

'We are all so deeply interconnected; we have no option but to love all. Be kind and do good for any one and that will be reflected. The ripples of the kind heart are the highest blessings of the universe.'

Amit Ray

**From the desk of President ICMA  
& Chairman TSPD Committee**



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I am pleased to present the Monthly Technical Updates for the month of August 2023, highlighting news from economy, Corporate Sector, Taxation; updates from the stock market/ foreign exchange; and a glimpse of TSPD activities held during the month. I believe that members will find it informative and helpful in discharging their professional assignments/ responsibilities.

Moreover, Worthy Members are requested to frequently visit the website of the Institute to keep themselves abreast with the latest developments in the AML/ CFT regime. I also want to request all members to share their valuable suggestions for further improvement in the Monthly Technical Update and identify topics of technical interest, which the Committee may consider for arranging seminars, workshops and training programs beneficial for the practicing members in terms of their capacity building and value addition. Worthy members are requested to share their valuable suggestions at [tspd@icmap.com.pk](mailto:tspd@icmap.com.pk) for further improvement in the document and identify topics of technical interest.

**Shehzad Ahmed Malik, FCMA**  
President ICMA

For suggestions please contact:

**Technical Support & Practice  
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### Committee Activities

#### MOU Signing Ceremony Between ICMA Pakistan & SECP

Mr. Shehzad Ahmed Malik, President ICMA International signed an MoU with the Securities and Exchange Commission of Pakistan (SECP). The MOU Signing Ceremony was held on August 25, 2023 at the SECP Office, NICL Building, Islamabad. Mr. Shehzad Ahmed Malik (President of ICMA International) and Mr. Akif Saeed (Chairman SECP) signed the MOU.

This strategic collaboration is poised to create opportunities for ICMA members, students, and the financial industry as a whole which includes;

- SECP, to become an authorized employer for ICMA students/ members, offering 1-year training opportunities.
- The SECP and ICMA Pakistan will jointly work on research and training opportunities, enriching ICMA's members' and students' skill sets and knowledge base.
- SECP is now ICMA Pakistan's premier corporate partner, fostering a stronger bond for a brighter future.



# MONTHLY TECHNICAL UPDATES

## ON ACCOUNTING, TAXATION & LAWS

### Webinar on “Establishing CMA firm and combating associated challenges”

Technical Support and Practice Development (TSPD) Committee, in collaboration with the Islamabad Branch Council (IBC) organized a Webinar on “Establishing CMA firm and combating associated challenges on Friday, August 18, 2023 for the awareness of members, students, professionals and other stakeholders through ZOOM. Mr. Mazhar Saleem Shah, FCMA, Vice Chairman Karachi Branch Council & Managing Partner Maavins Solutions was the speaker at the event.

Mr. Ather Saleem Ch., FCMA, Vice President ICMA graced the event with his presence as Guest of Honour. He thanked the speaker and the participants in his vote of thanks. A large number of participants attended the event and benefitted from the in-depth presentation of eminent speaker.



### Submission of Annual Return Form-A

Under section 6A(2) of the Anti – Money Laundering Act, 2010 (AML Act, 2010); the Institute of Cost and Management Accountants of Pakistan (ICMA International) is authorized to monitor and supervise the firms with regards to the compliance of the AML Act, 2010 and the AML / CFT Regulations issued by ICMA.

In this respect, all practicing members/ firms are directed to submit Form ‘A’ as early as possible.

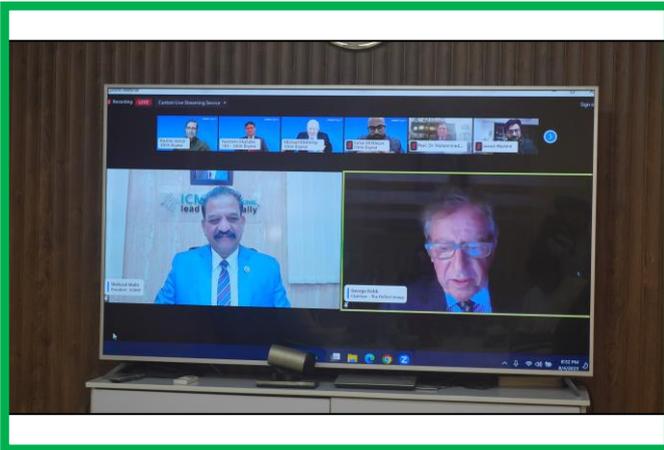
The aforementioned forms should be submitted through the online AML Portal which is accessible from the members’ secured login area as well as through the following link:-

[http://www.icmainternational.com.pk/login.aspx?page=Surveys/Form\\_A.aspx](http://www.icmainternational.com.pk/login.aspx?page=Surveys/Form_A.aspx)

Please note that the information is required under the AML Act, 2010 and the non – compliance will be subject to actions under the relevant AML / CFT Legislations.

# MONTHLY TECHNICAL UPDATES ON ACCOUNTING, TAXATION & LAWS

## Virtual Inauguration of ICMA Digital Academy



# MONTHLY TECHNICAL UPDATES ON ACCOUNTING, TAXATION & LAWS

## President's Meeting with the Rector National University of Modern Languages (NUML)



# MONTHLY TECHNICAL UPDATES

## ON ACCOUNTING, TAXATION & LAWS

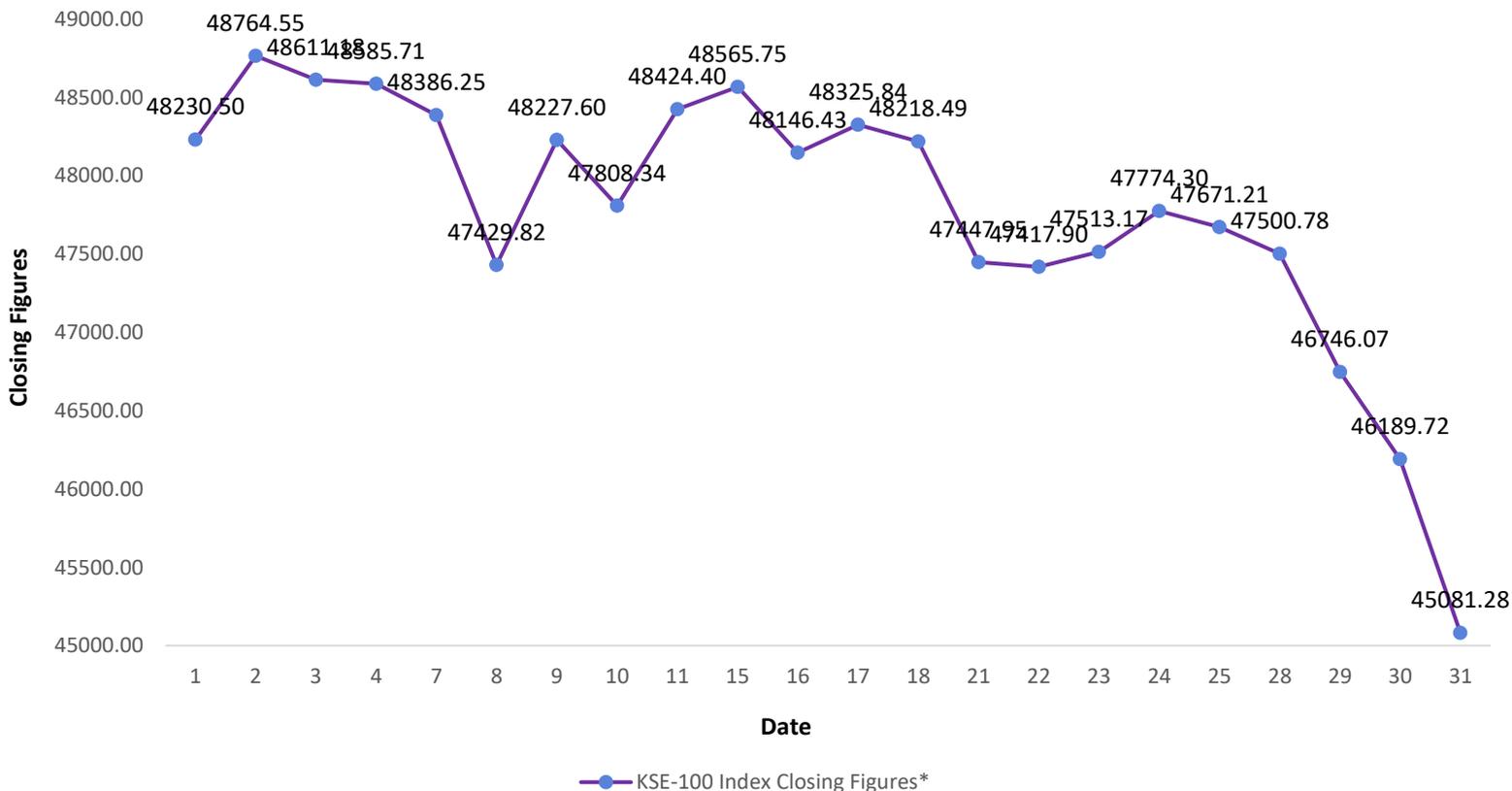
### Pakistan Stock Market

#### Pakistan Stock Market - KSE-100 Index Fluctuations during August 2023

Date	KSE-100 Index Closing Figures*	Date	KSE-100 Index Closing Figures*	Date	KSE-100 Index Closing Figures*
1	48,230.50	10	47,808.34	22	47,417.90
2	48,764.55	11	48,424.40	23	47,513.17
3	48,611.18	15	48,565.75	24	47,774.30
4	48,585.71	16	48,146.43	25	47,671.21
7	48,386.25	17	48,325.84	28	47,500.78
8	47,429.82	18	48,218.49	29	46,746.07
9	48,227.60	21	47,447.95	30	46,189.72
				31	45,081.28

\*As published in Daily Dawn

#### KSE-100 INDEX CLOSING FIGURES



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# MONTHLY TECHNICAL UPDATES

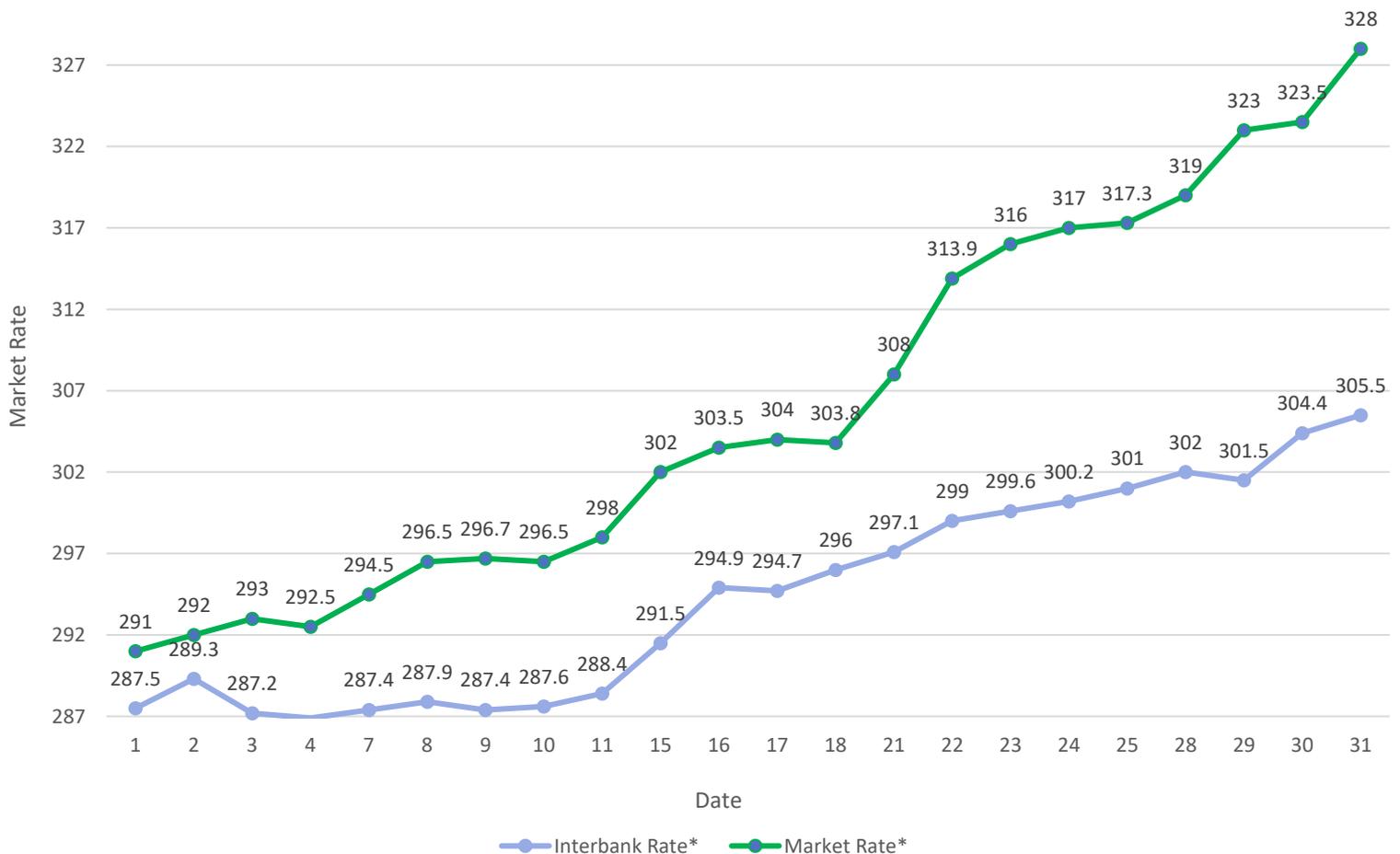
## ON ACCOUNTING, TAXATION & LAWS

### Rupee-Dollar Parity

Date	Interbank Rate*	Market Rate*	Date	Interbank Rate*	Market Rate*	Date	Interbank Rate*	Market Rate*
1	287.5	291.0	10	287.6	296.5	22	299.0	313.9
2	289.3	292.0	11	288.4	298.0	23	299.6	316.0
3	287.2	293.0	15	291.5	302.0	24	300.2	317.0
4	286.9	292.5	16	294.9	303.5	25	301.0	317.3
7	287.4	294.5	17	294.7	304.0	28	302.0	319.0
8	287.9	296.5	18	296.0	303.8	29	301.5	323.0
9	287.4	296.7	21	297.1	308.0	30	304.4	323.5
						31	305.5	328.0

\*forex.pk

### Rupee-Dollar Parity During August 2023



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# MONTHLY TECHNICAL UPDATES

## ON ACCOUNTING, TAXATION & LAWS

### Corporate Updates

#### 1. ELECTRONIC TRANSMISSION OF ANNUAL AND QUARTERLY FINANCIAL STATEMENTS OF LISTED COMPANIES TO THE COMMISSION AND REGISTRAR OF COMPANIES

Securities and Exchange Commission of Pakistan (SECP) vide their Circular No 11 of 2023 dated August 11, 2023 directed the listed companies to file annual and quarterly financial statements together with the reports as required to be submitted under the applicable provision of the Companies Act, 2017 (the Act), through eService of SECP within the stipulated time under the Act.

According to the SECP, the said filing shall be considered as compliance of the provisions of sub-section (7) of Section 223 and Sub-section (2) of Section 237 of the Act with respect to dispatch/ transmission of the financial statements to the Commission and Registrar.

For further details, please visit the following link:

<https://www.secp.gov.pk/document/circular-11-of-2023-electronic-transmission-of-annual-and-quarterly-financial-statements-of-listed-companies-to-the-commission-and-registrar-of-companies/?wpdmdl=48850&refresh=64d720ec8c1861691820268>

#### 2. SECP AMENDS REGULATIONS RELATED TO THE CAPITAL MARKET INFRASTRUCTURE INSTITUTIONS (CMIIS)

SECP vide their SROs 1062(I)/2023, 1063(I)/2023, 1064(I)/2023 & 1065(I)/2023 amended following Regulations, in order to promote best governance practices and maintain focus on core operations, has introduced maximum terms limits for the Chief Executive Officers and Independent Directors to serve in the CMIIs encompassing the Pakistan Stock Exchange (PSX), National Clearing Company of Pakistan Limited (NCCPL), Central Depository Company (CDC), and Pakistan Mercantile Exchange (PMEX).

SECP amended the Securities Exchanges (Licensing and Operations) Regulations, 2016; the Futures Exchanges (Licensing and Operations) Regulations 2017; the Central Depositories (Licensing and Operations) Regulations 2016 and the Clearing Houses (Licensing and Operations) Regulations, 2016.

Under the revised regulations, the appointment of the chief executive officer shall be made for a period of three years, which may be renewed for one more term of three years, with the prior approval of the Commission: Provided that a person may be appointed for third and final term of three years, based on exceptional performance that is substantiated by the board of directors through a rigorous review, subject to following a competitive hiring process and final review and approval by the Commission.

Moreover, the tenure limits for independent directors have been capped at maximum three terms across all CMIIs. Further, no individual shall serve as independent director on the board of the same CMII for more than two terms.

For further details, please visit the following link:

<https://www.secp.gov.pk/document/s-r-o-1062i-2023-amendments-in-securities-exchanges-licensing-operations-regulations2016/?wpdmdl=48839&refresh=64d720611553b1691820129>

<https://www.secp.gov.pk/document/s-r-o-1063i-2023-amendments-to-the-future-exchanges-licensing-operations-regulations2017/?wpdmdl=48841&refresh=64d72061146a21691820129>

<https://www.secp.gov.pk/document/s-r-o-1064i-2023-amendments-in-central-depository-licensing-operations-regulations2016/?wpdmdl=48849&refresh=64d72061129091691820129>

<https://www.secp.gov.pk/document/s-r-o-1065i-2023-amendments-in-clearing-houses-licensing-operations-regulations2016/?wpdmdl=48845&refresh=64d72061137ef1691820129>

### Taxation Updates

#### 3. S.R.O. 996(I)/2023 - TRACKING AND MONITORING OF CARGO RULES, 2023

Federal Board of Revenue (FBR) vide their S.R.O. 996(I)/2023 dated August 01, 2023 notified Tracking and Monitoring of Cargo Rules, 2023. The same were previously published vide S.R.O. 659(I)/2023 dated June 05, 2023. The rules shall apply to tracking and monitoring of the following types of cargo throughout the journey from the port of entry to the port of exit or from one warehouse to another, on real time basis, namely:-

- transit cargo under Chapter XXV and sub-chapter VII of Chapter XXI of the Customs Rules, 2001, or any other cargo entered for transit across the territory of Pakistan;
- petroleum, oil and lubricants (POL) products exported to Afghanistan under Chapter XXII of the Customs Rules, 2001;
- trans-shipment cargo under Chapter XIV and sub-chapter VIII of Chapter XXI of the Customs Rules, 2001;
- cargo imported into or exported from Export Processing Zones, Special Economic Zones or Free Zones; and
- any other cargo specified by the Board from time to time for tracking and monitoring under these rules.

According to the Rules, no company is allowed to engage in the tracking and monitoring of cargo unless it has obtained a license under these rules. Furthermore, license holders are strictly prohibited from establishing, maintaining, or operating any telecommunication system or providing any telecommunication service that is not authorized under the license issued by the Pakistan Telecommunication Authority (PTA), as established under the Pakistan Telecommunication (Re-organization) Act, 1996.

The licensing committee, responsible for overseeing the implementation of these rules, will operate in accordance with the provisions outlined. The convener of the licensing committee is the Director of Transit Trade (HQs) based in Karachi, and its headquarters will be located in the Directorate General of Transit Trade, Karachi. The Director of Transit Trade (HQs), Karachi, will provide the necessary secretarial and administrative support required for the functioning of the licensing committee. The committee will devise procedures aligned with the rules to ensure its effective operation.

For further details, please visit the following link:

[https://download1.fbr.gov.pk/SROs/2023821085015504SRO996\(I\)2023dated01.08.2023\(TrackingandMonitoringRules\).pdf](https://download1.fbr.gov.pk/SROs/2023821085015504SRO996(I)2023dated01.08.2023(TrackingandMonitoringRules).pdf)

### International Updates

#### 4. IAASB LAUNCHES PUBLIC CONSULTATION ON LANDMARK PROPOSED GLOBAL SUSTAINABILITY ASSURANCE STANDARD

The International Auditing and Assurance Standards Board (IAASB) notified proposed International Standard on Sustainability Assurance (ISSA) 5000 “General Requirements for Sustainability Assurance Engagements”.

The proposed standard focuses on assurance on sustainability reporting which is a crucial step in enhancing confidence and trust in sustainability reporting.

ISSA 5000 is a principles-based, overarching standard suitable for both limited and reasonable assurance engagements on sustainability information reported across any sustainability topic. The IAASB drafted the standard to work with sustainability information prepared under any suitable reporting framework. These frameworks include the many reporting frameworks already in place and those under development, including but not limited to those issued by the European Union, the International Sustainability Standards Board, the Global Reporting Initiative, the International Organization for Standardization, and others. The standard is profession agnostic, supporting its use by both professional accountant and non-accountant assurance practitioners when performing high quality sustainability assurance engagements.

Proposed ISSA 5000 can be applied to:

- Information about all sustainability topics and aspects of topics

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# MONTHLY TECHNICAL UPDATES

## ON ACCOUNTING, TAXATION & LAWS

- Information prepared in accordance with any sustainability reporting framework, standard or other suitable criteria
- All sustainability information regardless of the mechanism for reporting the information
- Limited and reasonable assurance engagements

It can also be used by all assurance practitioners, as long as they comply with relevant ethical requirements and apply a system of quality management that are at least as rigorous as the International Code of Ethics for Professional Accountants (including International Independence Standards), published by the International Ethics Standards Board for Accountants, and the IAASB's suite of quality management standards.

The Exposure draft can be accessed through the following link:

<https://www.iaasb.org/publications/proposed-international-standard-sustainability-assurance-5000-general-requirements-sustainability>

For further details, please visit the following link:

<https://www.iaasb.org/>

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# MONTHLY TECHNICAL UPDATES

## ON ACCOUNTING, TAXATION & LAWS

### Tax rate Card FY 2023-24

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 + 22.5% of the amount exceeding Rs 2,400,000
5	Rs 3,600,001 to Rs 6,000,000	Rs 435,000 + 27.5% of the amount exceeding Rs 3,600,000
6	Above Rs 6,000,000	Rs 1,095,000 + 35% of the amount exceeding Rs 6,000,000

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 to Rs 800,000	7.5% of the amount exceeding Rs 600,000
3	Rs 800,001 to Rs 1,200,000	Rs 15,000 + 15% of the amount exceeding Rs 800,000
4	Rs 1,200,001 to Rs 2,400,000	Rs 75,000 + 20% of the amount exceeding Rs 1,200,000
5	Rs 2,400,001 to Rs 3,000,000	Rs 315,000 + 25% of amount exceeding Rs 2,400,000
6	Rs 3,000,001 to Rs 4,000,000	Rs 465,000 + 30% of the amount exceeding Rs 3,000,000
7	Above Rs 4,000,000	Rs 765,000 + 35% of the amount exceeding Rs 4,000,000

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-IIB)		
S#	Taxable Income	Rate of Tax For TY 23 & onward
1	Where income does not exceed Rs.150 M	0% of Income
2	Where income exceeds Rs. 150 M but does not exceed Rs. 200 M	1% of Income
3	Where income exceeds Rs. 200 M but does not exceed Rs. 250 M	2% of Income
4	Where income exceeds Rs. 250 M but does not exceed Rs. 300 M	3% of Income
5	Where income exceeds Rs. 300 M but does not exceed Rs. 350 M	4% of Income
6	Where income exceeds Rs. 350 M but does not exceed Rs. 400 M	6% of Income
7	Where income exceeds Rs. 400 M but does not exceed Rs. 500 M	8% of Income
8	Where income exceeds Rs. 500 M	10% of Income
Where the income exceeds Rs. 300 million in case of banking companies		10% of 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 REIT Regulations, 2015

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

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# MONTHLY TECHNICAL UPDATES

## ON ACCOUNTING, TAXATION & LAWS

### Rate of Tax on Return on investment in sukuks received from special purpose vehicle(Section 5AA, First Schedule, Part-I, Division-IIIB)

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 after the first day of July 2023; and
- (iii) The rate of 0% tax shall be charged on capital gain arising on disposal where the securities are acquired before the first day of July, 2013:

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.

Explanation.- For removal of doubt, it is clarified that, the provisions of this proviso shall be applicable only in case of a mutual fund or collective investment scheme or a REIT scheme.

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# MONTHLY TECHNICAL UPDATES

## ON ACCOUNTING, TAXATION & LAWS

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 1 year but does not exceed 2 years	12.5%	10%	7.5%
3	Where the holding period exceeds 2 years but does not exceed 3 years	10%	7.5%	0
4	Where the holding period exceeds 3 years but does not exceed 4 years	7.5%	5%	-
5	Where the holding period exceeds 4 years but does not exceed 5 years	5%	0	-
6	Where the holding period exceeds 5 years but does not exceed 6 years	2.5%	-	-
7	Where the holding period exceeds 6 years	0%	-	-

Rate of Tax on deemed Income (Section 7E, First Schedule, Part-I, Division-VIII)	
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 on person deriving income from the business of construction and disposal of buildings, development etc (Section-147, First Schedule, Part-II)			
Area in	Karachi, Lahore and Islamabad	Hyderabad, Sukkur, Multan, Faisalabad, Rawalpindi, Gujranwala, Sahiwal, Sialkot, Bahawalpur, Peshawar, Mardan, Abbottabad, Quetta	Urban Areas not specified in columns (2) and (3)
<b>TAX ON PERSONS FALLING UNDER SECTION 147(5C)(i) FOR COMMERCIAL BUILDINGS</b>			
Sq. Ft.	-	-	-
Any size	Rs.250 per Sq. ft.	Rs.230 per Sq. ft.	Rs.210 per Sq. ft.
<b>TAX ON PERSONS FALLING UNDER SECTION 147(5C)(i) FOR RESIDENTIAL BUILDINGS</b>			
upto 3000	Rs.80 per Sq. ft.	Rs.65 per Sq. ft.	Rs.50 per Sq. ft.
3000 & above	Rs.125 per Sq. ft.	Rs.110 per Sq. ft.	Rs.100 per Sq. ft.
<b>TAX ON PERSONS FALLING UNDER SECTION 147(5C)(ii)</b>			
Sq. Ft.	-	-	-
Any size	Rs.150 per Sq. yd.	Rs.130 per Sq. yd.	Rs.100 per Sq. yd.
<b>TAX ON PERSONS FALLING UNDER SECTION 147(5C)(ii) FOR DEVELOPMENT OF INDUSTRIAL AREA</b>			
Sq. Ft.	-	-	-
Any size	Rs.20 per Sq. yd.	Rs.20 per Sq. yd.	Rs.10 per Sq. yd.
Provided that in case of mixed use buildings having both commercial and residential areas, respective rates mentioned above shall apply:			
Provided further that in case of development of plots and constructing buildings on the same plots as one project, both rates shall apply.”;			

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# MONTHLY TECHNICAL UPDATES

## ON ACCOUNTING, TAXATION & LAWS

### Withholding Tax Rates for Tax Year 2023

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%
Persons importing goods classified in Part III of Twelfth Schedule, in case of a commercial importer	6%
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/SUVs with 50kwh/ below & LCVs with 15/ below	1%
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

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
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>		

Rate of Advance Tax on Salary (Section 149, 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 + 22.5% of the amount exceeding Rs 2,400,000
5	Rs 3,600,001 to Rs 6,000,000	Rs 435,000 + 27.5% of the amount exceeding Rs 3,600,000
6	Above Rs 6,000,000	Rs 1,095,000 + 35% of the amount exceeding Rs 6,000,000
<b>No change in Tax Rates in case person is not appearing on the Active Taxpayer's List (ATL)</b>		

Rate of Advance Tax on Dividends (Section-150, First Schedule, Part-III, Division-I)	
Person(s)	Rate
(a) Paid by Independent Power Purchasers (IPPs) where such dividend is a pass through item	7.5%
(b) Mutual funds, Real Estate Investment Trusts (REIT) and cases other than (a), (c) & (d)	15%
(c) Dividend received by a REIT scheme from Special Purpose Vehicle	0%
(c) Dividend received by others from Special Purpose Vehicle as defined under the REIT Regulations, 2015	35%
(d) From a company where no tax is payable by such company, due to exemption of income or carry forward of business losses under Part VIII Chapter III or claim of tax credits under Part X of Chapter III	25%
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

Profit on Debt (Section-151, First Schedule, Part-III, Division-IA & IB)	
Person(s)	Rate
Under Section 151	15%
Rate of Tax on return on investment in sukuks:	
In case of a company	25%
In case the sukuk-holder is an individual or an AOP, if the return on investment is more than 1 million	12.5%
In case the sukuk-holder is an individual and an AOP, if the return on investment is less than 1 million	10%
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

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# MONTHLY TECHNICAL UPDATES

## ON ACCOUNTING, TAXATION & LAWS

<b>Payments to non-residents (Section 152, First Schedule, Part III, Division II)</b>	
<b>Description</b>	<b>Rate</b>
Royalty or fees for technical services to a non-resident person (sub-section 1)	15%
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 (sub-section 1A)	7%
Insurance Premium/ Re-insurance Premium (sub-section 1AA)	5%
Advertisement Services (relaying from outside Pakistan) (sub-section 1AAA)	10%
Foreign produced commercial (sub-section 1BA)	20%
Fee for off-shore digital services (sub-section 1C)	10%
Capital gain arising on disposal of instruments & Government Securities on:	
Banking Company maintaining Special Convertible Rupee Account (SCRA) of a non-resident company having no permanent establishment in Pakistan (sub-section 1D)	10%
Banking Company maintaining Foreign Currency Value Account (FCVA)/non-resident Pakistani Rupee Value Account (NRVA) of a non-resident individual holding POC/NICOP/CNIC (sub-section 1DA)	
In case sukuk-holder is a company (sub-section 1DB)	25%
In case the sukuk-holder is an individual or an AOP, if the return on investment is more than 1M	12.5%
In case the sukuk-holder is an individual and an AOP, if the return on investment is less than 1M	10%
Others mentioned in sub-section (2)	20%

<b>Sale of Goods (Other case not covered above)</b>	
a) In case of a company	5%
b) Other cases	5.5%
In case of rendering services: (sub-section 2A(b)) 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	4%
In cases other than above mentioned services: (sub-section 2A(b))	
a) In case of company	9%
b) Other Cases	11%
In cases other than sales of goods or rendering of services: (sub-section 2A(c))	
a) In case of sportspersons	10%
b) In any other case	8%
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

<b>Payments for Goods, Services &amp; Contracts (Section 153, First Schedule, Part III, Division III)</b>	
<b>Description</b>	<b>Rate</b>
Rice, Cotton seed oil, edible oils (sub-section (1)(a))	1.5%
By Company (sub-section (1)(a))	5%
By Individual and AOP (sub-section (1)(a))	5.5%
In case of rendering services: (sub-section 1(b)) transport, freight forwarding, air cargo, courier, manpower outsourcing, Hotel, security guard, software development, IT and IT enabled as defined in section 2, tracking, advertising (other than by print or electronic media), share registrar, engineering including architectural, warehousing, rendered by asset management companies, data services provided under license issued by the PTA, telecommunication infrastructure (tower), car rental, building maintenance, services rendered by PSE and PMEL, inspection, certification, testing and training, oilfield, telecommunication, collateral management, travel and tour services, REIT management, rendered by National Clearing Company of Pakistan Limited	4%
<b>In cases other than above mentioned services: (sub-section 1(b))</b>	
a) In case of company	9%
b) Other Cases	11%
<b>In cases of execution of a contract: (sub-section 1(c))</b>	
a) In case of sportspersons	10%
b) In case of a company	7.5%
c) In any other case	8%
Services of dying, stitching etc. by exporters or export house (sub-section 2)	1%
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

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# MONTHLY TECHNICAL UPDATES

## ON ACCOUNTING, TAXATION & LAWS

### Exports of Services (Section 154 & 154A, First Schedule, Part III, Division IV & IVA)

Types of Receipts	Rate
Exports of Goods (Section 154(1))	1%
Export proceeds for tax years 2024 up to tax year 2026 of Computer software or IT services or IT Enabled services by persons registered with Pakistan Software Export Board (Section 154A)	0.25%
Any other case (Section 154A)	1%

### 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 <b>15% of gross rent</b>		
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>		

### 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%
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

### Sale of Petroleum Products (Section 156A, First Schedule, Part III, Division VIA)

Description	Rate
Sale of Petroleum Products to petrol pump operator	12%
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

### Cash Withdrawals from Bank (Section 231AB, First Schedule, Part IV)

Description	Rate for persons not appearing on ATL
Cash withdrawals exceeding Rs 50,000 per day on aggregate basis from a person whose name is not appearing in the active taxpayers' list	0.6%

### 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	6% of the value	2001cc to 2500cc	Rs 37,500
2501cc to 3000cc	8% of the value	2501cc to 3000cc	Rs 50,000
Above 3000cc	10% of the value	Above 3000cc	Rs 62,500
Provided that the value for the purpose of S. Nos. 7 to 9 of the above Table shall be in case of motor vehicle – (i) imported in Pakistan, the import value assessed by the Customs authorities as increased by customs duty, federal excise duty and sales tax payable at import stage; (ii) manufactured or assembled locally in Pakistan, the invoice value inclusive of all duties and taxes; or (iii) auctioned, the auction value inclusive of all duties and taxes:		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.	

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# MONTHLY TECHNICAL UPDATES

## ON ACCOUNTING, TAXATION & LAWS

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.	
<b>Under sub-section (2A)</b>	
Up to 1000CC	Rs 100,000
1001CC to 2000CC	Rs 200,000
2001CC and above	Rs 400,000
<b>200% increase in amount of Tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

Foreign Domestic Workers (Section 231C)	
Description	Rate
From the agency, sponsor or the person employing the services of such foreign national	Rs 200,000
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

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%
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

Tax on Motor Vehicle (Section 234, First Schedule, Part IV, Division IIA)		
Description	Rate	
Goods transport vehicles	Rs. 2.5/kg of laden weight	
Vehicles above 8,120 kg of laden weight	Rs 1,200 per annum	
Passenger Transport Vehicle plying for hire per seat		
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
Motor Vehicles (other than Passenger Transport Vehicle plying for hire) per engine capacity		
Engine Capacity	Rate	
Up to 1,000cc	Rs 800	
1,001cc to 1,199cc	Rs 1,500	
1,200cc to 1,299cc	Rs 1,750	
1,300cc to 1,499cc	Rs 2,500	
1,500cc to 1,599cc	Rs 3,750	
1,600cc to 1,999cc	Rs 4,500	
2,000cc and above	Rs 10,000	
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>		

Electricity Consumption (Section 235, 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

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# MONTHLY TECHNICAL UPDATES

## ON ACCOUNTING, TAXATION & LAWS

For Domestic Consumers	
Less than Rs 25,000	0%
Exceeds Rs 25,000	7.5% of the amount
For Retailers other than Tier-1 retailers	
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
<b>No change in Tax Rates in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

Telephone and Internet (Section 236, First Schedule, Part IV, Division V)	
Description	Rate
In the case of a telephone subscriber (other than mobile phone subscriber) where the amount of monthly bill exceeds Rs. 1,000	10% of the exceeding amount of bill
In the case of subscriber of internet, mobile telephone and pre-paid internet or telephone card	15% of the amount of bill or sales price of internet pre-paid card or prepaid telephone card or sale of units through any electronic medium or whatever form
<b>No change in Tax Rates in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

Sale by Auction (Section 236A, First Schedule, Part IV, Division VIII)	
Description	Rate
Any property or good other than immovable property	10% of Gross Sale Price
In case of Immovable property sold by auction and sale by auction of train management services by Pakistan Railways	5% of Gross Sale Price
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

Sale or Transfer of Immovable Property (Section 236C, First Schedule, Part-IV, Division X)	
On Sale or Transfer of Immovable Property	3%
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

TV Plays and advertisements (Section 236CA, 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 500,000 per second
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

Sales to Distributor, Dealer & Wholesalers (Section 236G, First Schedule, Part-IV, Division XIV)	
Description	Rate
If the recipient is listed on ATL of both Sales Tax and Income Tax	0.25%
Other than the recipient of Fertilizer supplies	0.1%
<b>0.7% will be charged from recipients of fertilizer in case recipient is not appearing on the both ATL 0.2% will be charged from other recipients in case recipient is not appearing on the both ATL</b>	

Sales to Retailers (Section 236H, First Schedule, Part-IV, Division XIV)	
Description	Rate
Advance tax on sales to Retailers	0.5%
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

# MONTHLY TECHNICAL UPDATES

## ON ACCOUNTING, TAXATION & LAWS

Purchase of Immovable Property (Section 236K, First Schedule, Part-IV, Division XVIII)	
Description	Rate
On purchase of Immovable Property	3%
<b>10.5% rate will be charged in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

Amount remitted abroad through credit, debit or prepaid cards (Section 236Y, First Schedule, Part-IV, Division XXVII)	
Description	Rate
Advance tax on amount remitted abroad through credit, debit or prepaid cards	5%
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

Bonus Shares issued by Companies (Section 236Z)	
Description	Rate
On every company, issuing bonus shares to the shareholders of the company	10%
<b>100% increase in amount of tax in case person is not appearing on the Active Taxpayer's List (ATL)</b>	

### Disclaimer:

The Technical Support and Practice Development (TSPD) Directorate of ICMA International is pleased to present the Tax Rate Card for Tax Year 2023-24 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, 2023, 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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