REGISTERED No.  $\frac{M-302}{L-7646}$ 





## of Pakistan

## EXTRAORDINARY PUBLISHED BY AUTHORITY

ISLAMABAD, SUNDAY, JUNE 30, 2019

### PART I

## Acts, Ordinances, President's Orders and Regulations

### NATIONAL ASSEMBLY SECRETARIAT

Islamabad, the 30th June, 2019

No. F. 22(19)/2019-Legis—The following Act of *Majlis-e-Shoora* (Parliament) received the assent of the President on the 30th June, 2019 and is hereby published for general information:—

### ACT No. V OF 2019

An Act to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2019 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, 2019 and to amend certain laws for the purposes hereinafter appearing;

It is hereby enacted as follows:—

(101)

Price: Rs. 386.00

[958(2019)/Ex. Gaz.].

- (i) for paragraph (a), the following shall be substituted, namely:—
  - (a) 7.5% in case of dividend paid by Independent Power Purchasers where such dividend is a pass through item under an Implementation Agreement or Power Purchase Agreement or Energy Purchase Agreement and is required to be re-imbursed by Central Power Purchasing Agency (CPPA-G) or its predecessor or successor entity.";
- (ii) in paragraph (b), the words "for filers" shall be omitted;
- (iii) paragraph (c) and provisos thereafter shall be omitted;

### (b) in Division IA,—

- (i) for the figure "10", the figure "15" shall be substituted;
- (ii) the expression "for filers and "17.5%" of the yield or profit paid, for non-filers" shall be omitted; and
- (iii) for the proviso, the following shall be substituted, namely:—

"Provided that the rate shall be 10% in cases where yield or profit paid is rupees five hundred thousand rupees or less.";

- (c) in Division IB, paragraph (d) shall be omitted;
- (d) in Division II,—
  - (i) in clause (1), the expression "in case a person is a filer and 13% in case the person is a non-filer" shall be omitted;
  - (ii) in clause (4),—

### "THE TENTH SCHEDULE

(See section 100BA)

## RULES FOR PERSONS NOT APPEARING IN THE ACTIVE TAXPAYERS' LIST

- 1. Rate of deduction or collection of tax.—Where tax is required to be deducted or collected under any provision of this Ordinance from persons not appearing in the active taxpayers' list, the rate of tax required to be deducted or collected, as the case may be, shall be increased by hundred percent of the rate specified in the First Schedule to this Ordinance.
- 2. **Persons not required to file return or statement.**—(1) Where the withholding agent or the person from whom tax is required to be collected or deducted is satisfied that a person not appearing in the active taxpayers' list was not required to file a return of income under section 114, or a statement under sub-section (4) of section 115, as the case may be, he shall before collecting or deducting tax under this Ordinance, furnish to the Commissioner a notice in writing electronically setting out—
  - (a) the name, CNIC or NTN and address of the person not appearing in the active taxpayers' list;
  - (b) the nature and amount of the transaction on which tax is required to be collected or deducted; and
  - (c) reason on the basis of which it is considered that the person was not required to file return or statement, as the case may be.
- (2) The Commissioner, on receipt of a notice under sub-rule (1), shall within thirty days pass an order accepting the contention or making the order under sub-rule (3).
- (3) Where the withholding agent or the person from whom tax is required to be collected or deducted has notified the Commissioner under subrule (1) and the Commissioner has reasonable grounds to believe that the person not appearing in the active taxpayers' list was required to file return or statement, as the case may be, the Commissioner may, by an order in writing, direct the withholding agent to deduct or collect tax under rule 1:

Provided that in case the Commissioner does not pass any order within thirty days of receipt of notice under sub-rule (1), the Commissioner shall be deemed to have accepted the contention under sub-rule (2) and approval shall be treated to have been granted.

# Withholding Income Tax Regime (WHT Rates Card) Guideline for the Taxpayers, Tax Collectors & Withholding Tax Agents - as per Finance Act, 2019 - updated up to June 30, 2019

Profit on debt  151(1)(a)			150A Return on Investme nt in Sukuk	Section
A person paying profit / yield has to deduct tax from the gross amount of yield / profit.  Yield or profit (profit on debt) on account, deposit or a certificate under the National saving schemes or Post office savings	c) In case the Sukuk – holder is an individual and an association of person, if the return on investment is less than one million, and	b) In case the Sukuk – holder is an individual or an association of person, if the return on investment is more than one million,	On Payment of return on investment in Sukuks:  a) In case the Sukuk- holder is a company,	Relevant summary of WHT section
	Persons not appearing in the Active Taxpayers' List: The applicable tax rate is to be increased by 100% (Rule-1 of Tenth Schedule to the Ordinance), i.e.	Persons not appearing in the Active Taxpayers' List: The applicable tax rate is to be increased by 100% (Rule-1 of Tenth Schedule to the Ordinance), i.e.	Persons not appearing in the Active Taxpayers' List: The applicable tax rate is to be increased by 100% (Rule-1 of Tenth Schedule to the Ordinance), i.e.	Tax Rate
Every Person Making payment of profit / yield			Special Purpose Vehicle, Company	Who will deduct / collect / l agent
Recipient of (Profit on debt)			From Sukuk holders on payment of gross amount of return on investment	From whom
At the time the yield (profit on debt) is credited to the account of			At the time of actual payment	When
In case of Federal / provincial Government on the day the tax is deducted. Rule 43(a).			(Within 7 days from the end of each week ending on every Sunday. Rule 43(b))	Time of deposit
Minimum Tax on the profits on debt arising to a taxpayer, except Where-  (a) Taxpayer is a			Final Section 5AA read with Section 8.	Taxation Status

Disclaimer:—This Withholding Tax Rates Card is just an effort to have a ready reference and to faciliate all the Stakeholders of Withholding Tax Regime. The original Statue (Income Tax Ordinance, 2001, as amended) shall always prevail in case of any contradiction/error herein. This card shall never be produced as a legal document before any Court of law / legal forum nor can be used for any statutory proceedings.

Withholding Income Tax Regime (WHT Rates Card)
Guideline for the Taxpayers, Tax Collectors & Withholding Tax Agents - as per Finance Act, 2019 - updated up to June 30, 2019

151(1)(c)	(1)(1)(1)		Section
Profit on securities , other than those mentioned in s. 151(1)(a), issued by federal / provincial government or a local government  Up to Rs. 5 Lac Exceeding Rs. 5 Lac	or financial institution on account or deposit maintained.  Up to Rs. 5 Lac Exceeding Rs. 5 Lac  Up to Rs. 5 Lac  Exceeding Rs. 5 Lac  Up to Rs. 5 Lac	account.  Up to Rs. 5 Lac Exceeding Rs. 5 Lac Up to Rs. 5 Lac Exceeding Rs. 5 Lac	Relevant summary of WHT section
10% of the gross yield/profit paid 15% of the gross yield /profit paid	10% of the gross yield/profit paid 15% of the gross yield /profit paid Persons not appearing in the Active Taxpayers' List: The applicable tax rate is to be increased by 100% (Rule-1 of Tenth Schedule to the Ordinance), i.e. 20% of the gross yield/profit paid 30% of the gross yield /profit paid	10% of the gross yield/profit paid 15% of the gross yield /profit paid Persons not appearing in the Active Taxpayers' List: The applicable tax rate is to be increased by 100% (Rule-1 of Tenth Schedule to the Ordinance), i.e. 20% of the gross yield /profit paid 30% of the gross yield /profit paid	Tax Rate
Federal / Provincial Govt/ Local authority	Banking Company or Financial Institution		Who will deduct / collect / agent
Recipient of (Profit on debt)	Recipient of (Profit on debt)		From whom
At the time the profit on debt is credited to the account of the recipient or	At the time the profit on debt is credited to the account of the recipient or is actually paid, whichever is earlier	the recipient or is actually paid, whichever is earlier	When
In the case of Government as Withholding Agent on the day of deduction Rule 43(a) In other than Federal / Provincial	In case of Federal / provincial Government on the day the tax is deducted. Rule 43(a). In other than Federal / Provincial Government cases, within 7 days from the end of each week ending on every Sunday. Rule 43(b)	Government cases, within 7 days from the end of each week ending on every Sunday. Rule 43(b)	Time of deposit
Minimum Tax on the profits on debt arising to a taxpayer, except Where-  (a) Taxpayer is a company; or	Minimum Tax on the profits on debt arising to a taxpayer, except Where-  (a) Taxpayer is a company; or  (b) Profit on debt is taxable u/s 7B.	company; or (b) Profit on debt is taxable u/s 7B.	Taxation Status

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# Withholding Income Tax Regime (WHT Rates Card) Guideline for the Taxpayers, Tax Collectors & Withholding Tax Agents - as per Finance Act, 2019 - updated up to June 30, 2019

		Winnings	156 Prizes and					Section
	<ul><li>(II) Payments on winning from a raffle,</li></ul>	Payments made for prize on quiz bond and cross word	Payments made on account of winning of prize on prize bond , Cross word, raffle, lottery & quiz	B) in case of company	8. Where the gross amount of rent exceeds Rs.8,000,000	7. Where the gross amount of rent exceeds Rs.6,000,000 but does not exceeds Rs. 8,000,000		Relevant summary of WHT section
Persons not appearing in the Active Taxpayers' List: The applicable tax rate is to be increased by 100% (Rule-1 of Tenth Schedule to the Ordinance), i.e. 40% of the gross amount	Persons not appearing in the Active Taxpayers' List: The applicable tax rate is to be increased by 100% (Rule-1 of Tenth Schedule to the Ordinance), i.e. 30% of the gross amount.	15% of the gross amount.		15%	Rs.1,710,000 plus 35 percent of the gross amount exceeding Rs.8,000,000	Rs.1,110,000 plus 30 per cent of the gross amount exceeding Rs.6,000,000		Tax Rate
			Every person making payment				/ agent	Who will deduct / collect
			Recipient of prize or winnings					From whom
	paid	winnings are	At the time the prize or					When
	In other than Federal In other than Federal Provincial Government cases, within 7 days from the end of each week ending on every Sunday. Rule 43(b)	day the tax is deducted. Rule	In case of Federal / provincial Government on the					Time of deposit
			Final					Taxation Status

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