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Islamabad, the 3rd August, 2015

IMPORTANT MATTER

From:
Director General
(Withholding Taxes)
Federal Board of Revenue
Tel/Fax.#051-9201948/9207664
Email: shaukat.mahmood@fbr.gov.pk

Subject: - **REDUCTION OF WITHHOLDING TAX ON BANK TRANSACTIONS FROM 0.6 % TO 0.3% FROM NON-FILERS**

Dear Sir,

This is to state that through Income Tax Amendment Ordinance, 2015, the rate of Withholding Tax u/s 236P requiring every banking company to deduct tax @ 0.6% from non-filers [i.e those not on "Active Taxpayers List (ATL)"] has been reduced to 0.3% w.e.f July 11, 2015.

2. As also clarified vide para 3(i) of Circular No 2 of 2015 dated 24th July 2015, this reduced rate will remain effective until 30-09-2015. Rate of deduction of tax under this section shall remain 0.6% from 01.07.2015 to 10.07.2015 and from 01.10.2015 onwards.

2. It has been reported that some banks are still not aware of above change in law. In view thereof, it is requested that the same may kindly be communicated to the Banks forthwith.

3. Your kind cooperation in this regard will be highly appreciated.

With profoundest regards,

Yours sincerely,


(SHAUKAT MAHMOOD)

Mr. Masood Raza,
Secretary,
Pakistan Banks Association,
Karachi.

Copy for information to:
The Chief Manager,
State Bank of Pakistan,
Karachi.