

S2 – ADVANCED TAXATION (Strategic Level-1)

INTRODUCTION

This course provides an in-depth understanding of advanced income and indirect taxation in Pakistan, covering corporate tax regimes, international taxation, and anti-avoidance measures under the Income Tax Ordinance, 2001. It explores provincial and federal indirect tax laws, digital economy taxation, and contemporary tax challenges. Practical compliance, tax filings, and dispute resolution mechanisms are also addressed through real-world case studies and hands-on exercises using digital tax platforms. The course prepares learners for complex tax scenarios across sectors and jurisdictions.

OBJECTIVE

The objective of this course is to develop expertise in Pakistan's tax laws with strategic applications, aligned with the Federal Board of Revenue's (FBR) digital transformation and global tax reforms for 2024-25. The syllabus is divided into four parts, each covering key topics with specified weightage: Part A (Advanced

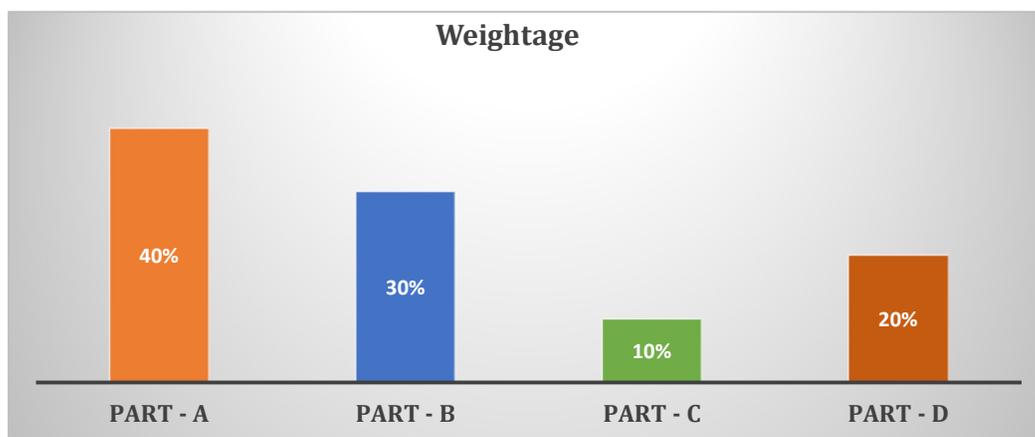
Income Taxation, 40%), Part B (Indirect Taxation, 30%), Part C (Contemporary Issues, 10%), and Part D (Tax Filings & Practical Compliance, 20%).

LEARNING OUTCOMES

By the end of this course, participants will be able to:

- Apply corporate and international tax rules, including group taxation, thin capitalization, and double taxation treaties.
- Analyze anti-avoidance laws such as GAAR and transfer pricing rules, and evaluate their impact on tax planning.
- Interpret and implement provincial and federal indirect tax laws, including sales tax, excise duty, and customs regulations.
- Assess contemporary issues like crypto taxation, freelancer income, and global digital economy challenges.
- Use FBR's IRIS and PSW portals for accurate tax filings and conduct compliance reviews, audits, and tax health checks.

SYLLABUS CONTENTS



PART - A:

ADVANCED INCOME TAXATION

1. Corporate Taxation & Special Regimes*

Income Tax Ordinance (ITO) 2001, & Income tax rules, with practical applications in tax computations for group Branches & subsidiaries, Including thin capitalization & Taxation of permanent establishment.

2. Anti-Avoidance Measures

Transfer Pricing Rules (Rule 10E) and General Anti-Avoidance Rules (GAAR, Section 208), Avoidance of double taxation & anti avoidance.

3. International Taxation

Pakistan's Double Taxation Treaties (DTTs) with China and the UAE, as well as the OECD Multilateral Instrument (MLI). Practical applications include withholding tax optimization for Systems Ltd's software exports to Saudi Arabia and Permanent Establishment (PE) risk analysis for Jazz's Middle East operations.

PART - B:

INDIRECT TAXATION

4. Provincial Sales Tax on Services

Sales Tax Act 1990 for Provincial Sales Tax on services, Like SRB, PRA, KPRA, BRA. Including withholding provisions.

5. Federal Excise Act and Rules

- Federal Excise Act, 2005
- (The list of items mentioned in the schedules of Federal Excise Act will not be tested in the examinations)
- Notifications, rules, general orders and circulars, issued under the Federal Excise Act, 2005

6. Customs & Trade Taxes

Delves into the Customs Act 1969, with practical tasks like calculating landed costs for imports and debating the impact on tariff rationalization.

**PART - C:
CONTEMPORARY ISSUES****7. Digital Economy Taxation**

Addresses FBR Circular 05/2024 on crypto reporting and SRO 350/2023, with case studies on the taxability of Pakistani freelancers on Upwork/Fiverr and withholding tax implications for TikTok/Patreon earnings.

8. Tax Dispute Resolution

Tribunal Rules 2021 and the Alternative Dispute Resolution (ADR) & Federal Tax Ombudsmen (FDO) mechanism, including a mock appeal exercise based on Coca-Cola Pakistan's 2022 royalty dispute case.

**PART - D:
TAX FILINGS & PRACTICAL COMPLIANCE****9. Digital Tax Filing Systems**

Involves practical training on the FBR IRIS Portal, including step-by-step corporate return filings u/s 114 and withholding tax statements u/s 165. Filing of Sales tax cum FED returns. Provincial Sales Tax return. Custom Documentation on Pakistan Single Window (PSW).

10. Tax Health Checks

Includes a practical workshop on conducting compliance reviews for SMEs using FBR's Tax Directory for blacklisted supplier checks and assessing POS integration penalties in the retail sector.