



TAX PAK

NEWSLETTER BY TOLA ASSOCIATES



<https://goo.gl/LFiWyx>



<https://goo.gl/QDM4ZM>

APRIL 2023



408, 4th Floor, Continental Trade Centre, Clifton Block-8, Karachi



Email: connect@tolaassociates.com



Website: www.tolaassociates.com



Ph# 35303294-6

THIS PAGE IS LEFT BLANK INTENTIONALLY

CONTENTS

Tax Notifications/ Circulars

Corporate Notifications / Circulars

Case Law- Net sales are chargeable to tax, not gross sales.

Topic of the Month- What is the Active Taxpayer's List?

CONTRIBUTORS

Mr. Muhammad Furqan - ACA - Head of Editorial Board

Mr. Muhammad Amayed Ashfaq Tola - Co-Head of Editorial Board

Ms. Baria Khushnuma Hashmi- Contributor

Mr. Salman Ahmed Khan - Designer

EDITORIAL NOTE

Asalam-o-alaikum everyone! Hope this monthly issue of TAXPAK finds you in good spirits and immaculate health! We welcome you to another edition of TAXPAK, our monthly publication the purpose of which is to provide a monthly update on the ongoing tax related developments in Pakistan. Alhumdulillah, so far, we have been successful in our mission to educate about, and keep the public-at-large updated of, these developments on a monthly basis.

Moreover, we would like to apprise the readers of what information you can expect in this document. This newsletter contains an elaboration of important notifications and circulars issued by the Federal Board of Revenue ("FBR") and its provincial counterparts. Notifications from the corporate regulatory body i.e., SECP are also discussed. Furthermore, keeping in mind the aforementioned stated purpose of this document, we usually discuss a (relatively) recent judgment passed by the courts of law. This edition of TaxPak discusses the recent judgement passed by the Supreme Court of Pakistan wherein the Supreme Court announced a landmark judgement that tax shall be chargeable on the net sales of a person and not gross sales.

Furthermore, we have discussed in our newsletter our Topic of the month titled "Active Taxpayer's List". The said topic provides an insight on what an Active Taxpayer's List is and how one can be an active taxpayer.

All our readers are requested to visit our website www.tolaassociates.com, or download our mobile application in order to access previously published editions of this TAXPAK along with other publications, and to stay updated of future notifications. Lastly, we request our readers to circulate this e-copy within their circle, as our primary aim is to benefit the masses. Feedback is always welcomed.

Warm Regards,
Tola Associates.

 <https://goo.gl/LFiWyx>

 <https://goo.gl/QDM4ZM>

1. NOTIFICATIONS/ CIRCULARS

A. SALES TAX

1. SALES TAX GENERAL ORDER NO. 10 OF 2023 – TIER I RETAILERS - INTEGRATION WITH FBR'S POS SYSTEM

The FBR issued a Sales Tax General Order No. 10 of 2023, dated 10th April 2023, wherein the identified Tier-1 Retailers have been directed to get themselves integrated with the FBR by the 10th of April 2023. It has also been provided that failure to comply would result in disallowance of input tax claim and shall create tax demand of the same amount. The list may be perused through the following link: [FBR](#)

2. REFIXATION OF THE MINIMUM VALUE OF SUPPLY OF LOCALLY PRODUCED STEEL GOODS

The FBR vide SRO 501(1)/2023, dated 20th April 2023, issued a notification wherein the minimum value of supply of locally produced steel goods was re-fixed for the purpose of payment of sales tax on ad valorem basis at 18%. This shall apply on the following: (a) Steel bars and other long profiles; (b) steel billets; (c) Steel ingots/bala; (d) ship plates; (other re-rollable iron & steel scrap; and (e) Re-meltable iron & steel scrap. It was also specified that where the supply of the products mentioned in the notification is made at rates higher than the value fixed in the notification, then sales tax on the higher value shall prevail. Source: [FBR](#)

B. SINDH REVENUE BOARD – ISLAMABAD CAPITAL TERRITORY

1. SINDH PLACE OF PROVISION OF SERVICES RULES, 2023 – ISLAMABAD CAPITAL TERRITORY (PLACE OF PROVISION OF SERVICES) RULES, 2023

The SRB vide its Notification No. SRB-3-4/21/2023, dated 13th April 2023, issued the Sindh Place of Provision of Services Rules, 2023 applicable in the whole of Sindh, which shall be effective from 1st May 2023.

Similarly, the FBR vide SRO 494(I)/2023 dated 14th April 2023, issued a notification wherein rules to the Islamabad Capital Territory (Place of Provision of Services) Rules, 2023 were made into effect. These rules shall be for taxable services rendered / received in Islamabad, and shall take effect from 1st May 2023, with an exception to services of electric power transmission (effective from 1st July 2023).

The said rules shall apply on the following service providers:

Sr. No.	Service	Deemed place of business
1	Advertisement	<ul style="list-style-type: none"> • If broadcast is made through: <ul style="list-style-type: none"> ○ Satellites- Location of the beaming station; ○ Terrestrial signals- location of the first broadcast station; • If advertisement is

	<p>made on:</p> <ul style="list-style-type: none"> ○ TV Channels (having landing rights in Pakistan)- Location of person having PEMRA license; ○ Internet Protocol TC- Licensing zone specified in PEMRA License; ○ Cable TV / other distribution service- Location of the area covering assigned to the person holding PEMRA license for Cable TV or TV for other distribution service; ○ Closed-Circuit TV- location of the Closed-Circuit TV system; ○ website/webpage/internet- location of the person owning/ managing such website/webpage/internet; ○ radio broadcast through: <ul style="list-style-type: none"> ▪ satellite- location of the broadcast station up linking the advertisement content); or ▪ terrestrial signals- location of the first broadcast station. ○ Still media including billboards, sign boards, digital boards, poles etc.- location of such still media;
--	--

	<ul style="list-style-type: none"> ○ Cinema screens and through aerial banner towing or smoke writing- location of the cinema house and the jurisdiction in which the aerial advertising is performed; <p>Exception:- Where the advertisement is booked in any place in Sindh for broadcasting on channels beamed / uplinked from a place outside Pakistan, the services shall be deemed to have been provided in Sindh irrespective of whether or not the channel has PEMRA's landing rights permission in Pakistan.</p> <p>-Where advertisement is booked at any place in Sindh for placing on the web/ internet of persons not resident in Pakistan- location of the person booking such advertisement for such non-resident owner of the web/internet.</p>
--	--

2	Advertising Agents	Location of the place of business where the advertisement is booked.
3	Insurance and Reinsurance	<p>In case of:</p> <ul style="list-style-type: none"> • Life and health insurance services (whether for an individual / group of individuals)- Location of the office / branch of the insurance company providing the insurance service to the individual / person acquiring the services of group insurance. • Insurance of immovable property- location of the immovable property; • Insurance of movable property- location of the movable property where it is registered by the registration authority; • Insurance of movable property other than ones requiring registration- location of such movable property at the time of insurance; • Marine insurance of goods- Port of embarkation or dis-embarkation in Pakistan;

		<ul style="list-style-type: none"> • Reinsurance services- location of the office or branch of the persons providing the reinsurance services in Pakistan; • Reinsurance services by a non-resident reinsurance company in Pakistan- location of the resident insurance company receiving or procuring such reinsurance services.
4	Insurance Agents and Insurance Brokers	<ul style="list-style-type: none"> • Services by insurance agents- location of the office or branch paying amount of commission to the respective agents; • Services by insurance brokers- location of the person paying the remuneration, commission / fee to insurance broker; However, if he receives these outside Pakistan, the location of the insurance broker in Pakistan.
5	Franchise Services and Intellectual Property Services	<ul style="list-style-type: none"> • By a person whether resident in Pakistan or otherwise- Location of the resident person receiving or procuring such services; -Where tax on franchise / intellectual property services by a resident person

		is not levied in a Province or area in which such services are provided-location of resident person providing/rendering such service.
6	Transportation or Carriage of Goods	<ul style="list-style-type: none"> • If through pipeline/ conduit- shall be the place of the origin and destination of such service in a manner that the amount of tax involved is shared equally by the provinces in which the transportation originated and in which such transportation terminated. • If within the same province- Province itself; • Origins from an area / Province where tax is not levied and terminates where it is taxable, or vice versa, then location shall be the place where it is taxable. • Services provided or rendered by persons other than companies in relation to transportation of goods by road- Booking office of the person transporting the goods. <p>-Road transportation of petroleum oils- Provisions of the Sindh Sales Tax Special</p>

		<p>Procedure (Transportation or Carriage of Petroleum Oils through Oil Tankers) Rules, 2018.</p> <p>- Where rate of tax leviable in the province in which transportation originated is different than the rate of tax leviable in the Province in which the transportation is terminated, the invoice shall clearly indicate the amount of tax payable to the respective Provinces on the basis of respective rates of tax on 50% of the value of that inter-province transportation service.</p>
7	Electric Power Transmission	<ul style="list-style-type: none"> • Electric power transmission services- Origin and destination of transmission in a manner that the amount of tax involved is shared equally by the provinces in which the transmission originated and in which such transmission is terminated; • If origination and termination is in the same province then the same

province shall be the Province itself;

- If originates from a province where tax is levied and terminates where no tax is levied and vice versa, the place shall be the province where the tax is levied.

Where rate of tax leviable in the province in which transmission originated is different than the rate of tax leviable in the Province in which the transmission is terminated, the invoice shall clearly indicate the amount of tax payable to the respective Provinces on the basis of respective rates of tax on 50% of the value of that inter-province transmission service.

It was also directed that where a service is provided to more than one province, the service provider shall claim attributable input tax in the same proportion as attributable to the amount of declared taxable value of service. For services not covered under these rules, provisions of the Sindh Sales Tax on Services Rules, 2011 shall apply to the extent of relevance. Source: [SRB](#) and [ICT](#).

2. RESTRICTION ON DEBIT / CREDIT NOTES REPORTING (MONTHLY SALES TAX RETURN IN SRB WEB PORTAL)

The SRB vide its Notification No. SRB/Sr. Member/Ops/KTBA/Portal/2023/90407, dated 06th April 2023, notified that for taxpayers who are facing difficulty in filing debit/credit note entry in sales tax return with SRB they may enter those credit notes in the next monthly return citing that correction in the system would take some time.

C. KHYBER PAKHTUNKHWA REVENUE AUTHORITY

1. CLARIFICATION REGARDING EXEMPTION OF SALES TAX ON SERVICES IN FATA / PATA.

The KPRA vide Circular no. KPRA/Dir/Rev-2023/2937-41, dated 7th April 2023, issued a clarification on the misunderstanding of the sales tax on services exemption for Federally or Provincially Administered Tribal Areas (FATA and PATA). Through the said circular, an explanation was provided that services consumed meant services which originate and terminate within the tax exempted areas, and any clarification letters regarding tax exemptions interpreted against any criteria mentioned in the circular would be cancelled/superseded. It was also clarified that the circular should not be treated as a blanket approval rather all fresh applicants shall be decided on case-to-case basis and as per the directions of the provincial government, and lastly, the concerned departments shall first verify the letters about tax

exemptions from KPRA before processing the requests of the persons claiming such tax exemption. Source: [KPRA](#)

D. BALOCHISTAN REVENUE AUTHORITY

1. EXEMPTION FROM PAYMENT OF SALES TAX ON SERVICES OF TOLL MANUFACTURING IN BALOCHISTAN

The Balochistan Revenue Authority through Notification No. BRA/HQ/22-23/29, dated 14th April 2023, exempted services of Toll Manufacturing from sales tax on services with immediate effect. Source: [BRA](#)

2. CORPORATE NOTIFICATIONS / CIRCULARS

1. APPOINTMENT OF AUDITORS FOR SECP REGULATED ENTITIES

The SECP vide Circular No. 04 of 2023, dated 03rd April 2023, issued a list of auditors who are permitted to audit SECP Regulated Entities for the financial years starting from July 01, 2023. The list of auditors was provided in Annexure I contained in the circular. The SECP also specified that these shall apply on the following entities:

- (a) Securities Brokers;
- (b) Futures Brokers;
- (c) Non-Banking Financial Companies (NBFCs);
- (d) Insurance /Reinsurance Companies;
- (e) Takaful Operators;
- (f) Insurance / Reinsurance Brokers;
- (g) Third Party Administrators;
- (h) Securities and Futures Advisor;
- (i) Securities Exchanges;

- (j) Clearing Houses;
- (k) Depository Companies;
- (l) Futures Exchanges;
- (m) Modarabas;
- (n) Collective Investment Scheme;
- (o) Voluntary Pension Schemes;
- (p) Professional Clearing Member;
- (q) REIT Schemes;
- (r) Credit Rating Companies;
- (s) Collateral Management Companies;
- (t) Corporate Restructuring Companies (CRCs) and trusts created by CRCs;
- (u) Share Registrars and Balloters.

Source: [SECP](#).

2. DRAFT AMENDMENTS TO THE COMPANIES (INCORPORATION) REGULATIONS, 2017

The SECP vide SRO 468(I)/2023, dated 10th April 2023, issued draft amendments to the Companies (Incorporation) Regulations, 2017 which has been published in the official gazette for public suggestions for a period of fourteen days. In the said amendment, regulations related to foreign company / foreign body corporate was made, wherein additional documents for submission to the registrar were listed. Source: [SECP](#).

3. AMENDMENTS TO THE COMPANIES (REGULATION OFFICES) REGULATIONS, 2018

The SECP vide SRO 469(I)/2023 dated 10th April 2023, issued amendments to the Companies (Registration Offices) Regulations, 2018 which had been earlier published vide SRO 66(I)/2023 dated 19-01-2023. The

amendments pertained to the disposal of time frame of documents submitted electronically and physically.

Source: [SECP](#).

4. DRAFT AMENDMENTS TO THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2018

The SECP vide SRO 471(I)/2023, dated 10th April 2023, issued draft amendments to the Companies (General Provisions and Forms) Regulations, 2018 in the official gazette for public suggestions and objections for a period of fourteen days. In the draft, a new proviso was proposed to be entered wherein translated documents shall be accepted if the document is apostilled by the designated competent authority of origin, and that such state is also recognized by the Government of Pakistan for receiving apostilled documents. Source: [SECP](#).

5. DRAFT AMENDMENTS TO THE FOREIGN COMPANIES REGULATIONS, 2018

The SECP vide SRO 472(1)/2023, dated 10th April 2023, issued draft amendments to the Foreign Companies Regulations, 2018 which has been issued in the official gazette for public opinion and suggestions. In this draft, various documents were listed to meet compliance for registering a foreign company/ body corporate. Source: [SECP](#).

6. ALTERATION IN THE SEVENTH SCHEDULE TO THE COMPANIES ACT, 2017

The SECP vide SRO 500(I)/2023, dated 20th April 2023, increased the fees for submission of various statutory documents submitted either electronically or physically, by altering the Seventh Schedule of the Companies Act, 2017. Source: [SECP](#).

7. APPLICABILITY OF SECTION 166 OF THE INSURANCE ORDINANCE, 2000 TO CONTRACTORS' ALL RISK/ERECTION ALL RISKS POLICIES ISSUED TO PRIVATE CONTRACTORS FOR CONSTRUCTION/ RENOVATION/ MAINTENANCE OF PUBLIC PROPERTIES.

The SECP vide Circular No.05 of 2023, dated 10th April 2023, issued a circular which shall supersede Circular Nos 01 of 2016 dated 4.01.2016 and 04.03.2016 issued to private contractors by non-life insurers. Through this circular, an insurer shall review on a case-to-case basis that the coverage only insures the private contractors' property/machinery/or any claim arising out of the contractors' risk or liability. It was also stated that where insurance policy covers risk relating to public property or any risk/ liability relating to the public property, it shall only be placed with M/s National Insurance Company Limited. Source: [SECP](#).

3. NET AMOUNT OF INCOME IS LIABLE TO TAX NOT THE ENTIRE AMOUNT OF SALES

1. INTRODUCTION

The Supreme Court of Pakistan (“**SC**”) was moved by the Commissioner Inland Revenue, RTO Lahore (“**Petitioner**”) against Mian Liaquat Ali (“**Respondent**”) against the order passed by the Lahore High Court (“**LHC**”) wherein the SC upheld the decision of the Lahore High Court and the Appellate Tribunal that the tax chargeable should be on the net amount of sales and not gross revenue.

2. BRIEF FACTS OF THE CASE:

A petition was filed in relation to the tax years 2016- 2018 where a complaint was received by the Inland Revenue Officer that the respondent had underreported his sales by suppressing or concealing his income from business. Following which on the basis of this definite information, he was issued show cause notices expressly making reference of the definite information acquired by the office. The replies received against these notices did not deny the allegations but sought to produce the evidence regarding the expenses incurred for the sales made. The replies of the respondent were unsatisfactory and the deemed assessment orders passed under Section 120 of the Income Tax Ordinance 2001 (“**ITO**”) were amended.

Being aggrieved, the respondents filed an appeal before the CIT (Appeals), who then dismissed them through a consolidated order. Thereafter, the respondent (Mian Liaquat Ali) filed an Appeal with the Appellate Tribunal who accepted the appeal and decided in favour of him citing that the respondent had placed before the officer

the costs incurred in respect of the concealed sales and that the authorities below had erred in concluding the matter.

Subsequently, the Commissioner filed tax references before the LHC which met the same fate as the Appellate Tribunal decision, and the LHC upheld the reasonings of the Tribunal, following which the Commissioner filed an appeal with the SC.

3. ARGUMENTS BY THE LEARNED RESPONDENTS

The Learned Respondents submitted that the Officer had mis-construed this provision and insisted that the correct approach was the one the Tribunal had taken.

4. ARGUMENTS BY THE LEARNED PETITIONERS

The learned petitioners focused on the application of section 111(d)(i) and they insisted that it was rightly applied as admittedly there had been suppression of sales by the respondent.

5. FINDINGS OF THE SUPREME COURT

The SC dismissed the petitions by issuing a short order and held that the net amount of tax i.e., receipts minus costs/expense should be chargeable to tax as it is a settled principle that underpins income tax law. It also stated that if the concealed sales were chargeable to tax, it could only be done upon taking into account the permissible deductions, and only the exception was by imposing a final tax which in this instance didn't apply. Therefore, the net amount should be taken into consideration. The SC also held that the decision of the Tribunal was correct on two grounds, first, if any amount can be brought within the

scope of section 111(d)(i) and to the extent that it is chargeable to tax then production/ sales chargeable to tax can be brought within the ambit of clause (d), this categorization by the department was held artificial and unacceptable. Secondly, the SC held that power to amend can be exercised only if the facts and circumstances fall within the scope of three clauses of section 122 and then also only for the tax years under question provided that definite information was available.

The SC also held that the Officer had correctly started the proceedings by invoking section 122(5) and then gathered material/record ensuring definite information and then issued show cause notices, however, he then deviated and invoked section 111(1)(d). The SC identified that both section 122(5) and 111(d) were the very much similar and it was up to the discretion of the officer to invoke either section. However as far as the computation of tax liability being different under both the sections is concerned, the SC remarked that under both the section the tax liability should be the same tax liability as the respondent is liable to tax on the net amount rendering the department's interpretation contrary to the settled principles established by the jurisprudence of the SC.

The SC noted that there was a complete lack of guidance/ standard by which the officer is to be guided as to which of the two provisions should be applied. It held that if section 122 was invoked, then only a 5-year time limit within an assessment order can be amended while there are no such constraints for section 111(1)(d). Therefore, the SC directed the Federal Board of Revenue ("FBR") to issue appropriate guidance and necessary standards to the tax authorities so that they know under which circumstances

and against what taxpayers can action be initiated under these sections. The SC also provided a grid which the FBR has to appropriately incorporate with. The following was set as the grid:

1. If action is supposed to be taken under section 122 and within the time frame (5 years), then it can be made ordinarily. However, if Section 111(1)(d) is invoked, then the officer should give reasons as to why this is being done and the onus will lie on the tax authorities to justify such actions;
2. If action is taken u/s 111(1)(d) beyond or after the time period as stipulated u/s 122 and the taxpayer shows information within the said time period then the tax authorities will have to give reasons as to why action was not taken u/s 122. Here, judicial scrutiny will be applicable on the officer if the taxpayer meets the initial burden cast upon him.

4. TOPIC OF THE MONTH

ACTIVE TAXPAYER'S LIST

A. WHAT IS THE ACTIVE TAXPAYER'S LIST?

An Active Taxpayers List ("ATL") is a document published by the FBR that comprises of persons who have duly filed their return of income by the due date, or the date so extended by the FBR and is made available on the FBR's website by the 1st of March of the next financial year. The ATL shall be published in every financial year with the date of publishing being the 1st of March and ending on the last day of February and is updated every Monday on FBR [website](#).

B. PROCEDURE TO BECOME ACTIVE:

A person's name is included in the ATL if he has filed a return of income under section 114 or 115 of the Income Tax Ordinance, 2001 ("ITO"). However, in case a Company / AOP is incorporated/ formed after 30th June of the relevant tax year, their name shall be mentioned in the ATL, and won't be removed solely for the reason of incorporation after 30th June of the pertinent tax year.

In case of joint accounts maintained in a bank, all joint account holders have to have their names in the ATL in order to avail benefits of being on the ATL. Similarly, in case a bank account is held by a minor, (s)he can avail the ATL benefit only if the parent/guardian/ any person who deposits in the minor's account is included in the ATL.

C. PENALTIES

If a return is not filed within the due date such person's name will not appear in the ATL. In case the return of income is filed after the due date and the taxpayer wishes to include his name in the ATL, the following surcharge is required to be paid after filing of the return

- In case of individual: Rs 1,000/-
- In case of AOP: Rs 10,000/-
- In case of Company: Rs 20,000/-

Upon satisfaction of the above payment, such person's name shall be included in the ATL by the most immediate Monday.

D. RULES FOR NOT APPEARING IN ATL - TENTH SCHEDULE.

1. RATE OF DEDUCTION/COLLECTION OF TAX:

Where a person is required to have their tax deducted/collected from persons not appearing on the ATL, a 100% increase shall apply on the rates specified in the First Schedule of the ITO, except for sections 231 B (increase by 200%) and 236K (increase by 250%). The following table summarizes the rates:

Sr. No.	Section	Rate Increased By	Example	
			Normal Tax Deduction	Increased Tax Deduction
1.	231B- Advance tax on motor vehicles	200%	10,000	30,000
2.	236K- Advance tax on purchase of immovable property	250%	20,000	70,000
3.	Others	100%	5,000	10,000

2. SECTIONS ON WHICH 10TH SCHEDULE DOES NOT APPLY:

Tax deducted/collected under the following sections shall not be impacted by the status of the taxpayer. In other

words, the rate of tax deducted/collected will be same whether the person is in ATL or not:

1. Salary (u/s 149)
2. Payments to non-residents other than Permanent Establishments; (u/s 152 other than sub-section (2A)(a), (2A)(b) and (2A)(c) of section 152)
3. Exports; (u/s 154)
4. Exports of services; (u/s 154A)
5. Electricity consumption; (u/s 235)
6. Telephone and internet users; (u/s 236)
7. Profit on debt payable to a non-resident person having no permanent establishment in Pakistan; (u/c 5A Part II of the Second Schedule read with sec. 152(2))
8. Payment to non-residents to an individual on account of profit on debt earned from debt instruments whether conventional or shariah compliant. (u/s 152(2) to the extent of clause 5AA Part II of the Second Schedule)

3. REQUIREMENTS FOR A WITHHOLDING AGENT FOR COLLECTION/DEDUCTION OF TAX FROM PERSONS NOT REQUIRED TO BE ON THE ATL:

A withholding agent shall submit in electronic form to the Commissioner the following particulars, where (s)he is satisfied that the person is not required to file a return of income:

- Name, CNIC/NTN and address of the person;
- Nature and amount of transaction on which tax is required to be deducted/collected;
- Reason on the basis of which it is considered that the person is not required to file return/statement.

Upon submission of the above, the Commissioner shall, within 30 days, pass an order accepting the application or directing the withholding agent to deduct/collect the tax at increased rates provided that the Commissioner has reasonable grounds to believe that the person is required to submit the return/ statement. However, if the Commissioner does not pass an order within the stipulated time frame, then upon lapse of 30 days, it shall be deemed to have been accepted and granted.

4. ADJUSTMENT OF TAXES DEDUCTED/COLLECTED AT INCREASED RATES:

In case the person, whose taxes have been collected/deducted at increased rates, files a return of income for the tax year during which such deductions/collections occurred, he will be allowed to adjust the taxes so collected/deducted from the return of income of the tax year in which such deductions/collections occurred.

For example, a person earned dividend income of Rs. 100,000 on 30th April, 2023, when he was not on ATL. He will be paid an amount of Rs. 70,000 and Rs. 30,000 will be deducted as advance tax. Now, when he files his return of income for tax year 2023, his income tax liability will be Rs. 15,000 (Rs. 100,000 x 15%) and not Rs. 30,000. The remaining amount of Rs. 15,000 additionally deducted will be refundable to him.

DISCLAIMER

This newsletter is the property of Tola Associates and contents of the same may not be used or reproduced for any purpose without prior permission of Tola Associates in writing.

The contents of this newsletter may not be exhaustive and are based on the laws as of date unless otherwise specified. Tax laws are subject to changes from time to time and as such any changes may affect the contents.

The comments in the newsletter are a matter of interpretation of law and is based on author's judgments and experience, therefore, it cannot be said with certainty that the author's comments would be accepted or agreed by the tax authorities. Furthermore, this newsletter does not extend any guarantee, financial or otherwise. Tola Associates do not accept nor assume any responsibility, whatsoever, for any purpose.

This newsletter is circulated electronically free of cost for general public to create tax awareness in the country.



OFFICES IN PAKISTAN

Karachi Address:

**Office no. 408, 4th Floor, CTC
Building, Clifton Block-8,
Karachi**

Tel #: +92 21 3530 3293-6

Islamabad Address:

**144, 1st Floor, Street No.82
Sector E-11 / 2 FECHS
Islamabad 44000,**

Tel #: +92 51-835 1551

Lahore Address:

**202-E, 2nd Floor, Sadiq Plaza
69-The Mall Road, Lahore**

Tel #: +92 42 3628 0403