

Net income from dividend is now proposed to be computed according to the following formula:-

$$\frac{\text{Total amount of expenditure as per Seventh Schedule}}{\text{Gross amount of receipt including dividend}} \times \text{Gross amount of dividend received}$$

Net income from capital gains is now proposed to be computed according to the following formula:-

$$\frac{\text{Total amount of expenditure as per Seventh Schedule}}{\text{Gross amount of receipts including capital gains}} \times \text{Gross amount of Capital Gains}$$

CAPITAL GAIN ON DISPOSAL OF SECURITIES

Extension of holding period for purpose of taxability

Gain on sale of securities was subjected to tax by Finance Act, 2010 in case if such securities were held for less than 12 months. It has now been proposed that gain resulting from sale of securities for period between 12 to 24 months shall also be taxable under the Ordinance and as such exemption is proposed to be available only where the holding period of securities exceeds 24 months.

The rates of tax on sale of securities are as under:

S. No.	Period	Tax Year	Rate of tax
(1)	(2)	(3)	(4)
1.	Where holding period of a security is less than six months.	2011	10%
		2012	10%
		2013	10%
		2014	10%
2.	Where holding period of a security is more than six months but less than twelve months.	2011	7.5%
		2012	8%
		2013	8%
		2014	8%
TAX YEAR 2015			
3.	Where holding period of a security is less than twelve months.		12.5%
4.	Where holding period of a security is twelve months or more but less than twenty-four months.		10%
5.	Where holding period of a security is twenty-four months or more."		0%

In the Finance Act, 2013, the rate of tax for securities sold within six months was proposed to be increased to 17.5% from 10% for tax year 2015 and for securities held for more than 6 months but less than 12 months, the rate of tax was proposed to be 9.5%. The proposed rates for tax year 2015 have been revised as indicated above.

The collection and payment of tax using the NCCPL's mechanism as laid down in the Eight Schedule was not applicable for taxing gain / losses on disposal of securities by foreign institutional investors. Now such persons will be subject to tax under the regime unless opted out with the approval of the Commissioner.

TAXATION OF DEBT SECURITIES

Gain / loss on disposal of debt securities shall be taxable in the manner similar to 'securities' as previously included under section 37A of the Ordinance.

The definition of the term 'securities' has been extended to include 'Debt securities'. 'Debt securities' means:

(a) *Corporate Debt Securities such as Term Finance Certificates (TFCs), Sukuk Certificates (Sharia Compliant Bonds),*

Registered Bonds, Commercial Papers, Participation Term Certificates (PTCs) and all kinds of debt instruments issued by any Pakistani or foreign company or corporation registered in Pakistan; and

(b) *Government Debt Securities such as Treasury Bills (T-bills), Federal Investment Bonds (FIBs), Pakistan Investment Bonds (PIBs), Foreign Currency Bonds, Government Papers, Municipal Bonds, Infrastructure Bonds and all kinds of debt instruments issued by Federal Government, Provincial Governments, Local Authorities and other statutory bodies.*

TAXATION OF INCOME OF A COMPANY BEING A MEMBER OF AN ASSOCIATION OF PERSONS AOP]

Under section 92 of the Ordinance, an AOP is taxable as a unit and share of a member is exempt from tax in the hands of the member. This provision is applicable for all persons, even if a member is a company incorporated in or outside Pakistan.

Through the proposed amendment, in case a member of AOP is a company or companies then such company or companies shall be taxed separately at the rate applicable to the companies on their respective shares.

The procedure now being proposed to be prescribed is the reinstatement of the concession provided earlier by way of CBR's Circular No. 4 of 1964 dated December 11, 1964. The extract of the same is reproduced as under:

"It has been brought to the notice of the Central Board of Revenue that Pakistani Companies entering into a 'Joint venture' arrangement with foreign companies are not quite clear about their liability to Pakistan Income-tax. The position is that in the case of a joint venture, each participant in such venture is liable to tax on its own share of profits and at the rates applicable to its total income. To avoid complications, when a Pakistani company desires to enter into a joint venture arrangement with a reputable and reliable foreign company, such arrangement may, if

necessary, be got cleared before hand from the Central Board of Revenue.”

As announced by the Finance Minister in the Budget Speech, this amendment has been made to provide the right of reduced rate of tax inter-alia for local and foreign companies being the member of an AOP.

Furthermore, the amendment aims to align the taxation of non-resident companies with treatment given in the respective Agreements for Avoidance of Double Taxation, where applicable.

ENHANCEMENT IN WITHHOLDING TAX RATES

The rates of withholding tax have been enhanced for following transactions:-

- (a) Supply of goods by Companies - 3.5% to 4%
- (b) Supply of goods by other than companies - 4% to 4.5%
- (c) Services rendered by Companies - 6% to 8%
- (d) Services rendered by other than companies - 7% (incorrectly referred as 8% in the Bill) to 10%
- (e) Execution of contract by Companies 6% to 7%
- (f) Execution of contract by other than companies - 6.5% to 7.5%
- (g) Export oriented services - 0.5% to 1%
- (h) Commission or discount on Petrol Pump Operators - 10% to 12%
- (i) Commission or brokerage other than advertising agents – 10% to 12%

There is no change in the mechanism of taxation in respect of aforesaid withholding tax provisions.

FILERS & NON-FILERS OF TAX RETURNS

The persons having NTN will be classified as those being filers or non-filers on the basis of returns filed by them as prescribed by the law. The filer has been defined as the person whose name appears on the active taxpayers' list or who is the holder of taxpayer card.

This amendment is necessitated as a substantial number of NTN holders are not filing returns.

Concessions and benefits for the NTN holders are expected to be restricted to filers.

Rates for collection / withholding tax have generally been prescribed at enhanced rates for non-filers.

ZERO RATE TAXATION FOR CERTAIN PERSONS

Concept of zero rating being tax credit equal to hundred per cent of tax payable including minimum tax has also been proposed for certain non-profit organisations, trusts and welfare institutions.

Previously, such institutions were exempt from tax under the respective clauses of the Second Schedule to the Ordinance. Under the proposed scheme, such persons shall be subject to zero rate of tax if the following conditions are complied with:

- (a) return has been filed;
- (b) tax required to be deducted or collected has been deducted or collected and paid; and
- (c) withholding tax statements for the immediately preceding tax year have been filed.

This process is in practice in various other jurisdictions and considered to be a preferable method of providing concessions, as this process promotes documentation and compliance of the law. This concept does not result in any additional tax incidence for such persons.

Accordingly, the following clauses have been omitted from Part I of the Second Schedule to the Ordinance.

Clause 58(1) any income of a trust or welfare institution or non-profit organization from donations, voluntary contributions, subscriptions, house property, investments in the securities of the Federal Government and so much of the income chargeable under the head "income from business" as is expended in Pakistan for the

purposes of carrying out welfare activities:

Provided that in the case of income under the head "income from business", the exemption in respect of income under the said head shall not exceed an amount which bears to the income, under the said head, the same proportion as the said amount bears to the aggregate of the incomes from the aforesaid sources of income.

Clause 58(2) a trust administered under a scheme approved by the Federal Government in this behalf and established in Pakistan exclusively for the purposes of carrying out such activities as are for the benefit and welfare of—

(i) ex-servicemen and serving personnel, including civilian employees of the Armed Forces, and their dependents; or

(ii) ex-employees and serving personnel of the Federal Government or a Provincial Government and their dependents, where the said trust is administered by a committee nominated by the Federal Government or, as the case may be, a Provincial Government;

Clause 58(3) a trust or welfare institution or non-profit organization approved by Chief Commissioner for the purposes of this sub-clause;

Clause 58(A) income of a university or other educational institution being run by a non-profit organization existing solely for

educational purposes and not for purposes of profit;

Clause 59 any income which is derived from investments in securities of the Federal Government, profit on debt from scheduled banks, grant received from Federal Government or Provincial Government or District Governments, foreign grants and house property held under trust or other legal obligations wholly, or in part only, for religious or charitable purposes and is actually applied or finally set apart for application thereto:

Provided that nothing in this clause shall apply to so much of the income as is not expended within Pakistan:

Provided further that if any sum out of the amount so set apart is expended outside Pakistan, it shall be included in the total income of the tax year in which it is so expended or of the year in which it was set apart, whichever is the greater, and the provisions of section 122 shall not apply to any assessment made or to be made in pursuance of this proviso.

Explanation.—
Notwithstanding anything contained in the Mussalman Wakf Validating Act, 1913 (VI of 1913), or any other law for the time being in force or in the instrument relating to the trust or the institution, if any amount is set apart, expended or disbursed for the maintenance and support wholly or partially of the family, children or descendants of the author of the trust or the donor or, the maker of the institution or for his own maintenance and support

during his life time or payment to himself or his family, children, relations or descendents or for the payment of his or their debts out of the income from house property dedicated, or if any expenditure is made other than for charitable purposes, in each case such expenditure, provision, setting apart, payment or disbursement shall not be deemed, for the purposes of this clause, to be for religious or charitable purposes;

Clause 60 any income of a religious or charitable institution derived from voluntary contributions applicable solely to religious or charitable purposes of the institution:

Provided that nothing contained in this clause shall apply to the income of a private religious trust which does not ensure for the benefit of the public.

TAX ON PURCHASE OR TRANSFER OF IMMOVABLE PROPERTY

In addition to the tax incidence on the seller / transferor of immovable property under section 37A read with section 236C of the Ordinance, a new provision has been inserted for the collection of tax by the Registering or Attesting authority, as the case may be, from the purchaser or transferee of the property.

The amount so collected under this provision shall be adjustable against tax liability, if any of the purchaser / transferee.

This scheme shall not be applicable for expatriate Pakistanis.

The rate of tax to be collected under this section shall be:

S.No (1)	Period (2)	Rate of Tax (3)	
1.	Where value of Immovable property is up to 2 million.	0%	
2.	Where the value of Immovable property is more than 2 million	Filer	1%
		Non-Filer	2%

Provided that the rate of tax for Non-Filer shall be one per cent upto the date appointed by the Board through notification in official gazette.

As per the 'Salient Features' the minimum threshold for the levy of such withholding is indicated at Rs 3 Million as against Rs 2 Million indicated above.

The matter of right of taxation on the transactions involving immovable property by the Federal Government is to be re-examined in the light of Constitutional provisions.

REVAMPING OF MINIMUM TAX REGIME

Minimum tax at the rate of one per cent of turnover is payable under section 113 of the Ordinance. Through the Finance bill, this regime has been revamped as under:

S.No (1)	Person(s) (2)	Minimum Tax as percentage of the person's turnover for the year (3)
1.	(a) Oil marketing companies, Oil refineries, Sui Southern Gas Company Limited and Sui Northern Gas Pipelines Limited (for the cases where annual turnover exceeds rupees one billion.); (b) Pakistan International Airlines Corporation; and (c) Poultry industry including poultry breeding, broiler production, egg production and poultry feed production.	0.5%

S.No (1)	Person(s) (2)	Minimum Tax as percentage of the person's turnover for the year (3)
2.	(a) Distributors of pharmaceutical products, fertilizers and cigarettes; (b) Petroleum agents and distributors who are registered under the Sales Tax Act, 1990; (c) Rice mills and dealers; and (d) Flour mills.	0.2%
3.	Motorcycle dealers registered under the Sales Tax Act, 1990.	0.25%
4.	In all other cases.	1%

The 'explanation' expected to be introduced to offset the effect of a particular decision of the Superior Court in respect of carry forward of minimum tax credit in certain cases has not been addressed.

MINIMUM TAX ON DISTRIBUTORS OF FAST MOVING CONSUMER GOODS

Distributors of Fast Moving Consumer Goods are now proposed to be liable to Minimum Tax at the standard rate of one per cent as against the previous reduction in rate of such tax of eighty per cent.

WITHHOLDING OF TAX FROM SPORTS PERSON

A special withholding rate of 10% has been prescribed in respect of amount payable in the case of sports person as specie of contracts.

ADVANCE TAX AT IMPORT STAGE

Advance tax at import stage is collected by the Custom Authority at the general rate of five per cent (5%) unless reduced by specific notification / provisions.

A new regime has been prescribed for the collection of advance tax at import stage. Details of the same are given below:

S. No. (1)	Persons (2)	Rate (3)
1.	(i) Industrial undertaking importing remelttablesteel (PCT Heading 72.04) and directly reduced iron for its own use; (ii) Persons importing potassic fertilizers in pursuance of Economic Coordination Committee of the cabinet's decision No. ECC-155/12/2004 dated the 9 th December, 2004; (iii) Persons importing urea; and (iv) Manufacturers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31 st December, 2011.	1% of import value as increased by customs-duty, sales tax and federal excise duty
2.	Persons importing pulses	2% of import value as increased by customs-duty, sales tax and Federal excise duty
3.	Commercial importers covered under Notification No. S.R.O. 1125(I)/2011 dated the 31 st December, 2011.	3% of import value as increased by customs-duty, sales tax and federal excise duty
4.	Ship breakers on import of ships	4.5%
5.	Industrial undertakings not covered under S. Nos. 1 to 4	5.5%
6.	Companies not covered under S. Nos. 1 to 5	5.5%
7.	Persons not covered under S. Nos. 1 to 6	6%

Under the amended regime, the general rate has been increased to five and half per cent (5.5%) and six per cent (6%) in the case of an importer being a company or otherwise as the case may be.

WITHHOLDING TAX ON DIRECTORS' FEE

Under section 2(22) of the Ordinance, directorship or any other office involved in the management of the company is treated as 'employment'. Accordingly, in all cases,

withholding on such payments is to be made at the rate applicable for the income under the head 'Salary'.

A new provision has been inserted in the Ordinance, whereby every person responsible for making payment for directorship fee or fee for attending board meeting or such fee by whatever name called shall at the time of payment deduct tax at the rate of twenty per cent of the gross amount payable.

This amendment is expected to remove certain other interpretation or manner of application of law in respect of directorship fee and other such payment.

FINAL TAX LIABILITY IN CASE OF NON FILERS

Profit on debt

In the proposed bill, enhanced rate of withholding tax has been prescribed in case if a person is a non-filer as defined in the newly inserted section 2(23A) of the Ordinance. For such persons, the withholding is fifteen per cent (15%) of the amount of profit on debt if such profit is more than Rs 500,000.

The bill also proposes that the final liability of a non-filer shall remain equal to the filer being ten per cent (10%) of the profit on debt and the excess shall be adjustable against tax liability.

These provisions are not applicable if the recipient of profit on debt is a company.

These provisions apparently imply that a person being a non-filer at the time of withholding is entitled to adjust the excess by filing the return.

Dividend

The rate of withholding tax on dividend for non-filers has been enhanced from 10% to 15% except where special rate of tax is prescribed at the rate of 7.5%.

Unlike the adjustment for excess withholding for non-filers in the case of profit on debt, no parallel provision has been expressly provided in this case.

Application of the above provisions

From practical perspective, a mechanism is to be placed to ascertain the status of a person as being a non-filer at the time of withholding.

COMPULSORY REGISTRATION SCHEME FOR COMMERCIAL AND INDUSTRIAL CONSUMERS OF ELECTRICITY AND NATURAL GAS

Commercial and industrial connection for electricity and natural gas shall not be processed unless the person is registered as a taxpayer under the provisions of the Ordinance.

The taxpayer registration scheme has been prescribed in section 181 of the Ordinance.

COLLECTION OF ADVANCE TAX ON REGISTRATION OF MOTOR VEHICLES

The provisions relating to collection of advance tax have been revamped. Now such taxes shall be collected by the Excise and Taxation department on registration of new locally manufactured motor vehicle and the transfer or registration or ownership of private motor vehicle.

Furthermore, every manufacturer of the motor car or jeep shall collect tax at the time of sale of motor car or jeep.

The prescribed rates are as under:

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

In the case of a new locally manufactured or imported vehicle, the tax shall not be collected at the time of registration if evidence is provided that taxes have been collected at the time of sale by the manufacturer or collected at import stage

in respect of the same person for the same vehicle.

TAX COLLECTION ON DOMESTIC ELECTRICITY CONSUMPTION

A new provision has been inserted whereby every person preparing bill for domestic consumption of electricity shall collect advance tax in the following manner:

- (i) 7.5% if the amount of monthly bill is Rs 100,000 or more.
- (ii) 0% if the amount of monthly bill is less than Rs 100,000

Previously, such tax was collected in the case of industrial and commercial consumers.

TAX ON STEEL MELTERS AND RE-ROLLERS ETC.

A new provision has been inserted to introduce collection of tax from every steel melter, steel re-roller, composite steel unit registered under the Sales Tax Act on their electricity bills.

This tax shall be collected by the person preparing electricity consumption bill.

The rate of collection shall be Re 1 per unit of electricity consumed for the production of steel billets, ingots and mild steel products excluding stainless steel.

The aforesaid collection shall be treated as tax on the payment of local purchase of scrap only and shall be non-adjustable and credit shall not be allowed to any person.

It has been indicated in the 'Salient Features' that the steel melters, etc can opt out of this regime.

COLLECTION OF TAX ON PURCHASE OF INTERNATIONAL AIR TICKET

It has been proposed that every airline, operating in Pakistan, shall be required to collect advance tax on the gross amount of international air tickets issued to the passengers booking one-way or return for Pakistan.

The tax so collected under this section shall be adjustable.

The rate of advance tax shall be as under:

S. No. (1)	Type of Ticket (2)	Rate	
		(3) Filer	(4) Non-Filer
1.	Economy	0%	0%
2.	First/Business/Club class	3%	6%

EXEMPTION TO PUBLIC SECTOR UNIVERSITIES

Exemption is proposed for any income derived by a Public Sector Universities. Previously such income was exempt under clause 92 of Part I of the Second Schedule to the Ordinance which was omitted by the Finance Act, 2013. A new clause 58A was then inserted in Part I of the Second Schedule to the Ordinance to provide exemption for educational institutions run by Non-profit Organisations.

Through the proposed amendment, the exemption to income tax has been specifically reinstated for public sector universities.

EXEMPTION TO CHINA OVERSEAS PORTS HOLDING

Exemption was available for a period of twenty years to the income of the following:-

- (a) Gwadar Free Zone Company Limited
- (b) PSA Gwadar International Terminal Limited
- (c) Gwadar Marine Services Limited
- (d) PSA Gwadar (Pte) Limited

This exemption has been replaced by an exemption for income derived by China Overseas Ports Holding from Gwadar Port operations for a period of twenty years with effect from February 6, 2007.

EXEMPTION FOR FRUIT PROCESSING OR PRESERVATION UNIT

Exemption is proposed for profits and gains derived by a taxpayer, from fruit processing or preservation unit set up in Baluchistan province,

Malakand division, Gilgit – Baltistan and FATA between July 1, 2014 to June 30, 2017, provided the taxpayer is engaged in processing of locally grown fruits.

This exemption is available for the period of five years commencing from the month in which the industrial undertaking is set up or commercial production is commenced, whichever is later.

COAL MINING PROJECT IN SINDH

Exemption is proposed for profits and gains derived by a taxpayer from a coal mining project in Sindh for supply of coal exclusively to power generation projects.

Such entities have also been exempted from minimum tax under section 113 of the Ordinance.

The words 'from sale of coal' are to be inserted after the word 'sale of electricity' in the said clause to clarify the matter. This appears to be an omission.

Dividends paid by a company supplying coal exclusively to power generation projects are also proposed to be taxed at a reduced rate of 7.5%.

WITHHOLDING TAX FOR RICE EXPORTERS ASSOCIATION

Following reduced rate of withholding tax under section 153 on sale value of rice sold by Rice Exporters Association of Pakistan to Utility Store Corporation have been withdrawn:

- (i) 1% on the sale value of rice sold in accordance with the agreement signed with Ministry of Food, Agriculture and Livestock (MINFAL) on April 30, 2008;
- (ii) 0.75% on the sale value sold in accordance with the agreement signed with MINFAL on May 5, 2008;

NEW INDUSTRIAL UNDERTAKING SET UP WITH FOREIGN DIRECT INVESTMENT (FDI)

A special concession has been provided for the investment in new Industrial Undertakings if the same are financed on equity basis by way of FDI.

It has been proposed that the rate of tax on income of such entities shall be 20% of such income as against the normal corporate rate provided the company sets up an industrial undertaking between July 1, 2014 to June 30, 2017 and 50% of the cost of the project including working capital is through owner equity FDI.

This reduced rate would be available for a period of five years beginning from the month in which the industrial undertaking is set up or commercial production is commenced whichever is later.

WITHHOLDING TAX ON ADVERTISING AGENTS

The reduced rate of 5% withholding tax in the case of payments of commission to Advertising Agents is proposed to be increased at 7.5%.

ALLOWANCES OF PILOTS

Flying allowance of certain pilots to the extent of amount not exceeding Basic Salary is presently taxed at 2.5% as a separate block of income.

Total allowances received by pilots of any Pakistani Airlines are now proposed to be taxed at a rate of 7.5% provided that such reduction will be available to so much of the allowance as exceeds an amount equal to the basic pay.

The proposed reduction should have been restricted to the allowances not exceeding the amount equal to the basic pay as was previously available for flying allowance.

WITHHOLDING TAX EXEMPTION ON PAYMENT OF GOODS

It is proposed that tax will not be withheld under section 153(1)(a) on -

- (1) payments for purchase of scrap by steel melters, steel re-rollers, composite steel units. The proposed amendment provides that such exemption is applicable if tax is collected however reference to specific section under which such tax is to be collected has not been specified. It appears that the legislative intent was to refer newly proposed section 235B; and
- (2) payments received by ship breakers for ships imported after July 1, 2014.

FOREIGN NEWS AGENCIES

The exemption from withholding tax under section 152(2) in respect of payments to foreign news agencies, syndicate services, and non-resident contributors having no Permanent Establishment in Pakistan is proposed to be withdrawn.

OPTION TO CERTAIN PERSONS FOR TAXATION UNDER NORMAL REGIME

Through Finance Act, 2012, an option was introduced for Commercial Importers, traders, Exporters and Indenting commission agents to be taxed under normal regime, subject to a condition that minimum tax liability in respect of such income is not less than-

- 60% of tax collected at import stage;
- 70% of tax deducted at source on such sales;
- 50% of the tax collected at the time of realization of export proceeds and indenting commission

The provisions relating to this option have been revamped and the scope has also been extended to certain other persons whereby the provisions relating to Final Tax Regime would not apply if the person opts to file return of total income alongwith accounts and documents as may be prescribed, subject to the condition that

minimum tax liability under normal tax regime shall not be less than-

- (a) Commercial Importer - 5.5% of the imports if the person is a company and 6% in other cases
- (b) Sale of goods - 3.5% of the gross amount of sales if the person is a company and 4% in other cases
- (c) Contracts - 6% of contract receipts if the person is a company; 6.5% otherwise
- (d) Services provided to Exporter & Export House - Services of stitching, dying, printing, embroidery, washing, sizing, and weaving to an Exporter or Export House - 0.5% of the gross amount of services received
- (e) Petrol Pump Operators - 10% of the commission or discount received on sale of petroleum products by Petrol Pump Operators
- (f) Commission agents - 10% of the amount of brokerage or commission

Under the proposed provisions, the minimum tax incidence if a person opts for normal tax regime is equal to the liability otherwise payable under FTR. The differential in the tax rate earlier available has been removed / narrowed. Now, the benefit for opting out of FTR is inter alia effectively restricted to adjustment / carry forward of losses.

COMPANIES OPERATING TRADING HOUSES

An explanation is proposed to be inserted whereby the exemption from applicability of section 153 has been restricted on companies operating certain trading houses as a recipient and not as a withholding agent.

With regard to the conditions of exemption from section 113 and 153 (as a recipient) it has been clarified that such companies should be registered with Sales Tax department under the Sales Tax Act, 1990.

INITIAL ALLOWANCE ON BUILDINGS

The rate of initial allowance of Buildings is proposed to be reduced from 25% to 10%.

SALE OF SPECTRUM LICENSE

By way of deeming provision, it has been prescribed that income from sale of spectrum license by PTA shall be treated as income of the Federal Government and not that of PTA.

REDUCED TAX RATE FOR DISABLED PERSONS

A relief has been provided by way of reduced rate to the extent of 50% for the employment income of disabled persons in case where their income is less than Rs 1 Million.

RATE OF ADVANCE TAX ON FUNCTIONS AND GATHERINGS, ETC

The rate of adjustable withholding tax on functions and gatherings has been reduced from 10% to 5%.

COLLECTION OF TAX ON CASH WITHDRAWALS

The rate of advance tax collection on cash withdrawals in case of non-filer has been increased from 0.3% to 0.5% of the amount of withdrawal.

TAX COLLECTION ON MOBILE PHONE SUBSCRIBERS

The rate of advance tax collection on mobile phone bills is proposed to be reduced from 15% to 14%.

SALES TAX

INPUT TAX ADJUSTMENT – VAT REGIME

Under the VAT regime, in principle, all input taxes are adjustable against output tax. This concept is laid in section 7 of the Act. Through various notifications (including SRO 490(I)/2004 currently in place) certain input tax adjustments were made inadmissible, which is a departure from VAT regime.

Such departures through notifications were not generally approved by the Courts leading to constant litigation against the Tax authorities.

In the Finance Bill 2014, the concept of restriction has been made a part of law which has codified the effective abolition of complete VAT regime the result of which is that only the following input tax can be claimed against output tax:

- Goods imported or purchased for the purpose of sale or re-sale by / to registered person;
- Direct raw material, ingredient, part, component or packing material used in the manufacture or production of taxable goods;
- On electricity, natural gas and other fuel consumed directly in the declared business premises for the manufacture, production or supply of taxable goods; or
- Plant, machinery and equipment used in the declared business premises for the manufacture, production or supply of taxable goods.

The concept of restriction of input tax has been further amplified by providing specific provision in section 8 of the Act. Input tax relating to following goods and services have specifically been considered inadmissible under the Act:

- Goods and services not related to the taxable supplies;
- Goods and services acquired for personal and non-business consumption;
- Goods used in immovable property; and
- Vehicles, their parts, electrical appliances, furniture, furnishings, office equipment other than goods acquired for sale or re-sale.

DETERMINATION OF RETAIL PRICE

Presently, manufacturers of goods subject to sales tax on retail price basis are required to pay sales tax at the highest retail price where more than one retail price is fixed by the manufacturers for any particular brand or variety of such goods.

It is now proposed to authorize the Federal Board of Revenue to specify zones or areas only for the purposes of determining highest retail price for any brand or variety of goods. This seems to be a positive amendment aimed at resolving the long outstanding grievance of such manufacturers with regard to payment of sales tax on highest retail price without taking into account geographic and economic factors.

NO ADJUSTMENT ON INPUT FOR FURTHER TAX

An amendment has been introduced to the effect that the amount collected by a seller of goods as further tax shall be deposited separately without adjustment of any input tax.

This effectively means that if the input tax is in excess of the aggregate of output tax and further tax, then the amount of further tax shall be paid separately and such excess shall be carried forward for adjustment against the output tax for subsequent tax periods.

NINTH SCHEDULE – SALES TAX ON CELLULAR MOBILE PHONES

Specified provision for levy of sales tax on cellular mobiles was laid down in SRO 460(I)/2013 dated May 30, 2013. Such provisions have now been made the part of the law by way of the Ninth Schedule to the Act.

RETAILERS

Retailers of international and national chains in air-conditioned malls are to be charged sales tax through their electricity bills at 5 and 7.5 per cent in addition to sales tax charged on supply of electricity.

EXTENSION OF POWERS OF THE TAX OFFICER / FBR

- (a) Board and its officers have been proposed to be empowered to monitor production, sale of taxable goods and stock position without obtaining warrants from Magistrate. The amendment seeks to undo the decisions of the Appellate Tribunal on this matter.
- (b) Electronic scrutiny of data filed through returns or otherwise available with the Board has been introduced. It has been proposed that an advance notice of deficiencies would be provided to registered persons before any legal or penal actions.

FIFTH SCHEDULE

Goods earlier zero rated under SRO 549(I)/2008 and SRO 670(I)/2013 are proposed to continue to be zero rated under Fifth Schedule whilst the said notifications will be rescinded from July 1, 2014, in view of policy for eliminating SRO culture.

ZERO RATING FOR STATIONERY AND DAIRY INDUSTRIES

Stationery and Dairy industries are eligible for zero-rating. Previously such zero-rating was prescribed under SRO 670(I)/2013 dated July 18, 2013. This SRO has now been incorporated as a part of statute by an entry in the Fifth Schedule to the Act. Such items have also been included in the Sixth Schedule representing goods exempt from tax. This duplication appears to be an error as exemption will disentitle the refund of input tax borne on such goods.

SIXTH SCHEDULE AND EIGHTH SCHEDULE

New Exemptions

Sixth Schedule provides exemption from sales tax. Following new entries have been inserted in the said Schedule.

S. No.	Description	HS Code
I	IMPORTS OR SUPPLIES	
1.	In serial No 24 of the Schedule	Crude palm oil 1511.1000
2.	In serial No 59 of the Schedule	Cochlear implants systems – hearing aids 99.37
3.	Serial No 109 of the Schedule	Goods imported temporarily subject to certain conditions Respective headings
4.	Serial No 113 of the Schedule	High efficiency irrigation equipment 8413.7010, 8424.8100, 8424.2010, 8481.1000, 8481.3000, 9026.2000, 9032.8990
5.	Serial No 114 of the Schedule	Green House Farming and other related equipment 8430.3100, 8430.3900, 9406.0010

S. No.	Description	HS Code
6.	Serial No 115 of the Schedule	Plant, machinery and equipment for fruit processing and preservation units in Gilgit-Baltistan, Makran and Malakand.
7.	Serial No 116 of the Schedule	Plant, machinery and equipment imported for setting up industries in FATA Subject to conditions applicable under Customs Act, 1969.

Abolition of notifications for exemptions and reduced rates and insertion of the respective provisions in the Act

Exemptions/reduced rates previously allowed under Sixth Schedule, SRO 551(I)/2008, SRO 575(I)/2013, SRO 501(I)/2013, SRO 727(I)/2011 and 69(I)/2006 other than the following are proposed to be continued under Sixth Schedule, in view of policy for eliminating SRO culture.

S. No	Description	HS Code	Applicable sales tax rate	Comments
1.	Retailers whose annual turnover from supplies in any tax period during the last 12 months ending any tax period does not exceed Rs 5 million	Respective headings	See proposed section 3(9) of the ST Act	Previously exempted under item 3 of Sixth Schedule.
2.	Oilseeds meant for sowing, subject to certain conditions	Respective headings	5% reduced rate under Eight Schedule	Previously item 10 of SRO 551(I)/2008
3.	Cinematographic film exposed and developed	3706.1000, 3706.9000	17% standard rate	Previously item 19 of SRO 551(I)/2008
4.	Platinum	7110.1100, 7110.1900	17% standard rate	Previously item 20 of SRO 551(I)/2008

S. No	Description	HS Code	Applicable sales tax rate	Comments
5	Palladium	7110.2100 7110.2900	17% standard rate	Previously item 21 of SRO 551(I)/2008
6.	Diamonds	7102.2100 7102.2900 7102.3900	17% standard rate	Previously item 22 of SRO 551(I)/2008
7.	Precious stones	7103.1000 7103.9100 7103.9900	17% standard rate	Previously item 23 of SRO 551(I)/2008
8.	Synthetic or reconstructed stones, precious or semi-precious	7104.1000 7104.2000 7104.9000	17% standard rate	Previously item 24 of SRO 551(I)/2008
9.	Re-meltable scrap	72.04	17% standard rate	Previously item 31 of SRO 551(I)/2008
10.	Raw cotton and ginned cotton	Respective headings	5% reduced rate only at import stage under Eight Schedule.	Previously both import and supply were exempt vide item 33 of SRO 551(I)/2008
11.	Soya bean meal	2304.0000	5% reduced rate under Eight Schedule.	Previously exempt vide item 15 of SRO 501(I)/2013
12.	Oil cake and other solid residues, whether or not ground or in the form of pellets	2306.1000	5% reduced rate under Eight Schedule.	Previously exempt vide item 16 of SRO 501(I)/2013
13.	Directly reduced iron	72.03	5% reduced rate under Eight Schedule.	Previously exempt vide item 21 of SRO 501(I)/2013
14.	Purpose built taxis, subject to certain conditions	8703.3226 8703.3227	17% standard rate	Previously exempt vide item 25 of SRO 501(I)/2013

S. No	Description	HS Code	Applicable sales tax rate	Comments
15.	Machinery and equipment for development of grain handling and storage facilities	Respective headings	5% reduced rate under Eight Schedule subject to conditions.	Previously exempt vide item 2 of SRO 575(I)/2006
16.	Cool chain machinery and equipment	Respective headings	5% reduced rate under Eight Schedule subject to conditions.	Previously exempt vide item 3 of SRO 575(I)/2006.
17.	Certain items imported by call centre, business processing outsourcing facilities approved by telecommunication authority	Various	5% reduced rate under Eight Schedule subject to conditions.	Previously exempt vide item 4 of SRO 575(I)/2006.
18.	Machinery, equipment and other items required by hotels, recreational services related projects etc approved by Tourism Ministry	Respective headings	17% standard rate	Previously exempt vide items 8 of SRO 575(I)/2006.
19.	Machinery, equipment and capital goods, specialized vehicles, spares, chemicals and consumables etc meant for mineral exploration phase	Respective headings	5% reduced rate under Eight Schedule subject to conditions.	Previously exempt vide item 9 of SRO 575(I)/2006.
20.	Complete plants for relocated industries	Respective headings	5% reduced rate under Eight Schedule subject to conditions.	Previously exempt vide item 15 of SRO 575(I)/2006.
21.	Machinery, equipment and other capital goods etc for certain service sectors	Respective headings	17% standard rate	Previously exempt vide item 16 of SRO 575(I)/2006.

S. No	Description	HS Code	Applicable sales tax rate	Comments
22.	Machinery, equipment and capital goods imported for establishing wholesale / retail chain stores	Respective headings	17% standard rate	Previously exempt vide item 17 of SRO 575(I)/2006.
23.	Machinery, equipment and capital goods for oil refining, petrochemical, etc.	Respective headings	5% reduced rate under Eight Schedule subject to conditions.	Previously exempt vide item 20 of SRO 575(I)/2006.
24.	Air handling units	Respective headings	17% standard rate	Previously exempt vide item 24 of SRO 575(I)/2006.
25.	Certain Valves, tubes, fans etc items imported by manufacturing sectors	Respective headings	17% standard rate	Previously exempt vide item 25 of SRO 575(I)/2006.
26.	Proprietary formwork systems for building structures subject to certain conditions	7308.4000 3917.2390 3926.9099 7308.4000 7308.9090 7318.1590 7318.1690 7318.1900 7318.2290 8205.2000 8205.5900 8425.4900	5% reduced rate under Eight Schedule subject to conditions.	Previously exempt vide item 30 of SRO 575(I)/2006.
27.	Heat ventilation air conditioner	8415.8200	17% standard rate	Previously exempt vide item 32 of SRO 575(I)/2006.
28.	Certain machinery and equipment related to broadcasting	Various	17% standard rate	Previously exempt vide item 33 of SRO 575(I)/2006.
29.	Machinery and equipment imported by surgical industry	8460.0000	17% standard rate	Previously exempt vide item 37 of SRO 575(I)/2006.

S. No	Description	HS Code	Applicable sales tax rate	Comments
30.	Machinery and equipment imported by cutlery industry	Various	17% standard rate	Previously exempt vide item 38 of SRO 575(I)/2006.
31.	Import of plant and machinery not manufactured locally and having no compatible local substitute subject to certain conditions	Respective headings	5% reduced rate under Eight Schedule subject to conditions.	Previously exempt vide SRO 727(I)/2011.
32.	Import of rapeseed, sunflower seed and canola seed by solvent extraction industries previously subject to reduced rate of 14%.	Respective headings	17% standard rate	Previously covered under SRO 69(I)/2006.

SPECIAL SALES TAX REGIME FOR EXPORT ORIENTED SECTORS

SRO 1125(I)/2011 provides special sales tax regime for export oriented sectors. As per the 'Salient Features' to the Finance Bill, the standard rate of 17% shall be payable on the import of finished articles of leather and textile instead of present rate as prescribed in the said SRO. Further details shall be available in the amended SRO.

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FEDERAL EXCISE DUTY

HIGHEST RETAIL PRICE

Presently, manufacturers of goods subject to duty on retail price basis are required to pay duty at the highest retail price where more than one retail price is fixed by the manufacturers for any particular brand or variety of such goods.

It is now proposed to authorize the Federal Board of Revenue to specify zones or areas only for the purposes of determining highest retail price for any brand or variety of goods. This seems to be a positive amendment aimed at resolving the long outstanding grievance of such manufacturers with regard to payment of duty on highest retail price without taking into account geographic and economic factors.

There is an editorial error whereby reference of section 13 has been made in the bill, instead of section 12.

REVISION IN SCOPE AND RATE OF DUTY

LOCALLY PRODUCED CIGARETTES

Description of and duty on the locally produced cigarettes (PCT heading 24.02) is proposed to be enhanced as under, with effect from July 1, 2014:

S. No.	Description of goods	Revised rate
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 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 cigarettes.

For the purpose of levy, collection and payment of above duty, cigarette manufacturers are not allowed to reduce price from the level adopted on the day of announcement of the latest Budget. Further, manufacturers and importers are restricted from fixing the price of a new cigarette brand variant, of the same existing brand family, at a price below the lowest actual price of existing variant in the same brand family on the day of announcement of the Budget for the current financial year, which for the purposes of the forthcoming financial year would be June 3, 2014.

Further, price of any new brand, introduced in the market, shall not be less than 95% of the price at which the highest number of excise duty paid on cigarettes were sold in the previous fiscal year.

CEMENT

The duty on Portland cement, aluminous cement, super sulphate cement, whether or not coloured or in the form of clinkers (PCT heading 25.23) is proposed to be levied at 5% of the retail price. Currently, duty is levied at Rs 400 per metric ton.

MOTOR VEHICLE

In order to promote the local industry, it appears that the government intends to withdraw duty on the locally manufactured motor vehicles having cylinder capacity of 1800cc or above.

However, the proposed amendment does not seem to be in line with the above intention as the current draft leaves the phrase 'other motor vehicles' intact. This needs to be suitably amended.

INTERNATIONAL TRAVEL BY AIR

Duty on travel by air, embarking on international journey from Pakistan, has been proposed to be enhanced as under, with effect from July 1, 2014:

- For economy and economy plus – Rs 5,000 (currently Rs 3,840)
- For club, business and first class – Rs 10,000 (currently Rs 6,840)

TELECOMMUNICATION SERVICES

The rate of duty on telecommunication services is proposed to be reduced from 19.5 % to 18.5% of the charges.

Further, telecommunication services which are subject to provincial sales tax and where such tax is being collected by the respective province through its own board or authority are excluded from the purview of duty. This would end the ongoing litigation resulting from the demand of payment of duty by federal tax authorities in some cases concurrently with the provincial sales tax, leading to implied double incidence on the same services.

Moreover, it appears that no proposal is being made in the Bill for other services such as banking services, franchise services, etc. which are also facing similar issues due to concurrent charge of excise duty and provincial sales tax on such services.

CHARTERED FLIGHTS

Duty at the rate of 16% is being proposed on chartered flights (PCT heading 98.03). Earlier, no duty was payable on such flights.

This amendment appears to have been made to clarify the status of charge of duty on chartered flights which were earlier provided only in the Rules not in the First Schedule to the Act.

DUTY ON AERATED BEVERAGES

Capacity tax on aerated beverages, introduced last year, is proposed to be withdrawn with effect from July 1, 2014. As a result, aerated beverages would be again subject to duty and sales tax on retail price basis.

This would end the ongoing litigation on capacity tax, the imposition of which was constitutionally challenged by some beverage companies.

The proposed amendment might result in transitional issues such as the treatment of duties / sales tax paid on input goods not allowed earlier as a result of ceiling prescribed under the capacity regime and existing stocks on which capacity tax was paid and which is to be sold after June 30, 2014. This needs clarification by the Federal Board of Revenue.

CUSTOMS DUTY

ABOLITION OF SROs AND INSERTION IN THE RESPECTIVE PROVISIONS OF CUSTOMS ACT

Fifth Schedule has been enacted to Customs Act, 1969, whereunder goods subject to customs duty at concessionary rates under various SROs have been consolidated with certain changes.

These changes are described in a separate section in following pages.

POWER OF CUSTOMS AUTHORITIES TO COLLECT TAXES

Customs authorities have now been empowered to collect taxes, in addition to duty, which were short collected or erroneously refunded. The amendment has been made in view of certain judgments of the courts where the recovery of taxes was held to be beyond jurisdiction of customs authorities.

NARCOTICS AND NARCOTIC SUBSTANCES

Cases involving narcotics and narcotic substances are now to be tried in Special Courts created under the Control of Narcotics Substances Act, 1997 (Act).

VALUE OF IMPORTED AND EXPORTED GOODS

Certain amendments have been introduced in the provisions relating to valuation of imported goods in respect of transaction value of identical goods.

FIFTH SCHEDULE TO CUSTOMS ACT, 1969

In the Fifth Schedule, following SROs have been consolidated with certain changes:

Part of the Fifth Schedule to the Customs Act, 1969		
(i)	SRO 575(I)/2006	I
(ii)	SRO 567(I)/2006	II & III

EXEMPTION FROM CUSTOMS DUTY FOR UNITS ESTABLISHED IN GILGIT-BALTISTAN, BALOCHISTAN, MALAKAND AND FATA ON IMPORT OF PLANT & MACHINERY

Under Fifth Schedule to the Customs Act, 1969, plant, machinery and equipment imported for setting-up fruit processing and preservation industrial units in Gilgit-Baltistan, Balochistan and Malakand Division and for setting-up industries in FATA have been exempted from whole of customs duty, subject to certain conditions.

INCREASE IN DUTY – SRO 575

The rate of customs duty has been increased in respect of following goods, while consolidating SRO 575(I)/2006 in the Fifth Schedule:

Description	PCT	Old rate in SRO 575	New rate in Fifth Schedule
Agriculture Machinery			
Fertilizer and Plant Protection Equipment.			
Spray pumps (gear and diaphragm type).	8413.8110, 8413.8190	0%	5%
All types of mist blowers.	8414.8090	0%	5%
Harvesting and Threshing Machinery.			
Fodder rake.	8201.3000	0%	5%
Pruner/shears.	Respective Headings	0%	5%
Forage choppers.	8433.2000	0%	5%
Dairy, Livestock and Poultry, Machinery.			
Milk chillers irrespective of the fact whether manufactured locally or not.	8418.6910, 8418.6990	0%	5%
Tubular heat exchanger (for pasteurization).	8419.5000	0%	5%
Milk processing plant, milk spray drying plant, Milk UHT plant.	8419.8100 8419.3900	0%	5%
Grain storage silos for poultry.	9406.0030	0%	5%
Insulated sandwich panels	Respective heading	0%	5%
Milk filters.	8421.3990	0%	5%

<i>Description</i>	<i>PCT</i>	<i>Old rate in SRO 575</i>	<i>New rate in Fifth Schedule</i>
Green House Farming and Other Green House Equipment.			
Geo-synthetic liners (PP/PE Geo synthetic films of more than 500 microns).	3921.9010, 3921.9090	0%	5%
Machinery, Equipment and Other Capital Goods for Miscellaneous Agro-Based Industries Like Milk Processing, Fruit, Vegetable or Flowers Grading, Picking or Processing etc.			
Evaporators for juice concentrate.	8419.8990	0%	5%
Machinery used for dehydration and freezing.	8419.3100, 8418.6990	0%	5%
Heat exchange unit.	8419.5000	0%	5%
Machinery used for filtering and refining of pulps/juices.	8421.2200	0%	5%
Complete Rice Par Boiling Plant	8419.8990 & other Respective Headings.	0%	5%
Horticulture and Floriculture			
Machines for making cartons, boxes, cases, tubes, drums or similar containers, other than by moulding	8441.3000	0%	5%
PU panels (Insulation)	Respective headings	0%	5%
Gen set 10-25 KVA	8502.1120, 8502.1130	0%	5%
Refrigerating machines with engine fitted on common base for refrigerated containers.	8418.6920	0%	5%
Other refrigerating or freezing chests, cabinets	8418.5000	0%	5%
Tubes, pipes and hollow profiles of iron and steel	7304.3100 7304.3900	0%	5%
Hand tools	Respective Headings	0%	5%
Fish or shrimp farming and seafood processing machinery and equipment.			
Compressor	8414.8090	0%	5%
Generator	8502.1130, 8502.1190, 8502.1200	0%	5%
Condenser	8418.9990	0%	5%
Flat freezer	8418.3000	0%	5%
Boast freezer	8418.4000	0%	5%
Fiber glass tubs	7019.9090	0%	5%

<i>Description</i>	<i>PCT</i>	<i>Old rate in SRO 575</i>	<i>New rate in Fifth Schedule</i>
Insulated plants	8418.6990	0%	5%
Flak ice plants	8414.6990	0%	5%
Machinery and equipment for development of grain handling and storage facilities.	Respective Headings	0%	5%
Cool chain machinery and equipment.	Respective Headings	0%	5%
Following items imported by Call Centers, Business Processing Outsourcing facilities duly approved by Telecommunication Authority.			
Telephone sets/head sets.	8517.1100	5%	15%
Cat 5/Cat 6/Power cables	8544.4990	5%	15%
PAPX Switch	8517.6290	5%	15%
Plasma TV	8528.7212	5%	15%
Dedicated telephone exchange system for call centers.	8517.6290	5%	15%
Other (digital call recorders)	8519.8990	5%	15%
Following machinery, equipment, apparatus, and medical, surgical, dental and veterinary furniture, materials, fixtures and fittings imported by hospitals and medical or diagnostic institutes:-			
Medical Equipment.			
Automatic Cell Separator for preparation of platelets.	9018.9090	0%	5%
Complete plants for relocated industries.	Respective Headings	5%	10%
Machinery, equipment and other capital goods imported by an industrial concern.	Respective Headings	5%	10%
Following machinery and equipment for marble, granite and gem stone extraction and processing industries.		0%	5%
Polishing cream or material	3405.4000, 3405.9000	0%	5%
Fiber glass mesh	7019.5190	0%	5%
Chain saw/diamond wire saw in all sizes and dimensions and spares thereof, diamond wire joints all types and dimensions, chain for chain saw and diamond wires for wire saw and spare widia.	8202.4000, 8202.9100	0%	5%
Gin saw blades.	8202.9910	0%	5%

<i>Description</i>	<i>PCT</i>	<i>Old rate in SRO 575</i>	<i>New rate in Fifth Schedule</i>
Gang saw blades/diamond saw blades/multiple blades or all types and dimensions.	8202.9990	0%	5%
Air compressor (27cft and above)	8414.8010	0%	5%
Machine and tool for stone work; sand blasting machines; tungsten carbide tools; diamond tools & segments (all type & dimensions), hydraulic jacking machines, hydraulic manual press machines, air/hydro pillows, compressed air rubber pipes, hydraulic drilling machines, manual and power drilling machines, steel drill rods and spring (all sizes and dimensions), whole finding system with accessories, manual portable rock drills, cross cutter and bridge cutters.	8464.9000 & Respective headings	0%	5%
Integral drilling steel for horizontal and vertical drilling, extension thread rods for pneumatic super long drills, tools and accessories for rock drills.	8466.9100	0%	5%
Machinery, equipment and other project related items for setting up of hotels located in an area of 30 km around the zero point in Gwadar.	Respective Headings	0%	5%
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	5%	10%
Plastic tube.	3917.2390	5%	10%
Plastic tie slot filters/plugs, plastic cone.	3926.9099	5%	10%
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	5%	10%
Lifting Unit (Structure)	7308.9090	5%	10%
Bolts, tie bolts, anchor bolt assembly (fastener), anchor screw (fastener).	7318.1590	5%	10%
Nuts	7318.1690	5%	10%
Steel pins, tie wing nut (fastener).	7318.1900	5%	10%
Steel washers, water plate (fastener).	7318.2290	5%	10%
Adjustable base jack (thread rod with nut and steel plate), adjustable fork head (threaded rod with nut and steel channel).	8425.4900	5%	10%

WITHDRAWAL OF CONCESSIONARY RATES – SRO 575

Concessionary rates provided in SRO 575 (I) / 2006 in respect of following goods have not been incorporated in Fifth Schedule; hence general Tariff rates will be applicable thereon:

<i>Description</i>	<i>PCT heading</i>
Agricultural Machinery	
Land Leveling Machinery And Equipment	
Bulldozers and angle dozers	8429.1100, 8429.1900
Graders and levelers	8429.2000
Scrappers	8429.3000
Bulldozer and angle dozer blades.	8431.4200
Bulldozers, pulled soil scrappers, capacity 20-25m3.	[8429.1100 8429.1900 8429.3000]
Laser land-levelers, hydraulically driven land levelers, land planers, stone collectors (capacity 1.5-2.5m) and wind rowers (capacity 1.5-2.5 m).	8432.8090
Survey equipment. www.imranghazi.com/mtba	9015.2000, 9015.8000
Tillage, Seeding And Planting Machinery And Equipment	
Ploughs	8432.1010, 8432.1090
Harrows, scarifiers, cultivators including inter-row cultivators, weeders, tillers, hoes, rotary hoes and rotary tiller weeders (above 90 HP).	8432.2100, 8432.2910, 8432.2990
Seeders, planters, pneumatic planters, transplanters, vegetable seedling transplanters, paddy seeding raising equipment, cane ratoners, cane planters and mechanical hand dibblers.	8432.3010, 8432.3090
Rotavators.	8432.8010
Para plow-sub-soiler (with vibratory mechanism) and bed shapers.	8432.8090
Discs for agricultural ploughs	8432.9000

<i>Description</i>	<i>PCT heading</i>
Fertilizer and Plant Protection Equipment.	
All types of sprayers (self propelled, manual, power driven, ULV, tractor/trolley mountable) and electronic knapsack sprayers excluding manual knapsack sprayers.	8424.8100
Spray nozzles assembly, spray nozzles and nozzles tips.	8424.9010
Herbicides applicators (including band applicators), fire band weed applicators, granular applicators, slurry spreaders, manure spreader/ composite shredder.	8432.4000, [8432.8090]
Dust application machinery and equipment	8432.8090
High Efficiency Irrigation and Drainage Equipment.	
Tile drain laying equipment.	8426.4900
Dredger/ excavator/ dragline equipment/ back hoe trenchers;	Omitted 8429.5900
Tractor mounted rotary ditcher or chain trencher (excluding tractor).	8430.6900
Direct power rotary drilling rigs.	8430.4900
Canal concrete lining machine.	8430.5000
Harvesting and Threshing Machinery.	
Haymaking and baling machinery.	8433.3000
Straw or fodder balers.	8433.4000
Combine harvesters – threshers.	8433.5100
Root or tuber harvesting machines.	8433.5300
Sugarcane, potato, onion, garlic, fruit, groundnut etc., harvester/ digger;	8433.5300, 8433.5900
Cotton picker, stock pullers cum shredder, rotary slusher.	8433.5900
Fodder/forage wagon.	8716.8090
Post-harvest Handling and Processing Machinery.	
Fodder and feed cube making machinery.	8433.4000
Machinery for cleaning, sorting or grading eggs, fruits or other agriculture produce including Stationery/moveable seed processing units	8433.6000
Plants and essence extractors for flowers/horticulture.	8436.8000
Machine for cleaning, sorting or grading seed, grain or dried leguminous vegetables.	8437.1000

<i>Description</i>	<i>PCT heading</i>
Rice whitener, rice polisher, rice flow meter and magnetic separator.	8437.8000 and respective headings
Dairy, Livestock and Poultry, Machinery.	
Milking machines.	8434.1000
Dairy machinery	8434.2000
Milk evaporator.	8419.3900
Cream separators.	8421.1100
Homogenizer.	8434.2000
Machinery for preparing animal feeding stuffs.	8436.1000
Slurry digester.	8436.8000
Veterinary equipment	9018.9090
Incubators, brooders and other poultry equipments.	8436.2100, 8436.2900
Evaporative Air Cooler/Cooling System.	8479.6000
Evaporative Cooling Pad.	8479.9010
Machinery, Equipment and Other Capital Goods for Miscellaneous Agro-Based Industries Like Milk Processing, Fruit, Vegetable or Flowers Grading, Picking or Processing etc.	
Packing or wrapping machinery (including heat shrink wrapping machinery).	8422.4000
Scales for continuous weighing of goods on conveyors.	8423.2000
Machinery for the preparation of meat or poultry.	8438.5000
Conveyor belt of a kind used in slaughter house.	8428.3300
Machinery for filling, closing, sealing or labeling bottles, cans etc.	8422.3000
Presses, crushers and similar machinery used in the manufacture of fruit juices.	8435.1010
Shear machinery.	8433.2000
Machinery used in the milling industry.	8437.8000
Machinery for the preparation of roots, nuts or vegetables.	8438.6000
Pressing and ginning machinery for cotton ginning industry.	8445.1990 8479.8990
Solar heating equipment.	8541.4000

<i>Description</i>	<i>PCT heading</i>
Horticulture and Floriculture	
Evaporative air coolers	8479.6000
Battery Operated Fork Lifters (upto 3 tons)	8427.1000
Knives & cutting blades	8208.4000
Other machinery	8438.8090
Agricultural horticultural machinery & parts thereof	8432.0000
Other agricultural, horticultural, forestry or be-keeping machinery.	8436.8000
Fish or shrimp farming and seafood processing machinery and equipment.	
Ammonia Gas pipes	7411.2900
IQF plants	8438.5000
Fish filleting machine	8438.5000
Following items imported by Call Centers, Business Processing Outsourcing facilities duly approved by Telecommunication Authority.	
www.imranghazi.com/mtba	
UPS, inverters/converters.	8504.4010 8504.4090
Fax machines	8443.3260
Photo copiers	8443.3910
IP Phones	8517.1890
Dialers	8517.7000
Generator.	8502.1200
Multimedia projectors	8528.6110
Video conferencing equipment.	8525.8090
CCTV	8525.8010
PUD's	8525.8090
Parts, voice cards.	8517.7000
VAST terminals	8525.6040
Following items imported by the local assemblers of vehicles and companies having CNG licenses:	
Compressors	8414.8030
Mass Flow CNG dispensers	8413.1100
Storage cylinders	7311.0000

<i>Description</i>	<i>PCT heading</i>
CNG vehicle Cylinders.	7311.0000
CNG vehicle conversion kits.	8409.9191, 8409.9991
LPG Dispensers imported by a company having LPG licence.	8413.1100
Following items imported by the companies having LPG licence:-	
LPG pumps	8413.1990
Control panels	8537.1090, 8537.2000
LPG Dispensers	8413.1100
LPG vehicle conversion kits.	8409.9199
Following machinery, equipment, apparatus, and medical, surgical, dental and veterinary furniture, materials, fixtures and fittings imported by hospitals and medical or diagnostic institutes:-	
Medical Equipment.	
Operating Lights.	9018.9090
Breathing Bags.	9020.0020
Automatic blood cell counter.	9018.9090
Disposable Medical_Devices	
Burettes.	7017.9000
Machinery, equipment and other items required for setting up, up-gradation and expansion of hotels (3 stars and above), tourism; sporting and other recreation services related projects as approved by the Ministry of Tourism.	Respective Headings
Machinery and equipment for hotels (below 3 stars).	Respective Headings.
Machinery, equipment and other capital goods for Service Sectors mentioned below:-	Respective Headings
(i) Wholesale, distribution and retail trade, (ii) transportation, (iii) storage, (iv) communication, (v) infrastructure projects including development of industrial zones,	

Description	PCT heading
(vi) telecommunication i.e. Email /internet /electronic information services (EIS), data communication network services, trunk radio services, cellular mobile telephone services, audiotex services, voice mail services, card pay phone services, close user group for banking operations, international satellite operations for domestic data communications, paging service and any other telecommunication service which is deregulated in future; (vii) technical testing facilities, (viii) Audio-visual services, (ix) Rental services relating to transport equipment and machinery; (x) Environmental services; and (xi) Foreign Direct Investment (FDI) in any other activity of service sector.	
Following machinery, equipment and capital goods imported for establishing wholesale/retail chain stores:-	Respective Headings
Refrigeration system, including shelves and chests.	
Butcher equipment, preparation equipment.	
Rotisserie equipment, preparation equipment.	
Fishery equipment, preparation equipment.	
Bakery equipment, preparation equipment.	
High racks, self service racks, round stands.	
Trolley, wire material, customer guidance.	
Fork lift trucks, pallet movers.	
Advertising and decoration material.	
Waste re-processing systems.	
Euro pallets	
Merchandise security-/video control system.	
Pneumatic dispatch system	
Office equipment	
Equipment for workshop	
Antenna system	
Canteen equipment	
Cashier desks and chairs.	
Cleaning machinery and materials.	
Wrapping machinery and equipment.	
Safes	

<i>Description</i>	<i>PCT heading</i>
Scales	
EDP equipment	
Telephone system	
Sectional steel, reinforcement, metal sheets.	
Concrete admixtures-curing-fixtures	
Insulation and waterproofing materials	
Doors, shutter doors, sliding doors.	
Windows, sun shading.	
Sky domes	
Flooring materials	
Paint, coating, sealing material	
Suspended ceiling system.	
Plaster board wall system	
WC dividing wall system	
Lock system	
Crash barriers, traffic signs	
Insulated panels for cooling chambers	
Container	
Dock leveling systems	
Air conditioning and heating system.	
Air ventilation system.	
Sprinkler system.	
Fire detection system.	
Fire extinguishers.	
Weak current system.	
Intruder alarm security system.	
Sewage treatment system.	
Lighting arrester system.	
Elevators.	
Gasoline generator.	
Main and secondary switchboards.	
Illumination.	
Off-highway dump trucks of 320 hp and above.	8704.1090

<i>Description</i>	<i>PCT heading</i>
On Highway Dump Trucks of 320 HP and above imported w.e.f 17th January, 2007.	8704.2299 8704.2390
Cement bulk semi-trailers, without prime movers.	8716.3190
Machinery and equipment imported by any other importer.	Chapters 84 and 85 excluding the items as specified in Annex-C
Air Handling Units	8415.8300
Following items imported by the manufacturing sector:-	
Fin tubes	7304.3100, 7304.9000
Dish heads	7326.1990, 7326.9090
Induced draught fans.	8414.5990
High pressure valves	8481.8090
Automatic valves	8481.8090
Safety valves including Non return valves	8481.4000
Control valves for steam duty.	8481.8090
Core wire of base metal in coils (for machine welding)	8311.2000
Following machinery and equipment for marble, granite and gem stone extraction and processing industries.	
Quarry winches (100 ton capacity and above.	8425.3100
Quarry winches and electric motor jacks 30 ton capacity and above.	8425.3900
Quarry crane.	8426.3000
Fork lifter	8427.9000
Excavators	8429.5900
Ultrasonic machine tools.	8456.2090
Sharpening machine.	8460.3900
All diamond saw machines, diamond tools and segments.	8464.1000 & Respective headings
Grinding machines.	8464.2010

<i>Description</i>	<i>PCT heading</i>
Polishing machines of all types and dimensions.	8464.2090 & Respective headings
Other machine tools for working stones	8464.9000
Pneumatic machines and tools.	8467.1100
Horizontal and Vertical pneumatic line drilling machine. Pneumatic grinding machines.	8467.1900
Following goods imported by municipal authorities/local bodies/cantonment boards:-	
Ambulances	8702.1090 8702.9090 8703.2329 8703.2490 8703.3229 8703.3390 8703.9000.
Fire fighting vehicles.	8705.3000
Waste disposal truck	8704.2299 8704.2390
Incinerators for disposal waste management.	8417.8000
Motorized sweepers	8479.1000
Brake down lorries	8705.9000
Special purpose vehicles for the maintenance of streetlights and overhead cables.	8705.9000
Snow ploughs	8430.2000
Road sweeping lorries	8705.9000
Fire fighting vehicles and equipment imported by town and municipal authorities.	8705.3000 & Respective Headings
Aircraft spares, parts, tyres, navigational equipment, accessories for maintenance and operations of aircrafts, chemicals, lubricants and paints, air tickets, aircraft carpet, aircraft fabric, skydrol (brake fluid), laminated sheet, aluminum alloy sheets, aluminum alloy extrusions, aircrafts seats, tools, test equipment, life jackets, spares of TGS vehicle, meals trolley, ball hand seal, standard units, exterior washing liquid, air head set electronics, air head set pneumatic and sealants.	Respective Headings

<i>Description</i>	<i>PCT heading</i>
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
Special hammers	8205.2000
Extraction keys.	8205.5900
Heat ventilation air conditioner	8415.8200
Following machinery and equipment relating to broadcasting:-	
Video tape recorders (VTRs), S-VHS Tape Recorders.	8521.1010
Broadcast cameras	8525.8090
Video Switcher.	8521.1090
Video/Audit Routers	8517.6290, 8525.6090
Audio Limiter/ Monitor/ Mixer equipment.	8519.8190, 8519.8990
Broadcast digital maximiser	8525.5090
Analog video distribution amplifiers.	8518.4000
SD/AES distribution amplifiers.	8518.4000
SDI monitoring/equalizing amplifiers.	8518.4000
SD/AES Multiplexers/de-multiplexers	8518.4000
Audio distribution amplifiers.	8518.4000
Video/audit converters.	8529.9090
SDI input board.	8521.1090
Amplified loud speaker	8518.4000
Under monitor displays (UMDs)	8528.5900
LCD monitors.	8528.7211
Picture tube monitors.	8528.4990
Plasma screens.	8528.7212
Broadcast video visualization/monitoring system	8528.7212
Wave form / Vectroscope monitors.	8528.5900
Video/audio frame synchronizer.	8521.1090
Audio delay/monitoring equipment.	8528.7212, 8519.8990
Sync pulse generator.	8543.2000
Intercom system/ microphones.	8517.6990

<i>Description</i>	<i>PCT heading</i>
Digital clock system.	9105.9900
Consoles, racks, patch panels, cables other installation material.	8537.1090 & Respective Headings
Video format converters.	8521.1090
Transformers.	8504.4090
Video play out/ ingest/ preview servers.	8521.1090
Fiber optic transceivers.	8525.5090
Ethernet switch.	8517.6990
Newsroom management servers.	8521.1090
Non-Linear/Linear video editing equipment.	8521.1090
Video conferencing system (picturetel/polycom /Tandberg).	8517.1890
Audio conferencing system.	8517.1890
Satellite video phones.	8517.1810
Digital Video/audio media delivery system.	8528.7212
Studio lights.	9405.4090
On air video in & out graphic servers.	8521.1090
Virtual set system.	8521.1090
Camera tracing heads.	8529.9090
Teleprompters.	8528.5100
C/Ku Band uplink antenna equipment.	8529.1010
IF & LNBS, wave guiders, splitters.	8529.1010
High powered uplink amplifiers.	8529.1010
Up converters.	8529.1010
Uplink monitoring/control equipment.	8529.1010
MPEG 2, MPEG 4 Video Encoders.	8521.1090
Video statistical multiplexing equipment.	8521.9090 8517.6260
Modulators.	8525.5090
Satellite reception IRDs/TVROs/Decoders.	8528.7212
Video compression control & monitoring equipment.	8521.1090
Smart cards for video encryption.	8542.3900
Digital setup box (STBs)	8528.7290
Personal video recorder (PVR); Digital Video Recorder (DVR)	8521.1010

<i>Description</i>	<i>PCT heading</i>
Satellite receive dish.	8529.1090
LNBS.	8529.1020
Audio video dubbing equipment.	8521.1010
Video streaming gateway.	8521.9090
DVB-H Mobile handsets for TV delivery.	8525.8090
DMB Mobile handsets for TV delivery.	8525.8090
RG 11/RG 6 cables.	8544.1190
RF connectors.	8529.9090
Toolkit for satellite dish installation.	8206.0000
Drill machine for satellite dish installation.	8467.2100
Modems for setup box.	8537.1090
Power distribution equipment, UPS, Generators.	8537.1090 8504.4010, 8502.0000
GPS/electronic compass equipment.	9014.8000
Broadcast chopper	8529.9090
Acoustics.	8529.9090
Teletext equipment.	8529.9090
Studio air conditioning.	8415.1020
Studio furniture/fixtures.	9403.6000
Studio/TV Station/Uplink tation video surveillance security equipment.	8525.8090
Wireless camera equipment.	8525.8090
Microwave multi point video distribution equipment.	8525.6090
IP satellite news gathering equipment.	8517.6290
Still store equipment.	8521.1090
Accessories for video switching, routing, distribution, recording, amplification, locking, equalizing, encryption, up linking, down linking, encoding/decoding, multiplexing, transmission etc.	8529.9090
FM transmitters	8525.5010
FM antenna (broad band and tuned)	8529.1090
FM exciter	8525.5090
FM power amplifiers	8529.1090
Audio processor	8519.8990
Microphones	8518.1090
Patch bays	8519.8990

<i>Description</i>	<i>PCT heading</i>
Telephone hybrids	8517.1290
Outdoor recording equipment	8521.9090
Outdoor live coverage equipment.	Respective heading
Studio transmitter link (STL)	8525.5090
Audio amplifiers	8518.4000
Following items imported by Civil Aviation Authority (CAA) for air traffic services and training:-	
Navigation equipment.	
VOR, NDB, ILS Satellite based instrument landing system and/or any other satellite based navigation equipment used for the provision of air traffic services.	8526.9100
Surveillance Equipment	
Radars and satellite based surveillance equipment like ADS (C) & ADS (B) and/or any other surveillance equipment used for the provision of air traffic services.	8526.1000
Rescue and Fire Fighting Equipment.	
All fire fighting vehicles, operational vehicles used on air side.	8705.3000
Rescue & fire equipment including spare parts.	8424.1000
Display System	
FIDS (Flight Information Display System).	8543.7000
Training equipment	
All training equipment including simulators and their spare parts.	9023.0000
Calibration equipment.	
All equipment being utilized for the purpose of calibration radar & radio navigational aids.	9031.8000
Communication & Broadcast Equipment.	
UHF, VHF and HF radios, ATIS and related equipment, spare parts including all satellite based communication equipment like remote radio stations and data link i.e VDL and CPDLC and/or any other communication equipment used for the provision of air traffic services."	Respective headings
Following machinery and equipment imported by surgical industry.	
Hand sharpening and polishing stones numerically controlled and others, honing and lapping machines.	8460.0000

<i>Description</i>	<i>PCT heading</i>
Following machinery and equipment imported by cutlery industry:-	
Surface grinding machine with cup and grinding wheel	6804.2200
Rolling machine for table cutlery	8455.2100
Forging hammer	8462.1010, 8462.1090
Friction press	8462.1010, 8462.1090
Grinding machines.	8464.2010
Polishing machines	8464.2090
Ultrasonic degreasing plant	8479.8990
Tempering machine complete unit	Respective headings
Vibrating bowl.	8479.8990

INCREASE IN DUTY – SRO 567

The rate of customs duty has been increased in respect of following goods, while consolidating SRO 567(I)/2006 in the Fifth Schedule:

<i>Description</i>	<i>PCT</i>	<i>Old rate in SRO 567</i>	<i>New rate in Fifth Schedule</i>
Input for poultry sector			
Soyabean meal	2304.0000	0%	5%
Vitamin B12 (feed grade)	2309.9090	0%	5%
Vitamin H2 (Biotin) (feed grade)	2309.9090	0%	5%
Fish Feed	2309.9090	0%	5%
Poultry feed preparation (coccidiostats)	2309.9090	0%	5%
Growth promoter premix	2309.9020	0%	5%
Vitamin premix	2309.9020	0%	5%
Choline Chloride	2309.9020	0%	5%
Mineral premix	2309.9020	0%	5%
Concenstrated Coccidiostats	2933.3990	0%	5%
Furazolidone (feed grade)	2934.9910	0%	5%
Poultry vaccines	3002.3000	0%	5%

<i>Description</i>	<i>PCT</i>	<i>Old rate in SRO 567</i>	<i>New rate in Fifth Schedule</i>
Anticoccidal namely Amprolium, Diaverdine, Decoquinatone, Furaladone, Menadione, Sodaluminium , Pyrimethamine, Toltrazuril	3004.3900	0%	5%
Sulphadimerzine (mixture form with any other anticoccidal)	3004.3900	0%	5%
Sulphaquinoxaline (mixture form with any other anticoccidal)	3004.3900	0%	5%
Calf Milk Replacer(CMR) [(color dyed)]	2309.9090	0%	5%
Cattle Feed Premix	2309.9020	0%	5%
Pure Terephthalic Acid (PTA)	2917.3610	3%	4%
Poly Ethylene Terephthalate, Yarn grade	3907.6010	3%	4%
Poly ethylene terephthalate (PET) , bottle grade	3907.6020	8%	8.5%
Poly Ethylene Terephthalate (PET) film grade	3907.6090	8%	8.5%

WITHDRAWAL OF CONCESSIONARY RATES – SRO 567

Concessionary rates provided in SRO 567(I)/2006 in respect of following goods have not been incorporated in Fifth Schedule; hence general Tariff rates will be applicable thereon:

<i>HS Code</i>	<i>Description</i>
2811.2200	Silicon dioxide
2811.2990	Sulfur
2817.0000	Zinc oxide ; zinc peroxide
2827.2000	Calcium chloride
2921.4900	BHT
2930.2090	ZEC
2934.2000	Compounds containing in the structure of a benzothiazole ring system (whether or not hydrogenated), not further fused
3812.1000	Prepared rubber accelerators
	Input for poultry sector
1005.9000	Maize grain
2833.2990	Maganese sulphate

<i>HS Code</i>	<i>Description</i>
[2833.2940]	Zinc Sulphate
2833.2500	Copper Sulphate
2833.2910	Ferrous Sulphate.
2835.2500	Dicalcium Phosphate (DCP) (Feed grade)
2835.2600	Monocalcium phosphate (MCP) (Feed grade)
2835.2600	Monodicalcium phosphate (MDCP) (Feed grade)
2922.5000	L-Threonine
2923.9010	Betaine
2936.2100	Vitamin A
2936.2200	Vitamin B1
2936.2300	Vitamin B2
2936.2400	Vitamin B3/B5
2936.2500	Vitamin B6
2936.2600	Vitamin B12
2936.2700	Vitamin C
2936.2800	Vitamin E
2936.2900	Other vitamins
2922.4100	Lysine
2923.1000	Choline
2930.4000	Methionine/ Methionine hydroxy analogue
2601.1100	Iron ores and concentrates non-agglomerated.
2710.1952	Knitting Machine Oil
2917.3500	Pathalic Anhydride
2922.4990	Na Fe EDTA (vitamin mineral premix)
3215.1910	Fluorescent ink
3507.9000	Enzymes
3701.3090	Photo Polymer and CTP Plates
3707.1000	Photo emulsion
3808.9180	Phosphatic insecticides
3913.1000	Alginate
3919.9090	BOPP packing adhesive tape in jumbo rolls having minimum 100 CM width and weight exceeding 100 kg per roll.
4004.0020	Shredded tyre scrap
5401.1000	Sewing thread (breaded thread for hand stitch)

<i>HS Code</i>	<i>Description</i>
5509.6900	Acrylic Yarn of 32 to 40 metric count.
7101.1000	Natural Pearls
7102.2100	Diamonds
7102.2900	
7102.3900	
7103.9100	Precious stones
7103.9900	
71.04	Synthetic or reconstructed precious stones or semi-precious stones, whether or not worked or graded but not strung, mounted or set; ungraded synthetic or reconstructed precious or semi-precious stones, temporarily strung for convenience of transport
7110.1100	Platinum
7110.1900	
7110.2100	Palladium
7110.2900	
7326.9090	Camera Stands
8518.1090	Mikes (Newman, Akg) Microphones
8518.5000	Cinema speaker and sound system
8518.2100	Loud speakers low frequency & sub woofers
8518.2100	High frequency driver units, used in conjunction low frequency speakers
8518.5000	Power amplifiers of different power ratings
8519.8190	AVID editing
8519.8190	Fully dolby/stereo system
8519.8190	Analogue audio processors
8519.8190	Digital audio processors for DTS, with CD room drivers
8519.8190	Digital audio processor
8521.9090	Sound recording (channel mixers and cables, record, play and erase heads)
8521.9090	Sub-titling machine
8523.2990	Magnetic tapes
9007.2000	Projector 35mm with Xenon lamps
9007.2000	Film projectors 35mm with sound heads and sound readers
8539.2990	Photographic and HMI bulbs
8539.2990	Xenon bulbs 2000 watts to 4000 watts
8539.4100	Xenon arc lamps with rectifiers/power ratings
8545.1900	Cinema Arc carbons

<i>HS Code</i>	<i>Description</i>
8716.8090	Camera Trolley
8716.8090	Camera Dolly
6704.1100	Wigs etc
7613.0010	Aluminium containers for compressed or liquefied gas
8504.3100	Transformers having a power handling capacity not exceeding 1 KVA
	Surgical Sector
3810.1000	Pickling preparations for metal surface; soldering brazing or welding powders and pastes consisting of metal and other material.
68.04	Millstones, grindstones, grinding wheels and the like, without framework, for grinding, sharpening, polishing, trueing or cutting, hand sharpening or polishing stones, and parts thereof, of natural stone, of agglomerated natural or artificial abrasive, or of ceramics, with or without parts of other materials.
6804.1000	Millstones and grindstone for milling, grinding or pulping.
6804.2100	of agglomerated synthetic or natural diamond
6804.2200	of other agglomerated abrasives or of ceramics
6804.2300	of natural stone
6804.3000	Hand sharpening or polishing stones Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter-pins, washers (including spring washers) and similar articles, of iron or steel.
7318.1510	High tensile (DIN Grade 8.8 ASTM A325 or ASTM A 193 B7)
7318.1610	High tensile (DIN Grade 8.8 ASTM A325 or ASTM A 193 B7)
7318.2110	High tensile (DIN Grade 8.8 ASTM A325 or ASTM A 193 B7)
7403.2100	Copper-zinc base alloys (brass)
8407.1000 8802.2000 8802.3000 8802.4000	Aircraft engines, aero planes and other aircrafts.
8504.4020	Charger for Electric Battery used for two/three wheeler Electric Scooter/Electric Bicycle
8507.8000	Chargeable Electric Battery for two/three wheeler Electric Scooter/Electric Bicycle
9032.8990	Controller for two/three wheeler Electric Scooter/Electric Bicycle
87.02 87.03	Ambulances.

<i>HS Code</i>	<i>Description</i>
8704.2299 8704.2390	On Highway Dump Trucks of 320 HP and above.
8704.1090	Off Highway Dump Trucks of 320 HP and above.
8706.0000	Chassis fitted with engines, for the motor vehicles of headings 87.01 to 87.05.
[87.11]	Vintage Motor Cycles of 500 CC and above which are older than 25 years
8901.1000 8901.2000 8901.3000 8901.9000 8902.0000 8904.0000 8905.1000 8905.2000 8905.9000 8906.1000 8906.9000 8907.9000	Ships and other floating crafts including tugs, survey vessels and other specialized crafts purchased or bare-boat chartered by a Pakistani entity and flying Pakistani flag.
8517.1220	Fixed wireless terminals
8701.9020 8701.9090	Agricultural tractor
8442.3000, 8442.4000, 8443.1100 8443.1200 8443.3990 8443.1990 8443.9100 8443.3990	Printing machinery and spare parts thereof
3215.1190	Black Ink
3215.1990	Colour Ink
3701.3020	CTP Plates
4802.5700	Fully sensitized cheque paper weighing 40 g/m ² or more but not more than 150 g/m ²
9612.1010	Red bleed through ribbons for dot matrix printers
3215.1990	Anti-forgery security printing ink
8502.0000	Gas operating generating sets exceeding 1100 KVA

<i>HS Code</i>	<i>Description</i>
9506.6980	Shuttlecocks
Respective headings	<p>[(i)]Power generation plants imported by WAPDA or PEPCO through its generation companies on temporary basis with a view to subsequent exportation.</p> <p>(ii) Power generation plants imported by KESC on temporary basis with a view to subsequent exportation.</p>

Concession provided in SRO 575 now withdrawn

<i>Description</i>	<i>PCT heading</i>
Agricultural Machinery	
A) Land Leveling Machinery And Equipment	
1) Bulldozers and angle dozers	8429.1100, 8429.1900
2) Graders and levelers	8429.2000
3) Scrappers	8429.3000
4) Bulldozer and angle dozer blades.	8431.4200
5) Bulldozers, pulled soil scrappers, capacity 20-25m ³ .	8429.1100 8429.1900 8429.3000
6) Laser land-levelers, hydraulically driven land levelers, land planers, stone collectors (capacity 1.5-2.5m) and wind rowers (capacity 1.5-2.5 m).	8432.8090
7) Survey equipment.	9015.2000, 9015.8000
(B) Tillage, Seeding And Planting Machinery And Equipment	
1) Ploughs	8432.1010, 8432.1090
2) Harrows, scarifiers, cultivators including inter-row cultivators, weeders, tillers, hoes, rotary hoes and rotary tiller weeders (above 90 HP).	8432.2100, 8432.2910, 8432.2990
3) Seeders, planters, pneumatic planters, transplanters, vegetable seedling transplanters, paddy seeding raising equipment, cane ratoners, cane planters and mechanical hand diblers.	8432.3010, 8432.3090
4) Rotavators.	8432.8010

<i>Description</i>	<i>PCT heading</i>
5) Para plow-sub-soiler (with vibratory mechanism) and bed shapers.	8432.8090
6) Discs for agricultural ploughs	8432.9000
(C) Fertilizer and Plant Protection Equipment.	
3) All types of sprayers (self propelled, manual, power driven, ULV, tractor/trolley mountable) and electronic knapsack sprayers excluding manual knapsack sprayers.	8424.8100
4) Spray nozzles assembly, spray nozzles and nozzles tips.	8424.9010
5) Herbicides applicators (including band applicators), fire band weed applicators, granular applicators, slurry spreaders, manure spreader/ composite shredder.	8432.4000, 8432.8090
6) Dust application machinery and equipment	8432.8090
(D) High Efficiency Irrigation and Drainage Equipment.	
3) Tile drain laying equipment.	8426.4900
4) Dredger/ excavator/ dragline equipment/ back hoe trenchers;	Omitted 8429.5900
5) Tractor mounted rotary ditcher or chain trencher (excluding tractor).	8430.6900
6) Direct power rotary drilling rigs.	8430.4900
7) Canal concrete lining machine.	8430.5000
(E) Harvesting and Threshing Machinery.	
4) Haymaking and baling machinery.	8433.3000
5) Straw or fodder balers.	8433.4000
6) Combine harvesters – threshers.	8433.5100
7) Root or tuber harvesting machines.	8433.5300
8) Sugarcane, potato, onion, garlic, fruit, groundnut etc., harvester/ digger;	8433.5300, 8433.5900
9) Cotton picker, stock pullers cum shredder, rotary slusher.	8433.5900
10) Fodder/forage wagon.	8716.8090
(F) Post-harvest Handling and Processing Machinery.	
1) Fodder and feed cube making machinery.	8433.4000
2) Machinery for cleaning, sorting or grading eggs, fruits or other agriculture produce including Stationery/moveable seed processing units	8433.6000
3) Plants and essence extractors for flowers/horticulture.	8436.8000

<i>Description</i>	<i>PCT heading</i>
4) Machine for cleaning, sorting or grading seed, grain or dried leguminous vegetables.	8437.1000
5) Rice whitener, rice polisher, rice flow meter and magnetic separator.	8437.8000 and respective headings
(G) Dairy, Livestock and Poultry, Machinery.	
2) Milking machines.	8434.1000
3) Dairy machinery	8434.2000
4) Milk evaporator.	8419.3900
6) Cream separators.	8421.1100
7) Homogenizer.	8434.2000
10) Machinery for preparing animal feeding stuffs.	8436.1000
11) Slurry digester.	8436.8000
12) Veterinary equipment	9018.9090
13) Incubators, brooders and other poultry equipments.	8436.2100, 8436.2900
14) Evaporative Air Cooler/Cooling System.	8479.6000
15) Evaporative Cooling Pad.	8479.9010
(I) Machinery, Equipment and Other Capital Goods for Miscellaneous Agro-Based Industries Like Milk Processing, Fruit, Vegetable or Flowers Grading, Picking or Processing etc.	
1) Packing or wrapping machinery (including heat shrink wrapping machinery).	8422.4000
2) Scales for continuous weighing of goods on conveyors.	8423.2000
3) Machinery for the preparation of meat or poultry.	8438.5000
4) Conveyor belt of a kind used in slaughter house.	8428.3300
9) Machinery for filling, closing, sealing or labeling bottles, canes etc.	8422.3000
10) Presses, crushers and similar machinery used in the manufacture of fruit juices.	8435.1010
11) Shear machinery.	8433.2000
12) Machinery used in the milling industry.	8437.8000
13) Machinery for the preparation of roots, nuts or vegetables.	8438.6000
14) Pressing and ginning machinery for cotton ginning industry.	8445.1990 8479.8990
15) Solar heating equipment.	8541.4000

<i>Description</i>	<i>PCT heading</i>
(J) Horticulture and Floriculture	
2) Evaporative air coolers	8479.6000
4) Battery Operated Fork Lifters (upto 3 tons)	8427.1000
7) Knives & cutting blades	8208.4000
9) Other machinery	8438.8090
12) Agricultural horticultural machinery & parts thereof	8432.0000
13) Other agricultural, horticultural, forestry or be-keeping machinery.	8436.8000
(K) Fish or shrimp farming and seafood processing machinery and equipment.	
(1) Compressor	8414.8090
(2) Generator	8502.1130, 8502.1190, 8502.1200
(3) Condenser	8418.9990
(5) Flat freezer	8418.3000
(6) Boast freezer	8418.4000
(7) Fiber glass tubs	7019.9090
(8) Insulated plants	8418.6990
(10) Flak ice plants	8414.6990
Following items imported by Call Centers, Business Processing Outsourcing facilities duly approved by Telecommunication Authority.	
1) UPS, inverters/converters.	8504.4010 8504.4090
2) Fax machines	8443.3260
3) Photo copiers	8443.3910
4) IP Phones	8517.1890
6) Dialers	8517.7000
7) Generator.	8502.1200
10) Multimedia projectors	8528.6110
11) Video conferencing equipment.	8525.8090
12) CCTV	8525.8010
14) PUD's	8525.8090
16) Parts, voice cards.	8517.7000
18) VAST terminals	8525.6040]

<i>Description</i>	<i>PCT heading</i>
Following items imported by the local assemblers of vehicles and companies having CNG licenses:	
1) Compressors	8414.8030
2) Mass Flow CNG dispensers	8413.1100
3) Storage cylinders	7311.0000
4) CNG vehicle Cylinders.	7311.0000
5) CNG vehicle conversion kits.	8409.9191, 8409.9991
(5A) LPG Dispensers imported by a company having LPG licence.	8413.1100
Following items imported by the companies having LPG licence:-	
(1) LPG pumps	8413.1990
(2) Control panels	8537.1090, 8537.2000
(3) LPG Dispensers	8413.1100
(4) LPG vehicle conversion kits.	8409.9199
A. Medical Equipment.	
4) Operating Lights.	9018.9090
11) Breathing Bags. www.imranghazi.com/mtba	9020.0020
12) Automatic blood cell counter.	9018.9090
C. Disposable Medical_Devices	
3) Burettes.	7017.9000
i. Machinery, equipment and other items required for setting up, up-gradation and expansion of hotels (3 stars and above), tourism; sporting and other recreation services related projects as approved by the Ministry of Tourism.	Respective Headings
ii. Machinery and equipment for hotels (below 3 stars).	Respective Headings.
Machinery, equipment and other capital goods for Service Sectors mentioned below:-	Respective Headings
(vi) Wholesale, distribution and retail trade,	
(vii) transportation,	
(viii) storage,	
(ix) communication,	
(x) infrastructure projects including development of industrial zones,	

Description	PCT heading
(vi) telecommunication i.e. Email/internet/electronic information services (EIS), data communication network services, trunk radio services, cellular mobile telephone services, audiotex services, voice mail services, card pay phone services, close user group for banking operations, international satellite operations for domestic data communications, paging service and any other telecommunication service which is deregulated in future;	
(vii) technical testing facilities,	
(viii) Audio-visual services,	
(ix) Rental services relating to transport equipment and machinery;	
(xi) Environmental services; and	
(xii) Foreign Direct Investment (FDI) in any other activity of service sector.	
Following machinery, equipment and capital goods imported for establishing wholesale/retail chain stores:-	Respective Headings
1) Refrigeration system, including shelves and chests.	
2) Butcher equipment, preparation equipment.	
3) Rotisserie equipment, preparation equipment.	
4) Fishery equipment, preparation equipment.	
5) Bakery equipment, preparation equipment.	
6) High racks, self service racks, round stands.	
7) Trolley, wire material, customer guidance.	
8) Fork lift trucks, pallet movers.	
9) Advertising and decoration material.	
10) Waste re-processing systems.	
11) Euro pallets	
12) Merchandise security-/video control system.	
13) Pneumatic dispatch system	
14) Office equipment	
15) Equipment for workshop	
16) Antenna system	
17) Canteen equipment	

<i>Description</i>	<i>PCT heading</i>
18) Cashier desks and chairs.	
19) Cleaning machinery and materials.	
20) Wrapping machinery and equipment.	
21) Safes	
22) Scales	
23) EDP equipment	
24) Telephone system	
25) Sectional steel, reinforcement, metal sheets.	
26) Concrete admixtures-curing-fixtures	
27) Insulation and waterproofing materials	
28) Doors, shutter doors, sliding doors.	
29) Windows, sun shading.	
30) Sky domes	
31) Flooring materials	
32) Paint, coating, sealing material	
33) Suspended ceiling system.	
34) Plaster board wall system	
35) WC dividing wall system	
36) Lock system	
37) Crash barriers, traffic signs	
38) Insulated panels for cooling chambers	
39) Container	
40) Dock leveling systems	
41) Air conditioning and heating system.	
42) Air ventilation system.	
43) Sprinkler system.	
44) Fire detection system.	
45) Fire extinguishers.	
46) Weak current system.	
47) Intruder alarm security system.	
48) Sewage treatment system.	
49) Lighting arrester system.	
50) Elevators.	
51) Gasoline generator.	
52) Main and secondary switchboards.	

<i>Description</i>	<i>PCT heading</i>
53) Illumination.	
(i.) Off-highway dump trucks of 320 hp and above.	8704.1090
ii.) On Highway Dump Trucks of 320 HP and above imported w.e.f 17th January, 2007.	8704.2299 8704.2390
(iii) Cement bulk semi-trailers, without prime movers.	8716.3190
Machinery and equipment imported by any other importer.	Chapters 84 and 85 excluding the items as specified in Annex-C
Air Handling Units	8415.8300
Following items imported by the manufacturing sector:-	
1) Fin tubes	7304.3100, 7304.9000
2) Dish heads	7326.1990, 7326.9090
3) Induced draught fans.	8414.5990
4) High pressure valves	8481.8090
5) Automatic valves	8481.8090
6) Safety valves including Non return valves	8481.4000
7) Control valves for steam duty.	8481.8090
8) Core wire of base metal in coils (for machine welding)	8311.2000
Following machinery and equipment for marble, granite and gem stone extraction and processing industries.	
10) Quarry winches (100 ton capacity and above.	8425.3100
11) Quarry winches and electric motor jacks 30 ton capacity and above.	8425.3900
12) Quarry crane.	8426.3000
13) Fork lifter	8427.9000
14) Excavators	8429.5900
15) Ultrasonic machine tools.	8456.2090
16) Sharpening machine.	8460.3900
17) All diamond saw machines, diamond tools and segments.	8464.1000 & Respective headings
18) Grinding machines.	8464.2010

<i>Description</i>	<i>PCT heading</i>
19) Polishing machines of all types and dimensions.	8464.2090 & Respective headings
20) Other machine tools for working stones	8464.9000
21) Pneumatic machines and tools.	8467.1100
22) Horizontal and Vertical pneumatic line drilling machine. Pneumatic grinding machines.	8467.1900
Following goods imported by municipal authorities/local bodies/cantonment boards:-	
1) Ambulances	8702.1090 8702.9090 8703.2329 8703.2490 8703.3229 8703.3390 8703.9000
2) Fire fighting vehicles.	8705.3000
3) Waste disposal truck	8704.2299 8704.2390
4) Incinerators for disposal waste management.	8417.8000
5) Motorized sweepers	8479.1000
6) Brake down lorries	8705.9000
7) Special purpose vehicles for the maintenance of streetlights and overhead cables.	8705.9000
8) Snow ploughs	8430.2000
9) Road sweeping lorries	8705.9000
Fire fighting vehicles and equipment imported by town and municipal authorities.	8705.3000 & Respective Headings
Aircraft spares, parts, tyres, navigational equipment, accessories for maintenance and operations of aircrafts, chemicals, lubricants and paints, air tickets, aircraft carpet, aircraft fabric, skydrol (brake fluid), laminated sheet, aluminum alloy sheets, aluminum alloy extrusions, aircrafts seats, tools, test equipment, life jackets, spares of TGS vehicle, meals trolley, ball hand seal, standard units, exterior washing liquid, air head set electronics, air head set pneumatic and sealants.	Respective Headings

<i>Description</i>	<i>PCT heading</i>
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
9) Special hammers	8205.2000
10) Extraction keys.	8205.5900
Heat ventilation air conditioner	8415.8200
Following machinery and equipment relating to broadcasting:-	
1) Video tape recorders (VTRs), S-VHS Tape Recorders.	8521.1010
2) Broadcast cameras	8525.8090
3) Video Switcher.	8521.1090
4) Video/Audit Routers	8517.6290, 8525.6090
5) Audio Limiter/ Monitor/ Mixer equipment.	8519.8190, 8519.8990
6) Broadcast digital maximiser	8525.5090
7) Analog video distribution amplifiers.	8518.4000
8) SD/AES distribution amplifiers.	8518.4000
9) SDI monitoring/equalizing amplifiers.	8518.4000
10) SD/AES Multiplexers/de-multiplexers	8518.4000
11) Audio distribution amplifiers.	8518.4000
12) Video/audit converters.	8529.9090
13) SDI input board.	8521.1090
14) Amplified loud speaker	8518.4000
15) Under monitor displays (UMDs)	8528.5900
16) LCD monitors.	8528.7211
17) Picture tube monitors.	8528.4990
18) Plasma screens.	8528.7212
19) Broadcast video visualization/monitoring system	8528.7212
20) Wave form/ Vectroscope monitors.	8528.5900
21) Video/audio frame synchronizer.	8521.1090
22) Audio delay/monitoring equipment.	8528.7212, 8519.8990
23) Sync pulse generator.	8543.2000
24) Intercom system/ microphones.	8517.6990
25) Digital clock system.	9105.9900

<i>Description</i>	<i>PCT heading</i>
26) Consoles, racks, patch panels, cables other installation material.	8537.1090 & Respective Headings
27) Video format converters.	8521.1090
28) Transformers.	8504.4090
29) Video play out/ ingest/ preview servers.	8521.1090
30) Fiber optic transceivers.	8525.5090
31) Ethernet switch.	8517.6990
34) Newsroom management servers.	8521.1090
35) Non-Linear/Linear video editing equipment.	8521.1090
39) Video conferencing system (pictoretel/polycom /Tandberg).	8517.1890
40) Audio conferencing system.	8517.1890
41) Satellite video phones.	8517.1810
42) Digital Video/audio media delivery system.	8528.7212
43) Studio lights.	9405.4090
45) On air video in & out graphic servers.	8521.1090
47) Virtual set system.	8521.1090
48) Camera tracing heads.	8529.9090
49) Teleprompters.	8528.5100
50) C/Ku Band uplink antenna equipment.	8529.1010
51) IF & LNBS, wave guiders, splitters.	8529.1010
52) High powered uplink amplifiers.	8529.1010
53) Up converters.	8529.1010
54) Uplink monitoring/control equipment.	8529.1010
56) MPEG 2, MPEG 4 Video Encoders.	8521.1090
57) Video statistical multiplexing equipment.	8521.9090 8517.6260
58) Modulators.	8525.5090
59) Satellite reception IRDs/TVROs/Decoders.	8528.7212
60) Video compression control & monitoring equipment.	8521.1090
62) Smart cards for video encryption.	8542.3900
64) Digital setup box (STBs)	8528.7290
65) Personal video recorder (PVR); Digital Video Recorder (DVR)	8521.1010
67) Satellite receive dish.	8529.1090
68) LNBS.	8529.1020

<i>Description</i>	<i>PCT heading</i>
70) Audio video dubbing equipment.	8521.1010
76) Video streaming gateway.	8521.9090
78) DVB-H Mobile handsets for TV delivery.	8525.8090
79) DMB Mobile handsets for TV delivery.	8525.8090
80) RG 11/RG 6 cables.	8544.1190
81) RF connectors.	8529.9090
82) Toolkit for satellite dish installation.	8206.0000
83) Drill machine for satellite dish installation.	8467.2100
85) Modems for setup box.	8537.1090
86) Power distribution equipment, UPS, Generators.	8537.1090 8504.4010, 8502.0000
88) GPS/electronic compass equipment.	9014.8000
89) Broadcast chopper	8529.9090
90) Acoustics.	8529.9090
91) Teletext equipment.	8529.9090
92) Studio air conditioning.	8415.1020
93) Studio furniture/fixtures.	9403.6000
94) Studio/TV Station/Uplinkation video surveillance security equipment.	8525.8090
95) Wireless camera equipment.	8525.8090
96) Microwave multi point video distribution equipment.	8525.6090
97) IP satellite news gathering equipment.	8517.6290
98) Still store equipment.	8521.1090
100) Accessories for video switching, routing, distribution, recording, amplification, locking, equalizing, encryption, up linking, down linking, encoding/decoding, multiplexing, transmission etc.	8529.9090
101) FM transmitters	8525.5010
102) FM antenna (broad band and tuned)	8529.1090
103) FM exciter	8525.5090
104) FM power amplifiers	8529.1090
105) Audio processor	8519.8990
106) Microphones	8518.1090
107) Patch bays	8519.8990
108) Telephone hybrids	8517.1290
109) Outdoor recording equipment	8521.9090

<i>Description</i>	<i>PCT heading</i>
110) Outdoor live coverage equipment.	Respective heading
111) Studio transmitter link (STL)	8525.5090
112) Audio amplifiers	8518.4000
Following items imported by Civil Aviation Authority (CAA) for air traffic services and training:-	
Navigation equipment.	
VOR, NDB, ILS Satellite based instrument landing system and/or any other satellite based navigation equipment used for the provision of air traffic services.	8526.9100
Surveillance Equipment	
Radars and satellite based surveillance equipment like ADS (C) & ADS (B) and/or any other surveillance equipment used for the provision of air traffic services.	8526.1000
Rescue and Fire Fighting Equipment.	
All fire fighting vehicles, operational vehicles used on air side.	8705.3000
Rescue & fire equipment including spare parts.	8424.1000
Display System	
FIDS (Flight Information Display System).	8543.7000
Training equipment	
All training equipment including simulators and their spare parts.	9023.0000
Calibration equipment.	
All equipment being utilized for the purpose of calibration radar & radio navigational aids.	9031.8000
Communication & Broadcast Equipment.	
UHF, VHF and HF radios, ATIS and related equipment, spare parts including all satellite based communication equipment like remote radio stations and data link i.e VDL and CPDLC and/or any other communication equipment used for the provision of air traffic services.”.	Respective headings
Following machinery and equipment imported by surgical industry.	
Hand sharpening and polishing stones numerically controlled and others, honing and lapping machines.	8460.0000
Following machinery and equipment imported by cutlery industry:-	
1) Surface grinding machine with cup and grinding wheel	6804.2200

Description	PCT heading
2) Rolling machine for table cutlery	8455.2100
3) Forging hammer	8462.1010, 8462.1090
4) Friction press	8462.1010, 8462.1090
5) Grinding machines.	8464.2010
6) Polishing machines	8464.2090
7) Ultrasonic degreasing plant	8479.8990
8) Tempering machine complete unit	Respective headings
9) Vibrating bowl.	8479.8990

Following changes have been made while consolidating SRO 567(I)/2006 in the Fifth Schedule:

Description	PCT	Old rate in SRO 567	New rate in Fifth Schedule
Input for poultry sector			
Soyabean meal	2304.0000	0%	5%
Vitamin B ₁₂ (feed grade)	2309.9090	0%	5%
Vitamin H ₂ (Biotin) (feed grade)	2309.9090	0%	5%
Fish Feed	2309.9090	0%	5%
Poultry feed preparation (coccidiostats)	2309.9090	0%	5%
Growth promoter premix	2309.9020	0%	5%
Vitamin premix	2309.9020	0%	5%
Choline Chloride	2309.9020	0%	5%
Mineral premix	2309.9020	0%	5%
Concenstrated Coccidiostats	[2933.3990]	0%	5%
Furazolidone (feed grade)	2934.9910	0%	5%
Poultry vaccines	3002.3000	0%	5%
Anticocccidal namely Amprolium, Diaverdine, Decoquinatone, Furaltadone, Menadione, Sodaluminium, Pyrimethamine, Toltrazuril	3004.3900	0%	5%
Sulphadimerzine (mixture form with any other anticocccidal)	3004.3900	0%	5%
Sulphaquinoxaline (mixture form with any other anticocccidal)	3004.3900	0%	5%
Calf Milk Replacer(CMR) [(color dyed)]	2309.9090	0%	5%

Description	PCT	Old rate in SRO 567	New rate in Fifth Schedule
Cattle Feed Premix	2309.9020	0%	5%
Pure terephthalic acid (PTA)	2917.3610	3%	4%
Poly ethylene terephthalate, Yarn grade	3907.6010	3%	4%
Poly ethylene terephthalate (PET) , bottle grade	3907.6020	8%	8.5%
Poly(ethylene Terephthalate) film grade	3907.6090	8%	8.5%

Concession provided in SRO 567 now withdrawn

HS Code	Description
Omitted	
2811.2200	Silicon dioxide
2811.2990	Sulfur
2817.0000	Zinc oxide ; zinc peroxide
2827.2000	Calcium chloride
2921.4900	BHT
2930.2090	ZEC
2934.2000	Compounds containing in the structure of a benzothiazole ring system (whether or not hydrogenated), not further fused
3812.1000	Prepared rubber accelerators
	Input for poultry sector
1005.9000	Maize grain
2833.2990	Maganese sulphate
2833.2940	Zinc Sulphate
2833.2500	Copper Sulphate
2833.2910	Ferrous Sulphate.
2835.2500	Dicalcium Phosphate (DCP) (Feed grade)
2835.2600	Monocalcium Phosphate (MCP) (Feed grade)
2835.2600	Monodicalcium Phosphate (MDCP) (Feed grade)
2922.5000	L-Threonine
2923.9010	Betaine
2936.2100	Vitamin A

HS Code	Description
2936.2200	Vitamin B1
2936.2300	Vitamin B2
2936.2400	Vitamin B3/B5
2936.2500	Vitamin B6
2936.2600	Vitamin B12
2936.2700	Vitamin C
2936.2800	Vitamin E
2936.2900	Other vitamins
2922.4100	Lysine
2923.1000	Choline
2930.4000	Methionine/ Methionine hydroxy analogue
2601.1100	Iron ores and concentrates non-agglomerated.
2710.1952	Knitting Machine Oil
2917.3500	Phthalic Anhydride
2922.4990	Na Fe EDTA (vitamin mineral premix)
3215.1910	Fluorescent ink
3507.9000	Enzymes
3701.3090	Photo Polymer and CTP Plates
3707.1000	Photo emulsion
3808.9180	Phosphatic insecticides
3913.1000	Alginate
3919.9090	BOPP packing adhesive tape in jumbo rolls having minimum 100 CM width and weight exceeding 100 kg per roll.
4004.0020	Shredded tyre scrap
5401.1000	Sewing thread (breaded thread for hand stitch)
5509.6900	Acrylic Yarn of 32 to 40 metric count.
7101.1000	Natural Pearls
7102.2100	Diamonds
7102.2900	
7102.3900	
7103.9100	Precious stones
7103.9900	
71.04	Synthetic or reconstructed precious stones or semi-precious stones, whether or not worked or graded but not strung, mounted or set; ungraded synthetic or reconstructed precious or semi-precious stones, temporarily strung for convenience of transport

HS Code	Description
7110.1100 7110.1900	Platinum
7110.2100 7110.2900	Palladium
7326.9090	Camera Stands
8518.1090	Mikes (Newman, Akg) Microphones
8518.5000	Cinema speaker and sound system
8518.2100	Loud speakers low frequency & sub woofers
8518.2100	High frequency driver units, used in conjunction low frequency speakers
8518.5000	Power amplifiers of different power ratings
8519.8190	AVID editing
8519.8190	Fully dolby/stereo system
8519.8190	Analogue audio processors
8519.8190	Digital audio processors for DTS, with CD room drivers
8519.8190	Digital audio processor
8521.9090	Sound recording (channel mixers and cables, record, play and erase heads)
8521.9090	Sub-titling machine
8523.2990	Magnetic tapes
9007.2000	Projector 35mm with Xenon lamps
9007.2000	Film projectors 35mm with sound heads and sound readers
8539.2990	Photographic and HMI bulbs
8539.2990	Xenon bulbs 2000 watts to 4000 watts
8539.4100	Xenon arc lamps with rectifiers/power ratings
8545.1900	Cinema Arc carbons
8716.8090	Camera Trolley
8716.8090	Camera Dolly
6704.1100	Wigs etc
7613.0010	Aluminium containers for compressed or liquefied gas
8504.3100	Transformers having a power handling capacity not exceeding 1 KVA
	Surgical Sector
3810.1000	Pickling preparations for metal surface; soldering brazing or welding powders and pastes consisting of metal and other material.

HS Code	Description
68.04	Millstones, grindstones, grinding wheels and the like, without framework, for grinding, sharpening, polishing, trueing or cutting, hand sharpening or polishing stones, and parts thereof, of natural stone, of agglomerated natural or artificial abrasive, or of ceramics, with or without parts of other materials.
6804.1000	Millstones and grindstone for milling, grinding or pulping.
6804.2100	of agglomerated synthetic or natural diamond
6804.2200	of other agglomerated abrasives or of ceramics
6804.2300	of natural stone
6804.3000	Hand sharpening or polishing stones Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter-pins, washers (including spring washers) and similar articles, of iron or steel.
7318.1510	High tensile (DIN Grade 8.8 ASTM A325 or ASTM A 193 B7)
7318.1610	High tensile (DIN Grade 8.8 ASTM A325 or ASTM A 193 B7)
7318.2110	High tensile (DIN Grade 8.8 ASTM A325 or ASTM A 193 B7)
7403.2100	Copper-zinc base alloys (brass)
8407.1000 8802.2000 8802.3000 8802.4000	Aircraft engines, aero planes and other aircrafts.
8504.4020	Charger for Electric Battery used for two/three wheeler Electric Scooter/Electric Bicycle
8507.8000	Chargeable Electric Battery for two/three wheeler Electric Scooter/Electric Bicycle
9032.8990	Controller for two/three wheeler Electric Scooter/Electric Bicycle
87.02 87.03	Ambulances.
8704.2299 8704.2390	On Highway Dump Trucks of 320 HP and above.
8704.1090	Off Highway Dump Trucks of 320 HP and above.
8706.0000	Chassis fitted with engines, for the motor vehicles of headings 87.01 to 87.05.
87.11	Vintage Motor Cycles of 500 CC and above which are older than 25 years

HS Code	Description
8901.1000 8901.2000 8901.3000 8901.9000 8902.0000 8904.0000 8905.1000 8905.2000 8905.9000 8906.1000 8906.9000 8907.9000	Ships and other floating crafts including tugs, survey vessels and other specialized crafts purchased or bare-boat chartered by a Pakistani entity and flying Pakistani flag.
8517.1220	Fixed wireless terminals
8701.9020 8701.9090	Agricultural tractor
8442.3000, 8442.4000, 8443.1100 8443.1200 8443.3990 8443.1990 8443.9100 8443.3990	Printing machinery and spare parts thereof www.imranghazi.com/mtba
3215.1190	Black Ink
3215.1990	Colour Ink
3701.3020	CTP Plates
4802.5700	Fully sensitized cheque paper weighing 40 g/m ² or more but not more than 150 g/m ²
9612.1010	Red bleed through ribbons for dot matrix printers
3215.1990	Anti-forgery security printing ink
8502.0000	Gas operating generating sets exceeding 1100 KVA
9506.6980	Shuttlecocks
Respective headings	[(i)]Power generation plants imported by WAPDA or PEPCO through its generation companies on temporary basis with a view to subsequent exportation. [(ii) Power generation plants imported by KESC on temporary basis with a view to subsequent exportation.]

FIRST SCHEDULE

REDUCTION IN CUSTOMS DUTY

Maximum general tariff rate has been reduced to 25 per cent. In addition, customs duty on import of following items have been decreased as under:

PCT Heading	Description	Old Rate	New Rate
85.04	Electrical transformers, static converters (for example, rectifiers) and inductors.		
8504.4010	Un-interrupted power supply (UPS) of power rating upto 1.5 kVA	20	15
27.13	Petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals		
2713.1100	Not calcined	5	1
85.23	Discs, tapes, solid- state non- volatile storage devices, "smart cards" and other media for the recording of sound or of other phenomena, whether or not recorded, including matrices and masters for the production of discs, but excluding products of Chapter 37.		
8523.4110	--- Compact disc (CD)	20	10
8523.4120	--- Digital versatile discs (DVD)	20	10
8523.4190	--- Other	20	10
8523.4920	- - - Discs for laser reading system containing audio material	20	10
8523.4930	--- Discs for laser reading system containing images or video material	20	10
8523.4990	--- Other	20	10
27.10	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils.		

PCT Heading	Description	Old Rate	New Rate
2710.1995	Liquid paraffin	15	10
85.17	Telephone sets, including telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network), other than transmission or reception apparatus of heading 84.43, 85.25, 85.27 or 85.28.		
8517.1230	Satellite mobile phone, whether or not functional on cellular networks	25	10
11.08	Starches; inulin.		
1108.1200	Maize (corn) starch	20	15

INCREASE IN CUSTOMS DUTY

Minimum general tariff rate of zero per cent (0%) on certain goods has been increased to 1 per cent. In addition, customs duty on import of following good has been increased.

PCT Heading	Description	Old Rate	New Rate
72.25	Flat- rolled products of other alloy steel, of a width of 600 mm or more.	0-5	10
72.26	Flat- rolled products of other alloy steel, of a width of less than 600 mm.	5	10
85.02	Electric generating sets and rotary converters. - Generating sets with compression- ignition internal combustion piston engines (diesel or semi- diesel engines):		
8502.1390	Other – output exceeding 1100KVA	0	5
32.04	Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as luminophores, whether or not chemically defined.		

PCT Heading	Description	Old Rate	New Rate
3204.1100	-- Disperse dyes and preparations based thereon	10	15
3204.1590	--- Other	5	15
3204.1910	-- Dyes, sulphur	5	15
3204.1990	- Dyes, synthetic	5	15
21.06	Food preparations not elsewhere specified or included.		
2106.9030	-- Flavouring powders for preparation of food	10	20
27.10	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils.		
2710.1996	----White oil www.imranghazi.com/mtba	5	10
84.21	Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases.		
8421.1900	-- Other	5	10
11.08	Starches; inulin.		
1108.1300	-- Potato starch	10	15
32.06	Other colouring matter; preparations as specified in Note 3 to this Chapter, other than those of heading 32.03, 32.04 or 32.05; inorganic products of a kind used as luminophores, whether or not chemically defined.		
3206.4990	--- Other	5	10
85.17	Telephone sets, including telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data, including apparatus for		

PCT Heading	Description	Old Rate	New Rate
	communication in a wired or wireless network (such as a local or wide area network), other than transmission or reception apparatus of heading 84.43, 85.25, 85.27 or 85.28.		
8517.6210	--- Voice frequency telegraphy	5	10
8517.6220	--- Modems	5	10
8517.6230	--- High bit rate digital hierarchy system (SDH)	5	10
8517.6240	--- Digital loop carrier system (DLC)	5	10
8517.6250	--- Synchronous digital hierarchy system (SDH)	5	10
8517.6260	--- Multiplexers, statistical multiplexers	5	10
8517.6910	--- ISDN system	5	10
8517.6920	--- ISDN terminal adapters	5	10
8517.6940	--- Subscriber end equipment	5	10
8517.6950	--- Set top boxes for gaining access to internet	5	10
8517.6960	--- Attachements for telephones	5	10
8517.6990	--- Other	5	10
85.23	Discs, tapes, solid- state non- volatile storage devices, "smart cards" and other media for the recording of sound or of other phenomena, whether or not recorded, including matrices and masters for the production of discs, but excluding products of Chapter 37.		
8523.4910	-- containing software	5	10
85.04	Electrical transformers, static converters (for example, rectifiers) and inductors.		
8504.4090	--- Other	10	15
85.25	Transmission apparatus for radio-broadcasting or television, whether or not incorporating reception apparatus or sound		

<i>PCT Heading</i>	<i>Description</i>	<i>Old Rate</i>	<i>New Rate</i>
	recording or reproducing apparatus; television cameras, digital cameras and video camera recorders.		
8525.6010	--- Blue tooth whether or not capable Of connecting to an automatic data processing machine	5	10
8525.6020	--- Radio paging apparatus	5	10
8525.6060	--- Vehicle tracking system	5	10
8525.6070	--- Modems	5	10
85.27	Reception apparatus for radio- broadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock.		
8527.9910	--- Modems	5	10

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OTHER LAWS

GAS INFRASTRUCTURE DEVELOPMENT CESS

Gas Infrastructure Development Cess per MMBTU of natural gas consumption enhanced by Rs. 200 for Independent Power Plant, WAPDA / KESC / GENCOs and captive Power Producers and levied on CNG and Industrial consumers at the rate Rs. 300 per MMBTU.

INCOME SUPPORT LEVY

Income Support Levy was introduced by way of Income Support Levy Act, 2013 in the Finance Act, 2013 on ownership of certain movable assets.

The matter was challenged at various judicial forums. Through Finance Bill 2014, the Income Support Levy Act, 2013 is proposed to be repealed.

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