

MONTHLY TECHNICAL UPDATES

ON ACCOUNTING, TAXATION & LAWS

 **ICMA**INTERNATIONAL
lead strategically

Jun-Jul, 2022 | Vol: 22.07

"If you really want to be world class - to be the best you can be - it comes down to preparation and practice." *R. S. Sharma*

Feature News

The Technical Support and Practice Development (TSPD) Committee, prepared and circulated the Tax Rate Card 2022-23 for the benefit of members, students and other stakeholders.

The objective of preparing the Tax Rate Card was to provide a glimpse of tax rates, after the enactment of Finance Act, 2022, and to serve as a ready reckoner for the members in special and other stakeholders in general. The Tax Rate Card was circulated among the members at large and uploaded on the website of the Institute at the following link:-

https://www.icmainternational.com/News_Pdf/TaxRateCard_2022-23.pdf



Message from the President



I am delighted to present the Monthly Technical Updates which covers a glimpse of committee activities for the months of June & July, Stock Market, Corporate Sector and Taxation. I believe that members will find it informative and helpful in discharging their professional assignments/responsibilities.

Moreover, worthy members are requested to share their valuable suggestions at tspd@icmap.com.pk for further improvement in the document and identify topics of technical interest, which the Committee may consider for arranging seminars and training programs beneficial for the practicing members in terms of their capacity building and value addition.

Shehzad Ahmed Malik, FCMA

President ICMA International & Chairman TSPDC

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Committee Activities

Seminar on Sales Tax on Services Laws in Pakistan

Technical Support and Practice Development (TSPD) Committee, in collaboration with the CPD Committee of ICMA Pakistan organized a Seminar on Sales Tax on Services Laws in Pakistan on Friday, July 22, 2022 at ICMA Islamabad Campus for the awareness of members, students, professionals and other stakeholders. A large number of participants attended the event and benefitted from the thought-provoking speeches of eminent speakers.

Mr. Shehzad Ahmed Malik, FCMA, President ICMA Pakistan & Chairman TSPD Committee graced the event with his presence. Mr. Ather Saleem Ch., Vice President ICMA International welcomed the guests, speakers and audience. Eminent speaker Mr. Muhammad Javed Arif, FCMA, CEO Javid & Co. presented his thoughts on the overall Sales Tax on Services laws in Pakistan. Amongst the panelists were Mr. Abdul Razzaq, FCMA, Chairman Lahore Branch Council and Mr. Mazhar Saleem, FCMA, Vice Chairman Karachi Branch Council. The learned panelists deliberated upon the prevailing legislations pertaining to the Sales Tax on Services in Pakistan. Mr. Adil Ameen, FCMA moderated the event.

2. The participants were greatly benefitted from their presentations on the topic and also had an interactive Question and Answer session. Mr. Ather Saleem Ch., Vice President ICMA International and Mr. Shehzad Ahmed Malik, FCMA, President ICMA International & Chairman TSPD Committee presented shields to the speaker and panelists.





TSPD COMMITTEE MEETING (Urgent Meeting) on Amendments in Finance Bill 2022

After the approval of Finance Bill, 2022, Mr. Shehzad Ahmed Malik, President ICMA International and Chairman TSPD Committee called an urgent meeting of TSPD Committee and deliberated upon the legislations after enactment of Finance Act, 2022. The meeting was attended by the worthy committee members who thoroughly analyzed the amendments and discussed their impact on various sectors of business and industry.

AML Supervisory Board

AML Supervisory Activities

National FATF Secretariat arranged a seminar at ICMA Islamabad

The AML Supervisory Board of ICMA Pakistan hosted a Seminar of National Financial Action Task Force (NFATF) of Pakistan, in the ICMA International Islamabad. The event was attended by the representatives from different sectors falling under the AML/ CFT Regime. Key dignitaries of NFATF were also present at the occasion.



Mr. Khawaja Adnan Zahir, Director General NFATF, Mr. Adnan Ahmed, Director Financial Monitoring Unit, Ms. Rizwana Qazi, Director National FATF and Representatives of other Sectors attending the Seminar



The audience attending the session at ICMA Islamabad

Orientation Session on AML/ CFT

AML Supervisory Board, in collaboration with the ICAP, organized an orientation session on the overall awareness on the AML/ CFT regime and recent progress on the subject. The objective of the session was to create awareness amongst the reporting firms regarding the obligations under the AML/CFT Regime.

Pre-onsite preparation meetings

Mr. Aamir Ijaz Khan, Secretary AML Supervisory Board, attended meetings at National FATF Secretariate for the preparation of onsite visit of FATF authorities. The meetings were called by the National FATF Secretariate of Pakistan and attended by the representatives of all relevant ministries, authorities and accounting bodies.

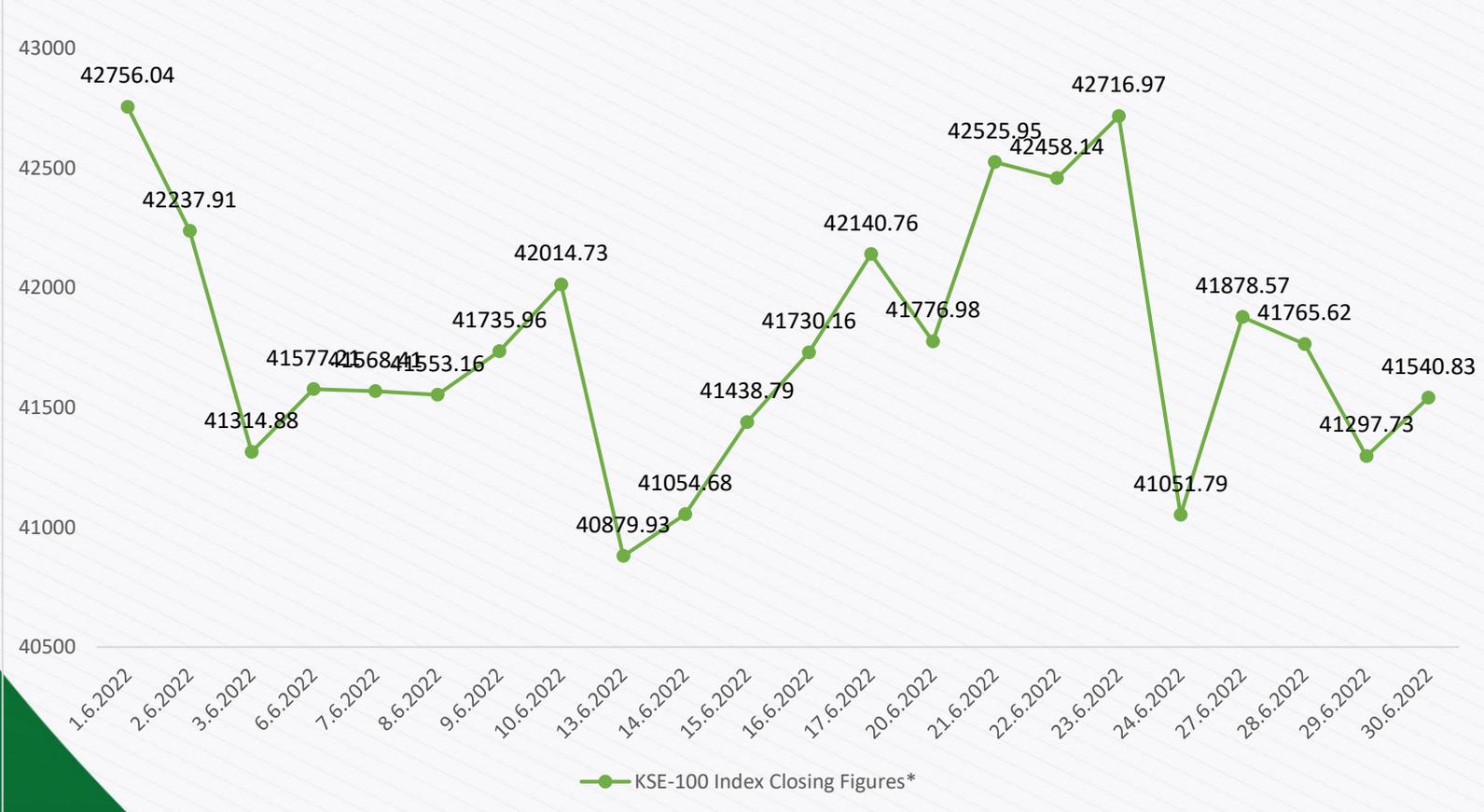
Pakistan Stock Market

Pakistan Stock Market – KSE-100 Index Fluctuations during June, 2022

Date	KSE-100 Index Closing Figures*	Date	KSE-100 Index Closing Figures*	Date	KSE-100 Index Closing Figures*
1.6.2022	42756.04	10.6.2022	42014.73	21.6.2022	42525.95
2.6.2022	42237.91	13.6.2022	40879.93	22.6.2022	42458.14
3.6.2022	41314.88	14.6.2022	41054.68	23.6.2022	42716.97
6.6.2022	41577.21	15.6.2022	41438.79	24.6.2022	41051.79
7.6.2022	41568.41	16.6.2022	41730.16	27.6.2022	41878.57
8.6.2022	41553.16	17.6.2022	42140.76	28.6.2022	41765.62
9.6.2022	41735.96	20.6.2022	41776.98	29.6.2022	41297.73
				30.6.2022	41540.83

*As published in Daily Dawn

KSE-100 INDEX CLOSING FIGURES



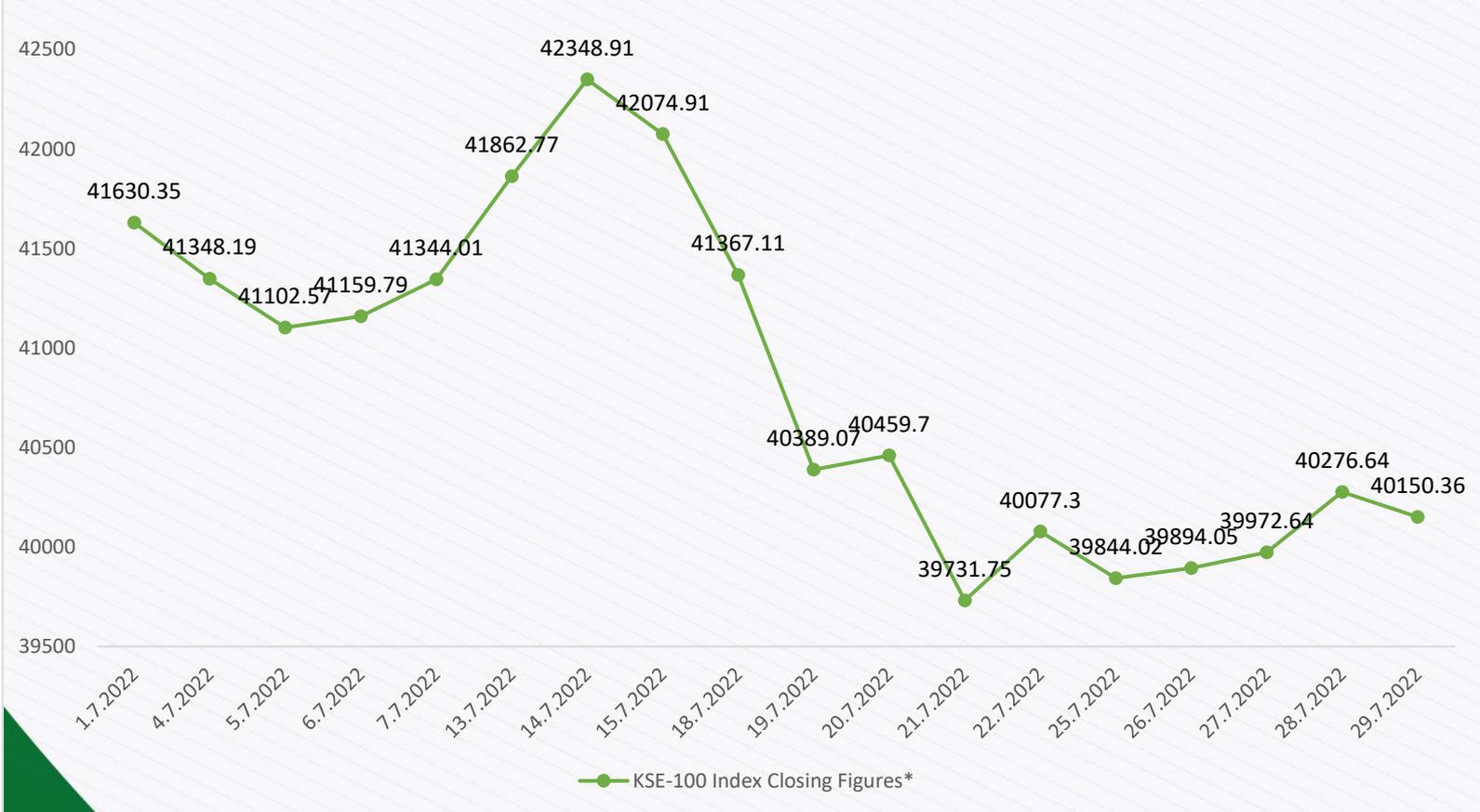
Pakistan Stock Market

Pakistan Stock Market – KSE-100 Index Fluctuations during July, 2022

Date	KSE-100 Index Closing Figures*	Date	KSE-100 Index Closing Figures*	Date	KSE-100 Index Closing Figures*
1.7.2022	41630.35	14.7.2022	42348.91	22.7.2022	40077.30
4.7.2022	41348.19	15.7.2022	42074.91	25.7.2022	39844.02
5.7.2022	41102.57	18.7.2022	41367.11	26.7.2022	39894.05
6.7.2022	41159.79	19.7.2022	40389.07	27.7.2022	39972.64
7.7.2022	41344.01	20.7.2022	40459.70	28.7.2022	40276.64
13.7.2022	41862.77	21.7.2022	39731.75	29.7.2022	40150.36

*As published in Daily Dawn

KSE-100 INDEX CLOSING FIGURES



Rupee-Dollar Parity

Date	Interbank Rate*	Market Rate*	Date	Interbank Rate*	Market Rate*	Date	Interbank Rate*	Market Rate*
1.6.2022	197.9	198.6	10.6.2022	201.9	202.6	21.6.2022	211.7	215.5
2.6.2022	197.9	198.5	13.6.2022	203.7	205.0	22.6.2022	211.2	215.0
3.6.2022	197.9	198.5	14.6.2022	205.2	206.5	23.6.2022	207.5	209.5
6.6.2022	199.2	199.6	15.6.2022	206.0	208.0	24.6.2022	208.2	209.5
7.6.2022	201.4	204.0	16.6.2022	206.7	208.5	27.6.2022	207.2	208.5
8.6.2022	201.9	204.1	17.6.2022	209.0	211.0	28.6.2022	207.7	208.7
9.6.2022	201.6	202.5	20.6.2022	210.2	213.0	29.6.2022	205.2	206.5
						30.6.2022	204.7	206.6

*forex.pk

RUPEE-DOLLAR PARITY DURING JUNE, 2022

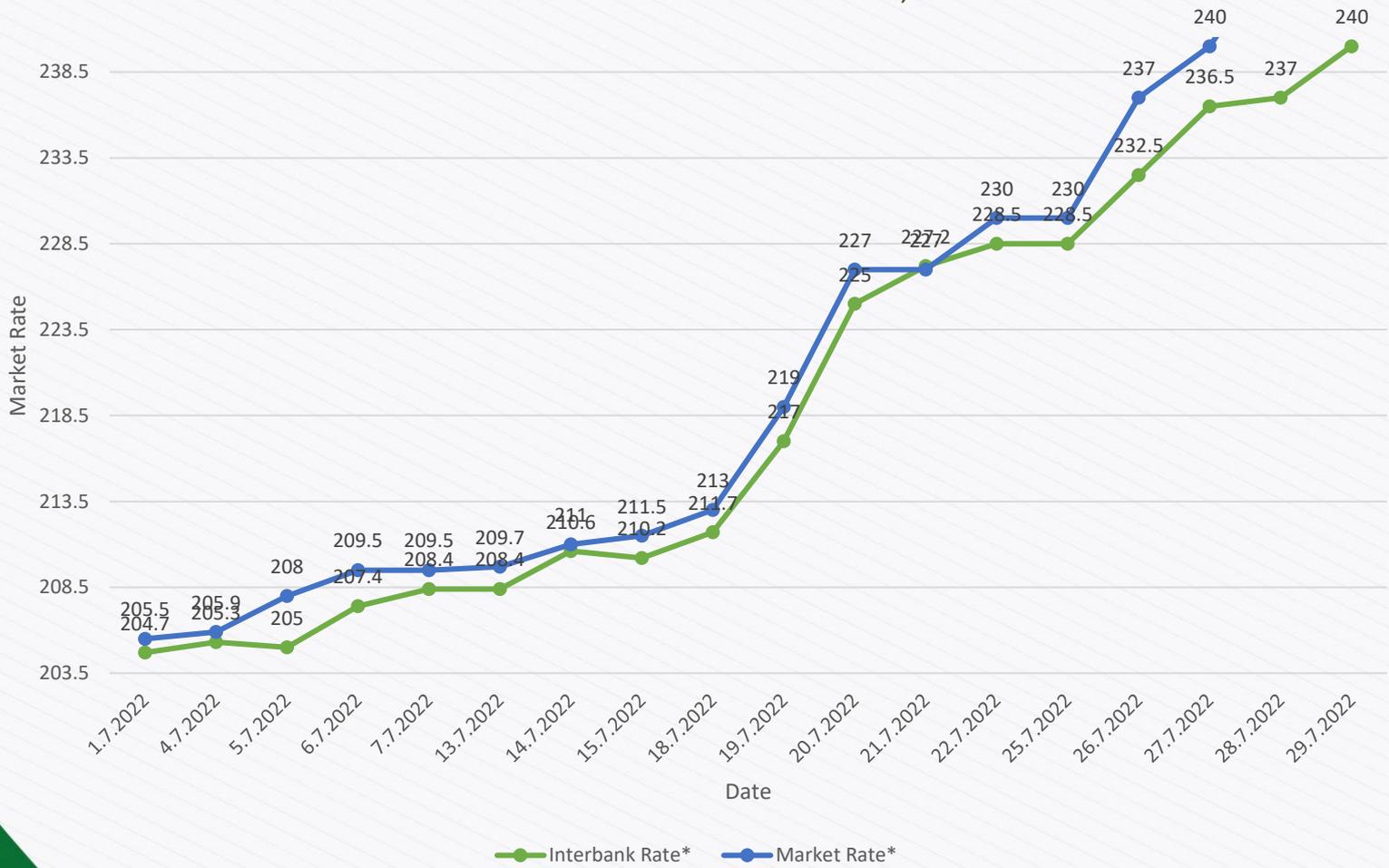


Rupee-Dollar Parity

Date	Interbank Rate*	Market Rate*	Date	Interbank Rate*	Market Rate*	Date	Interbank Rate*	Market Rate*
1.7.2022	204.7	205.5	14.7.2022	210.6	211.0	22.7.2022	228.5	230.0
4.7.2022	205.3	205.9	15.7.2022	210.2	211.5	25.7.2022	228.5	230.0
5.7.2022	205.0	208.0	18.7.2022	211.7	213.0	26.7.2022	232.5	237.0
6.7.2022	207.4	209.5	19.7.2022	217.0	219.0	27.7.2022	236.5	240.0
7.7.2022	208.4	209.5	20.7.2022	225.0	227.0	28.7.2022	237.0	246.0
13.7.2022	208.4	209.7	21.7.2022	227.2	227.0	29.7.2022	240.0	250.0

*forex.pk

RUPEE-DOLLAR PARITY DURING JULY, 2022



Corporate Updates

1. AMENDMENTS TO THE AML/ CFT REGULATIONS, 2020

Securities and Exchange Commission of Pakistan (SECP) vide their S.R.O. 562(I)/2022 notified amendments to the AML/ CFT Regulations 2020.

According to the SRO, the condition of obtaining photocopies of identity documents of directors of Limited Companies/ Corporations is relaxed in case of Government/ Semi Government entities, where SECP RPs should obtain photocopies of identity documents of only those directors and persons who are authorized to open and operate the account. However, SECP RPs shall validate identity information including CNIC numbers of other directors from certified copies of Form-A / Form-B / Form-29.

For further details, please visit the following link:-

<https://www.secp.gov.pk/document/amendments-in-amlcft-regulations-2020/?wpdmdl=44742&refresh=62fb4293632e81660633747>

2. AMENDMENT TO THE COMPANIES (DISTRIBUTION OF DIVIDENDS) REGULATIONS, 2017

SECP vide their S.R.O. 809(I)/2022 made following amendment to the Companies (Distribution of Dividends) Regulations, 2017:

In the aforesaid Regulations, following substitution is made in regulation 2(1)(vi):

“(vi) “paying agent” means a bank or any entity including a share registrar and a central depository appointed by a company and having relevant approval of SBP for making payment of cash dividend directly into the designated bank account of entitled shareholder;”.

Also, the words “its share registrar or a” in regulation 4(1) are omitted.

For further details, please visit the following link:-

<https://www.secp.gov.pk/document/sro-809-i-2022-amendment-to-the-companies-distribution-of-dividends-regulations-2017/?wpdmdl=44836&refresh=62fb4293601c01660633747>

3. AMENDMENT TO PUBLIC OFFERING (REGULATED SECURITIES ACTIVITIES LICENSING) REGULATIONS, 2017

SECP vide their S.R.O. 810(I)/2022 made following amendments to the Public Offering (Regulated Securities Activities Licensing) Regulations, 2017:

In the aforesaid Regulations, the paragraph (a) of sub-clause (i) in Schedule I is substituted as under:

“(a) a licensed securities broker or wholly owned subsidiary of a securities broker other than an Online Only Broker”.

For further details, please visit the following link:-

<https://www.secp.gov.pk/document/s-r-o-810-i-2022-amendments-to-the-public-offering-regulated-securities-activities-licensing-regulations-2017/?wpdmdl=44847&refresh=62fb42935d9791660633747>

4. AMENDMENT TO THE SECURITIES EXCHANGES (LICENSING AND OPERATIONS) REGULATIONS, 2016

SECP vide their S.R.O. 958(I)/2022 made following amendments to the Securities Exchanges(Licensing and Operations) Regulations, 2016:

In the aforesaid Regulations, sub-regulation (5) in regulation 16 is omitted. Also, a new sub-paragraph (vii) is inserted in paragraph (2) of Annexure III as under:

“(vii) Assess that that the scope, resources including human resource, procedures and reporting mechanism of the regulatory function including entity level compliance were adequate and effective to ensure compliance with relevant legal requirements and detect and report any non-compliance in a timely manner”.

For further details, please visit the following link:-

<https://www.secp.gov.pk/document/s-r-o-958-i-2022-amendments-to-the-securities-exchangeslicensing-and-operations-regulations-2016/?wpdmdl=45084&refresh=62fb42935abe01660633747>

5. AMENDMENT TO THE INSURANCE RULES, 2017

SECP vide their S.R.O. 1011(I)/2022 made amendments to the Insurance Rules, 2017.

In the aforesaid Rules, in rule 12, following entries appearing in clause (v) in the table are substituted as under:

Units in any one open ended mutual fund including exchange traded funds	To the extent they exceed ten percent of the non-life insurer's total investment or in case of a life insurer ten percent of the total investment of the relevant statutory fund or shareholders' fund.
Units in all open-ended mutual funds including exchange traded funds managed by the same asset management company	In the case of units of open-ended mutual funds including exchange traded funds of the same asset management company, to the extent they exceed fifteen percent of the non-life insurer's total investment or in case of a life insurer fifteen percent of the total investment of the relevant statutory fund or shareholders' fund. In the case of units of exchange traded funds of the same asset management company, to the extent they exceed an additional five percent of the non-life insurer's total investment or in case of a life insurer an additional five percent of the total investment of the relevant statutory fund or shareholders' fund.

For further details, please visit the following link:-

<https://www.secp.gov.pk/document/s-r-o-1011i-2022-amendments-in-the-insurance-rules-2017-in-rule-12/?wpdmdl=45109&refresh=62fb4293551e01660633747>

6. AMENDMENT TO THE CREDIT AND SURETYSHIP (CONDUCT OF BUSINESS) RULES, 2018

SECP vide their S.R.O. 1010(I)/2022 made following amendments to the Credit and Suretyship (Conduct of Business) Rules, 2018:

In the aforesaid rules, two new rules 3A & 3B are inserted as under:

“3A. Risk Assessment of Guarantee/Bond Holder. - (1) An Insurer undertaking credit and suretyship business shall establish and put in place risk assessment mechanism to evaluate the technical and financial strength of the prospective guarantee/bond holders.

(2) The risk assessment mechanism to be devised by the insurer to undertake assessment of the prospective guarantee/bond holder, shall at a minimum cover the following:

- (a) measures to gauge the ability to meet current and future obligations;
- (b) experience and expertise in respect of the contract requirements for which guarantee/ bond is being solicited; and
- (c) financial strength to carry on the project work.

3B. Maintenance of Record and Internal Controls. - (1) An insurer undertaking credit and suretyship business shall maintain record of all bonds/guarantees issued by it.

(2) All the guarantees/bonds issued by the insurer shall be sequentially numbered and internal control mechanisms shall be put in place by the insurer to ensure that all guarantees/bonds issued by it are recorded on the books of the insurer.”

For further details, please visit the following link:-

<https://www.secp.gov.pk/document/s-r-o-1010i-2022-amendments-to-the-credit-suretyship-conduct-of-business-rules-2018/?wpdmdl=45108&refresh=62fb429353f7f1660633747>

Monetary Updates

7. SBP PUTS HOLD ON DISBURSEMENTS OF MERA PAKISTAN MERA GHAR HOUSING SCHEME AND PRIME MINISTER'S KAMYAB JAWAN YOUTH ENTREPRENEURSHIP SCHEME

State Bank of Pakistan (SBP) vide their Circular No. 9 & 10 of 2022 dated June 30, 2022 instructed banks to put further disbursements under Mera Pakistan Mera Ghar on hold till August 31, 2022, as well as a hold on fresh disbursements under the Prime Minister's Kamyab Jawan Youth Entrepreneurship Scheme till July 15, 2022.

SBP has provided the same reason in both circulars stating that, "The government of Pakistan is considering a review/revision of features of subject scheme in light of recent developments in the macroeconomic scenario."

The circular further clarified that in cases where partial disbursements have already been made till June 30, 2022; financial institutions may release the remaining disbursements under Mera Pakistan Mera Ghar housing scheme.

For further details, please visit the following link:-

<https://www.sbp.org.pk/smefd/circulars/2022/C9.htm>

<https://www.sbp.org.pk/smefd/circulars/2022/C10.htm>

Taxation Updates

8. EXEMPTION OF ADDITIONAL CUSTOM DUTY ON IMPORT OF EDIBLE PALM OIL, FOR SHIPMENTS ORIGINATING FROM ALL SOURCES EXCEPT INDONESIA - AMENDMENT IN S.R.O 845(I)/2021 DATED 30.06.2021

Federal Board of Revenue (FBR) vide their S.R.O. 805(I)/2022 dated June 20, 2022 made amendment in its S.R.O 845(I)/2021 dated 30.06.2021 by exempting additional custom duty on import of edible palm oil, for shipments originating from all sources except Indonesia, for the period commencing on the 10th June, 2022 and ending on the 30th June, 2022.

FBR amended its earlier S.R.O 845(I)/2021 dated 30.06.2021, by inserting a new clause (xviii) after clause (xviii) in paragraph 3 of the aforementioned SRO, as under:-

"(xviii) import of edible palm oil falling under PCT codes 1511.1000, 1511.9010, 1511.9020 and 1511.9030, for shipments originating from all sources except Indonesia, for the period commencing on the 10th June, 2022 and ending on the 30th June, 2022".

For further details, please visit the following link:-

<https://download1.fbr.gov.pk/SROs/2022621116151518SRO805-2022.pdf>

9. LEVY OF REGULATORY DUTY ON PETROL

FBR vide their S.R.O. 806(I)/2022 dated June 20, 2022 levied regulatory duty at a rate of ten per cent on import of motor spirit (Petrol) under PCT code 2710.1210.

The regulatory duty is levied with the stipulation that the regulatory duty shall not be levied on cargoes for which LCs had already been opened or were at high seas. The imports of motor spirit (Petrol) where customs duty at a rate of ten per cent is paid shall be exempted from the levy of regulatory duty.

This Notification shall remain in force till the 30th day of June, 2022.

For further details, please visit the following link:-

<https://download1.fbr.gov.pk/SROs/2022621116837291SRO806-2022.pdf>

International Updates

10. IFAC SEEKS FEEDBACK ON DIGITAL PLATFORM, E-INTERNATIONAL STANDARDS (eIS)

The International Federation of Accountants (IFAC) sought user feedback via a brief survey that will help shape phase two of its digital platform, e-International Standards (eIS). The anonymous survey allowed users to rank which features they would like to see in future updates to the platform, and even includes a space to suggest ideas.

According to IFAC, eIS has provided over 30,000 stakeholders digital access to standards and resources developed by the International Auditing and Assurance Standards Board (IAASB), the International Ethics Standards Board for Accountants (IESBA), and the International Public Sector Accounting Standards Board (IPSASB).

IFAC intends to consistently evolve the platform to meet user needs and will take into consideration all survey responses when moving forward with the product. The survey closes on August 31, 2022.

Worthy Members can access the survey through the following link:-

<http://ifac.eis.alchemer.com/s3/>

The e-International Standards platform can be accessed through the following link:-

<https://eis.international-standards.org/>

For further details, please visit the following link:-

<https://www.ifac.org/news-events/2022-07/ifac-seeks-feedback-digital-platform-e-international-standards-eis>

11. NEW IMPLEMENTATION GUIDE AVAILABLE FOR IDENTIFYING AND ASSESSING THE RISKS OF MATERIAL MISSTATEMENT IN AN AUDIT OF FINANCIAL STATEMENTS

The International Auditing and Assurance Standards Board (IAASB) released its First-Time Implementation Guide for ISA 315 (Revised 2019), Identifying and Assessing the Risks of Material Misstatement. The guide focuses on the more substantial changes that were made to International Standard on Auditing (ISA) 315 (Revised 2019) and will help stakeholders understand and apply the revised standard as intended.

The Guide can be accessed through the following link:-

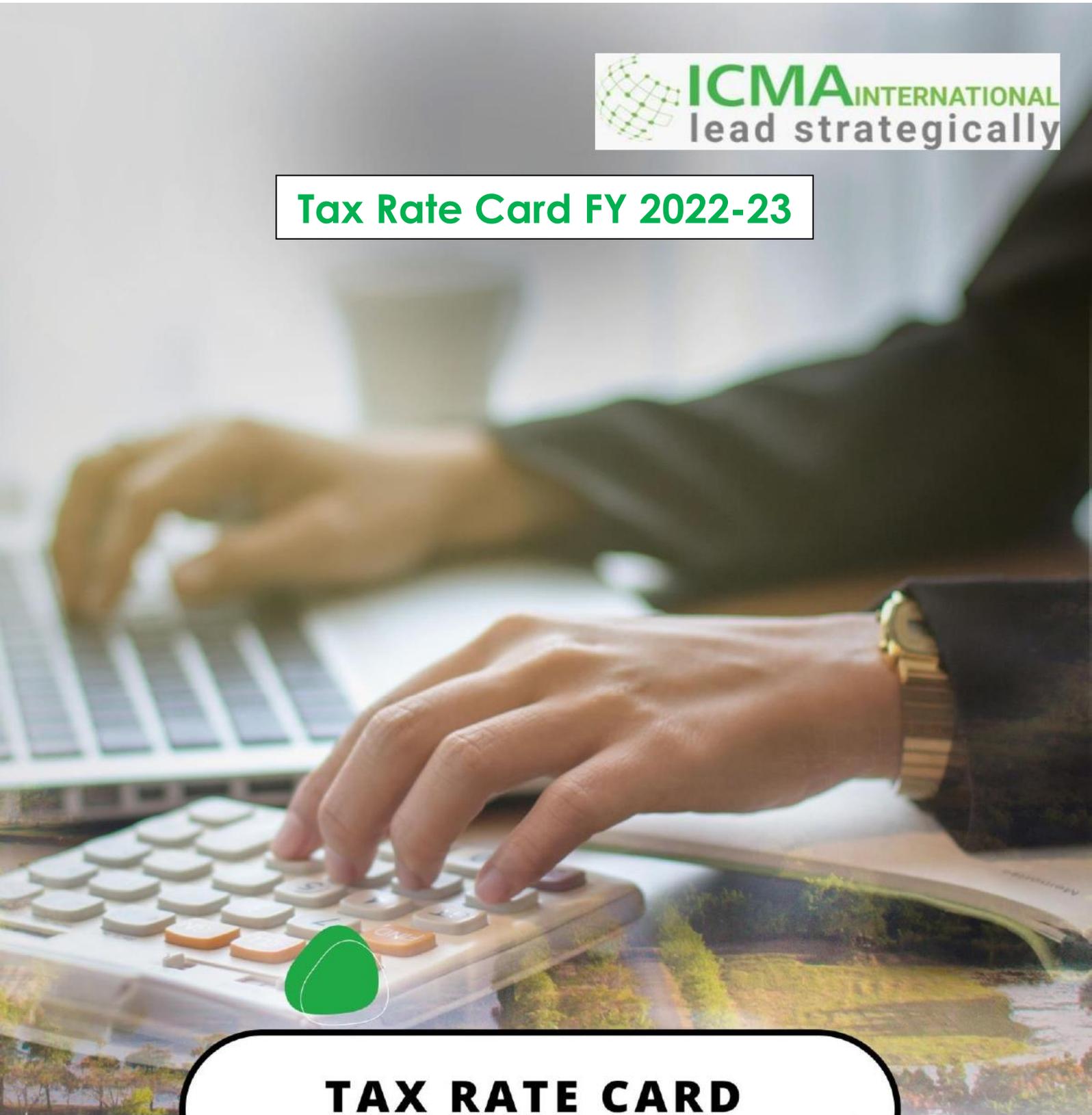
<https://www.iaasb.org/publications/isa-315-first-time-implementation-guide>

ISA 315 (Revised 2019) is effective for audits of financial statements for periods beginning on or after December 15, 2021. This publication does not amend or override ISA 315 (Revised 2019), the text of which alone is authoritative. Reading this publication is not a substitute for reading the standard.

For further details, please visit the following link:-

<https://www.iaasb.org/news-events/2022-07/new-implementation-guide-available-identifying-and-assessing-risks-material-misstatement-audit>

Tax Rate Card FY 2022-23



**TAX RATE CARD
FY2022-23**

Tax Rates for Salaried persons (First Schedule, Part-I, Division-I)		
S#	Taxable Income	Rate of Tax
1	Up to Rs 600,000	0%
2	Rs. 600,001 to Rs. 1,200,000	2.5% of the amount exceeding Rs. 600,000
3	Rs 1,200,001 to Rs 2,400,000	Rs 15,000 + 12.5% of the amount exceeding Rs 1,200,000
4	Rs 2,400,001 to Rs 3,600,000	Rs 165,000 + 20% of the amount exceeding Rs 2,400,000
5	Rs 3,600,001 to Rs 6,000,000	Rs 405,000 + 25% of the amount exceeding Rs 3,600,000
6	Rs 6,000,001 to Rs 12,000,000	Rs 1,005,000 + 32.5% of the amount exceeding Rs6,000,000
7	Above Rs 12,000,000	Rs 2,955,000 + 35% of the amount exceeding Rs12,000,000

Tax Rates for AOPs and Non-salaried persons (First Schedule, Part-I, Division-I)		
S#	Taxable Income	Rate of Tax
1	Up to Rs 600,000	0%
2	Rs 600,001 Rs 800,000	5% of the amount exceeding Rs 600,000
3	Rs 800,001 Rs 1,200,000	Rs 10,000 + 12.5% of the amount exceeding Rs 800,000
4	Rs 1,200,001 Rs 2,400,000	Rs 60,000 + 17.5% of the amount exceeding Rs 1,200,000
5	Rs 2,400,001 Rs 3,000,000	Rs 270,000 + 22.5% of amount exceeding Rs 2,400,000
6	Rs 3,000,001 Rs 4,000,000	Rs 405,000 + 27.5% of the amount exceeding Rs3,000,000
7	Rs 4,000,001 Rs 6,000,000	Rs 680,000 + 32.5% of the amount exceeding Rs4,000,000
8	More than Rs 6,000,000	Rs 1,330,000 + 35% of the amount exceeding Rs6,000,000

Rates of Tax for Companies (First Schedule, Part-I, Division-II)	
Small Company	20%
Banking Company	39%
All other Companies	29%

Rate of Super Tax (First Schedule, Part-I, Division-IIA)	
Banking Company	4%
Other persons	0%

Super Tax on high earning persons (Section 4C, First Schedule, Part-I, Division-IIA)		
S#	Taxable Income	Rate of Tax
1	Where income does not exceed Rs.150 million	0% of the Income
2	Where income exceeds Rs. 150 million but does not exceed Rs. 200 million	1% of the Income
3	Where income exceeds Rs. 200 million but does not exceed Rs. 250 million	2% of the Income
4	Where income exceeds Rs. 250 million but does not exceed Rs. 300 million	3% of the Income
5	Where income exceeds Rs. 250 million but does not exceed Rs. 300 million	4% of the Income
6	Where the income exceeds Rs. 300 million:	
	a) For persons engaged, whether partly or wholly, in the business of airlines, automobiles, beverages, cement, chemicals, cigarette and tobacco, fertilizer, iron and steel, LNG terminal, oil marketing, oil refining, petroleum and gas exploration and production, pharmaceuticals, sugar and textiles	10% of the Income for Tax Year 2022
	b) In case of banking companies	10% of the Income for Tax Year 2023

Rate of Dividend Tax (Section 5, First Schedule, Part-I, Division-III)	
Description	Rate
Received from IPPs	7.5%
Received from Mutual Funds & Others	15%
Received from Companies	25%

Moreover, 0% in case of dividend received by a REIT scheme from Special Purpose Vehicle and 35% in case of dividend received by others from Special Purpose Vehicle as defined under the Real Estate Investment Trust Regulations, 2015

Rate of Tax on Profit on Debt (Section 7B, First Schedule, Part-I, Division-III A)	
Description	Rate
Imposed under section 7B (upto Rs 5 million)	15%

Rate of Tax on Return on investment in sukus received from special purpose vehicle(Section 5AA, First Schedule, Part-I, Division-III B)	
Description	Rate
In case of a company	25%
In case of an individual or AOP when profit is more than 1 million	12.5%
In case of an individual or AOP when profit is less than 1 million	10%

Rate of Tax on Certain Payments to Non-Residents (Section 6, First Schedule, Part-I, Division-IV)	
Description	Rate
In case of Royalty or Fee for Technical Services	15% of the gross amount
In any other case	10% of the gross amount

Rate of Tax on Shipping or Air Transport Income of a Non-resident Person (Section 7, First Schedule, Part-I, Division-V)	
Description	Rate
In case of Shipping Companies	8% of the gross amount received or receivable
In case of air transport income	3% of the gross amount received or receivable

Rate of Tax on Capital Gains on disposal of Securities (Section 37A, First Schedule, Part-I, Division-VII)		
S#	Description	Rate
1	Where the holding period does not exceed one year	15%
2	Where the holding period exceeds one year but does not exceed two years	12.5%
3	Where the holding period exceeds two years but does not exceed three years	10%
4	Where the holding period exceeds three years but does not exceed four years	7.5%
5	Where the holding period exceeds four years but does not exceed five years	5%
6	Where the holding period exceeds five years but does not exceed six years	2.5%
7	Where the holding period exceeds six years	0%
8	Future Commodity contracts entered into by members of Pakistan Mercantile Exchange	5%

Provided that for securities except at S. No. 8 of the table,-
 (i) the reduced rates of tax on capital gain arising on disposal shall apply where the securities are acquired on or after the first day of July, 2022; and
 (ii) the rate of 12.5% tax shall be charged on capital gain arising on disposal where the securities are acquired on or before the 30th day of June, 2022 irrespective of holding period of such securities:
 Provided further that the rate for companies in respect of debt securities shall be as specified in Division II of Part I of the First Schedule:
 Provided further that a mutual fund or a collective investment scheme or a REIT scheme shall deduct Capital Gains Tax at the rates as specified below, on redemption of securities as prescribed namely:—

Category	Rate
Individual and association of persons	10% for stock funds, 10% for other funds
Company	10% for stock funds, 25% for other funds

Provided further that in case of a stock fund if dividend receipts of the fund are less than capital gains, the rate of tax deduction shall be 12.5%: Provided further that no capital gains tax shall be deducted, if the holding period of the security is more than six years.

Rate of Tax on Capital Gains on disposal of Immoveable Property (Section 37(1A), First Schedule, Part-I, Division-VIII)				
S#	Holding Period	Rate of Tax		
		Open Plots	Constr. Property	Flats
1	Where the holding period does not exceed one year	15%	15%	15%
2	Where the holding period exceeds one year but does not exceed two years	12.5%	10%	7.5%
3	Where the holding period exceeds two years but does not exceed three years	10%	7.5%	0
4	Where the holding period exceeds three years but does not exceed four years	7.5%	5%	-
5	Where the holding period exceeds four years but does not exceed five years	5%	0	-
6	Where the holding period exceeds five years but does not exceed six years	2.5%	-	-
7	Where the holding period exceeds six years	0%	-	-

Rate of Tax on deemed Income (Section 7E, First Schedule, Part-I, Division-VIIIC)	
Description	Rate
Rate of Tax on deemed Income	20%

Minimum Turnover Tax (Section 113, First Schedule, Part-I, Division-IX)	
Person(s)	Rate
SSGPL and SNGPL (for cases where annual turnover exceeds rupees one billion), PIA, Poultry	0.75%
Oil Refineries, Motorcycle Dealers registered under Sales Tax Act, 1990, Oil Marketing Companies	0.5%
Distributors of Pharmaceutical products, FMCG & Cigarettes, Petroleum Agents, Rice mills, Flour mills dealers, Persons engaged in sale/purchase of used vehicles, Tier-I FMCG retailers integrated with FBR	0.25%
In all other cases	1.25%

Rate of Advance Tax at Import Stage (Section-148, First Schedule, Part-II)	
Person(s)	Rate
Persons importing goods classified in Part I of Twelfth Schedule	1%
Persons importing goods classified in Part II of Twelfth Schedule	2%
Persons importing goods classified in Part II of Twelfth Schedule in case of commercial importer	3.5%
Persons importing goods classified in Part III of Twelfth Schedule	5.5%
Manufacturers covered under S.R.O. 1125(I)/2011	1%
Pharmaceutical Imported Finished Goods	4%
Importers of CKD kits of electric vehicles for small cars or SUVs with 50kwh or below and LCVs with 15 or below	1%

Rate of Advance Tax on Value of Import of Mobile Phones (Section-148, First Schedule, Part-II)		
C & F Value of mobile phone (in US Dollar)	In CBU	CKD/SKD
Up to 30 except smart phones	70	0
Exceeding 30 and up to 100 and smart phones up to 100	100	0
Exceeding 100 and up to 200	930	0
Exceeding 200 and up to 300	970	0
Exceeding 350 and up to 500	5,000	3,000
Exceeding 500	11,500	5,200

Advance Tax on Sale of Goods (Section 152, First Schedule, Part III, Division II)	
Description	Rate
Execution of a contract or sub-contract, Assembly or installation project including supply of supervisory activities, any other contract for construction or services, contract for advertisement services rendered by TV Satellite Channels	7%
Insurance Premium/ Re-insurance Premium	5%
Advertisement Services (relaying from outside Pakistan)	10%
Banking Company maintaining Special Convertible Rupee Account (SCRA) of a non-resident company having no permanent establishment in Pakistan	10%
Others mentioned in sub-section (2)	20%
Sale of Goods (Except where the sale is made by the importer of goods and tax under section 148 in respect of such goods):	
a) In case of a company	4%
b) Other cases	4.5%
In case of rendering services: Transport, Freight Forwarding, Air Cargo, Courier, Manpower, Outsourcing, Hotel, Security Guard Services, Software Development, IT and IT Enabled services, Tracking, Other Advertisement Services, Share Registrar, Engineering, Warehouse, Car Rental, Asset Management Services, Data Services under license issued by PTA, Training, Telecom Infrastructure (Tower), Building maintenance, Inspection, Certification, Testing & training, Oilfield	3%
In cases other than above mentioned services:	
a) In case of company	8%
b) Other Cases	10%
In cases other than sales of goods or rendering of services:	
a) In case of sportspersons	10%
b) In any other case	7%

Advance Tax on Sale of Goods (Section 153, First Schedule, Part III, Division III)	
Description	Rate
Rice, Cotton seed oil, edible oils	1.5%
By Company	4%
By Individual and AOP	4.5%
In case where payments against sale of goods (including toll manufacturing) is Rs 75,000/- or above in aggregate in a financial year	

Advance Tax on Services (Section 153, First Schedule, Part III, Division III)	
Description	Rate
By Company	8%
By Individual and AOP	10%
Advertisement Services (Electronic/ Print Media)	1.5%
Transport, Freight Forwarding, Air Cargo, Courier, Manpower Outsourcing, Hotel, Security Guard Services, Software Development, IT and IT Enabled services, Tracking, Other Advertisement Services, Share Registrar, Engineering, Warehouse, Car Rental, Asset Management Services, Data Services under license issued by PTA, Training, Telecom Infrastructure (Tower), Building maintenance, Inspection, Certification, Testing & training, Oilfield, Telecommunication, collateral Management Services, Travel & Tour, Services rendered by National Clearing Company of Pakistan Limited	3%
In cases where payments against rendering or providing services is Rs 30,000/- or above in aggregate in a financial year	

Advance Tax on Execution of a Contract (Section 153, First Schedule, Part III, Division III)	
In case of sportspersons	10%
In case of Company	6.5%
In any other case	7%

Advance Tax on Exports of Services (Section 154A, First Schedule, Part III, Division IVA)	
Types of Receipts	Rate
Export proceeds of Computer software or IT services or IT Enabled services by persons registered with Pakistan Software Export Board	0.25% of proceeds
Any other case	1% of proceeds

Rate of Tax on Income from Property (Section 155, First Schedule, Part-III, Division-V)		
S#	Taxable Income	Rate of Tax
1	Up to Rs 300,000	0%
2	Rs 300,001 to Rs 600,000	5% of the amount exceeding Rs300,000
3	Rs 600,001 to Rs 2,000,000	Rs 15,000 + 10% of the amount exceeding Rs 600,000
4	More than Rs 2,000,000	Rs 155,000 + 25% of the amount exceeding Rs 2,000,000
In case of companies, Tax Rate for rent of immovable property is 15% of gross rent		

Advance Tax on Prizes and Winnings (Section 156, First Schedule, Part III, Division VI)	
Description	Rate
On Prize Bonds	15%
On Winning from raffle, lottery, prize on winning quiz or prize offered by a company for promotion of sale	20%

Advance Tax on Brokerage and Commission (Section 233, First Schedule, Part IV, Division II)	
Persons	Rate
Advertisement Agents	10%
Life Insurance Agents less than Rs 0.5M	8%
Others	12%

Advance Tax on Motor Vehicle (Section 234, First Schedule, Part IV, Division IIA)		
Capacity	Rs. per seatper annum Non-Air Conditioned	Rs. per seat per annum Air Conditioned
4 or more persons but less than 10 persons	500	1000
10 or more persons but less than 20 persons	1500	2000
20 persons or more	2500	4000

Rate of Collection of Advance Tax on Electricity Consumption (First Schedule, Part IV, Division IV)	
Gross Amount of Bill	Rate
For Commercial & Industrial Consumers	
Up to Rs 500	Rs 0
Exceeds Rs 500 but does not exceed Rs 20,000	10% of the amount
Exceeds Rs 20,000	Rs 1950 plus 12% of the amount exceeding Rs 20,000 for commercial consumers & Rs 1950 plus 5% of the amount exceeding Rs 20,000 for Industrial consumers
For Domestic Consumers	
Less than Rs 25,000	0%
Exceeds Rs 25,000	7.5% of the amount

Additional Advance Tax on Electricity Consumption (Section 235, First Schedule, Part-IV, Division-IV)	
Taxable Income	Rate of Tax
Where the amount does not exceed Rs. 30,000	Rs.3,000
Where the amount exceeds Rs. 30,000 but does not exceed Rs.50,000	Rs.5,000
Where the amount exceeds Rs. 50,000 but does not exceed Rs.100,000	Rs.10,000
Retailers and service providers as notified by the Board in the income tax general order	Up to Rs.200,000
To be deducted from professionals (accountants, lawyers, doctors, dentists, health professionals, engineers, architects, IT, tutors, trainers and other persons engaged in provision of services) not appearing on ATL and operating from residential premises having domestic electric connections	

Advance Tax on Purchase, Registration and Transfer of Motor Vehicles (Section 231B, First Schedule, Part IV, Division VII)			
Under sub-section (1) & (3)		Under sub-section (2)	
Engine Capacity	Rate	Engine Capacity	Rate
Up to 850cc	Rs 10,000	Up to 850cc	-
851cc to 1000cc	Rs 20,000	851cc to 1000cc	Rs 5,000
1001cc to 1300cc	Rs 25,000	1001cc to 1300cc	Rs 7,500
1301cc to 1600cc	Rs 50,000	1301cc to 1600cc	Rs 12,500
1601cc to 1800cc	Rs 150,000	1601cc to 1800cc	Rs 18,750
1801cc to 2000cc	Rs 200,000	1801cc to 2000cc	Rs 25,000
2001cc to 2500cc	Rs 300,000	2001cc to 2500cc	Rs 37,500
2501cc to 3000cc	Rs 400,000	2501cc to 3000cc	Rs 50,000
Above 3000cc	Rs 500,000	Above 3000cc	Rs 62,500
Provided that in cases where engine capacity is not applicable and the value of vehicle is Rupees five million or more, the rate of tax collectible shall be 3% of the import value as increased by customs duty, sales tax and federal excise duty in case of imported vehicles or invoice value in case of locally manufactured or assembled vehicles.		Provided that in cases where engine capacity is not applicable and the value of vehicle is Rupees five million or more, the rate of tax collectible shall be Rupees twenty thousand: Provided further that the rate of tax to be collected under this clause shall be reduced by ten percent each year from the date of first registration in Pakistan.	

Advance Tax on Sale or Transfer of Immovable Property (First Schedule, Part-IV)	
Advance Tax on Sale or Transfer of Immovable Property (Section 236C)	2%
Advance Tax on Purchase of Immovable Property (Section 236K, Division XVIII)	2%

Advance Tax on TV Plays and advertisements (Section 236 CA, First Schedule, Part-IV, Division XA)	
Description	Rate
Foreign-produced TV drama serial or play	Rs 1,000,000 per episode
Foreign-produced TV play (Single Episode)	Rs 3,000,000
Advertisement starring foreign Actor	Rs 100,000 per second

Advance tax on amount remitted abroad through credit, debit or prepaid cards (Section 236Y, First Schedule, Part-IV, Division XXVII)	
Advance tax on amount remitted abroad through credit, debit or prepaid cards	1%

Disclaimer:

The Technical Support and Practice Development (TSPD) Directorate of ICMA International is pleased to present the Tax Rate Card for Tax Year 2022-23 for the benefit of members and other stakeholders and we hope these will be beneficial for the readers.

Although every care has been taken in its preparation in the light of Finance Act, 2022, 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. Readers are requested to refer to the relevant laws to find the exact interpretation of law.

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