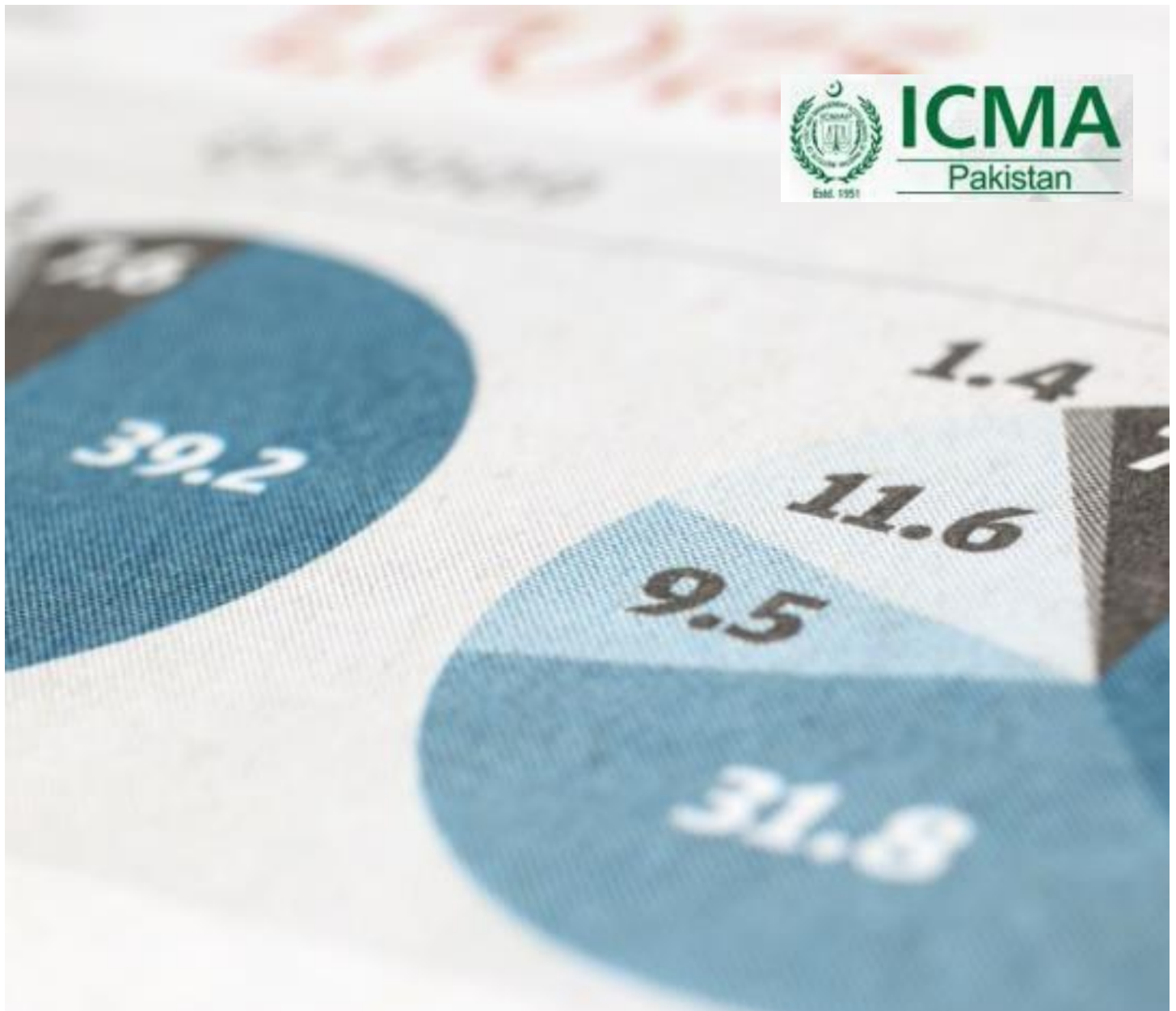




ICMA
Pakistan



Commentary on the Tax Laws (Third Amendment) Ordinance, 2021

**Institute of Cost and Management
Accountants of Pakistan**

Technical Support and Practice Development Committee

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CHANGES IN INCOME TAX ORDINANCE, 2001

Deductions not allowed

Section 21, Clause “l” & Clause “m”

This Section provides details where no deduction shall be allowed in computing the income of a person under the head “Income from Business” except as otherwise provided in this Ordinance. Clause “l” under this section describes details and conditions of any expenditure for a transaction paid or payable under a single accounting head.

Now through the Third Amendment Ordinance, 2021, clause “l” is amended to be applicable for a taxpayer other than a company. Further, a new clause “la” is inserted whereby the condition of any expenditure paid or payable under a single accounting head by a taxpayer being a company is described separately, as under:-

“any expenditure by a taxpayer being a company for a transaction, paid or payable under a single account head which, in aggregate, exceeds two hundred and fifty thousand rupees, made other than by digital means from business bank account of the taxpayer notified to the Commissioner under section 114A:

Provided that this clause shall not apply in the case of:

(a) expenditures not exceeding twenty-five thousand rupees;

(b) expenditures on account of —

(i) utility bills;

(ii) freight charges;

(iii) travel fare;

(iv) postage; and

(v) payment of taxes, duties, fee, fines or any other statutory obligation;”

Moreover, Clause “m” is amended by including the digital mode of transfer of salaries in excess of Rs. 25,000 per month. Accordingly, the salaries in excess of Rs 25,000 per month if paid through digital mode to be admissible expense along with paid through other banking channels.

Exemptions and tax concessions in the Second Schedule

Section 53

This section empowers the Board, with the approval of the Federal Minister-in-charge may, from time to time, pursuant to the approval of the Economic Coordination Committee of the Cabinet, to take immediate action under certain circumstances or granting an exemption/ reduction from any tax or liability imposed under this Ordinance, by notification in the official Gazette and making such amendment in the Second Schedule.

Through Finance Act, 2021 these powers of Federal Government were shifted to the FBR with approval of Federal Minister Incharge as vested to Federal Government under the provisions of section 53.

Now through the Third Amendment Ordinance, 2021, these powers are vested to both the Federal Government and the FBR with approval of Federal Minister Incharge.

Unexplained income or assets

Section 111

Section 111 pertains to the unexplained income or assets wherein sub-section (4) prescribes non-application of sub-section (1) of Section 111 on any amount of foreign exchange remitted from outside Pakistan through normal banking channels that is encashed into rupees by a scheduled bank and a certificate from such bank is produced to that effect. Through the Finance Act, 2021, a limit of five million rupees in a tax year was prescribed for such amounts.

Now through the Third Amendment Ordinance, 2021, it is clarified for removal of doubt that the remittances in above case through Money Service Bureaus (MSB), Exchange Companies (ECs) and Money Transfer Operators (MTOs) such as Western Union, Money Gram and Ria Finance or other like entities shall be deemed to constitute foreign exchange remitted from outside Pakistan through normal banking channels as delineated under this sub-section.

Powers to enforce filing of Returns

Section 114B

A new Section 114B is inserted through the Third Amendment Ordinance, 2021, which empowers the FBR to issue income tax general orders in respect of persons who are not appearing on Active Taxpayer List (ATL) but are liable to file return under the provisions of the Income Tax Ordinance, 2021.

These Income Tax General Order may entail any or all of the following consequences for the persons mentioned therein, such as:

- disabling of mobile phones or SIMs,
- discontinuance of electricity and gas connections

The board or the commissioner having jurisdiction over the person mentioned in the income tax general order may order restoration of mobile phones, mobile phone SMS and connections of electricity and gas, in cases where he is satisfied that the return has been filed; or person was not liable to file return under the provisions of this Ordinance.

- No person shall be included in the general order unless following conditions have been met with:
- Notice under sub-section (4) of section 114 has been issued;
- date of compliance of the notice under sub-section (4) of section 114 has elapsed and
- the person has not filed the return.

The action under this section shall not preclude any other action provided under the provisions of this Ordinance.

National Database and Registration Authority (NADRA)

Section 175B

A new section is inserted through the Third Amendment Ordinance, 2021, under which NADRA will share data with FBR for broadening of tax base, calculating indicative income and identifying potential tax evasion.

According to the newly inserted section, NADRA may:

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- (i) submit proposals and information to the Board with a view to broadening the tax base;
- (ii) identify in relation to any person, whether a taxpayer or not –
 - (a) income, receipts, assets, properties, liabilities, expenditures, or transactions that have escaped assessment or are under-assessed or have been assessed at a low rate, or have been subjected to excessive relief or refund or have been misdeclared or misclassified under a particular head of income or otherwise;
 - (b) the value of anything mentioned in sub-clause (a) of clause (ii), if such value is at variance with the value notified by the Board or the district authorities, as the case may be, or if no such value has been notified the true or market value; and
- (iii) enter into a memorandum of understanding with the Board for a secure exchange and utilization of a person's information.

The Board may use and utilize any information communicated to it by the NADRA and forward such information to an income tax authority having jurisdiction in relation to the subject matter regarding the information, who may utilize the information for the purposes of this Ordinance. NADRA may compute indicative income and tax liability of anyone by use of artificial intelligence, mathematical or statistical modeling or any other modern device or calculation method. The indicative income and tax liability computed by the NADRA shall be notified by the Board to the person in respect of whom such indicative income and tax liability has been determined, who shall have the option to pay the determined amount on such terms, conditions, installments, discounts, reprieves pertaining to penalty and default surcharge, and time limits that may be prescribed by the Board.

In case the person against whom a liability has been determined, does not pay such liability within the prescribed time, the Board shall take action under this Ordinance, upon the basis of tax liability computed under sub-section (4).

If the person against whom the liability has been determined pays such, such payment shall be construed to be an amended assessment order under section 120 or sub-section (1) of section 122 or sub-section (4) of section 122 as the case may be. For the purposes of sub-sections (4) and (5), the Board may prescribe the extent of installments, reprieves pertaining to penalty and default surcharge and time limits.

Offences and Penalties

Section 182

Certain amendments are made in the Offences and Penalties under section 182 which are detailed hereunder:-

Sr. No.	Offenses	Penalties (As after Finance Act, 2021)	Penalties (Amended)	Relevant Section
1	Where any person fails to furnish a return of income as required under section 114 within the due date.	Such person shall pay a penalty equal to 0.1% of the tax payable in respect of that tax year for each day of default subject to a maximum penalty of 50% of the tax payable provided that if the penalty	Such person shall pay a penalty equal to higher of: (a) 0.1% of the tax payable in respect of that tax year for each day of default; or (b) rupees one thousand for each day of default:	114 and 118

		<p>worked out as aforesaid is less than forty thousand rupees or no tax is payable for that tax year such person shall pay a penalty of forty thousand rupees.</p> <p>Provided that If seventy- five percent of the income is from salary and the amount of income under salary is less than five million Rupees, the minimum amount of penalty shall be five thousand Rupees.</p> <p>Provided further that if taxable income is up-to eight hundred thousand Rupees, the minimum amount of penalty shall be five thousand Rupees:</p> <p>Provided also that the amount of penalty shall be reduced by 75%, 50% and 25% if the return is filed within one, two and three months respectively after the due date or extended due date of filing of return as prescribed under the law.</p> <p>Explanation.— For the purposes of this entry, it is declared that the expression “tax payable” means tax chargeable on the taxable income on the basis of assessment made or treated to have been made under section 120, 121, 122 or 122C.</p>	<p>Provided that minimum penalty shall be:</p> <p>(a) rupees ten thousand in case of individual having seventy-five percent or more income from salary; or</p> <p>(b) rupees fifty thousand in all other cases:</p> <p>Provided further that maximum penalty shall not exceed two hundred percent of tax payable by the person in a tax year:</p> <p>Provided also that the amount of penalty shall be reduced by 75%, 50% and 25% if the return is filed within one, two and three months respectively after the due date or extended due date of filing of return as prescribed under the law;</p> <p>Explanation.— For the purposes of this entry, it is declared that the expression "tax payable" means tax chargeable on the taxable income on the basis of assessment made or treated to have been made under section 120, 121, 122 or 122D.</p>	
<p>Serial Nos. 14 is omitted and shall always be deemed to have been omitted since commencement of Income Tax Ordinance, 2001. The omitted entry is read as under:-</p> <p>“Any person who contravenes any of the provision of this Ordinance for which no penalty has, specifically, been provided in this section. Such person shall pay a penalty of five thousand rupees or three per cent of the amount of tax involved, which-ever is higher.”</p>				

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Prosecution for unauthorised disclosure of information by a public servant

Sections 198

Section 198 prescribes prosecution for unauthorised disclosure of information by a public servant who discloses any particulars in contravention of sub-section 1B of section 107 or section 216 shall commit an offence punishable on conviction with a fine of not less than five hundred thousand rupees or imprisonment for a term not exceeding one year, or both.

Now through the Third Amendment Ordinance, 2021, this Section is omitted and shall always be deemed to have been so omitted since the commencement of the Income Tax Ordinance, 2001.

Disclosure of information by a public servant

Section 216(kb)

This section restricts the disclosure of information by a public servant wherein clause (kb) pertaining to National Database and Registration Authority for the purpose of broadening of the tax base is omitted through the Third Amendment Ordinance, 2021.

Advance Tax on Electricity Consumption

Section 235

Advance Tax is collected on electricity consumption by commercial or industrial consumers under Section 235, however, through the Third Amendment Ordinance, 2021, a new sub-section (1) is inserted which states that in addition to tax collectable under sub-section (1), there shall be collected additional advance tax at the rates given in the Division IV of Part-IV of the First Schedule from professionals not appearing on ATL and operating from residential premises having domestic electric connections from electricity distribution companies.

For the purposes of this sub-section professionals include accountants, lawyers, doctors, dentists, health professionals, engineers, architects, IT professionals, tutors, trainers and other persons engaged in provision of services.

Moreover, domestic consumers are also allowed along with a company, for which tax such collected shall be adjustable against tax liability.

Advance Tax on Electricity Consumption

First Schedule, Part IV,
Division IV, Section 235

A new clause (2A) is inserted after the omitted clause (2) under which the rate of additional advance tax under sub-section (1A) of section 235 shall be collected from the gross amount of the electricity bills at the rates given below:

S. No.	Description	Rate of Additional Tax
(1)	(2)	(3)
1	Where the bill does not exceed 10,000 rupees	5%
2	Where the bill exceeds 10,000 rupees but does not exceed 20,000 rupees	10%

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3	Where the bill exceeds 20,000 rupees but does not exceed 30,000	15%
4	Where the bill exceeds 30,000 rupees but does not exceed 40,000	20%
5	Where the bill exceeds 40,000 rupees but does not exceed 50,000	25%
6	Where the bill exceeds 50,000 rupees but does not exceed 75,000	30%
7	Where the bill exceeds 75,000 rupees	35%

Exemption and tax concessions

Second Schedule

Part I - Exemptions from Total Income	
Clause (66)	<p>Under this clause, Tax Exemption is granted for income derived by institutions/foundations/societies /boards/trust/funds etc. Entries from Serial No. (xIx) to (xIv) are now re-numbered to have Serial No. (I) to (IV) to correct the error.</p> <p>Moreover, "Pakistan Mortgage Refinance Company Limited" is added in the list of Institutions at serial no. (Ivi) to become eligible for tax exemption under this section.</p>
Part II – Reduction in Tax Rates withdrawn	
Clause (24C)	<p>Steel sector is also included in clause (24C) through the Third Amendment Ordinance, 2021. Now the rate of tax under clause (a) of sub-section (1) of section 153 (Payments for goods and services) in the case of distributors, dealers, sub-dealers, wholesalers and retailers of steel as recipient of payment shall also be 0.25% of gross amount of payments subject to the condition that beneficiaries of reduced rate are appearing on the Active Taxpayers' Lists issued under the provisions of the Sales Tax Act, 1990 and the Income Tax Ordinance, 2001. Provided that the benefit under this clause shall only be available to those Tier-1 retailers as defined under Sales Tax Act, 1990 who are integrated and configured with Board or its computerized system for real time reporting of sales or receipts.</p>
Clause (24D)	<p>Steel sector is also included in clause (24D) through the Third Amendment Ordinance, 2021. Now the rate of tax under of sub-section (1) of section 113 (Minimum tax on the income of certain persons) in the case of distributors, dealers, sub-dealers, wholesalers and retailers of steel shall also be 0.25% subject to the condition that beneficiaries of reduced rate are appearing on the Active Taxpayers' Lists issued under the provisions of the Sales Tax Act, 1990 and the Income Tax Ordinance, 2001. Provided that the benefit under this clause shall only be available to those Tier-1 retailers as defined under Sales Tax Act, 1990 who are integrated and configured with Board or its computerized system for real time reporting of sales or receipts.</p>
Part IV – Exemption from Specific Provisions withdrawn	
Clause (11A)	<p>"Mobile phone manufacturers engaged in the local manufacturing of mobile phone devices" are now included in the list on which the provisions of Section 113 regarding minimum tax shall not apply.</p>

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Rules for the Computation of the Profits and Gains of a Banking Company and Tax Payable Thereon

Seventh Schedule

A new Rule (6A) in Rule 6C regarding “Enhanced rate of tax on taxable income from Federal Government securities” was inserted through the Finance Act, 2021. Now through the Third Amendment Ordinance, 2021, the words “assets” are substituted with the words “gross advances”. The newly inserted rule was earlier read as under:-

For tax year 2022 onwards, the rate of tax on taxable income attributable to investment in the Federal Government securities:

- (i) If the assets to deposit ratio as on last date of tax year is upto 40%, rate of tax shall be 40% instead of rate provided in the Division II, Part I of the First Schedule.*
- (ii) If the assets to deposit ratio as on last date of tax year exceeds 40% but does not exceeds 50%, rate of tax shall be 37.5% instead of rate provided in the Division II, Part I of the First Schedule.*
- (iii) If the assets to deposit ratio as on last date of tax year exceeds 50%, as per Division II, Part I of the First Schedule.*

Insertion of new Schedules

Thirteenth Schedule

A new Thirteenth Schedule was inserted through the Finance Act, 2021 which comprises of the list of institutions/foundations/societies/boards/trust/funds etc., eligible for tax credit under Section 61 “Charitable donations”. Now, all entities mentioned in Table-I of clause (66) of Part I of the Second Schedule of the Income Tax Ordinance, 2001” included in this schedule. Thus become eligible for tax credit under this section.

CHANGES IN SALES TAX ACT, 1990

Scope of Tax

Section 3, sub-section(7) & (9)

According to the Tax Laws (Third Amendment) Ordinance, 2021, in case of the online market place facilitating the sale of third-party goods, the liability to withhold tax on taxable supplies of such party at the rates specified in the Eleventh Schedule to this Act, shall be on the operator of such market place.

A new proviso is inserted in Sub-section (7) for making facilitator of online market place as withholding agent under Eleventh Schedule to the Sales Tax Act, 1990.

Further after the sub-section (9AA) a new sub-section is inserted as under:-

"(10) Notwithstanding anything contained in this Act, the Board may, by notification in the official Gazette, require any person or class of persons to integrate their invoice issuing machines with the Board's computerized system for real time reporting of sales in such mode and manner and from such date as may be prescribed."

Discontinuance of gas and electricity connections

Section 14A

A new Section 14B is inserted through the Tax Laws (Third Amendment) Ordinance, 2021, under which FBR is empowered to discontinue gas and electricity connections of persons, including tier-1 retailers who are either not registered or if registered, they are not integrated in terms of Section 3(9A) of the Sales Tax Act 1990.

Under the new section, the Board shall have power through sales tax general order to direct the gas and electricity distribution companies for discontinuing the gas and electricity connections of any person who falls in the following categories:

- (a) any person, including tier-1 retailers, who fails to register for sales tax purpose, or
- (b) notified tier-1 retailers registered but not integrated with the Board's computerized system:

Provided that upon registration or integration, as the case may be, of the above said persons, the Board shall notify the restoration of their gas or electricity connection through sales tax general order";

Offences and Penalties

Section 33

Sr. No.	Offenses	Penalties (As after Finance Act, 2021)	Penalties (Amended through Tax Laws (Third Amendment) Ordinance, 2021)	Relevant Section
At serial No. 25, the expression "sub-section (9A) of section 3" is omitted as under:				
25	Any person, who is required to integrate his business for monitoring, tracking,	Such person shall be liable to pay a penalty up to one million rupees, and if continues to commit the same offence after	Such person shall be liable to pay a penalty up to one million rupees, and if continues to commit the	sub-section (9A) of section 3

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	reporting or recording of sales, production and similar business transactions with the Board or its computerized system, fails to get himself registered under the Act, and if registered, fails to integrate in the manner as required under law.	a period of 1[two] months after imposition of penalty as aforesaid, his business premises shall be sealed 2[till such time he integrates his business in the manner as stipulated under sub-section (9A) of section 3 or section 40C, as the case may be.]	same offence after a period of 1[two] months after imposition of penalty as aforesaid, his business premises shall be sealed 2[till such time he integrates his business in the manner as stipulated under section 40C, as the case may be.]	and Section 40C
After S. No. 25 and entries relating thereto in columns (2) and (3), amended as aforesaid, the following new S. No. 25A and corresponding entries relating thereto shall be inserted, namely:				
25A	A person required to integrate his business as stipulated under sub-section (9A) of section 3, who fails to get himself registered under the Act, and if registered, fails to integrate in the manner as required under the law and rules made thereunder.	Such person shall be liable to pay i) penalty of five hundred thousand rupees for first default; ii) penalty of one million rupees for second default after fifteen days of order for first default; iii) penalty of two million rupees for third default after fifteen days of order for second default; iv) penalty of three million rupees for fourth default after fifteen days of order for third default: Provided that if such person fails to integrate his business within fifteen days of imposition of penalty for fourth default, his business premises shall be sealed till such time he integrates his business in the manner as stipulated under sub-section (9A) of section 3. Provided further that if the retailer integrates his business with the Board's computerized system before imposition of penalty for second default, penalty for first default shall be waived by the Commissioner.		Sub-section (9A) of section 3

Zero Rating

Fifth Schedule

The government has granted sales tax zero-rating to fat-filled milk including those sold in retail packing under a brand name or a trademark.

New Serial No. 17 (Flat milk excluding that sold in retail packing under a brand name or a trademark, PCT heading 1901.909) was inserted through the Finance Act, 2021 in the Fifth Schedule to be eligible for zero rating. Now the exclusion of “retail packing under a brand name or a trademark, PCT heading 1901.909” is omitted as under:

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Sr.	Description (As after Finance Act, 2021)	Description (Amended through Tax Laws (Third Amendment) Ordinance, 2021)
17	Fat milk excluding that sold in retail packing under a brand name or a trademark (PCT heading 1901.909)	Fat Milk

Exemption of Goods

Sixth Schedule

The exception of import of fruit from Afghanistan is omitted from Serial No. 17 in Table-1 of Sixth Schedule as under:

Sr.	Description (As after Finance Act, 2021)	Description (Amended through Tax Laws (Third Amendment) Ordinance, 2021)
17	Edible fruits excluding imported fruits (except fruits imported from Afghanistan) whether fresh, frozen or otherwise preserved but excluding those bottled or canned.	Edible fruits excluding imported fruits whether fresh, frozen or otherwise preserved but excluding those bottled or canned.

The timeline in Serial No. 159 & 160 in Table-1 is extended till December 31, 2021 as under:

Sr.	Description (As after Finance Act, 2021)	Description (Amended through Tax Laws (Third Amendment) Ordinance, 2021)
159	Import of auto disable Syringes till 30 th June, 2021 (i) with needles (ii) without needles	Import of auto disable Syringes till 31st December, 2021 (i) with needles (ii) without needles
160	Import of following raw materials for the manufacturers of auto disable syringes till 30 th June, 2021 (i) Tubular metal needles (ii) Rubber Gaskets	Import of following raw materials for the manufacturers of auto disable syringes till 31st December, 2021 (i) Tubular metal needles (ii) Rubber Gaskets

In Table-3 after Serial No. 2, a new Serial No. 2A is inserted as under:-

Sr. No.	Description	PCT Heading	Conditions
2A	The following raw materials imported by registered manufacturer of auto disabled syringes:		This concession is available to registered manufacturers of auto disabled syringes with quota determination by IOCO and subject to NOC from Ministry of National Health Services Regulation and Coordination. and
	(1) Printing paper	4802.5510	
	(2) Polypropylene	3902.1000	
	(3) Propylene copolymers	3902.3000	
	(4) Plasticized	3904.2200	
	(5) Epoxide Resins	3907.3000	
	(6) Bioaxially Oriented Polypropylene (BOPP film, laminated)	3902.2040	

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Reduced Rated Goods

Eighth Schedule

Following item is omitted from the eighth schedule which means that these are now excluded from the reduced rated goods:

Sr. No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)	Rate of Sales Tax	Condition
60	Fat filled milk	1901.9090	10%	If sold in retail packing under a brand name or trademark

Serial No. 63 is amended, as under:

Sr. No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)	Rate of Sales Tax	Condition
63	Articles of jewellery, or parts thereof, of precious metal or of metal clad with precious metal	71.13	1.5% of value of gold, plus (1.5%) 2% of value of diamond, used therein, plus 3% of making charges	No input tax adjustment to be allowed except of the tax paid on gold

Following New serial numbers 66, the following new Serial No. 66A & 66B and entries relating thereto in columns (2), (3), (4) and (5) shall be added, namely:

Sr. No.	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)	Rate of Sales Tax	Condition
66A	Supplies excluding those specified in S. No. 66, as made from retail outlets integrated with Board's Computerized System for real time reporting of sales	Respective heading	16%	If payment is made through digital mode.
66B.	Import of remeltable scrap	Respective heading	14%	If imported by steel melters.
75	Import of electric vehicle in CBU conditions	8703.8090	5%	
76	Business to business transactions specified by the Board through a notification in official Gazette subject to such conditions and restrictions as specified therein.	Respective heading	16.9%	If payment is made through digital mode.".

CHANGES IN CUSTOMS ACT, 1969

Review of the value determined

Section 25D

Through Finance Act, 2021, Section 25D was substituted such that the Director General Valuation may on his own motion or in pursuance to a review petition made to him within 30 days from the date of determination by any person or an officer of Customs may rescind or determine the value afresh. Provided that the proceedings so initiated shall be completed within 60 days of the filing of the review petition or initiation of proceedings as the case may be.

Now through the Tax Laws (Third Amendment) Ordinance, 2021 a new second proviso is inserted such that a person aggrieved of the value determined by the Director General Valuation may within thirty days of communication of such order, prefer an appeal to the Member Customs (Policy) who may pass an order annulling, modifying or confirming the order passed by the Director General.

Checking of goods declaration by the Customs

Section 80

In section 80, in sub-section (3), for the words "if during the checking of goods declaration", the expression "Notwithstanding anything contained in this Act, if during the checking of goods declaration or within three years of its clearance under sub-section (1) of section 83" shall be substituted as under:-

Earlier	Amended through Tax Laws (Third Amendment) Ordinance, 2021)
<p>(3) If during the checking of goods declaration, it is found that any statement in such declaration or document or any information so furnished is not correct in respect of any matter relating to the assessment, the goods shall, without prejudice to any other action which may be taken under this Act, be reassessed to duty ,taxes and other charges levied thereon: Provided that in case of reassessment, a notice shall be served to the importer through Customs Computerized System and opportunity of hearing shall be provided, if he so desires.</p>	<p>(3) Notwithstanding anything contained in this Act, if during the checking of goods declaration or within three years of its clearance under sub-section (1) of section 83, it is found that any statement in such declaration or document or any information so furnished is not correct in respect of any matter relating to the assessment, the goods shall, without prejudice to any other action which may be taken under this Act, be reassessed to duty ,taxes and other charges levied thereon: Provided that in case of reassessment, a notice shall be served to the importer through Customs Computerized System and opportunity of hearing shall be provided, if he so desires.</p>

Provisional determination of liability

Section 81, sub-section (1)

Section 81 empowers an officer, not below the rank of Assistant Collector of Customs, to order that the duty, taxes and other charges payable on such goods where it is not possible for an officer of Customs

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during the checking of the goods declaration to satisfy himself of the correctness of the assessment of the goods made under section 79 or 131, for reasons that the goods require chemical or other test or a further inquiry, be determined provisionally.

Now the word “corporate guarantee” is included in the sub-section allowing the importer to pay either such additional amount on the basis of provisional assessment or furnish bank guarantee or corporate guarantee under the provisions of this sub-section.

Further, a new proviso is also inserted such that no provisional determination of value shall be allowed in those cases where a valuation ruling (VR) is in field, irrespective of the fact whether any review or revision against that VR is pending in terms of section 25D or relevant rules, as the case may be.

Appeals to the Appellate Tribunal

Section 194A

This Section allows any person or an officer of Customs aggrieved by any of the certain orders as provided in sub-section (1) to appeal to the Appellate Tribunal against such orders.

Clause (e) regarding “an order passed in revision by the Director-General Customs Valuation under section 25D, provided that such appeal shall be heard by a special bench consisting of one technical member and one judicial member” is omitted through the Tax Laws (Third Amendment) Ordinance, 2021.

Reference to High Court

Section 196

In section 196, in sub-section (1), after the expression "194B", the expression "or order of the Member Customs (Policy) under sections 25D and 212B" shall be inserted as under:

Earlier	Amended through Tax Laws (Third Amendment) Ordinance, 2021)
(1) Within ninety days of the date on which the aggrieved person or Collector or Director of Intelligence and Investigation, or Director of Valuation, as the case may be, was served with order of the Appellate Tribunal under sub-section (3) of section 194B, the aggrieved person or any officer of Customs not below the rank of an Deputy Collector or Deputy Director, authorized by the Collector or Director in writing], may prefer an application, in the prescribed form along with a statement of the case, to the High Court, stating any question of law arising out of such order.	(1) Within ninety days of the date on which the aggrieved person or Collector or Director of Intelligence and Investigation, or Director of Valuation, as the case may be, was served with order of the Appellate Tribunal under sub-section (3) of section 194B or order of the Member Customs (Policy) under sections 25D and 212B , the aggrieved person or any officer of Customs not below the rank of an Deputy Collector or Deputy Director, authorized by the Collector or Director in writing], may prefer an application, in the prescribed form along with a statement of the case, to the High Court, stating any question of law arising out of such order.

DISCLAIMER

The Commentary on the Tax Laws (Third Amendment) Ordinance, 2021 has been prepared as a general guide line for the benefits of Corporate Sector Organizations, Industries, Consulting Services and Management Accountants and other interested persons.

We hope that the same will be beneficial to all.

Although every care has been taken in the publication of this commentary, however, the Institute shall not be responsible for any loss or damage cause to any person on account of errors or omission which might have crept in.

For any clarification, the original document may be consulted.