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PART I

Acts, Ordinances, President's Orders and Regulations

NATIONAL ASSEMBLY SECRETARIAT

Islamabad, the 26th June, 2023

No. F. 22(21)/2023-Legis.—The following Act of *Majlis-e-Shoora* (Parliament) received the assent of the President on the 26th June, 2023 is hereby published for general information:—

ACT NO. XXXIV OF 2023

AN

ACT

to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2023, and to amend certain laws

WHEREAS, it is expedient to make provisions to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2023, and to amend certain laws for the purposes hereinafter appearing;

(453)

Price: Rs. 100.00

[1213(2023)/Ex. Gaz.].

It is hereby enacted as follows:—

1. **Short title and commencement.**—(1) This Act shall be called the Finance Act, 2023.

(2) It shall, unless specified otherwise, come into force on the first day of July, 2023.

2. **Amendment of the Petroleum Products (Petroleum Levy) Ordinance, 1961 (XXV of 1961).**—In the Petroleum Products (Petroleum Levy) Ordinance, 1961 (XXV of 1961), in the Fifth Schedule, in column (1),—

(a) against Sr. No. 1, in column (4), for the figure “50”, the figure “60” shall be substituted; and

(b) against Sr. No. 2, in column (4), for the figure “50”, the figure “60” shall be substituted.”.

3. **Amendments of the Members of Parliament (Salaries and Allowances) Act, 1974 (XXVII of 1974).**—In the Members of Parliament (Salaries and Allowances) Act, 1974 (XXVII of 1974), in section 13A, in subsection (1), in paragraph (e),—

(i) for the expression “1300 CC”, the expression “1200CC to 1600CC” shall be substituted;

(ii) sub-paragraphs (ii) and (iii) shall be omitted and the remaining sub-paragraphs shall be re-numbered accordingly;

(iii) for the existing sub-paragraph (iv), the following shall be substituted, namely:—

“(iv) official vehicle shall only be driven by the Staff Car Driver for outstation duty and he shall be entitled to TA/DA;”.

4. **Amendments of the Customs Act, 1969 (IV of 1969).**—In the Customs Act, 1969 (IV of 1969), the following further amendments shall be made, namely:—

(1) in section 2, in clause (s), after the word “goods”, occurring for the first time, the expression “, anywhere within the territorial jurisdiction of Pakistan”, shall be inserted;

(2) in section 3C, for the expression “Pakistan Customs Academy (PCA)”, occurring wherever, the expression “Customs Academy of Pakistan (CAP)” shall be substituted;

- (3) in section 7, after the expression “(BMP)”, the expression “, Provincial Levies, Khasadar Force” shall be inserted;
- (4) in section 19—
- (a) in sub-section (1), after the word “Pakistan,” occurring for the first time, the expression “, or to implement an agreement of the Government of Pakistan with any entity” shall be inserted; and
- (b) in sub-section (5), in the second proviso, for the figure “2023”, the figure “2024” shall be substituted;
- (5) in section 25A, in sub-section (1), in the proviso, for the expression “incorporate values from”, the expression “consult prices of goods available in” shall be substituted;
- (6) in section 79, in sub-section (1), after the second proviso, for the full stop at the end, a colon shall be substituted and thereafter the following new proviso shall be added, namely:—
- “Provided further also that in case of land customs station at border, the owner of any imported goods shall file Goods Declaration (GD) for home consumption or warehousing or transshipment or any other approved purpose, within three days of arrival of goods at the border Customs station.”;
- (7) in section 98, in sub-section (1), for the words “one month” occurring for the first time, the words “three months” shall be substituted;
- (8) in section 139, in sub-section (1), after the word “crew”, the expression “or a representative on behalf of a group of passengers” shall be inserted;
- (9) in section 156, in sub-section (1), in the Table, -
- (a) against S.No.1, -
- (i) sub-serial number (ii) shall be omitted; and
- (ii) for sub-serial number (iii), the following shall be substituted, namely:—

“(iii)	If any person fails to attach or electronically upload mandatory documents required under section 79 or 131 of the Customs Act, 1969-.	Such person shall be liable to a penalty not exceeding Rs. 50,000/-.	General”;
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- (b) against S. No. 8, in sub-serial number (i), in clause (b), clause (c), clause (d) and clause (e), in column (2) after the word “times”, the words “but not less than” shall be inserted;
- (c) against S.No. 9, in column (2), after the word “times”, the words “but not less than” shall be inserted;
- (d) against S.No. 89, in sub-serial number (i), in column (2), after the word “times” occurring for second time, the words “but not less than” shall be inserted;
- (e) against S. No. 90, in column (2), after the word “times”, the words “but not less than” shall be inserted;
- (10) in section 179, in sub-section (2), for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:-
- “Provided that the respondent may opt for adjudication through the customs computerized system for such goods or offences as notified by the Board.”;
- (11) in section 182, in the proviso, after the word, “that”, the expression “subject to rules,” and after the word “vehicles” the expression “, conveyance and any other equipment” shall be inserted;
- (12) in section 185D, after sub-section (2), the following new sub-section shall be added, namely:—
- “(3) The Board may at any stage of investigation direct transfer of investigation of criminal case from one field formation to other formation.”;
- (13) in section 194A, in sub-section (1), in clause (f), for the full stop at the end, a semi-colon and the word “and” shall be substituted and thereafter the following new clause shall be added, namely:—
- “(g) an appellate order or a quasi-judicial order passed by the Chief Collector of Customs under provisions of this Act and

the rules made thereunder provided that such appeal shall be heard by a special bench consisting of one technical member and one judicial member.”;

(13A) in section 195C, in sub-section (2), for clause (c), the following shall be substituted, namely:—

“(c) a retired judge not below the rank of a judge of High Court, who shall also be the Chairperson of the Committee, to be nominated by the Board from a panel notified by the Law and Justice Division for such purpose.”;

(14) in section 208, in sub-section (2), in the proviso, for the full stop at the end, a colon shall be substituted and thereafter the following new proviso shall be added, namely: -

“Provided further that the Board may make rules regarding eligibility of a person for self-filing of goods declaration as provided under sub-section (2) read with section 155C of this Act.”;

(15) in section 212B, in sub-section (2), in clause (ii), after semi-colon, the word “or” shall be added and thereafter clause (iii) shall be omitted;

(16) the amendments set out in the First Schedule to this Act shall be made in the First Schedule to the Customs Act, 1969 (IV of 1969); and

(17) in the Fifth Schedule,—

(A) in Part-I, in column (1),—

(i) after S. No. 8, the following new S. No. 8(a) and the entries relating thereto in column (2), (3) (4) and (5) shall be inserted namely:—

"8(a)	1. Imports or exports made by or for the qualified investment in respect of the project as specified at Serial No.1 of the First Schedule to the Foreign Investment (Promotion and Protection) Act, 2022.	Respective Headings	0%	The concession shall be available subject to conditions, limitations and restrictions as prescribed in Serial 1 & 2 of Part-F of the Second Schedule to the Foreign Investment (Promotion and Protection) Act, 2022.
	2. Household goods of employees of Reko Diq Mining Company (Private) Limited. Explanation: - for the purpose of this Serial, the concession of Customs Duty includes all duties and levies leviable under the Customs Act, 1969.	Respective Headings	0%	Only such employees can claim the benefit who are either citizen of a country other than Pakistan or who for the Tax Year immediately prior to the import of goods were non-resident in Pakistan for the purpose of Income Tax Ordinance, 2001.";

- (ii) against S. No. 26, in column (2), for the figure "2023", the figure "2024", shall be substituted;
- (B) in Part-II, in Table A, in column (1), Sr. No. 312 and the entries relating thereto in columns (2), (3) and (4), shall be omitted;
- (C) in Part-III, in the Table, in column (1),—
- (i) against Sr. No. 113, in column (5), for the word "hemodialyzers", the words "fluids and powders for use in hemodialyzers" shall be substituted;
- (ii) against Sr. No. 107,—
- (a) in column (2), for the expression, "(i) Paper having specification 60 gm/m² in 23X36 inches or 20X30 inches sheets (ii) Art paper having specification 20x30 inches, 23x30 inches, 23x33 inches, 23x36 inches and 700x1000 mm", the expression "(i) Paper having specification 60 to 90 gsm of 20x30, 23x30, 23x36, 23x33 and 30x40 inches in sheets; and (ii) Art card or board (200 to 300 gsm) and art paper having specification 60 to 130 gsm of 20x30 inches, 23x30 inches, 23x36, 30x40 inches and 700x1000 mm in sheets", shall be substituted"; and

(b) in column (3), for the PCT codes "4802.5510", the PCT code "4802.6990", shall be substituted and the PCT code "4810.1310", shall be omitted;"

(D) Part-V and the Table relating thereto, shall be omitted;

(E) in Part-V(A), in Table-II,—

(i) against S.No.1, in column (3), in sub-serial (d), for the PCT code "8501.3290", the PCT code "8501.3200" shall be substituted;

(ii) against S.No.2, in column (3), in sub-serial (c), for the PCT code "8501.3290", the PCT code "8711.6050" shall be substituted;

(iii) against S.No.3, in column (3), in sub-serial (a), for the PCT code "8501.3290", the PCT code "8501.3200" shall be substituted; and

(F) For Part-V(B), the following shall be substituted, namely:—

"Part-V(B)

Import of Hybrid Electric Vehicles (CBUs)

Under Auto Industry Development and Export Policy (AIDEP) 2021-26

TABLE-I

S. No (1)	Description (2)	PCT Code (3)	CD% (4)	Condition (5)
1.	Hybrid Electric Vehicles (HEV) (CBU)	8702.2090 8702.3090	1%	The concession shall be admissible to manufacturers on import of same variant to be assembled / manufactured locally from the date of issuance of manufacturing certificate and quota determination by Engineering Development Board (EDB).
2.	Hybrid Electric Vehicles (HEV) (CBU)	8704.4100 8704.4200 8704.5100 8704.5200	1%	The concession shall be admissible to manufacturers on import of same variant to be assembled / manufactured locally from the date of issuance of manufacturing certificate and quota determination by Engineering Development Board (EDB).

TABLE-II

**Import of Parts for Hybrid Vehicles
Under Auto Industry Development and
Export Policy (AIDEP) 2021-26**

S. No.	Description of Imported Good	PCT Code	CD %	Condition
(1)	(2)	(3)	(4)	(5)
1.	Following parts for Hybrid Electric Vehicle: -	Respective headings	4%	The concession shall be admissible to manufacturers of Hybrid electric vehicles subject to certification and quota determination by the Engineering Development Board (EDB).
	1. Battery pack and its parts: (i) thermistor (ii) resistor (iii) capacitor (iv) bus bar			
	2. Cooling system for battery packs including blower, tubes, hoses, pump			
	3. Sensor hybrid vehicle battery voltage			
	4. Inverter assembly with converter (Power control unit)			
	5. Electric motor and generator for Transaxle assembly			
	6. Battery charging system / inlet connectors			
	7. Hybrid system control unit / hybrid ECU			
	8. Junction box			
2.	Following parts for Plug-in-Hybrid Electric Vehicle: -	Respective headings	3%	The concession shall be admissible to manufacturers of Plug-in Hybrid electric vehicles subject to certification and quota determination by the Engineering Development Board (EDB).
	1. Battery pack and its parts: (i) thermistor (ii) resistor (iii) capacitor (iv) bus bar			
	2. Cooling system for battery packs including blower, tubes, hoses, pump			
	3. Sensor hybrid vehicle battery voltage			
	4. Inverter assembly with converter (Power control unit)			
	5. Electric motor and generator for Transaxle assembly			
	6. Battery charging system / inlet connectors			
	7. Hybrid system control unit / hybrid ECU			
	8. Junction box			
	9. Charger			
	10. Charging port"			

Part V(C)

Import of Agricultural Tractors

TABLE

S. No.	Description	PCT Code	Customs Duty%
(1)	(2)	(3)	(4)
1.	Agricultural Tractors, having an engine capacity exceeding 26 kW but not exceeding 75kW	8701.9220 8701.9320	15%
2.	Agricultural Tractors (other than mentioned at S. No. 1 above)	8701.9100, 8701.9400 8701.9500	10%";

- (18) In Notification No. S.R.O.966(I)/2022 dated the 30th day of June, 2022, the following amendments shall be made which shall be deemed to have been so made by the Federal Government in exercise of its powers conferred by sub-section (3) of section 18 of the Customs Act, 1969 (IV of 1969), namely:—

in the Table,—

- (i) after S. No.140, and the entries relating thereto in columns (2), (3) and (4) the following new serial number and the entries relating thereto in columns (2), (3) and (4) shall be inserted, namely:—

"140A	2849.1000	Calcium (Carbides)	5";
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- (ii) after S. No.168, and the entries relating thereto in columns (2), (3) and (4), the following new serial number and the entries relating thereto in columns (2), (3) and (4) shall be inserted, namely:—

"168A	3824.9980	Chloroparaffins liquid	10% till 31st Dec., 2023 and 5% from 1st January 2024 to 30th June, 2024";
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- (iii) after S. No.297, and the entries relating thereto in columns (2), (3) and (4), the following new serial number and the entries relating thereto in columns (2), (3) and (4) shall be inserted, namely:—

"297A	7002.3200	Tubes of other glass having a linear coefficient of expansion not exceeding 5×10^{-6} per Kelvin within a temperature of 0°C to 300°C	10";
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- (iv) for S. No. 299, and the entries relating thereto in columns (2), (3) and (4), the following shall be substituted, namely:—

"299	70.05	Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked (except PCT code 7005.3000)	30";and
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- (v) in paragraph 2, in clause (g), for the expression "exceeding diameter 75 mm", the expression "of diameter 50 mm and exceeding 50 mm" shall be substituted;

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

- (1) in section 2,—
 - (a) in clause (12), after the word "include", the expression "production, transmission and distribution of electricity," shall be omitted;
 - (b) in clause (33), the sub-clause (e) shall be omitted;
 - (c) in clause (43A), sub-clauses (e) and (ga) shall be omitted;
- (2) in section 3, in sub-section (1A), for the word "three", the word "four" shall be substituted;
- (3) for section 30CA, the following shall be substituted, namely:—

"30CA. **Directorate General of Digital Initiatives.**—The Directorate General of Digital Initiatives shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.";

- (4) in section 33, in clause (23), in column (1), for the words “cigarette packs”, the expression “goods or class of goods as specified by the Board under sub-section (1) of section 40C” shall be substituted;
- (5) for section 47A, the following shall be substituted, namely:—

“47A. **Alternative Dispute Resolution.**—(1) Notwithstanding any other provision of this Act, or the rules made thereunder, an aggrieved person in connection with any dispute pertaining to—

- (a) the liability of tax of one hundred million rupees or above against the aggrieved person or admissibility of refund, as the case may be;
- (b) the extent of waiver of default surcharge and penalty; or
- (c) any other specific relief required to resolve the dispute, may apply to the Board for the appointment of a committee for the resolution of any hardship or dispute mentioned in detail in the application, which is under litigation in any court of law or an appellate authority, except where criminal proceedings have been initiated.
- (2) The application for dispute resolution shall be accompanied by an initial proposition for resolution of the dispute, including an offer of tax payment.
- (3) The Board may, after examination of the application of an aggrieved person, appoint a committee, within fifteen days of receipt of such application in the Board, comprising,—
- (i) a retired judge not below the rank of a judge of a High Court, who shall also be the Chairperson of the Committee, to be nominated by the Board from a panel notified by the Law and Justice Division for such purpose;
- (ii) Chief Commissioner Inland Revenue having jurisdiction over the case; and
- (iii) person to be nominated by the registered person from a panel notified by the Board comprising —

- (a) chartered accountants, cost and management accountants and advocates having a minimum of ten years' experience in the field of taxation;
- (b) officers of the Inland Revenue Service who stood retired in BPS 21 or above; or
- (c) reputable businessmen as nominated by Chambers of Commerce and Industry:

Provided that the registered person shall not nominate a chartered accountant or an advocate if the said chartered accountant or the advocate is or has been an auditor.

- (4) The Board shall communicate the order of appointment of committee to the aggrieved person, court of law or the appellate authority where the dispute is pending and the concerned Commissioner.
- (5) The committee appointed under sub-section (3) shall examine the issue and may, if it deems necessary, conduct inquiry, seek expert opinion, direct any officer of the Inland Revenue or any other person to conduct an audit and shall decide the dispute by majority, within forty-five days of its appointment extendable by another fifteen days for the reasons to be recorded in writing.
- (6) The decision by the committee under sub-section (5) shall not be cited or taken as a precedent in any other case or in the same case for a different tax year.
- (7) The recovery of tax payable by a registered person in connection with any dispute for which a committee has been appointed under sub-section (3) shall be deemed to have been stayed on the constitution of committee till the final decision or dissolution of the committee, whichever is earlier.
- (8) The decision of the committee under sub-section (5) shall be binding on the Commissioner when the aggrieved person, being satisfied with the decision, has withdrawn the appeal pending before the court of law or any appellate authority in respect of dispute as mentioned in sub-section (1) and has communicated the order of withdrawal to the Commissioner:

Provided that if the order of withdrawal is not communicated to the Commissioner within sixty days of the service of decision of the committee upon the aggrieved person, the decision of the committee shall not be binding on the Commissioner.

- (9) Subject to sub-section (10), the Commissioner shall also withdraw the appeal, if any, pending before any court of law or an appellate authority in respect of dispute as mentioned in sub-section (1) within thirty days of the communication of the order of withdrawal by the aggrieved person to the Commissioner.
 - (10) The aggrieved person shall make the payment of sales tax and other duty or taxes and within such time as decided by the committee under sub section (5) and all decisions and orders made or passed shall stand modified to that extent.
 - (11) If the committee fails to decide within the period of sixty days under sub-section (5), the Board shall dissolve the committee by an order in writing and the matter shall be decided by the court of law or the appellate authority where the dispute is pending under litigation.
 - (12) The Board shall communicate the order of dissolution of the committee to the aggrieved person, court of law or the appellate authority and the Commissioner.
 - (13) On receipt of the order of dissolution of the committee, the court of law or the appellate authority shall decide the appeal within six months of the communication of said order.
 - (14) The Board may prescribe the amount to be paid as remuneration for the services of the members of the committee, other than the member appointed under clause (ii) of sub-section (3).
 - (15) The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this section;
- (6) in the Fifth Schedule, in column (1),—
- (a) after serial number 8, the following new serial number and entries thereto in column (2) shall be inserted, namely:—

“8A.	Imports or supplies made by, for or to a qualified investment as specified at Serial No.1 of the First Schedule to the Foreign Investment (Promotion and Protection) Act, 2022 for the period as specified in the Second Schedule to the said Act.”
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(b) against serial number 12, in column (2),—

(i) in clause (xvii), for the word “five”, the word “six” shall be substituted;

(ii) for clause (xxv), the following shall be substituted, namely:—

“(xxv) other drawing, marking out or mathematical calculating instruments (geometry box) (PCT heading 9017.2000).”; and

(c) against serial number 21, after the words “supplies of”, the expression “commodities,” shall be inserted;

(7) in the Sixth Schedule,—

(I) in Table-1, in column (1),—

(a) against serial numbers 16, in column (2), for the words “in retail packing bearing”, the word “under” shall be substituted;

(b) against serial numbers 17, in column (2), for the words “in retail packing bearing”, the word “under” shall be substituted;

(c) against serial numbers 18, in column (2), for the words “in retail packing bearing”, the word “under” shall be substituted;

(d) in serial number 121, in column (2), the following Explanation shall be added, namely:—

“Explanation.—For removal of doubt, it is clarified that the blood transfusion sets not packed in aluminum foil imported with blood bags CPDA-1, in corresponding quantity in same consignment are also exempt.”

- (e) against serial number 151, in column (2), in clause (b), for the expression “30th June, 2023” the expression “30th June, 2024” shall be substituted;
 - (f) against serial number 152, in column (2), for the expression “30th June, 2023” the expression “30th June, 2024” shall be substituted;
 - (g) serial numbers 159 and 160 and entries relating thereto in columns (2) and (3) shall be omitted;
 - (h) against serial number 168, in column (2), after the word “Fertilizers”, the words “excluding DAP” shall be added; and
- (II) in Table-2, in column (1),—
- (a) against serial number 27, in column (2), after the words “Wheat Bran”, the expression “[This exemption shall apply from the 1st day of July, 2018]” shall be added;
 - (b) against serial number 32, in column (2), after the word “sold”, the words “in retail packing” shall be omitted;
 - (c) against serial number 34, in column (2), after the word “sold”, the words “in retail packing” shall be omitted;
 - (d) against serial number 35, in column (2), after the word “sold”, the words “in retail packing” shall be omitted;
 - (e) against serial number 36, in column (2), after the word “sold”, the words “in retail packing” shall be omitted;
 - (f) against serial number 37, in column (2), after the word “sold”, the words “in retail packing” shall be omitted;
 - (g) against serial number 39, in column (2), after the word “sold”, the words “in retail packing” shall be omitted;
 - (h) against serial number 41, in column (2), after the word “sold”, the words “in retail packing” shall be omitted; and
 - (i) against serial number 42, in column (2), after the word “sold”, the words “in retail packing” shall be omitted;