

# صوابی ایوان صنعت و تجارت

Ref No: SCCI -2026/ FC0226

Date: 21-02-2026

## MINUTES OF THE FINANCE COMMITTEE MEETING

HELD ON 20th FEBRUARY 2026 (FRIDAY)

IN M/s TERBELLA STEEL MILLS (PRIVATE) LIMITED

ایوان صنعت و تجارت صوابی کی فنانس کمیٹی کا اہم اجلاس میسرز تربیلہ سٹیل ملز پرائیویٹ لمیٹڈ گدون واقع گدون اکنامک زون میں 20 فروری 2026 بروز جمعہ کو منعقد ہوا۔ اجلاس کی صدارت ایوان کے صدر جناب فضل رحیم جدون صاحب نے کی اور اہم ایوان صنعت و تجارت صوابی کے مالی امور کی ادا نیگیوں سے متعلق اہم منظوریاں حاصل کی گئی۔

### اجلاس کی کارروائی

اجلاس کی باقاعدہ کارروائی کا آغاز تلاوت کلام پاک سے ہوا۔ اس موقع پر ایوان کے سیکرٹری جنرل محمد سلمان خان نے تلاوت کلام پاک کا شرف حاصل کیا۔

اجلاس میں ایوان صنعت و تجارت کے مالی امور سے متعلق آڈیٹرز کے رابطہ کار آفیسر و معروف ٹیکس مشیر جناب محمد سلطان نے اور اکاؤنٹس کے شعبہ سے جناب محمد حسن نے بھی شرکت کی۔ اجلاس کے آغاز میں مختصر و فوری شرکت کی دعوت پر وضاحت پیش کی گئی۔ تاکہ پراجیکٹ ریسرچ اینڈ ٹیکنالوجی ڈیولپمنٹ سنٹر کی سپلائرز کمپنیوں کو ادا نیگیوں کے لیے ضروری ترمیمات جلد مکمل ہو سکیں اور ادا نیگیوں میں کوئی قانونی سکم باقی نہ رہے۔

ایوان کے سیکرٹری جنرل نے صدر مجلس جناب فضل رحیم جدون صاحب کی اجازت سے پراجیکٹ ریسرچ اینڈ ٹیکنالوجی ڈیولپمنٹ سنٹر کی اب تک کی کارکردگی، تکمیل کے لیے جاری عمل اور ادا نیگیوں سے متعلق قانونی عمل کو مکمل کرنے اور اس حوالے سپلائرز کمپنیوں سے موصول payment invoices سے انکم ویلز ٹیکسز کی ود ہولڈنگز اور پراجیکٹ RTDC کی گرانٹ کے استعمال کے لیے TDAP کے ساتھ اشتراکی بینک اکاؤنٹ موجود NBP میں برانچ صوابی سے متعلق بعد ازاں کا وائی مکمل ہونے پر سپلائرز کو ادا نیگیاں کرنے اور اس وجہ سے تقریباً 9 کروڑ 45 لاکھ 8 ہزار 1 سو 20 روپے کی material رقوم کے expences سے متعلق ٹیکس اور آڈٹ کی پیچیدگیوں کے حل کے لیے اس اہم اجلاس کے مقصد و نقطہ کو تفصیلی بیان کیا۔

صدر مجلس جناب فضل رحیم جدون صاحب نے شرکاء کو آگاہ کیا کہ چونکہ صوابی چیمبر آف کامرس اینڈ انڈسٹری سیز ٹیکس کیساتھ رجسٹرڈ ادارہ نہیں ہے اور ادارے کو Joint Account جو کہ مخصوص مقصد کے لیے NBP میں کھولا گیا ہے اور خالصتاً مخصوص مقصد کے لیے ہی مالی Grant کی رقوم استعمال ہو رہی ہیں اور FBR کے قانون کے مطابق مکمل Tax Exempted ہیں۔

اس کے بعد جناب محمد سلطان صاحب، مشیر اعظم ٹیکس و رابطہ آفیسر مالی آڈیٹرز نے اجلاس کے شرکاء کی معاونت کے لیے اپنی فرم سے تیار کردہ ورکنگ پیپر شیر کیا اور تمام موضوع سے متعلق اہم قانونی سفارشات پیش کیں۔ جس کے اہم نکات مندرجہ ذیل ہیں۔

01:- فنڈز کے صوابی چیمبر آف کامرس اینڈ انڈسٹری کے NTN پر اجراء اور استعمال کی صورت میں موصول اور استعمال شدہ فنڈز میں تقریباً 2794 فیصد کا اضافہ ہوگا۔ اس صورت میں FBR IRS کا سسٹم اپنے risk based parameters کے ساتھ active ہو جائے گا اور اس کو صوابی چیمبر آف کامرس اینڈ انڈسٹری کی جانب سے undisclosed turnover کے طور پر لے گا۔ جس سے فیڈرل بورڈ آف ریونیو حکام کی جانب سے بھاری ٹیکس رقوم کی ادائیگی کا مطالبہ کیا جائے گا۔

02:- اس مسئلہ کے حل کے لیے ضروری ہے کہ اس Joint Venture کو فوری Association of Person (AOP) کی حیثیت سے رجسٹرڈ کیا جائے اور الگ سے NTN کا حصول ممکن کر بنایا جائے۔ جس میں پراجیکٹ یا فنڈ کرنے والے ادارے کو Entity A (جس ادارے سے کیسا تھ JV ہو) اور فنڈ کرنے والے ادارے کو Entity B یعنی صوابی چیمبر آف کامرس اینڈ انڈسٹری کو رکھا جائے اور NTN کا حصول ممکن بنایا جائے۔

03:- سپلائر کمپنیز سے موصول payment invoices کو صوابی چیمبر آف کامرس اینڈ انڈسٹری کے نام سے الگ کر کے مخصوص پراجیکٹ RTDC کی JV کے نام پر کیا جائے۔ اس طرح سیکشن 153 کی تعمیل کی رو سے چونکہ ادائیگی Joint Bank Account سے کی جائے گی لہذا ضروری ہے کہ صوابی چیمبر آف کامرس اینڈ انڈسٹری کا NTN استعمال نہ ہو۔ اس عمل کی صورت میں Turnover میں اضافے پر ٹیکس کی کوئی صوابی چیمبر آف کامرس اینڈ انڈسٹری سے نہیں ہوگی بصورت دیگر FBR اس تمام عمل کو صوابی چیمبر کی جانب سے خالصتاً Commerical Contract کی صورت میں رکھ کر ٹیکس وصول کرے گا۔

04:- لہذا ضروری ہے کہ صوابی چیمبر آف کامرس اینڈ انڈسٹری بطور پراجیکٹ منجمنٹ ادارے کے طور پر اس عمل کو مکمل کرے اور JV کی صورت میں جب نیا NTN حاصل ہو جائے تو بینک میں پیش کر کے ادائیگی مکمل کرے جس سے ٹیکسز کی ادائیگی سے استثنیٰ ممکن ہے۔ اس صورت میں تعمیلات مکمل کرنے کی ذمہ داری JV اور اس Joint Venture کمیٹی کی ہوگی۔

اس کے بعد ایوان کے سابقہ صدر اور کمیٹی رکن جناب محمد اسرار صاحب نے اپنی اراء پیش کی اور سفارشات کی روشنی میں ادائیگیوں کے عمل کو مکمل کرنے کی حمایت کی۔ ان کے مطابق صوابی چیمبر آف کامرس اینڈ انڈسٹری کے پاس محدود فنڈز اور مالی وسائل کی وجہ سے ادارے کے لیے پیچیدگیوں میں اضافے کو روکنا ضروری ہے۔

صدر مجلس نے سفارشات کی روشنی میں اس میٹنگ کے مندرجات کو تمام ممبران کیساتھ شئیر کرنے اور EDF و TDAP سے راہنمائی لیکر جلد از جلد اس تمام ادائیگی کے عمل کو مکمل کرنے کی ہدایات جاری کیں۔ انھوں نے سپلائر کمپنیوں کو بھی آگاہ کرنے کی ہدایت کی تاکہ ممکنہ عمل سے آگاہ رہیں اور اس حوالے سے درکار سہولت یعنی FBR کو جمع کروائے گئے گوشواروں میں تبدیلی کر سکیں۔

اجلاس کا اختتام انتہائی خوشگوار ماحول میں ہوا اور صدر مجلس سے تمام شرکاء کا اہم اجلاس میں شرکت کرنے اور ایوان کی معاونت کرنے پر شکر یہ ادا کیا۔

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# **Tax Compliance & Audit Risk Mitigation: Safeguarding SCCI's NTN in the 95M PKR Payments to the Suppliers for the Research Project, Research and Technology Development Center (RTDC)**

## **1. The "Red Flag" Risk (The 2M vs. 85M Argument)**

Strongest point for the Finance Committee.

- **The Mismatch:** SCCI's current annual revenue is approximately **3.8 million PKR**. Processing **95 million PKR** through SCCI's NTN creates a 2,794% spike in financial activity.
- **Automatic Audit:** FBR's IRIS system uses "risk-based parameters." A sudden jump of this magnitude will trigger an automatic audit notice. The FBR may treat the 85 million PKR as SCCI's own "unexplained income" or "undisclosed turnover," leading to massive tax demands that SCCI cannot afford.

## **2. Legal Identity & Asset Ownership**

- **The Entity Gap:** The Joint Venture (JV) is a separate "Association of Persons" (AOP). Legally, SCCI and the JV are two different people.
- **Title of Assets:** If vendors issue invoices to SCCI, SCCI legally owns the equipment. However, since the funds came from TDAP or EDF for a specific research center at Swabi University, this creates a **legal conflict of interest**.
- **The Audit Trap:** Government auditors (AGP) will flag this as "funds provided to Entity A (JV) but assets recorded by Entity B (SCCI)." This could lead to a recovery notice against SCCI officials.

## **3. The "Withholding Agent" Liability**

- **Section 153 Compliance (the payer rule):** Under the Income Tax Ordinance, the person making the payment must withhold the tax. Since the payment is coming from the **Joint Bank Account**, the tax must be deposited under the **Joint Venture's NTN**.
- **Invalid Tax Credits:** If SCCI uses its own NTN to deposit the tax, the vendor will receive a tax credit from SCCI, not the JV. The JV's books will never balance, and TDAP will not be able to "close" the project financially.

## **4. Protecting SCCI's "Tax Exempt" or "Trade Body" Status**

- Chambers of Commerce often enjoy specific tax treatments or simplified filings.
- By mixing 85 million PKR of "Project Procurement" with "Chamber Operations," SCCI risks losing its status as a non-profit trade body in the eyes of the FBR, as it will look like a high-turnover commercial contractor.

## 5. The Professional Solution: The "Executing Agency" Model

Tell the committee that SCCI can still **lead** the project without taking the **tax risk**:

- **Role:** SCCI acts as the "Project Manager."
- **Execution:** All procurement is done by SCCI staff, but the **NTN to be used is the JV's**.
- **Benefit:** SCCI gets the credit for building the Research Center, but the JV/AOP takes the tax and audit "heat."

### Summary Table for the Meeting

Issue	SCCI's Current Plan	The Correct JV Plan
<b>FBR Risk</b>	<b>High:</b> 4000% turnover spike.	<b>Zero:</b> JV handles its own volume.
<b>Audit Status</b>	Likely Objection.	Fully compliant with TDAP/AGP.
<b>Invoicing</b>	Invoices in SCCI name (Wrong).	Invoices in JV name (Correct).
<b>Accountability</b>	President SCCI personally liable.	JV Management Committee liable.

### The Closing Statement

*"Mr. President, we want this 85 million PKR to be a success story for Swabi, not an audit case for SCCI. By using a separate NTN for the JV, we insulate the Chamber from FBR scrutiny while ensuring that funds are spent according to federal law."*

## Chapter X – Procedure

**1[153. Payments for goods, services and contracts.—** (1) Every prescribed person making a payment in full or part including a payment by way of advance to a resident person <sup>1</sup>[ ] <sup>2</sup>[ ] —

<sup>1</sup> Section 153 substituted by the Finance Act, 2011. The substituted section 153 read as follows:

**"153. Payments for goods and services.** — (1) Every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person—

- (a) for the sale of goods;
- (b) for the rendering of or providing of services;
- (c) on the execution of a contract, other than a contract for the sale of goods or the rendering of or providing of services,

shall, at the time of making the payment, deduct tax from the gross amount payable at the rate specified in Division III of Part III of the First Schedule.

(1A) Every exporter or an export house making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person for the rendering of or providing of services of stitching, dyeing, printing, embroidery, washing, sizing and weaving, shall at the time of making the payment, deduct tax from the gross amount payable at the rate specified in Division IV of Part III of the First Schedule.

(2) The gross amount payable for a sale of goods shall include the sales tax, if any, payable in respect of the sale.

(3) Omitted.

(4) The Commissioner may, on application made by the recipient of a payment referred to in sub-section (1) and after making such enquiry as the Commissioner thinks fit, allow, by order in writing, any person to make the payment without deduction of tax.

(5) Sub-section (1) shall not apply to —

- (a) a sale of goods where —
  - (i) the sale is made by the importer of the goods;
  - (ii) the importer has paid tax under section 148 in respect of the goods; and
  - (iii) the goods are sold in the same condition they were in when imported;
- (b) a refund of any security deposit;
- (ba) a payment made by the Federal Government, a Provincial Government or a Local Government] to a contractor for construction materials supplied to the contractor by the said Government or the authority;
- (bb) a cotton ginner who deposits in the Government Treasury, an amount equal to the amount of tax deductible on the payment being made to him, and evidence to this effect is provided to the "prescribed person";
- (c) the purchase of an asset under a lease and buy back agreement by a modaraba, leasing company, banking company or financial institution; or
- (d) any payment for securitization of receivables by a Special Purpose Vehicle to the Originator.
- (e) Omitted.

(6) The tax deducted under this section shall be a final tax on the income of a resident person arising from transactions referred to in sub-section (1) or (1A):

Provided that sub-section (6) shall not apply to companies in respect of transactions referred to in clause (b) of sub-section (1):

Provided further that this sub-section shall not apply to payments received on account of—

- (i) advertisement services, by owners of newspapers and magazines;
- (ii) sale of goods and execution of contracts by a public company listed on a registered stock exchange in Pakistan; and
- (iii) the rendering of or providing of services referred to in sub-clause (b) of sub-section (1):

Provided that tax deducted under sub-clause (b) of sub-section (1) of section 153 shall be minimum tax.

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- (a) for the sale of goods <sup>3</sup>[including toll manufacturing] <sup>4</sup>[, except where payment is less than seventy-five thousand Rupees in aggregate, during a financial year];
- (b) for the rendering of or providing of services <sup>5</sup>[except where payment is less than thirty thousand Rupees in aggregate, during a financial year];
- (c) on the execution of a contract, <sup>6</sup>[including contract signed by a sportsperson] <sup>7</sup>[but not including] a contract for the sale of goods or the rendering of or providing services, shall, at the time of

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(6A) The provisions of sub-section (6) in so far as they relate to payments on account of supply of goods from which tax is deductible under this section shall not apply in respect of a company being a manufacturer of such goods.

(6B) Omitted previously.

(7) Omitted previously.

(8) Where any tax is deducted by a person making a payment to a Special Purpose Vehicle, on behalf of the Originator, the tax is credited to the Originator.

(8A) Omitted previously.

(9) In this section, –

“prescribed person” means –

(a) the Federal Government;

(b) a company;

(c) an association of persons constituted by, or under law;

(cc) a non-profit organization;

(d) a foreign contractor or consultant;

(e) a consortium or joint venture;

(f) an exporter or an export house for the purpose of sub-section (1A);

(g) an association of persons, having turnover of fifty million rupees or above in tax year 2007 <sup>1</sup>[or in any subsequent tax year .

(h) an individual, having turnover of fifty million rupees or above in the tax year 2009 or in any subsequent year.

“services” includes the services of accountants, architects, dentists, doctors, engineers, interior decorators and lawyers, otherwise than as an employee.

“sale of goods” includes a sale of goods for cash or on credit, whether under written contract or not “manufacturer” for the purpose of this section means, a person who is engaged in production or manufacturing of goods, which includes-

(a) any process in which an article singly or in combination with other articles, material, components, is either converted into another distinct article or produce is so changed, transferred, or reshaped that it becomes capable of being put to use differently or distinctly; or

(b) a process of assembling, mixing, cutting or preparation of goods in any other manner.”

<sup>1</sup> The word “or” omitted through Finance Act, 2020 dated 30<sup>th</sup> June, 2020

<sup>2</sup> The words “permanent establishment in Pakistan of a non-resident person” omitted by the Finance Act, 2012.

<sup>3</sup> The words inserted through Finance Act, 2020 dated 30<sup>th</sup> June, 2020

<sup>4</sup> Inserted by the Finance Act, 2018.

<sup>5</sup> Inserted by the Finance Act, 2018.

<sup>6</sup> Inserted by the Finance Act, 2014.

<sup>7</sup> The words “other than” substituted by the words “but not including” by the Finance Act, 2014.

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making the payment, deduct tax from the gross amount payable (including sales tax, if any) at the rate specified in Division III of Part III of the First Schedule <sup>1</sup>[:]

<sup>2</sup>[Provided that where the recipient of the payment under clause (b) receives the payment through an agent or any other third person and the agent or, as the case may be, the third person retains service charges or fee, by whatever name called, from the payment remitted to the recipient, the agent or the third person shall be treated to have been paid the service charges or fee by the recipient and the recipient shall collect tax along with the payment received.]

(2) Every exporter or an export house making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person for rendering of or providing services of stitching, dying, printing, embroidery, washing, sizing and weaving, shall at the time of making the payment, deduct tax from the gross amount payable at the rate specified in Division IV of Part III of the First Schedule.

<sup>3</sup>[(2A) Notwithstanding the provision of sub-section (1), –

- (i) every payment intermediary at the time of processing payment through digital means, on behalf of a seller of digitally ordered goods or services through locally operated e-commerce platforms (including websites); and
- (ii) every courier business providing courier services collecting cash from a buyer under Cash on Delivery (CoD) payment terms on behalf of a seller for the supply of digitally ordered goods and services through e-commerce platforms (including websites);

shall collect tax from the gross amount payable (including sales tax, if any) to the seller at the rate specified in Division IVA of Part I of the First Schedule to the Ordinance and deposit to government treasury.]

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<sup>1</sup> Full stop substituted by the Finance Act, 2017.

<sup>2</sup> Added by the Finance Act, 2017.

<sup>3</sup> Sub-section (2A) inserted by the Finance Act, 2025.

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Provided also that the Commissioner may modify or cancel the certificate issued automatically by Iris on the basis of reasons to be recorded in writing after providing an opportunity of being heard.]

<sup>1</sup>[ ]

(5) Sub-section (1) shall not apply to —

(a) a sale of goods where the sale is made by the importer of the goods and tax under section 148 in respect of such goods has been paid and the goods are sold in the same condition as they were when imported;

<sup>2</sup>[ ]

(c) a refund of any security deposit;

(d) a payment made by the Federal Government, a Provincial Government or a Local Government to a contractor for construction materials supplied to the contractor by the said Government or the authority;

<sup>3</sup>[ ]

(f) the purchase of an asset under a lease and buy back agreement by a modaraba, leasing company, banking company or financial institution; or

(g) any payment for securitization of receivables <sup>4</sup>[or issuance of *sukuks*] by a Special Purpose Vehicle to the Originator.

(6) Where any tax is deducted by a person making a payment for a Special Purpose Vehicle, on behalf of the Originator, the tax is credited to the Originator.

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<sup>1</sup>Sub-section (4A) omitted through Finance Act, 2019, omitted sub-section read as follows:

(4A) The Commissioner, on an application made by the recipient of a payment referred to in clause (94) of Part IV of the Second Schedule, in cases where the said recipient has fulfilled the conditions as specified in the said clause, by an order in writing for a period of at least three months, may allow any person to make the payment without deduction of tax in respect of payments as referred to in clauses (b) of sub-section (1) of section 153:

Provided that the recipient of the payment has made advance payment of tax equal to two percent of the total turnover of the corresponding period of the immediately preceding tax year.

<sup>2</sup> Clause (b) omitted by the Finance Act, 2021. The omitted clause read as follows:

"(b) payments made to traders of yarn by the taxpayers specified in the zero- rated regime of sales tax (as provided under clause (45A) of Part-IV of the Second Schedule);"

<sup>3</sup> Clause (e) omitted by the Finance Act, 2016. The omitted clause (e) read as follows:-

"(e) a cotton ginner who deposits in the Government Treasury, an amount equal to the amount of tax deductible on the payment being made to him, and evidence to this effect is provided to the "prescribed person".

<sup>4</sup> Inserted by the Presidential Order No.F.2(1)/2016-Pub dated 31.08.2016.

## Chapter X – Procedure

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*"Explanation.—* For the removal of doubt, it is explained that the income of resident person referred to in sub-section (3) means the amount on which tax is deductible under sub-section (1) or (2) of this section.]

<sup>1</sup>[ ]

<sup>2</sup>[ ]

<sup>3</sup>[(4) The Commissioner may, on application made by the recipient of a payment referred to in sub-section (1) and after making such inquiry as the Commissioner thinks fit, may allow in cases where tax deductible under sub-section (1) is not minimum, by an order in writing, any person to make the payment after deduction of tax at reduced rate but such reduction shall not exceed eighty percent of the rate specified in the said Division <sup>4</sup>[except in cases of public limited companies where the Commissioner may allow payment without deduction of any tax]:

Provided that the Commissioner shall issue reduced rate certificate within fifteen days of filing of application to a company if advance tax liability has been discharged:

Provided further that the Commissioner shall be deemed to have issued the reduced rate certificate upon the expiry of fifteen days to the aforesaid company and the certificate shall be automatically processed and issued by Iris:

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<sup>1</sup> Claude (d) omitted through Finance Act, 2020 dated 30<sup>th</sup> June, 2020 the omitted clause read as follows: "(d) tax deducted under clause (c) of sub-section (1) in respect of a sports person shall be <sup>1</sup>[minimum] tax <sup>1</sup>[ ] <sup>1</sup>]; and"

<sup>2</sup> Claude (e) omitted through Finance Act, 2020 dated 30<sup>th</sup> June, 2020 the omitted clause read as follows: "(e) tax deducted under clause (b) of sub-section (1) by person making payments to electronic and print media for advertising services shall be <sup>2</sup>[minimum] tax <sup>2</sup>[ ] ."

<sup>3</sup> Sub-section (4) substituted by the Finance Act, 2024. The substituted sub-section read as follows:  
"(4) The Commissioner may, on application made by the recipient of a payment referred to in sub-section (1) and after making such inquiry as the Commissioner thinks fit, may allow in cases where tax deductible under sub-section (1) is <sup>3</sup>[not minimum], by an order in writing, any person to make the payment,—

- (a) without deduction of tax; or
- (b) deduction of tax at a reduced rate <sup>3</sup>;

Provided that the Commissioner shall issue certificate for payment under clause (a) of sub-section (1) without deduction of tax within fifteen days of filing of application to a <sup>3</sup>[company] if advance tax liability has been discharged:

Provided further that the Commissioner shall be deemed to have issued the exemption certificate upon the expiry of fifteen days to the aforesaid <sup>3</sup>[ ] company and the certificate shall be automatically processed and issued by Iris:

Provided also that the Commissioner may modify or cancel the certificate issued automatically by Iris on the basis of reasons to be recorded in writing after providing an opportunity of being heard.]

<sup>4</sup> Words inserted by the Finance Act, 2025.

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(3) The tax <sup>1</sup>[deductible] under <sup>2</sup>[ ] sub-section (1) and under sub-section (2) of this section, on the income of a resident person or <sup>3</sup>[ ], shall be <sup>4</sup>[minimum] tax.

Provided that,—

(a) tax deducted under clause (a) of sub-section (1) shall <sup>5</sup>[not be minimum tax] where payments are received on sale or supply of goods, by a,—

- (i) company being a manufacturer of such goods; or
- (ii) public company listed on a registered stock exchange in Pakistan;

<sup>6</sup>[ ]

(c) tax deducted under clause (c) of sub-section (1) shall be adjustable if payments are received by a public company listed on a registered stock exchange in Pakistan, on account of execution of contracts<sup>7</sup>[ ]<sup>8</sup>[ ]<sup>9</sup>[.

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<sup>1</sup> The words "deducted" substituted by the Finance Act, 2012.

<sup>2</sup> The words "clauses (a) and (c) of" omitted through Finance Act, 2020 dated 30<sup>th</sup> June, 2020

<sup>3</sup> The words " permanent establishment in Pakistan of a non-resident person" omitted by the Finance Act, 2012.

<sup>4</sup> The word "final" substituted by the Finance Act, 2019

<sup>5</sup> The words "be adjustable" substituted through Finance Act, 2019.

<sup>6</sup> Clause (b) omitted through Finance Act, 2020 dated 30<sup>th</sup> June, 2020 the omitted clause reads as follow:-

<sup>6</sup>(b) tax deductible shall be a minimum tax on transactions referred to in clause (b) of sub-section (1)."

<sup>6</sup>[(i) where the aforesaid minimum tax for providing or rendering services, in respect of sectors as specified in clause (94) of Part IV of the Second Schedule is in excess of tax payable under Division II of Part. I of the First Schedule, the excess amount of tax paid shall be carried forward for adjustment against tax liability under the aforesaid Part of the subsequent tax year;]

<sup>6</sup>[(ii) where the excess tax is not wholly adjusted, the amount not adjusted shall be carried forward to the following tax year and adjusted against tax liability under the aforesaid Part for that year, and so on, but the said excess shall not be carried forward to more than five tax years immediately succeeding the tax year for which the excess was first paid; and"]

<sup>6</sup>[(iii) the said excess amount shall not be carried forward in case of a company for which provisions of this clause are not applicable under clause (94) of Part IV of the Second Schedule; <sup>6</sup>[ ]";]

<sup>7</sup> substituted "." by the Finance Act, 2015

<sup>8</sup> The word "and" omitted by the Finance Act, 2016.

<sup>9</sup> Semi colon substituted with a full stop and new explanation added by the by the Finance (Supplementary) Act, 2022.

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(7) In this section, —

(i) “prescribed person” means—

- (a) the Federal Government;
- (b) a company;
- (c) an association of persons constituted by, or under law;
- (d) a non-profit organization;
- (e) a foreign contractor or consultant;
- (f) a consortium or joint venture;
- (g) an exporter or an export house for the purpose of sub-section (2);
- (h) an association of persons, having turnover of <sup>1</sup>[one hundred] million rupees or above in <sup>2</sup>[any of the preceding tax years]; <sup>3</sup>[ ]
- (i) an individual, having turnover of <sup>4</sup>[one hundred] million rupees or above in <sup>5</sup>[any of the preceding tax years]; <sup>6</sup>[ ]
- [(j) a person registered under the Sales Tax Act, 1990 <sup>7</sup>[having turnover of one hundred million rupees or more in any of the preceding tax years]; <sup>8</sup>[ ] <sup>9</sup>[ ]]
- <sup>10</sup>[(k) a person deriving income from the business of construction and sale of residential, commercial or other buildings (builder); <sup>11</sup>[ ]

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<sup>1</sup> The word “fifty” substituted through Finance Act, 2020 dated 30<sup>th</sup> June, 2020

<sup>2</sup> The expression “tax year 2007 or in any subsequent tax year” substituted by the finance Act 2018.

<sup>3</sup> The word “or” omitted by the Finance Act, 2013.

<sup>4</sup> The word “fifty” substituted through Finance Act, 2020 dated 30<sup>th</sup> June, 2020

<sup>5</sup> The expression “the tax year 2009 or in any subsequent tax year” substituted by the finance Act 2018.

<sup>6</sup> The word “or” omitted by the finance Act 2018.

<sup>7</sup> The expression inserted through Finance Act, 2020 dated 30<sup>th</sup> June, 2020

<sup>8</sup> Inserted by the finance Act 2018.

<sup>9</sup> The word “or” omitted by the Finance Act, 2025.

<sup>10</sup> Added by the Finance Act, 2018.

<sup>11</sup> The word “or” omitted by the Finance Act, 2025.