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PART I

Acts, Ordinances, President's Orders and Regulations

NATIONAL ASSEMBLY SECRETARIAT

Islamabad, the 8th October, 2018

No. F. 22(19)/2018-Legis.—The following Act of *Majlis-e-Shoora* (Parliament) received the assent of the President on the 8th October, 2018 is hereby published for general information:—

ACT NO. XXXVIII OF 2018

An Act further to amend certain laws relating to taxes and duties

WHEREAS it is expedient further to amend certain laws relating to taxes and duties and for the matters connected therewith and ancillary thereto;

It is hereby enacted as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Finance Supplementary (Amendment) Act, 2018.

(2) It shall come into force at once unless otherwise provided in any of the provisions of this Act.

(767)

Price : Rs.20.00

[7443(2018)/Ex. Gaz.]

2. **Amendment of Customs Act, 1969 (IV of 1969).**—In the Customs Act, 1969 (IV of 1969), in the Fifth Schedule, the following further amendments shall be made, namely:—

- (1) in Part-I, in the Table, in column (1), against Sr. No.23,—
- (a) in column (2), for the letters and word “LED Lights”, wherever occurring in any form, the letters and words “LED Lights and Bulbs” shall be substituted; and
- (b) in column (5), for the letters and word “LED light”, the letters and words “LED Lights and Bulbs”, shall be substituted;
- (2) in Part-III, in the Table, in column (1),—
- (a) against Sr. No. 96, in column (3), for the PCT Code “7606.9220”, the PCT Code “7606.9290”, shall be substituted;
- (b) against Sr. No.107, in column (5), for the expression “20x36”, the expression “23x36”, shall be substituted; and
- (c) against Sr. No.108, in column (2), in sub-serial (v), for the word “Multimode”, the words “Single/Multimode” shall be substituted; and
- (3) in Part-VII, after “Table-B”, the following new “Table-C”, shall be added, namely:—

“Table-C

Sr. No.	Description	PCT Code	Customs duty %	Condition
(1)	Tallow	1502.1000	5	Nil
(2)	Other	2835.3900	5	Nil
(3)	Acetone	2914.1100	11	Nil
(4)	Ethyl acetate	2915.3100	16	Nil
(5)	n-Butyl acetate	2915.3300	16	Nil
(6)	sec-Butyl acetate	2915.3930	16	Nil
(7)	Oxalic acid	2917.1110	5	Nil
(8)	Citric acid	2918.1400	5	Nil
(9)	Other	3203.0090	11	Nil

(10)	Other	3204.1590	11	Nil
(11)	Dyes, sulphur	3204.1910	11	Nil
(12)	Dyes, synthetic	3204.1990	11	Nil
(13)	Other	3206.2090	11	Nil
(14)	Ultramarine and preparations based thereon	3206.4100	11	Nil
(15)	Lithopone	3206.4210	11	Nil
(16)	Pigments and preparations based on cadmium compounds	3206.4920	11	Nil
(17)	Greases	3403.1910	16	Nil
(18)	Other	3403.1990	16	Nil
(19)	Other	3403.9990	16	Nil
(20)	Activated carbon	3802.1000	5	Nil
(21)	With a basis of amylaceous substances	3809.1000	11	Nil
(22)	Of a kind used in the paper or like industries	3809.9200	11	Nil
(23)	Compound plasticizers for rubber or plastics	3812.2000	11	Nil
(24)	Non refractory mortars and concretes	3824.5000	16	Nil
(25)	Reinforced only with metal	4010.1100	11	Nil
(26)	Reinforced only with textile materials	4010.1200	11	Nil
(27)	Containing 85 or more by weight of cotton	5207.1000	8	Nil
(28)	Other	5207.9000	8	Nil
(29)	Of aluminum alloys	7606.1200	5	Nil

(30)	Aluminum lids for cans of carbonated soft drinks	8309.9010	5	Nil
(31)	Of plastics, not covered with textile material	9606.2100	16	Nil
(32)	Button blanks	9606.3020	16	Nil
(33)	Fitted with chain scoops of base metal	9607.1100	16	Nil
(34)	Other	9607.1900	16	Nil.

3. **Amendment of the Sales Tax Act, 1990.**—In the Sales Tax Act, 1990, the following further amendments shall be made, namely:—

(1) in the Sixth Schedule,—

(A) in Table I, in column (1), against serial number 112, in column (2),—

(a) in entry A, after sub-serial number 6, the following new sub-serial numbers shall be added, namely:—

“7. Optical Coherence Technology (OCT) System

8. OCT Catheters

9. Intravascular Ultrasound (IVUS)

10. Fractional Flow Reserve (FFR/IFR) System

11. IVUS / FFR / IFR Catheters and wires

12. Support Micro Catheters (Straight and Angled)

13. Drug Coated Angioplasty Balloon

14. Coronary and Peripheral Micro Coils

15. Thrombectomy Device

16. Thrombus Aspiration Catheters

17. Covered Stents (Coronary/Peripheral)

18. Vessel Closure Devices
19. Embolic Protection Devices
20. Renal Stents
21. Vena-cava Filters
22. Coronary and Peripheral Snares
23. Atherectomy Devices
24. IABP Consoles & Catheters
25. Intracardiac Echocardiography Machine & Catheters”;

(b) in entry B, after sub-serial number 6, the following new sub-serial number shall be added, namely:—

“7. Wrist Bands for Radial Vessel Closure”;

(c) in entry H, after sub-serial number 3, the following new sub-serial numbers shall be added, namely:—

- “4. Excimer Laser System with Accessories
5. Laser Sheath, Occlusion Balloons, Dilator Sheaths (Rotation & Manual)
6. Intra Cardiac Echocardiography (JCE) System and Accessories
7. Lead Locking Devices and Accessory Kit
8. Remote EP Monitoring Device and Accessories
9. Ablation catheters
10. 3-D Cardiac Mapping System
11. Cryoballoon System and Accessories”;

(d) in entry J, after sub-serial number 5, the following new sub-serial numbers shall be added, namely:—

- “6. High-Flow, Low-Profile Percutaneous Heart Pump PHP Console and Catheters.
 7. Tandem Heart / Tandem Lung and Accessories.
 8. Ventricular Assist Device System.
 - (a) Heart Mate-II
 - (b) Heart Mate-III
 - (c) Centri Meg LEOV
 9. Beating Heart Surgery stabilizers & Coronary Shunts
 10. Minimally invasive surgery equipment & Instruments
 11. RF Ablation equipment for AF (Surgical)
 12. Heart Lung Machines”;
- (e) in entry K, after sub-serial number 4, the following new sub-serial numbers shall be added, namely:—
- “5. Left Ventricular Assist Device/System (LVAD) and Catheters
 6. MitraClip Transcatheter Mitral Valve System
 7. MitraClip Guide Catheter, Clip and Delivery System
 8. Patent Foramen Ovale (PFO) Closure Device
 9. Left Atrial Appendage (LAA) Occluder
 10. Transcatheter Aortic / Heart Valve System (TAVI/TAVR)
 11. Cerebral Retrievable Stents
 12. Aortic Stent Grafts
 13. Embolization Coils, Delivery System, Filling Coil

- 14. Abdominal Aortic Aneurysm (EVAR) System and Accessories/ thoracic EVAR/ extension
- 15. Insertable Cardiac Monitor (ICM)
- 16. Carotid Stents
- 17. Vascular Clips
- 18. MRI Compatible Cardiac Monitor, Infusion Pump, Anesthesia Machine with Accessories"; and

(f) in entry L, after the word "adaptors", at the end, the comma and words " Drug Eluting Peripheral Stents" shall be inserted; and

(B) in Table-2, in column (1), after serial number 23, a new serial number and the entries relating thereto in columns (2) and (3) shall be inserted, namely:—

"24.	LED or SMD lights and bulbs meant for conservation of energy.	8539.5010, 8539.5020, 9405.1030 and 9405.4020"; and
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(C) in Table-3, in column (1), against serial number 15A, in column (2), after the words "LED lights", wherever occurring in any form, the words "and bulbs" shall be inserted; and

(2) in the Eighth Schedule, in Table-1, in column (1),—

(a) for serial number 51 and entries relating thereto in columns (2), (3), (4) and (5), the following shall be substituted, namely:—

"51	LNG/RLNG	2711.1100 and 2710.2100	12%	If supplied to gas transmission and distribution companies";
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(b) against serial number 56, in columns (4) and (5), for the figure "40", the figure "65" shall be substituted; and

- (c) after serial number 57, and the entries relating thereto in columns (2), (3), (4) and (5), the following serial number and the entries relating thereto in columns (1), (2), (3), (4) and (5) shall be added, namely:—

“58. LPG 2711.1910 10% Imports thereof and local supplies of such imported LPG.”.

4. Amendment of Income Tax Ordinance, 2001 XLIX of 2001.— In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made and except for clause (b) of sub-section (6), shall be deemed to have been made on the first day of July, 2018, namely:—

- (1) in section 165A, in sub-section (1),—

(A) for clause (d), the following shall be substituted, namely:—

“(d) a list of persons receiving profit on debt exceeding one million rupees for filers and five hundred thousand rupees for non-filers and tax deductions thereon during preceding financial year.”; and

(B) clause (e) shall be omitted.”;

- (2) in section 182, in sub-section (1), in the Table, in column (1), after S. No. 8, the following new S. Nos. and the entries relating thereto in columns (2), (3) and (4) shall be inserted, namely:—

“19.	Where any manufacturer of a motor vehicle accepts or processes any application for booking or purchase of a locally manufactured motor vehicle in violation of the provisions of clause (a) of section 227C	Such person shall pay a penalty of 5 percent of the value of the motor vehicle	227C
20.	(i) Where any registering authority of Excise and Taxation Department accepts, processes or registers any application for registration of a locally manufactured motor vehicle or for the first registration of an imported	Such person shall pay a penalty of 3 percent of the value of motor vehicle or immovable property.	227C”;

	<p>vehicle in violation of the provisions of clause (a) of section 227C</p> <p>(ii) Where any authority responsible for registering, recording or attesting the transfer of immovable property accepts or processes the registration or attestation of such property in violation of the provisions of clause (b) of section 227C</p>		
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- (3) after section 214C, the following new section shall be inserted, namely:—

“214E. Closure of audit.—Notwithstanding the omission of section 214D, audit of income tax affairs of a taxpayer under sub-section (2) of section 214D shall be deemed to have been concluded, if—

- (i) taxpayer has been selected for audit under sub-section (1) of the omitted section 214D;
- (ii) notice under section 122 has not been issued;
- (iii) the taxpayer has revised return voluntarily, by thirty first day of December, 2018, along with payment of 25% higher tax than the tax paid with return on the basis of taxable income and where no tax is payable 2% of the turnover and where no turnover is declared penalty under entry at Serial No. 1 of sub-section (1) of section 182 has been paid voluntarily:

Provided that the condition of revision, 25% higher tax or 2% of the turnover shall not apply, if the taxable income of the taxpayer includes only salary income or income subject to final taxation under sub-section (1) of section 169 or subject to taxation under section 5, 5AA, 6, 7, 7A or 7B.

Explanation.—For the removal of doubt it is clarified that only audit initiated as a result of automatic selection under the omitted section 214D shall stand

abated under this section and audit initiated or to be initiated on the basis of definite information or otherwise as per provisions of section 177 or 214C shall be conducted independently.”;

- (4) in section 216, after sub-section (6), the following new sub section shall be inserted, namely:—

“(6A) Nothing contained in sub-section (1) shall prevent the Board from providing data to any person approved by the Federal Government to process and analyze such data for broadening of tax base or for checking evasion:

Provided that such data shall be anonymized before transmission to the person and identifying particulars of the taxpayers shall be kept confidential.”;

- (5) in section 227C, for the full stop at the end, a colon shall be substituted and thereafter the following provisos shall be added, namely:—

“Provided that the provisions of clause (a) shall not apply in respect of,—

- (i) motorcycle having engine capacity of less than 200 cc, motorcycle-rickshaw, agricultural tractor or any other motor vehicle having engine capacity of less than 200 cc; or
- (ii) a person holding a Pakistan origin card or a national identity card for overseas Pakistanis who produces a certificate from a scheduled bank of receipt of foreign exchange remitted from outside Pakistan through normal banking channels during a period of sixty days prior to the date of booking, registration or purchase of motor vehicle:

Provided further that the provisions of clause (b) shall not apply to,—

- (i) a legal heir acquiring property in inheritance; or
- (ii) a person holding a Pakistan origin card or a national identity card for overseas Pakistanis who produces a certificate from a scheduled bank for receipt of foreign exchange remitted from outside Pakistan through normal banking channels during a period of sixty days prior to the date of registering, recording or attesting transfer.”;

(6) in the First Schedule.—

(a) in Part I, in Division I, for paragraph (1), the following paragraphs shall be substituted, namely:—

“(1) The rates of tax imposed on the taxable income of every individual, not being an individual to which paragraph (IA) of this Division applies, shall be as set out in the following table, namely:—

TABLE

S. No.	Taxable income	Rate of tax
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs. 400,000	0%
2.	Where the taxable income exceeds Rs. 400,000 but does not exceed Rs. 800,000	Rs. 1,000
3.	Where the taxable income exceeds Rs. 800,000 but does not exceed Rs. 1,200,000	Rs. 2,000
4.	Where the taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 2,400,000	5% of the amount exceeding Rs. 1,200,000
5.	Where the taxable income exceeds Rs. 2,400,000 but does not exceed Rs. 3,000,000	60,000 + 15% of the amount exceeding Rs. 2,400,000
6.	Where the taxable income exceeds Rs. 3,000,000 but does not exceed Rs. 4,000,000	150,000 + 20% of the amount exceeding Rs. 3,000,000
7.	Where the taxable income exceeds Rs. 4,000,000 but does not exceed Rs. 5,000,000	350,000 + 25% of the amount exceeding Rs. 4,000,000
8.	Where the taxable income exceeds Rs. 5,000,000	600,000 + 29% of the amount exceeding Rs. 5,000,000

Provided that where the taxable income exceeds eight hundred thousand rupees the minimum tax payable shall be two thousand rupees.

(1A) Where the income of an individual chargeable under the head "salary" exceeds fifty per cent of his taxable income, the rates of tax to be applied shall be as set out in the following table, namely:—

TABLE

S. No.	Taxable income	Rate of tax
(1)	(2)	(3)
1.	Where the taxable income does not exceed Rs. 400,000	0%
2.	Where the taxable income exceeds Rs. 400,000 but does not exceed Rs. 800,000	Rs. 1,000
3.	Where the taxable income exceeds Rs. 800,000 but does not exceed Rs. 1,200,000	Rs. 2,000
4.	Where the taxable income exceeds Rs. 1,200,000 but does not exceed Rs. 2,500,000	5% of the amount exceeding Rs. 1,200,000
5.	Where the taxable income exceeds Rs. 2,500,000 but does not exceed Rs. 4,000,000	65,000 + 15% of the amount exceeding Rs. 2,500,000
6.	Where the taxable income exceeds Rs. 4,000,000 but does not exceed Rs. 8,000,000	290,000 + 20% of the amount exceeding Rs. 4,000,000
7.	Where the taxable income exceeds Rs. 8,000,000	1,090,000 + 25% of the amount exceeding Rs. 8,000,000

Provided that where the taxable income exceeds eight hundred thousand rupees the minimum tax payable shall be two thousand rupees.”; and

- (b) in Part IV, in Division XXI, for the figure "0.4", the figure "0.6" shall be substituted; and
- (7) in the Second Schedule,
- (a) in Part I,—
- (i) in clause (51), the comma and words " , the Provincial Governors" shall be omitted;
- (ii) in clause (52), the words and comma "Provincial Governors," shall be omitted;
- (iii) clause (53) shall be omitted;
- (iv) in clause (61), after sub-clause (liii), the following new sub-clause shall be added, namely:—
- “(liv) Supreme Court of Pakistan - Diamer Bhasha & Mohmand Dams - Fund.”; and
- (v) in clause (66), after sub-clause (lxi), the following new sub-clause shall be added, namely:—
- “(lxii) Supreme Court of Pakistan - Diamer Bhasha & Mohmand Dams - Fund.”; and
- (b) in Part IV, after clause (106), the following new clauses shall be added, namely:—
- “(107) The provisions of section 111 relating to unexplained income or assets shall not apply in respect of any contribution paid to the Supreme Court of Pakistan - Diamer Bhasha & Mohmand Dams -Fund.
- (108) The provisions of sections 113, 151, 231A, 231AA and 236P shall not apply to the Supreme Court of Pakistan - Diamer Bhasha & Mohmand Dams -Fund.
- (109) The provisions of section 236P shall not apply at the time of transfer of any sum to the Supreme Court of Pakistan - Diamer Bhasha & Mohmand Dams - Fund.”.

5. **Amendment of the Federal Excise Act, 2005.**—In the Federal Excise Act, 2005, the following further amendments shall be made, namely:—

- (1) in section 2, the existing clause (24A) shall be re-numbered as clause (24B) and before clause (24B), renumbered as aforesaid, clause (24A) shall be inserted, namely:—

“(24A) “un-manufactured tobacco” means tobacco useable for manufacture of cigarettes as manufactured by Green Leaf Threshing Units after processing and conversion of tobacco green leaf;”;

- (2) in section 19, in sub-section (10), after the word “cigarettes”, occurring for the first, second and fifth time, the words “or un-manufactured tobacco” shall be inserted;
- (3) in section 26, in sub-section (1), after the word “cigarettes”, occurring for the second and third time, the comma and words “, un-manufactured tobacco” shall be inserted;
- (4) in section 27, in the marginal note and in both, sub-sections (2) and (3), after the word “cigarettes”, wherever occurring, the comma and words ‘, un-manufactured tobacco’ shall be inserted;
- (5) in the First Schedule, in Table I, in column (1),—
- (a) against serial number 7, in column (4), for the word “ten”, the words “three hundred” shall be substituted:
- (b) for serial numbers 9, 10 and 10a and entries relating thereto in columns (2), (3) and (4), the following entries shall be substituted, namely:—

“9.	Locally produced cigarettes if their on-pack printed retail price exceeds four thousand five hundred rupees per thousand cigarettes.	24.02	Rupees four thousand five hundred per thousand cigarettes
10.	Locally produced cigarettes if their on-pack printed retail price exceeds two thousand nine hundred and twenty-five rupees per thousand cigarettes but does not exceed four thousand five hundred rupees per thousand cigarettes.	24.02	Rupees one thousand eight hundred and forty per thousand cigarettes

10a.	Locally produced cigarettes if their iron-pack printed retail price does not exceed two thousand nine hundred and twenty-five rupees per thousand cigarettes.	24.02	Rupees one thousand two hundred and fifty per thousand cigarettes"; and
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- (c) against serial number 55, in column (4), for the word "ten", the word "twenty" shall be substituted; and
- (6) in the Third Schedule, in Table-I, in column (1), against serial number 16, in column (2),—
- (a) after the word "goods", occurring for the first time, the commas and words ", excluding un-manufactured tobacco," shall be inserted; and
- (b) the explanation shall be omitted.

TAHIR HUSSAIN,
Secretary.