

A

BILL

further to amend certain laws relating to taxes and duties

WHEREAS it is expedient further to amend certain laws relating to taxes and duties and for the matters connected therewith and ancillary thereto;

It is hereby enacted as follows:-

1. **Short title and commencement.** — (1) This Act may be called the Finance Supplementary (Amendment) Act, 2018.

(2) It shall come into force at once unless otherwise provided in any of the provisions of this Act.

2. **Amendment of Customs Act, 1969 (IV of 1969).**- In the Customs Act, 1969 (IV of 1969), in the Fifth Schedule, the following further amendments shall be made, namely:-

(1) in Part-I, in the Table, in column (1), against Sr.No.23,-

(a) in column (2), for the letters and word "~~LED~~ Lights", wherever occurring in any form, the letters and words "~~L~~B Lights and Bulbs" shall be substituted; and

(b) in column (5), for the letters and word "~~LED~~ light", the letters and words "~~L~~B Lights and Bulbs", shall be substituted;

(2) in Part-III, in the Table, in column (1),-

(a) against Sr. No. 96, in column(3), for the PCT Code "7606.9220", the PCT Code "~~7~~06.9290", shall be substituted;

(b) against Sr. No.107, in column(5), for the expression "~~0~~x36", the expression "~~2~~x36", shall be substituted;

(c) against Sr. No.108, in column(2), in sub-serial (v), for the word —Multimode”, the words —Single/Multimode” shall be substituted;  
and

(3) in Part-VII, after —Table-B”, the following new —Table-C”, shall be added, namely:-

**-Table-C**

| <b>Sr. No.</b> | <b>Description</b>                                   | <b>PCT Code</b> | <b>Customs duty %</b> | <b>Condition</b> |
|----------------|--|-----------------|-----------------------|------------------|
| (1)            | Tallow   | 1502.1000       | 5                     | Nil              |
| (2)            | Other  | 2835.3900       | 5                     | Nil              |
| (3)            | Acetone  | 2914.1100       | 11                    | Nil              |
| (4)            | Ethyl acetate  | 2915.3100       | 16                    | Nil              |
| (5)            | n-Butyl acetate                                      | 2915.3300       | 16                    | Nil              |
| (6)            | sec-Butyl acetate                                    | 2915.3930       | 16                    | Nil              |
| (7)            | Oxalic acid  | 2917.1110       | 5                     | Nil              |
| (8)            | Citric acid  | 2918.1400       | 5                     | Nil              |
| (9)            | Other  | 3203.0090       | 11                    | Nil              |
| (10)           | Other  | 3204.1590       | 11                    | Nil              |
| (11)           | Dyes, sulphur  | 3204.1910       | 11                    | Nil              |
| (12)           | Dyes, synthetic                                      | 3204.1990       | 11                    | Nil              |
| (13)           | Other  | 3206.2090       | 11                    | Nil              |
| (14)           | Ultramarine and preparations based thereon           | 3206.4100       | 11                    | Nil              |
| (15)           | Lithopone  | 3206.4210       | 11                    | Nil              |
| (16)           | Pigments and preparations based on cadmium compounds | 3206.4920       | 11                    | Nil              |
| (17)           | Greases  | 3403.1910       | 16                    | Nil              |
| (18)           | Other  | 3403.1990       | 16                    | Nil              |
| (19)           | Other  | 3403.9990       | 16                    | Nil              |
| (20)           | Activated carbon                                     | 3802.1000       | 5                     | Nil              |
| (21)           | With a basis of amylaceous substances                | 3809.1000       | 11                    | Nil              |
| (22)           | Of a kind used in the paper or like industries       | 3809.9200       | 11                    | Nil              |

|      |   |           |    |        |
|------|---|-----------|----|--------|
| (23) | Compound plasticizers for rubber or plastics      | 3812.2000 | 11 | Nil    |
| (24) | Non refractory mortars and concretes              | 3824.5000 | 16 | Nil    |
| (25) | Reinforced only with metal                        | 4010.1100 | 11 | Nil    |
| (26) | Reinforced only with textile materials            | 4010.1200 | 11 | Nil    |
| (27) | Containing 85 or more by weight of cotton         | 5207.1000 | 8  | Nil    |
| (28) | Other   | 5207.9000 | 8  | Nil    |
| (29) | Of aluminium alloys                               | 7606.1200 | 5  | Nil    |
| (30) | Aluminium lids for cans of carbonated soft drinks | 8309.9010 | 5  | Nil    |
| (31) | Of plastics, not covered with textile material    | 9606.2100 | 16 | Nil    |
| (32) | Button blanks                                     | 9606.3020 | 16 | Nil    |
| (33) | Fitted with chain scoops of base metal            | 9607.1100 | 16 | Nil    |
| (34) | Other   | 9607.1900 | 16 | Nil.”. |

**3. Amendment of the Sales Tax Act, 1990.**— In the Sales Tax Act, 1990, the following further amendments shall be made, namely:-

(1) in the Sixth Schedule, –

(A) in Table I, in column (1), against serial number 112, in column (2),–

(a) in entry A, after sub-serial number 6, the following new sub-serial numbers shall be added, namely:–

—7. Optical Coherence Technology (OCT) System

8. OCT Catheters

9. Intravascular Ultrasound (IVUS)

10. Fractional Flow Reserve (FFR/IFR) System
11. IVUS / FFR / IFR Catheters and wires
12. Support Micro Catheters (Straight and Angled)
13. Drug Coated Angioplasty Balloon
14. Coronary and Peripheral Micro Coils
15. Thrombectomy Device
16. Thrombus Aspiration Catheters
17. Covered Stents (Coronary/Peripheral)
18. Vessel Closure Devices
19. Embolic Protection Devices
20. Renal Stents
21. Vena-cava Filters
22. Coronary and Peripheral Snares
23. Athrectomy Devices
24. IABP Consoles & Catheters
25. Intracardiac Echocardiography Machine & Catheters”;

(b) in entry B, after sub-serial number 6, the following new sub-serial number shall be added, namely:—

—7 Wrist Bands for Radial Vessel Closure”;

(c) in entry H, after sub-serial number 3, the following new sub-serial numbers shall be added, namely:—

- 4. Excimer Laser System with Accessories
- 5. Laser Sheath, Occlusion Balloons, Dilator Sheaths (Rotation & Manual)
- 6. Intra Cardiac Echocardiography (ICE) System and Accessories
- 7. Lead Locking Devices and Accessory Kit
- 8. Remote EP Monitoring Device and Accessories
- 9. Ablation catheters
- 10. 3-D Cardiac Mapping System
- 11. Cryoballoon System and Accessories”;

(d) in entry J, after sub-serial number 5, the following new sub-serial numbers shall be added, namely:—

- 6. High-Flow, Low-Profile Percutaneous Heart Pump PHP Console and Catheters.
- 7. Tandem Heart / Tandem Lung and Accessories.
- 8. Ventricular Assist Device System.
  - (a) Heart Mate-II
  - (b) Heart Mate-III
  - (c) Centri Meg LEOV
- 9. Beating Heart Surgery stabilizers & Coronary Shunts

10. Minimally invasive surgery equipment & Instruments
11. RF Ablation equipment for AF (Surgical)
12. Heart Lung Machines”;

(e) in entry K, after sub-serial number 4, the following new sub-serial numbers shall be added, namely:–

- 5. Left Ventricular Assist Device / System (LVAD) and Catheters
6. MitraClip Transcatheter Mitral Valve System
7. MitraClip Guide Catheter, Clip and Delivery System
8. Patent Foramen Ovale (PFO) Closure Device
9. Left Atrial Appendage (LAA) Occluder
10. Transcatheter Aortic / Heart Valve System (TAVI/TAVR)
11. Cerebral Retrievable Stents
12. Aortic Stent Grafts
13. Embolization Coils, Delivery System, Filling Coil
14. Abdominal Aortic Aneurysm (EVAR)

System and Accessories/ thoracic  
 EVAR/ extension

- 15. Insertable Cardiac Monitor (ICM)
- 16. Carotid Stents
- 17. Vascular Clips
- 18. MRI Compatible Cardiac Monitor,  
 Infusion Pump, Anesthesia Machine with  
 Accessories”; and

(f) in entry L, after the word —adaptors”, at the end, the  
 comma and words —Drug Eluting Peripheral Stents”  
 shall be inserted; and

(B) in Table-2, in column (1), after serial number 23, a new serial  
 number and the entries relating thereto in columns (2) and (3) shall  
 be inserted, namely:—

|      |   |   |     |
|------|---|---|-----|
| -24. | LED or SMD lights and bulbs<br>meant for conservation of<br>energy. | 8539.5010,<br>8539.5020,<br>9405.1030 and<br>9405.4020” ; | and |
|------|---|---|-----|

(C) in Table-3, in column (1), against serial number 15A, in column (2),  
 after the words —LED lights”, wherever occurring in any form, the  
 words —ad bulbs” shall be inserted;

(2) in the Eighth Schedule, in Table-1, in column (1),—

- (a) for serial number 51 and entries relating thereto in columns (2), (3), (4) and (5), the following shall be substituted, namely:-

|     |          |               |     |                          |
|-----|----------|---------------|-----|--------------------------|
| —51 | LNG/RLNG | 2711.1100 and | 12% | If supplied to gas       |
|     |          | 2710.2100     |     | transmission and         |
|     |          |               |     | distribution companies”; |
|     |          |               |     | and                      |

- (b) against serial number 56, in columns (4) and (5), for the figure —~~4~~”, the figure —~~5~~” shall be substituted.

**4. Amendment of Income Tax Ordinance, 2001 XLIX of 2001.**— In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made and except for clause (b) of sub-section (3) of this section, shall be deemed to have been made on the first day of July, 2018, namely:-

- (1) after section 214C, the following new section shall be inserted, namely:—
- “214E. Closure of audit.**— Notwithstanding the omission of section 214D, audit of income tax affairs of a taxpayer under sub-section (2) of section 214D shall be deemed to have been concluded, if—
- (i) taxpayer has been selected for audit under sub-section (1) of the omitted section 214D;
  - (ii) notice under section 122 has not been issued;
  - (iii) the taxpayer has revised return voluntarily, by thirty first day of December, 2018, along with payment of 25% higher tax than the tax paid with return on the basis of taxable income and



where no tax is payable 2% of the turnover and where no turnover is declared penalty under entry at Serial No. 1 of sub-section (1) of section 182 has been paid voluntarily :

Provided that the condition of 25% higher tax or 2% of the turnover shall not apply, if the taxable income of the taxpayer includes only salary income or income subject to final taxation under sub-section (1) of section 169 or subject to taxation under section 5, 5AA, 6, 7, 7A or 7B.

*Explanation.*— For the removal of doubt it is clarified that only audit initiated as a result of automatic selection under the omitted section 214D shall stand abated under this section and audit initiated or to be initiated on the basis of definite information or otherwise as per provisions of section 177 or 214C shall be conducted independently.”;

(2) section 227C shall be omitted;

(3) in the First Schedule,—

(a) in Part I, in Division I, for paragraph (1), the following paragraphs shall be substituted, namely:-

—(1) The rates of tax imposed on the taxable income of every individual, not being an individual to which paragraph (1A) of this Division applies, shall be as set out in the following table, namely:—

TABLE

| S. No. | Taxable income   | Rate of tax  |
|--------|--|--|
| (1)    | (2)  | (3)  |
| 1.     | Where the taxable income does not exceed Rs. 400,000                             | 0%   |
| 2.     | Where the taxable income exceeds Rs. 400,000 but does not exceed Rs. 800,000     | Rs. 1,000  |
| 3.     | Where the taxable income exceeds Rs. 800,000 but does not exceed Rs. 1,200,000   | Rs. 2,000  |
| 4.     | Where the taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 2,400,000 | 5% of the amount exceeding Rs. 1,200,000           |
| 5.     | Where the taxable income exceeds Rs. 2,400,000 but does not exceed Rs. 3,000,000 | 60,000 + 15% of the amount exceeding Rs. 2,400,000 |

|    |  |   |
|----|--|---|
| 6. | Where the taxable income exceeds Rs. 3,000,000 but does not exceed Rs. 4,000,000 | 150,000 + 20% of the amount exceeding Rs. 3,000,000 |
| 7. | Where the taxable income exceeds Rs. 4,000,000 but does not exceed Rs. 5,000,000 | 350,000 + 25% of the amount exceeding Rs. 4,000,000 |
| 8. | Where the taxable income exceeds Rs. 5,000,000                                   | 600,000 + 29% of the amount exceeding Rs. 5,000,000 |

Provided that where the taxable income exceeds eight hundred thousand rupees the minimum tax payable shall be two thousand rupees.

(1A) Where the income of an individual chargeable under the head —salary” exceeds fifty per cent of his taxable income, the rates of tax to be applied shall be as set out in the following table, namely:—

TABLE

| S. No. | Taxable income | Rate of tax |
|--------|----------------|-------------|
| (1)    | (2)            | (3)         |

|    |  |   |
|----|--|---|
| 1. | Where the taxable income does not exceed Rs. 400,000                             | 0%  |
| 2. | Where the taxable income exceeds Rs. 400,000 but does not exceed Rs. 800,000     | Rs. 1,000   |
| 3. | Where the taxable income exceeds Rs. 800,000 but does not exceed Rs. 1,200,000   | Rs. 2,000   |
| 4. | Where the taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 2,500,000 | 5% of the amount exceeding Rs. 1,200,000            |
| 5. | Where the taxable income exceeds Rs. 2,500,000 but does not exceed Rs. 4,000,000 | 65,000 + 15% of the amount exceeding Rs. 2,500,000  |
| 6. | Where the taxable income exceeds Rs. 4,000,000 but does not exceed Rs. 8,000,000 | 290,000 + 20% of the amount exceeding Rs. 4,000,000 |

|    |  |   |
|----|--|---|
| 7. | Where the taxable income exceeds Rs. 8,000,000 | 1,090,000 + 25% of the amount exceeding Rs. 8,000,000 |
|----|--|---|

Provided that where the taxable income exceeds eight hundred thousand rupees the minimum tax payable shall be two thousand rupees.”; and

- (b) in Part IV, in Division XXI, for the figure —~~4~~” the figure —~~6~~” shall be substituted; and
- (4) in the Second Schedule,
  - (a) in Part I,—
    - (i) in clause (51), the comma and words —~~the Provincial Governors~~” shall be omitted;
    - (ii) in clause (52), the words and comma —~~Provincial Governors,~~” shall be omitted;
    - (iii) clause (53) shall be omitted;
    - (iv) in clause (61), after sub-clause (liii), the following new sub-clause shall be added, namely:—
      - ~~h~~(v) Supreme Court of Pakistan – Diamer Bhasha & Mohmand Dams – Fund.”; and
    - (v) in clause (66), after sub-clause (lxi), the following new sub-clause shall be added, namely:—

~~ix~~(ii) Supreme Court of Pakistan – Diamer Bhasha & Mohmand Dams – Fund.”; and

(b) in Part IV, after clause (106), the following new clauses shall be added, namely:—

~~1~~(07) The provisions of section 111 relating to unexplained income or assets shall not apply in respect of any contribution paid to the Supreme Court of Pakistan – Diamer Bhasha & Mohmand Dams – Fund.

(108) The provisions of sections 113, 151, 231A, 231AA and 236P shall not apply to the Supreme Court of Pakistan – Diamer Bhasha & Mohmand Dams – Fund.

(109) The provisions of section 236P shall not apply at the time of transfer of any sum to the Supreme Court of Pakistan – Diamer Bhasha & Mohmand Dams – Fund.”.

**5. Amendment of the Federal Excise Act, 2005.**— In the Federal Excise Act, 2005, the following further amendments shall be made, namely:-

(1) in section 2, the existing clause (24A) shall be re-numbered as clause (24B) and before clause (24B), renumbered as aforesaid, clause (24A) shall be inserted, namely:-

~~2~~(4A) ~~un-manufactured tobacco~~” means tobacco useable for manufacture of cigarettes as manufactured by Green Leaf Threshing Units after processing and conversion of tobacco green leaf;”;

- (2) in section 19, in sub-section (10), after word —~~g~~igarettes”, occurring for the first, second and fifth time, the words —~~er~~ un-manufactured tobacco” shall be inserted;
- (3) in section 26, in sub-section (1), after the word —~~g~~igarettes”, occurring for the second and third time, the comma and words —,un-manufactured tobacco” shall be inserted;
- (4) in section 27, in the marginal note and in both, sub-sections (2) and (3), after the word —~~g~~igarettes”, wherever occurring, the comma and words —,un-manufactured tobacco” shall be inserted;
- (5) in the First Schedule, in Table I, in column (1),-
- (a) against serial number 7, in column (4), for the word —~~te~~”, the words —~~the~~ hundred” shall be substituted;
- (b) for serial numbers 9, 10 and 10a and entries relating thereto in columns (2), (3) and (4), the following entries shall be substituted, namely:—

|     |  |       |  |
|-----|--|-------|--|
| —9. | Locally produced<br>cigarettes if their on-<br>pack printed retail price<br>exceeds four thousand<br>five hundred rupees<br>per thousand | 24.02 | Rupees four<br>thousand five<br>hundred per<br>thousand cigarettes |
|-----|--|-------|--|

|      |   |       |   |
|------|---|-------|---|
|      | cigarettes.   |       |   |
| 10.  | Locally produced cigarettes if their on-pack printed retail price exceeds two thousand nine hundred and twenty-five rupees per thousand cigarettes but does not exceed four thousand five hundred rupees per thousand cigarettes. | 24.02 | Rupees one thousand eight hundred and forty per thousand cigarettes     |
| 10a. | Locally produced cigarettes if their on-pack printed retail price does not exceed two thousand nine hundred and twenty-five rupees per thousand cigarettes.   | 24.02 | Rupees one thousand two hundred and fifty per thousand cigarettes”; and |



- (c) against serial number 55, in column (4), for the word —~~te~~”,  
the word —~~ten~~ty” shall be substituted; and
- (6) in the Third Schedule, in Table-I, in column (1), against serial number 16,  
in column (2),-
- (a) after the word —~~g~~ods”, occurring for the first time, the commas and  
words —,excluding un-manufactured tobacco,” shall be inserted;  
and
- (b) the explanation shall be omitted;

#### STATEMENT OF OBJECTS AND REASONS

The purpose of this bill is to give effect to the fiscal stabilization objective of the Government and shall come into force on the next day of assent given to this Act by the President of Islamic Republic of Pakistan except sections 4(1), 4(2), 4(3)(a) and 4(4) which shall have effect from the first day of July, 2018.

(Asad Umar)  
Minister for Finance, Revenue and Economic  
Affairs