

MONTHLY TECHNICAL UPDATES

ON ACCOUNTING, TAXATION & LAWS

INSIDE

- ✓ Committee Activities
- ✓ Pakistan Stock Market – KSE-100 Index Fluctuations
- ✓ Rupee-Dollar Parity
- ✓ Corporate Updates
- ✓ Taxation Updates
- ✓ International Updates
- ✓ Topic of the month - Red Flag Indicators & Guidance for Financial Activities Related to Drug Trafficking
- ✓ ICMA Pakistan Tax Rate Card

Eid Greetings

On behalf of the TSPD Committee, I wish a very Happy Eid-ul-Azha to you and your family. I also pray to Almighty ALLAH to accept our sacrifices and supplications in this Holy month of Zil-Hajj. **Shehzad Ahmed Malik, FCMA**

“In the business world, everyone is paid in two coins: cash and experience. Take the experience first; the cash will come later.”

– Harold Geneen

Message from the Chairman:

I am delighted to present the Monthly Technical Updates by TSPD Committee for the month of June, 2021. This issue covers a variety of topics related to Stock Market, Corporate Sector and money market. I believe that members will find it informative and helpful in discharging their professional assignments/ responsibilities.

Moreover, Members are requested to frequently visit the website of the Institute to keep themselves abreast with the latest developments in the AML/ CFT regime. I also want to request all members to share their valuable suggestions for further improvement in the Monthly Technical Update and identify topics of technical interest, which the Committee may consider for arranging seminars, workshops and training programs beneficial for the practicing members in terms of their capacity building and value addition.



Please do share your comments on tspd@icmap.com.pk

Shehzad Ahmed Malik, FCMA

Vice President & Chairman
TSPD Committee ICMA Pakistan

Committee Activities

In collaboration with Islamabad Branch Council (IBC)

A memorandum of understanding (MoU) regarding the research and academic collaboration between the Institute of Cost and Management Accountants of Pakistan (ICMAP) and Air University School of Management (AUSOM), was signed at The Air University, Islamabad Campus. The documents were duly endorsed with the signatures of Vice President ICMA Pakistan, Mr. Shahzad Ahmed Malik and the Dean AUSOM, Dr. Mueen Aizaz Zafar.

Air Marshal (R) Javed Ahmed Vice Chancellor, Air Vice Marshall Tariq Mateen Director Academics, Tariq Javed Kambho Director Finance, Afzal Ahmed Khan Director ORIC, Mr. Abdul Hafeez Qazi, Head of the department, AUSOM and Ms Fazaila Ali Qazi, Director Student Affairs Air University were among the notable officials in attendance.

While, **Mr. Adil Ameen, Chairman Islamabad Branch Council, and Mr. Malik Imran Ijaz, Coordinator ICMA Pakistan Welfare and Coordination Committee**, were also present at this distinguished event. Mr. Abdul Hafeez Qazi, Head of the department, AUSOM coordinated this collaboration for the promotion of research & development between the institutions and extend the support and facilitation to each other in the area of Education, Human Resource & professional development trainings.



Vice President ICMA Pakistan presenting souvenir to Dean, Air University

Meeting with the Chamber

In order to build and strengthen the relationship with the Business Community and Chambers, Mr. Shehzad Ahmed Malik, FCMA is closely associated with the Chambers. In this regard, he was invited to the Rawalpindi Chamber of Commerce and Industry for addressing the compelling issues of Pakistan economy and taxation. He was well received by the Chamber Officials and dignitaries.



Committee Meeting

The 34th meeting of TSPD Committee was held in the month of June, 2021 physically in Islamabad and through zoom in other cities. Worthy Members of the Committee deliberated on the core agenda items, especially, organizing the Technical Sessions on Finance Act 2021 and Audit Rights for CMAs.



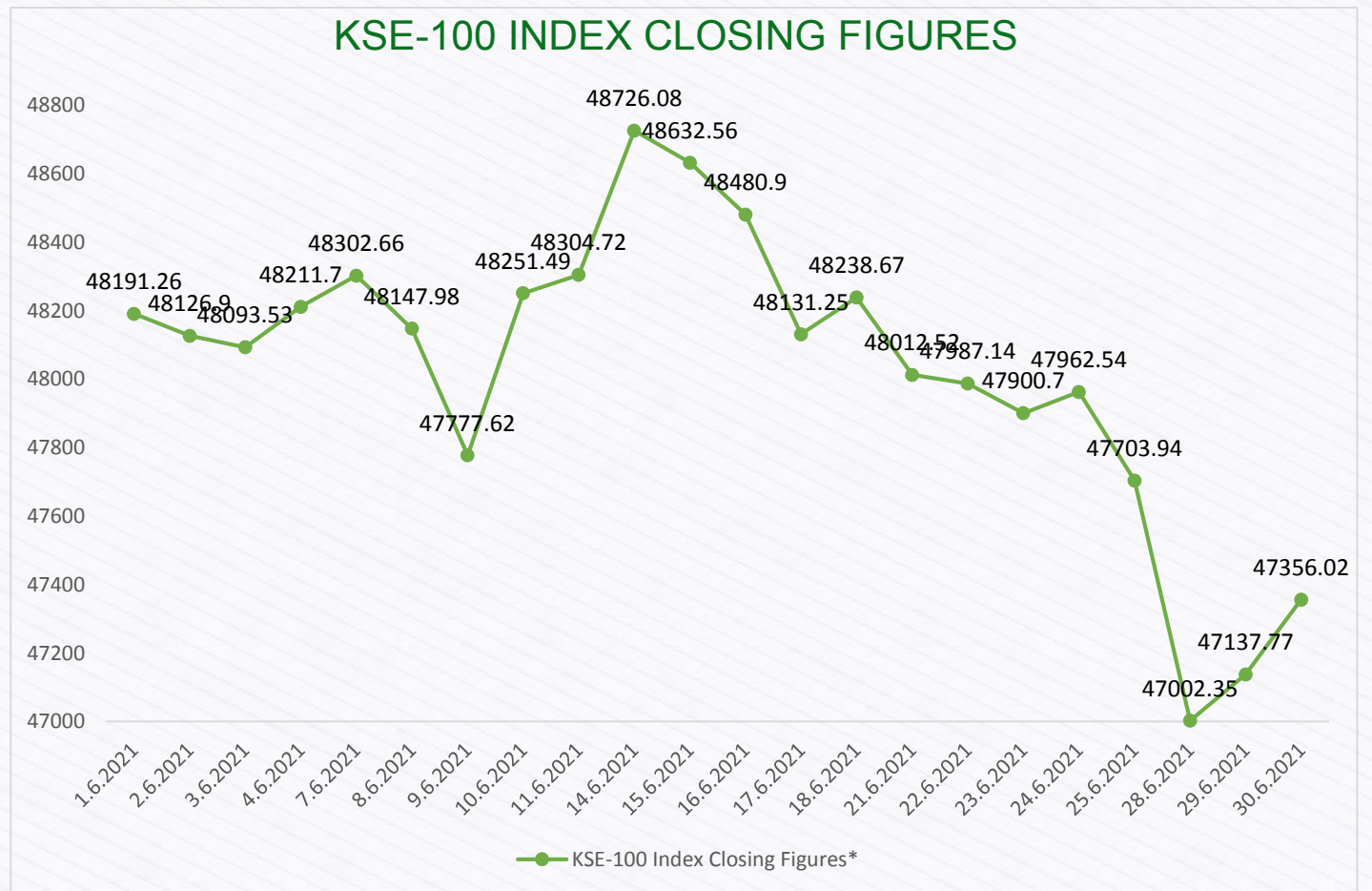
Pakistan Stock Market

Pakistan Stock Market – KSE-100 Index Fluctuations during June, 2021

Date	KSE-100 Index Closing Figures*	Date	KSE-100 Index Closing Figures*	Date	KSE-100 Index Closing Figures*
1.6.2021	48191.26	10.6.2021	48251.49	21.6.2021	48012.52
2.6.2021	48126.90	11.6.2021	48304.72	22.6.2021	47987.14
3.6.2021	48093.53	14.6.2021	48726.08	23.6.2021	47900.70
4.6.2021	48211.70	15.6.2021	48632.56	24.6.2021	47962.54
7.6.2021	48302.66	16.6.2021	48480.90	25.6.2021	47703.94
8.6.2021	48147.98	17.6.2021	48131.25	28.6.2021	47002.35
9.6.2021	47777.62	18.6.2021	48238.67	29.6.2021	47137.77
				30.6.2021	47356.02

*As published in Daily Dawn

KSE-100 INDEX CLOSING FIGURES

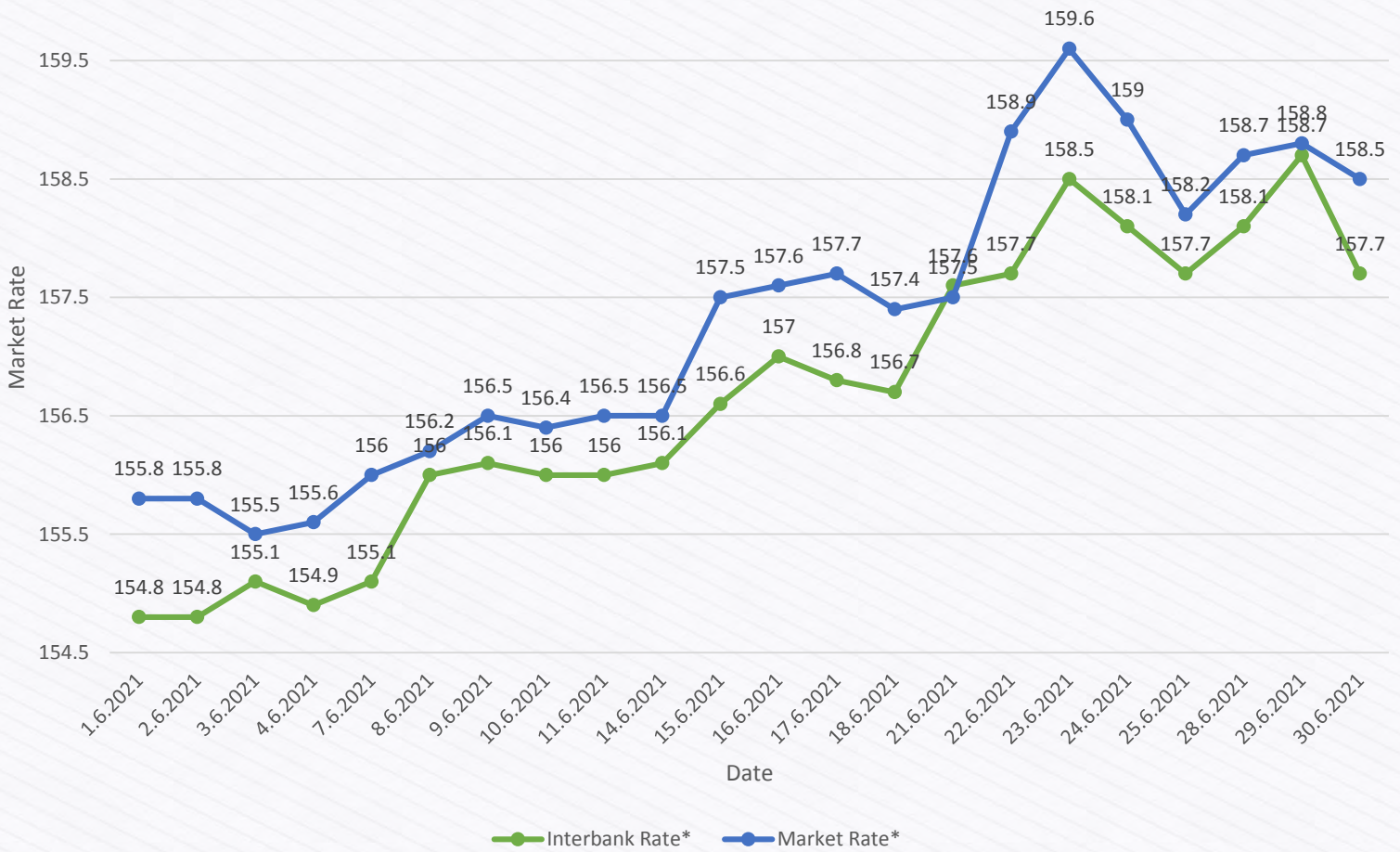


Rupee-Dollar Parity

Date	Interbank Rate*	Market Rate*	Date	Interbank Rate*	Market Rate*	Date	Interbank Rate*	Market Rate*
1.6.2021	154.8	155.8	10.6.2021	156.0	156.4	21.6.2021	157.6	157.5
2.6.2021	154.8	155.8	11.6.2021	156.0	156.5	22.6.2021	157.7	158.9
3.6.2021	155.1	155.5	14.6.2021	156.1	156.5	23.6.2021	158.5	159.6
4.6.2021	154.9	155.6	15.6.2021	156.6	157.5	24.6.2021	158.1	159.0
7.6.2021	155.1	156.0	16.6.2021	157.0	157.6	25.6.2021	157.7	158.2
8.6.2021	156.0	156.2	17.6.2021	156.8	157.7	28.6.2021	158.1	158.7
9.6.2021	156.1	156.5	18.6.2021	156.7	157.4	29.6.2021	158.7	158.8
						30.6.2021	157.7	158.5

*forex.pk

RUPEE-DOLLAR PARITY DURING JUNE, 2021



Corporate Updates

1. AMENDMENTS TO THE REAL ESTATE INVESTMENT TRUSTS (REIT) REGULATIONS

Securities and Exchange Commission of Pakistan (SECP) vide their S.R.O. 724(I)/2021 dated June 7, 2021 notified amendments to the Real Estate Investment Trusts (REIT) regulations with the aim of allowing infrastructure development. The same were previously published for public comments vide S.R.O. 455(I)/2021 dated April 8, 2021.

One of the major changes introduced in REIT regulations is the new Public-Private Partnership (P3) model. The revised framework has made clear segregation between conventional and infrastructure categories. Non-P3 REIT is for conventional projects while P3 REIT is for infrastructure projects under the public-private partnership model. The amendments have relaxed laws related to real estate developments and promote investment through REIT companies.

SECP has also proposed to the Federal Board of Revenue (FBR) that the tax on dividends of REIT share be reduced from 25 per cent to 15pc, which was also the tax rate for dividends of mutual funds. SECP has also requested the FBR to extend the exemptions on capital gains tax on property transferred to REIT scheme up to 2023, the exemption is set to expire this year. REIT Management Com-panies (RMCs) are allowed pursue developmental, rental or hybrid options under both these classifications.

For further details, please visit the following link:-

<https://www.secp.gov.pk/document/notification-amendments-reit-regulations-2015/?wpdmdl=42511&refresh=60c04d1c50d2c1623215388>

2. MAXIMUM MANAGEMENT EXPENSE LIMITS FOR LIFE INSURERS UNDER SECTIONS 22(9) & 5.23(9) OF THE INSURANCE ORDINANCE 2000

SECP vide their Circular No. 15 of 2021 dated June 8, 2021 notified maximum management expense limits for life insurers under Sections 22(9) & 5.23(9) of the insurance ordinance 2000.

Further to Circular 6 of 2006 dated April 23, 2006, Circular 7 of 2011 dated March 18, 2011, and Circular 20 of 2013 dated November 7, 2013 on the subject, whereby the SECP had prescribed the maximum management expense limits under Section 22(9) and Section 23(9) of the Insurance Ordinance 2000 for life insurers. For the purpose of computing management expense limits under section 22(9) and 23(9) of the Insurance Ordinance 2000, read with Para 3 and Para 4 of Circular 6 of 2006, taxes & government levies (including stamp duties, sales tax etc.), and regulatory fees shall be excluded from the management expenses for comparing it with the maximum limits.

All other terms of Circular No. 6 of 2006, shall remain the same.

3. GUIDELINES ON ISSUANCE OF GREEN BONDS/SUKUKS

Securities and Exchange Commission of Pakistan (SECP) issued Guidelines on Issuance of Green Bonds/ Sukuks in order to contribute positively towards protection of environment, combat climate change and to promote green finance.

These Guidelines describe the process of issuance of Green Bond so as to facilitate the issuers of debt securities to diversify their source of financing and provide an additional financial instrument to dedicated investors in the form of 'Green Bonds' specifically aimed to finance or refinance projects that contribute positively to the environment. In addition, investors and other market participants can also rely on these Guidelines for developing better understanding of Green Bonds and their relevance for sustainable finance approaches.

To qualify as a green bond, the proceeds must finance or refinance green projects or activities that bring energy efficiency, protects environment, utilizes renewable energy (extracted by renewable resources – such as sunlight, wind, waves, heat, etc.), prevents and control pollution, uses natural resources, projects related to land management, clean/pollution free transportation, wastewater and water treatment, etc. These guidelines are made pursuant to Section 172 of the Securities Act, 2015.

All issuers which are eligible to issue debt securities, either by way of public offer or private placement under the Act, the Companies Act, 2017 read with the Public Offering Regulations, 2017 and Private Placement of Securities Rules, 2017, as the case may be, and meeting the criteria for use of proceeds as given under these guidelines are eligible to issue Green Bonds.

The Guidelines can be downloaded through the following link:-

<https://www.secp.gov.pk/document/green-bonds-guidelines/?wpdmdl=42537&refresh=60c19e55b3ef51623301717>

4. DELEGATION OF POWERS AND FUNCTIONS OF THE COMMISSION TO THE COMMISSIONER (SCD) AND REGISTRAR MODARABA REGARDING AML

SECP vide their S.R.O. 496 (I)/2021 delegated following powers and functions of the Commission to the Commissioner (SCD) and Registrar Modaraba with regard to AML:-

POWERS AND FUNCTIONS OF THE COMMISSION DELEGATED TO REGISTRAR MODARABA

S. No.	Relevant sections of the Anti-Money Laundering Act (AML Act), 2010	Nature of power/function
1	6A(2)(h)	Power to impose sanctions, including monetary and administrative penalties.
S. No.	Relevant Rules of the AML/CFT Sanctions Rules, 2020	Nature of power/function
1	3	Power to impose sanction.
2	4(1)	Power to determine the type of sanction/penalty to be imposed.
3	4(1)(a)	Impose a monetary penalty in accordance with these Rules;
4	4(1)(b)	impose any condition, limitation or restriction on the reporting entity's business or product offerings, as it considers appropriate;
5	4(1)(c)	Revoke license or de-registration of the reporting entities as applicable;
6	4(1)(d)	Impose a temporary or permanent prohibition on any natural person who holds an office or position involving responsibility for taking decisions about the management of the reporting entity, including but not limited to: <ul style="list-style-type: none"> (i) issuing a written warning; (ii) imposing a temporary suspension; or (iii) removal from service.
7	4(1)(e)	Issue a statement of censure/warning/reprimand;
8	4(1)(f)	Issue a direction to the person to undertake any given actions, including but not limited to: <ul style="list-style-type: none"> (i) comply with the requirements within a specified time period through a remedial plan; (ii) conduct internal inquiries; or (iii) take disciplinary action against directors, senior management and other officers.
9	4(1)(g)	Impose any other sanction permitted under the AML/CFT Regulatory Authority's enabling legislation and any rules, regulations or directives issued thereunder.
10	6	To impose monetary penalty/additional monetary penalty as the case may be, in contravention or failure to comply with the AML/CFT Regulatory framework.
11	7	To issue notice of imposition of sanction.

**POWERS AND FUNCTIONS OF THE COMMISSION DELEGATED TO
COMMISSIONER SPECIALIZED COMPANIES DIVISION (SCD)**

S. No.	Relevant sections of the AML Act, 2010	Nature of power/function
1	5	Power to decide imposition of sanction or otherwise by Oversight Body of SRB

For further details please visit the following link:-

<https://www.secp.gov.pk/document/delegation-of-powers-aml-registrar-modaraba/?wpdmdl=42545&refresh=60c19e20339571623301664>

5. CLARIFICATION ON INVESTMENT IN UNITS OF EXCHANGE TRADED FUNDS OUT OF PROVIDENT FUND OR ANY OTHER EETF OUT OF PROVIDENT OR OTHER EMPLOYEE CONTRIBUTORY RETIREMENT FUND

Securities and Exchange Commission of Pakistan (SECP) vide Circular No. 7 of 2021 clarified on Investment in Units of Exchange Traded Funds out of Provident Fund or any other EETF out of provident or other employee contributory retirement fund.

SECP informed that the investment made by a company out of provident fund or any other employee contributory retirement fund can be made in Exchange Traded Funds (ETF's) being the open-end collective investment scheme registered as notified entities with the Commission. However, the investment shall be made in accordance with the following aggregate investment limits, sub-investment limits and the conditions for investment as provided in the Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018.

Limits for Investment in Listed Securities (as provided in the Employees Contributory Funds (Investment in Listed Securities) Regulations 2018

Regulation Reference	Description	Maximum Limit*
3(1)(a)	Total investment in Debt CISs including Debt ETF	50%
3(1)(c)	Total investment in equity CIS including equity ETF	30%
3(8)	Total investment in debt CIS including Debt ETF managed by a single asset management company	50% of 3(1)(a)
3(9)	Total investment in any single equity CIS including equity ETF	30% of 3(1)(c)

* As a percentage of the size of the Fund or Trust, as the case may be at the time of making investment

Conditions for Investment in Listed Securities

Regulation Reference	Description	Condition
4(c)	investment in debt CIS including Debt ETF which have been assigned	"A" stability rating
4(f)	Total investment in hybrid CIS including hybrid ETF	3(1)(c)

For further details please visit the following link:-

<https://www.secp.gov.pk/document/circular-no-17-of-2021-clarification-on-investment-in-units-of-exchange-traded-funds-out-of-provident-fund-or-any-other-eETF-out-of-provident-or-other-employee-contributory-retirement-fund/?wpdmdl=42589>

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

SECP vide their S.R.O. 604(I)/2021 notified draft amendments to the Companies (General Provisions and Forms) Regulations, 2018.

Several substitutions and amendments are proposed through this draft which can be accessed through the following link:-
<https://www.secp.gov.pk/document/sro-604i-2021-draft-amendments-in-the-companies-general-provisions-and-forms-regulations-2018/?wpdmdl=42412&refresh=60c2e2f9624e81623384825>

Worthy Members are requested to kindly review the above draft and provide their valuable feedback, inputs and suggestions on the same at tspd@icmap.com.pk for onward submission to SECP.

7. CIRCULAR NO 16 OF 2021 - REQUIREMENTS FOR ASSET MANAGEMENT COMPANIES (AMCs) TO ADVERTISE OPEN END COLLECTIVE INVESTMENT SCHEMES (CIS)

SECP vide their Circular No. 16 of 2021 notified the following additional requirements for performance in all forms of advertisements including newspaper and social media advertisements related to equity schemes of an Open-end CIS, for compliance by AMCs:-

- a) The calculation of return used in the advertisement shall be based on a minimum period of twelve (12) calendar months on rolling basis. This means that last twelve months performance will only be valid for the succeeding month, The AMCs shall ensure that outdated advertisements shall be removed from its websites and social media platforms. In case of new funds launched during the year, performance data of a CIS shall be presented only if it has an investment track-record of not less than six months, as required under Circular 16 of 2014.
- b) The font size of performance figure(s) shall not exceed twice the font size of heading in the advertisement, where heading is the text with the largest font size excluding the performance figure.
- c) The font size of benchmark returns shall not be less than 30% of the performance figure(s). Explanation: If font size of performance figure(s) is 60, font size for benchmark returns shall be equal to or more than 18.
- d) The information about fund risk profile should be given right under the benchmark figure and its font size shall not be less than 30% of the font size of the performance figure e.g. "Risk Profile: High Risk of Principal Erosion".
- e) The disclaimers mentioned in above-mentioned circular should be in bullet points and the font size of the disclaimer should not be less than 20% of the font size of the performance figure as specified in para (b) above. The hoarding and billboard disclaimer shall cover at least 20% of the total display space of the advertisement.

The exemption earlier provided to newspapers and social media advertisement vide para 16 of above-mentioned circular has been withdrawn. This circular shall come into force with immediate effect and all AMCs are required to ensure compliance in letter and spirit. All other requirements prescribed through Circular No. 16 of 2014 and not amended through this circular shall remain intact.

For further details, please visit the following link:-

<https://www.secp.gov.pk/document/circular-16-of-2021-requirements-for-asset-mnagement-companies-amcs-to-advertise-open-end-collective-investment-schemes-cis/?wpdmdl=42707&refresh=60d0245e5fe1a1624253534>

8. DRAFT AMENDMENTS TO THE ASSOCIATIONS WITH CHARITABLE AND NOT FOR PROFIT OBJECTS REGULATIONS, 2018

SECP vide their S.R.O. 371(I)/2021 notified draft amendments to the Associations with Charitable and Not for Profit Objects Regulations, 2018.

SECP proposed following substitution in sub-regulation (2) clause (ii), in regulation 10 of the aforesaid Regulations:-

"(ii) Solvency and financial soundness. - A person must fulfil the requirement, in order to act as promoter, director or chief executive officer of the company, that there is no instance of overdue or past due payment to a financial institution of an amount exceeding Rs. 200,000/- appearing in the latest Consumer Credit Information Report (CCIR) of:-

(a) such person; and

(b) the companies, firms, sole proprietorship etc. where such person is a beneficial owner, promotor, partner or proprietor: Provided that this clause shall not be applicable on a person who hold qualification shares.".

For further details, please visit the following link:-

<https://www.secp.gov.pk/document/s-r-o-37-i-2020-draft-amendments-in-regulation-of-associations-with-charitable-and-not-for-profit-objects-regulations-2018/?wpdmdl=42667>

9. MINIMUM REQUIREMENTS FOR EXCHANGE TRADED FUNDS (ETFs) TO BE MANAGED BY ASSET MANAGEMENT COMPANIES

Securities and Exchange Commission of Pakistan (SECP) vide their Circular No. 20 of 2021 dated June 23, 2021 notified Minimum Requirements for Exchange Traded Funds to be managed by Asset Management Companies. The SECP revamped the framework for regulation of Index Tracking Exchange Traded Funds in addition to the requirements as laid down in the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies & Notified Entities Regulations, 2008 and prescribed minimum requirements for Index Tracking ETFs which encompass the following aspects:-

- Eligibility & Definitions
- Name of Scheme, investment objectives and Acceptability of Index
- Investment Restrictions
- Issuance and Redemption of Creation units
- Pricing and Dealing
- Authorized Participants
- Market Maker
- Dealing of ETF units on the Stock Exchange
- Dissemination of Information
- Fee and Expenses
- Non-Applicability of Regulation 37(7)(h), 41(k), 54(3a), 57 and 58(1)(1) of the NBFC Regulations

For further details, please visit the following link:-

<https://www.secp.gov.pk/document/circular-no-20-of-2021-minimum-requirements-for-exchange-traded-funds-to-be-managed-by-asset-management-companies/?wpdmdl=42752&refresh=60d42ac85c2ed1624517320>

10. EXTENSION IN THE APPLICABILITY OF IFRS 9 ON THE NBFCs AND MODARABA FOR ONE YEAR

SECP vide their S. R. O. 800 (I)/2021 extended the applicability of International Financial Reporting Standard 9 - Financial Instruments in place of International Accounting Standard 39 (Financial Instruments: Recognition and Measurement) for Non-Banking Finance Companies and Modarabas till June 30, 2022 (earlier application is permitted).

For further details, please visit the following link:-

<https://www.secp.gov.pk/document/s-r-o-800-i-2021-extension-in-application-of-ifs-9-on-nbfc-and-modaraba-for-one-year-till-june-30-2022/?wpdmdl=42753>

11. INVESTMENT IN UNITS OF UNLISTED OR PRIVATELY PLACED REIT SCHEME BY EQUITY ORIENTED COLLECTIVE INVESTMENT SCHEMES

Securities and Exchange Commission of Pakistan (SECP) vide their Circular No. 19 of 2021 allowed Asset Management Companies (AMCs) to invest, on behalf of equity oriented Collective Investment Schemes (CIS) namely equity, asset allocation, balanced and index schemes, in units of unlisted or privately placed REIT Scheme, which shall be listed on a securities exchange within a period of three years from its financial close as provided in Regulation 5(3) of the REIT Regulations, 2015 subject to the following:-

- The CIS shall take exposure in units of unlisted or privately placed REIT Schemes upto a maximum of 5% of net assets of CIS or net assets of such REIT Schemes whichever is lower; provided that the entity/sector/group exposure limits as specified in the Regulation are complied with.
- An AMC before investing shall ensure that; a) investment in units of unlisted or privately placed REIT scheme are correctly valued and priced for the purpose of calculation of NAV; and b) mechanism is available for exit of the CIS from such REIT scheme.

This circular is in continuation to Circular No. 19 of 2015 dated May 15, 2015.

For further details, please visit the following link:-

<https://www.secp.gov.pk/document/circular-no-19-of-2021-investment-in-units-of-unlisted-privately-placed-reit-schemes-by-equity-oriented-collective-investment-scheme/?wpdmdl=42796&refresh=60d6bcb9afb91624685753>

12. AMENDMENTS IN THE SEVENTH SCHEDULE TO THE COMPANIES ACT, 2017

Securities and Exchange Commission of Pakistan (SECP) vide their S.R.O. 808(I)/2021 dated June 28, 2021 notified following alterations revising fee structure of different items in the Seventh Schedule to the Companies Act, 2017:-

In item No. I - By a company having a share capital:-		
(a) for sub-item (1) and (2), the following shall be substituted, namely:-		
(1) For registration of a company whose nominal share capital does not exceed 100,000 rupees, a fee of	1,100	2,200
(2) For registration of a company whose nominal share capital exceeds 100,000 rupees, the additional fee to be determined according to the amount of nominal share capital as follows, namely:-		
(i) For every 100,000 rupees of nominal share capital or part of 100,000 rupees, up to 10,000,000 rupees, a fees of	550	1,100
(ii) For every 100,000 rupees of nominal share capital or part of 100,000 rupees, after the first 10,000,000 rupees, up to 5,000,000,000 rupees, a fee of ...	440	825

(iii) For every 100,000 rupees of nominal share capital or part of 100,000 rupees after the first 5,000,000,000 rupees, up to any amount of fee of ...: Provided that a company which is wholly owned by the Federal Government and has been notified by the Federal Government in the official Gazette for exemption from paying fee shall be charged a fee of Rs. 10,000: Provided further that the fee payable at the time of registration of company shall not exceed forty million rupees in case of electronic submission and fifty million rupees in case of physical submission.	165	275
(b) for sub-item (5), (6), (7) and (8), the following shall be substituted, namely: -		
(5) For filing, registering or recording any document notifying particulars relating to a mortgage or charge or pledge or other interest created by a company, or any modification therein or satisfaction thereof, a fee of....	5,500	8,250
(6) For filing, registering or recording the particulars relating to satisfaction of mortgage or charge or pledge beyond the period prescribed under section 109 but not exceeding one year, a fee of ...	11,000	16,500
(7) For filing, registering or recording the particulars relating to satisfaction of mortgage or charge or pledge beyond one year of the period prescribed under section 109, a fee of ...	16,500	24,750
(8) For filing, registering or recording any document other than that at sub-items (5), (6) and (7) above, required to be filed, registered or recorded under the Act or making a record of any fact under the Act, a fee to be determined according to the amount of nominal share capital as follows, namely:-		
(i) For company having a nominal share capital of up to. 100,000 rupees, a fee of....	275	550
(ii) For company having a nominal share capital of more than 100,000 rupees but not more than 1,000,000 rupees, a fee of....	330	660
(iii) For company having a nominal share capital of more than 1,000,000 rupees but not more than 10,000,000 rupees, a fee of....	440	880
(iv) For company having a nominal share capital of more than 10,000,000 rupees but not more than 100,000,000 rupees, a fee of....	550	1,100
(v) For company having a nominal share capital of more than 100,000,000 rupees, a fee of....	660	1,320
In item No. II – By a company limited by guarantee and not having a share capital, other than a company registered under a license granted under section 42		
(a) for sub-item (1), the following shall be substituted, namely: -		
(1) For registration of a new company, a fee of....	22,000	33,000
(b) for sub-items (4), (5) (6) and (7), the following shall be substituted, namely:-		
(4) For filing, registering or recording any document notifying particulars relating to a mortgage or charge or pledge or other interest created by a company, or any modification therein or satisfaction thereof, a fee of....	5,500	8,250
(5) For filing, registering or recording the particulars relating to satisfaction of mortgage or charge or pledge beyond the period prescribed under section 109 but not exceeding one year, a fee of...	11,000	16,500
(6) For filing, registering or recording the particulars relating to satisfaction of mortgage or charge or pledge beyond one year of the period prescribed under section 109, a fee of ...	16,500	24,750
(7) For filing, registering or recording any document other than that at Sr. No. (4), (5) and (6) above, required to be filed, registered or recorded under the Act or making a record of any fact under the Act, a fee of...	660	1,320
In item No. III, By a company registered under a licence granted under section 42 and not having a share capital		

For sub-item (2), (4), (5), (6) and (7), the following shall be substituted, namely: -		
(2) For registration, a fee of....	27,500	55,000
(4) For filing, registering or recording any document notifying particulars relating to a mortgage or charge or pledge or other interest created by a company, or any modification therein or satisfaction thereof, a fee of....	5,500	8,250
(5) For filing, registering or recording the particulars relating to satisfaction of mortgage or charge or pledge beyond the period prescribed under section 109 but not exceeding one year, a fee of...	11,000	16,500
(6) For filing, registering or recording the particulars relating to satisfaction of mortgage or charge or pledge beyond one year of the period prescribed under section 109, a fee of ...	16,500	24,750
(7) For filing, registering or recording any document other than that at Sr. No. (4), (5) and (6) above, required to be filed, registered or recorded under the Act or making a record of any fact under the Act, a fee of....	275	550
In item No. IV, By a company established outside Pakistan which has a place of business in Pakistan		
For sub-item (1), (2), (3), (4) and (5), the following shall be substituted, namely:-		
(1) For filing, registering or recording a document containing charter/statute/ memorandum and articles, etc. for registration by a foreign company under the Act required or authorized to be filed, registered or recorded a fee of	11,000	22,000
(2) For filing, registering or recording any document notifying particulars relating to a mortgage or charge or pledge or other interest created by a company, or any modification therein or satisfaction thereof, a fee of....	5,500	8,250
(3) For filing, registering or recording the particulars relating to satisfaction of mortgage or charge or pledge beyond the period prescribed under section 109 but not exceeding one year, a fee of...	11,000	16,500
(4) For filing, registering or recording the particulars relating to satisfaction of mortgage or charge or pledge beyond one year of the period prescribed under section 109, a fee of ...	16,500	24,750
(5) For filing, registering or recording any document other than that at Sr. No. (2), (3) and (4) above, required to be filed registered or recorded under the Act or making a record of any fact under the Act, a fee of	660	1,320

For further details, please visit the following link:-

<https://www.secp.gov.pk/document/s-r-o-808i-2021-amendments-in-seventh-schedule-to-the-companies-act-2017/?wpdmdl=42837>

Taxation Updates

1. REDUCTION IN RATE OF SALES TAX ON TAKEAWAY FROM RESTAURANTS

Federal Board of Revenue (FBR) vide their S.R.O. 725(I)/2021 dated June 8, 2021 exempted sales tax in excess of five percent chargeable on supplies made by restaurants and eateries on account of takeaway subject to the conditions that no input tax shall be adjusted.

This Notification shall remain in force upto June 30, 2021.

For further details, please visit the following link:-

<https://download1.fbr.gov.pk/SROs/2021681665623529sro725.pdf>

2. CHANGES IN RATES OF SALES TAX RATES ON PETROLEUM PRODUCTS

FBR vide their S.R.O. 726(I)/2021 dated June 8, 2021 notified further amendment in its Notification No. S.R.O. 57(I)/2016 dated January 29, 2016, revising the sales tax rates on petroleum products from May 18, 2021 as under:-

S. No. (1)	Description (2)	PCT heading (3)	Rate (4)
1	Motor spirit excluding HOBC	2710.1210	17.00% ad valorem
2	High speed diesel oil	2710.1931	17.00% ad valorem
3	Kerosene	2710.1911	10.07% ad valorem
4	Light diesel oil	2710.1921	3.67% ad valorem

For further details, please visit the following link:-

<https://download1.fbr.gov.pk/SROs/202168176824365sro726.pdf>

3. CHANGES IN RATES OF SALES TAX RATES ON PETROLEUM PRODUCTS

FBR vide their S.R.O. 750(I)/2021 dated June 14, 2021 notified further amendment in its Notification No. S.R.O. 57(I)/2016 dated January 29, 2016, revising the sales tax rates on petroleum products as under:-

S# (1)	Description (2)	PCT heading (3)	Previous Rates (4)	Revised Rates (5)
1	Motor spirit excluding HOBC	2710.1210	17.00% ad valorem	17.00% ad valorem
2	High speed diesel oil	2710.1931	17.00% ad valorem	17.00% ad valorem
3	Kerosene	2710.1911	10.07% ad valorem	9.15% ad valorem
4	Light diesel oil	2710.1921	3.67% ad valorem	2.74% ad valorem

For further details, please visit the following link:-

<https://download1.fbr.gov.pk/SROs/20216141663952412SRO750.pdf>

4. CAPITAL LOSSES ON DISPOSAL OF SECURITIES

FBR vide their S.R.O. 801(I)/2021 dated June 24, 2021 notified further amendments in the Income Tax Rules, 2002 which were earlier published vide S.R.O. 639(I)/2021 dated June 01, 2021.

FBR made substitutions in sub-rule (3) of rule 13D and sub-rule (7) of rule 13N. A new sub-rule is added after sub-rule (7) of rule 13N as under:-

"(7A) Capital loss arising on disposal of listed securities in tax year 2019 and onward shall be carried forward to a subsequent tax year for setting off, in the manner prescribed as follows:-

- (a) The setting off of eligible capital loss carried forward from previous tax year(s) shall be made by NCCPL under this Rule, only in respect of a taxpayer whose name appear or appeared in the Active Tax Payers List [ATL] pertaining to the tax year to which such loss pertains as witnessed by the Active Tax Payers List [ATL] available on FBR's website after updation for the tax year to which such loss pertains;
- (b) adjustment of carried forward capital loss(es) shall be made on monthly basis by NCCPL from the first month of updation of ATL for that tax year and on first-in first-out (FIFO) basis;
- (c) NCCPL may requisition date wise position of Active Tax Payers List [ATL] in respect of particular taxpayer from Information Technology (IT) Wing of the Board as and when required;
- (d) At the end of relevant tax year, NCCPL shall maintain tax year-wise balance of unexpired carried forward capital losses separately identifiable for computation of limitation period for each tax year; and
- (e) The manner of adjustment of capital loss carried forward from previous tax years will be in accordance with illustration given in clause (zf) of Rule 13P.";

A new clause is also added in rule 13P, after clause (ze) as under:-

"(zf) Carry forward of Losses on disposal of listed securities, 0) Details of the transaction Mr. A has a carry forward Capital Loss of PKR 2 million for TY 2019 and PKR 0.2 million for TY 2020. The transaction(s) executed during TY 2021 resulted in net gain of PKR 3.3 million. (ii) Tax Treatment The taxpayer will be entitled for adjustment of prior years' capital losses on FIFO basis subject to condition that the capital loss for the current year (if any) will be set-off first. Moreover, the taxpayer would only become entitled for adjustment of carried forward losses after the returns for tax years 2019 and 2020 have been filed and the ATL for that tax years have been updated on the basis of returns for the relevant tax year.".

For further details, please visit the following link:-

[https://download1.fbr.gov.pk/SROs/20216241361642763SRO801\(I\)of2021dated24.6.2021.pdf](https://download1.fbr.gov.pk/SROs/20216241361642763SRO801(I)of2021dated24.6.2021.pdf)

5. DRAFT INCOME TAX RETURN FORMS FOR SALARIED PERSONS, AOPs, BUSINESS INDIVIDUAL AND COMPANIES FOR TAX YEAR 2021

Federal Board of Revenue (FBR) vide their S.R.O. 496 (I)/2021 proposed draft Income Tax Return Forms for Salaried Persons, AOPs, Business Individual and Companies for Tax Year 2021.

The draft contains certain further amendments in the Income Tax Rules, 2002, which the Federal Board of Revenue proposes to make in exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance, 2001.

In the aforesaid Rules, in the Second Schedule, after Part-II-S, a new Part-II-T is proposed to be added, which may be accessed through the following link:-

<https://download1.fbr.gov.pk/SROs/20216111665657497SRO730.pdf>

International Updates

1. EXPOSURE DRAFTS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

International Accounting Standards Board (IASB) published following exposure drafts for public comments:-

- Regulatory Assets and Regulatory Liabilities
- Classification of Liabilities as Current or Non-current, Amendments to IAS 1

Regulatory Assets and Regulatory Liabilities

Through Exposure Draft on Regulatory Assets and Regulatory Liabilities the IASB is proposing an accounting model to supplement the information that an entity already provides by applying IFRS Standards. The proposed model is based on the principle that an entity should reflect the total allowed compensation for goods or services supplied in a period as part of its reported financial performance for that period. To implement that principle, an entity would recognise in its statement of financial position:-

- (a) regulatory assets—enforceable present rights to add an amount in determining future regulated rates because part of the total allowed compensation for goods or services already supplied will be included in revenue in the future; and
- (b) regulatory liabilities—enforceable present obligations to deduct an amount in determining future regulated rates because the revenue already recognised includes an amount that will provide part of the total allowed compensation for goods or services to be supplied in the future.

Worthy Members are requested to provide their valuable inputs, feedback and suggestions on the attached draft at tspd@icmap.com.pk latest by **July 15, 2021** for onward submission to IASB.

Classification of Liabilities as Current or Non-current, Amendments to IAS 1

Through Exposure Draft on Classification of Liabilities as Current or Non-current the IASB proposed amendments to IAS 1. In the attached ED, paragraphs 69, 73, 74 and 76 are amended. Paragraphs 72A, 75A, 76A, 76B and 139U are added. Paragraph 139D is deleted. Headings are added before paragraphs 70, 71, 72A and 76A. Paragraphs 70, 71, 72 and 75 are not amended, but are included for ease of reading. New text is underlined and deleted text is struck through.

Worthy Members are requested to provide their valuable inputs, feedback and suggestions on the attached draft at tspd@icmap.com.pk latest by **June 25, 2021** for onward submission to IASB.

2. IMPLEMENTATION GUIDES ON INTERNATIONAL STANDARD ON QUALITY MANAGEMENT (ISQM) - 1 & ISQM-2

The International Auditing and Assurance Standards Board (IAASB) has released two important guides which will help stakeholders to easily understand and implement its suite of quality management standards.

The two published guides are:-

- First-time Implementation Guide for International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements
- First-time Implementation Guide for (ISQM) - 2, Engagement Quality Reviews

ISQM 1 strengthens firms' systems of quality management through a robust, proactive and effective approach to quality management. The standard encourages firms to design a system of quality management that is tailored to the nature and circumstances of the firm and engagements it performs. ISQM 1 applies to all firms that perform engagements under the IAASB's international standards. ISQM 1 replaces ISQC 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements. Firms are required to have systems of quality management designed and implemented in accordance with ISQM 1 by **December 15, 2022**.

Guide on ISQM-1 may be accessed and downloaded from the following link:-

https://www.iaasb.org/publications/international-standard-quality-management-isqm-1-quality-management-firms-perform-audits-or-reviews?utm_source=IFAC+Main+List&utm_campaign=3c485ca555-EMAIL_CAMPAIGN_2021_06_07_08_46&utm_medium=email&utm_term=0_cc08d67019-3c485ca555-80338665

ISQM 2 deals with the appointment and eligibility of the engagement quality reviewer, and the engagement quality reviewer's responsibilities relating to the performance and documentation of an engagement quality review. ISQM 2 applies to all engagements for which an engagement quality review is required to be performed in accordance with ISQM 1. ISQM 2 is effective for audits and reviews of financial statements for periods beginning on or after December 15, 2022, and other assurance and related services engagements beginning on or after **December 15, 2022**.

Guide on ISQM-2 may be accessed and downloaded from the following link:-

https://www.iaasb.org/publications/international-standard-quality-management-isqm-2-enhancing-quality-reviews?utm_source=IFAC+Main+List&utm_campaign=3c485ca555-EMAIL_CAMPAIGN_2021_06_07_08_46&utm_medium=email&utm_term=0_cc08d67019-3c485ca555-80338665

IAASB further notified that these publications do not amend or override the International Standards on Quality Management (ISQMs), the texts of which alone are authoritative. Reading the publications are not a substitute for reading the ISQMs. IAASB encouraged all practitioners to plan early for appropriate implementation, given the potential impact of the changes to firms' systems of quality management.

RED FLAG INDICATORS FOR FINANCIAL ACTIVITIES RELATED TO DRUG TRAFFICKING

By Financial Monitoring Unit (FMU) of Pakistan

In terms of Section 7 (H) & (1) of the Anti-Money Laundering Act, 2010, the reporting entities including DNFBPs are required to effectively implement and comply with TFS obligations and to promptly report Suspicious Transactions Reports (STRs) to Financial Monitoring Unit (FMU) for potential Money Laundering (ML) / Terrorism Financing (TF) / Proliferation Financing (PF) related activities.

In order to identify a suspicion that could be indicative of potential activity in breach of TFS obligations regarding TF / PF related activities, the FMU has prepared the red flags indicators that are specially intended as an aid for the DNFBPs sectors reporting entities.

Reporting firms are also requested to visit the AML Supervision Tab for updates relating to the AML/ CFT.

Following are a few red flag indicators w.r.t. Individual Profiles, Transactional Channels and Patterns, which may help the Financial Institution in detections of transactions relating to proceeds generated through Drug Trafficking. The below mentioned red flags may appear suspicious on their own; however, it may be considered that a single red flag would not be a clear indicator of potential drug trafficking activity. These red flags are intended to aid the Financial Institutions and a combination of these red flags, in addition to analysis of the customer financial activity, profile and current transactional pattern may indicate a potential financial activity related to drug trafficking.

Red Flags regarding Profiles of Individual Customers Involved in Drug Trafficking

Based on the analysis of the reported STRs and information provided in FATF Report on Financial flows linked to the production and trafficking of Afghan opiates, people are considered as one of the critical “resources” in the drug trafficking business. They may use Financial Institutions as channel for conducting financial activities related to drug trafficking. Such individuals are involved at different stages of drug trafficking business model that may be classified into following major categories:

Individuals / small drug dealers that could be possibly involved in retail of drugs (for instance, batches of up to 5 grams). They spend their proceeds on personal consumption, rent and other services. They may carry out foreign exchange transactions and money transfers through various money transfer systems. In addition to the proceeds from drug trafficking, some of them have a legal source of revenue such as General Stores, Milk Shops, Beauty Salon, Milk Shops, Pan Shops, Small tea stalls, Medical Stores etc.

•Couriers and small drug dealers who deliver small drug batches (e.g., heroin batches of up to 20 grams) or purchase them from other salesmen. This category presumably includes mostly drug consumers who, depending on the situation, either act as intermediaries or independently buy small drug batches for resale. They earn their money from the difference between the purchase and resale prices of drugs. These people often do not have another source of revenue and spend their proceeds on buying a new batch of drugs, paying for transportation services and personal consumption.

Middle-sized drugs dealer, who sell drugs obtained from criminal organizations (e.g., batches of up to 1 kilogram of heroin), mainly as their sole source of income, however, they may engage in legal business activities. Proceeds from drug trade are spent on personal consumption or may be partially spent on their own legal business activities, purchases of currency, real estate and provide for luxurious lifestyle.

Individuals involved in drug transportation. They are employed to transport drug batches (up to several tens of kilograms) within certain periods (e.g., once a month). Such people have other sources of revenue that are mostly related to transportation. They are not directly involved in drug sales but are only engaged in the shipment of drugs. In addition to personal consumption, they spend their proceeds on developing their own businesses, as well as on informal involvement in their acquaintances' businesses, and providing loans. In addition, they acquire real estate, personal property and jewelry.

Large Suppliers of Drugs are usually members of criminal organizations or associations who run regular supplies of large drug batches to a particular country. Such individuals may be top executives and/or founders of companies involved in various illegal activities. They might be involved in delivery of cargoes to companies and organizations using vehicles equipped with a cache for drug shipments. Some of the proceeds from drug trafficking are transferred through proxies and front men to company or personal offshore accounts, while the remaining proceeds may be returned in the form of export revenue to the accounts of original suppliers. They may also use companies set up for channeling funds abroad. Additionally, they spend proceeds from drug trafficking on acquiring chemical substances for drug production, personal consumption, creating and developing businesses, bribing officials and for other purposes.

Individual Involved in storage and packing of drugs are usually members of criminal organizations and associations who are may not directly involved in drug sales. They spend their proceeds on personal consumption, rent, acquiring personal and real property and for other purposes. These people may or may not have other sources of revenue.

Financial facilitators-people who are employed by a criminal organization to carry out financial transactions related to proceeds from opiate trafficking. These individuals may span the whole spectrum of criminal complicity ranging from fully awareness, indifference, negligence and incompetence with regards implementing AML measures. These individuals may be professionals working for financial institutions or DNFBPs, un-licensed money service providers or non-professional financial facilitators. Moreover, Individuals of origin of drug producing jurisdiction remitting money for family support, Nongovernmental organizations (NGOs) engaged under cover of relief works for Refugees, Construction and development business near bordering areas, General Traders, Import/Export companies engaged in business with drug producing high risk countries may be potentially be involved in drug trafficking business. However, the client overall profile in addition to analysis of the customer financial activity, profile and current transactional pattern may indicate a potential drug trafficking activity.

Red Flags on Transactional Patterns

- Payment for goods with a price that is vulnerable to manipulation and can easily be under/over-valued are prone to be used for transfer of drugs proceeds.
- For Import/Export related transactions description of the goods is vague and their value and total quantity not ascertainable at the time of initiation of transaction.
- Large amounts of funds being received from/sent as advances for export/import to high-risk jurisdictions in terms of drugs trafficking related activities.
- Funds received into/sent from drugs producing high risk countries, but goods were not exported/imported.
- Foreign currency exchange transactions carried out by non-resident individuals over a short period of time, and transfers are made through non-banking remittance systems i.e., Money transfers which are not related to business, investment activity or real estate purchase done by non-resident individuals through funds originated from foreign jurisdiction.

- Customer making deposits/withdrawals or otherwise generally operates an account accompanied or on instructions by a third party.
- Newly opened customer account seems to be controlled by a third party, including forms completed in different handwriting and/or the customer is not sure about the address provided in the form.
- Incurring and payment of credit facilities or credit card charges not aligned with the customers' source of income.
- Frequent outbound wire transfers, with no apparent business or lawful purpose, directed to countries with a higher risk for drug production, drug transit and drug consumption or to countries inconsistent with the customer's expected activity.
- Cross-border transfers of funds to the same individual, financial institution or to an overseas location that are inconsistent with customers' personal profile or stated business activity.
- Cash deposits occurring in cities/states where the customer does not reside or conducts business.
- Multiple cash deposits into Branchless Banking accounts from different location without any plausible reason.
- Multiple deposit transactions by individuals who are foreign Nationals or belong to bordering areas of Pakistan without any plausible reason.
- Money transfers to/ from exchange offices established in financial centers to unrelated individuals which does not make any economic sense.
- Transactions (incl. via non-banking remittance systems) are conducted between persons who are foreign nationals of high-risk countries w.r.t. drugs trafficking or between Pakistani and foreign nationals of such high-risk countries without any plausible reason.
- The financial institutions have a suspicion concerning the physical condition of deposited currency notes (e.g., the currency smell of drugs or are excessively worn).
- Adverse/negative news on the suspects for being involved in Drug Trafficking.



ICMA
Pakistan



**TAX RATE CARD
FY21-22**



TAX RATES FOR SALARIED PERSONS (FIRST SCHEDULE, PART-I, DIVISION-I)

S.NO	TAXABLE INCOME	RATE OF TAX
1	Up to Rs 600,000	0%
2	Rs. 600,001 to Rs. 1,200,000	5% of the amount exceeding Rs. 600,000
3	Rs 1,200,001 to Rs 1,800,000	Rs 30,000 + 10% of the amount exceeding Rs 1,200,000
4	Rs 1,800,001 to Rs 2,500,000	Rs 90,000 + 15% of the amount exceeding Rs 1,800,000
5	Rs 2,500,001 to Rs 3,500,000	Rs 195,000 + 17.5% of the amount exceeding Rs 2,500,000
6	Rs 3,500,001 to Rs 5,000,000	Rs 370,000 + 20% of the amount exceeding Rs 3,500,000
7	Rs 5,000,001 to Rs 8,000,000	Rs 670,000 + 22.5% of the amount exceeding Rs 5,000,000
8	Rs 8,000,001 to Rs 12,000,000	Rs 1,345,000 + 25% of the amount exceeding Rs 8,000,000
9	Rs 12,000,001 to Rs 30,000,000	Rs 2,345,000 + 27.5% of the amount exceeding Rs 12,000,000
10	Rs 30,000,001 to Rs 50,000,000	Rs 7,295,000 + 30% of the amount exceeding Rs 30,000,000
11	Rs 50,000,001 to Rs 75,000,000	Rs 13,295,000 + 32.5% of the amount exceeding Rs 50,000,000
12	Above Rs 75,000,000.	Rs 21,420,000 + 35% of the amount exceeding Rs 75,000,000

TAX RATES FOR AOPS AND NON-SALARIED PERSONS (FIRST SCHEDULE, PART-I, DIVISION-I)

S.NO	TAXABLE INCOME	RATE OF TAX
1	Up to Rs 400,000	0%
2	Rs 400,001 Rs 600,000	5% of the amount exceeding Rs 400,000
3	Rs 600,001 Rs 1,200,000	Rs 10,000 + 10% of the amount exceeding Rs 600,000
4	Rs 1,200,001 Rs 2,400,000	Rs 70,000 + 15% of the amount exceeding Rs 1,200,000
5	Rs 2,400,001 Rs 3,000,000	Rs 250,000 + 20% of amount exceeding Rs 2,400,000
6	Rs 3,000,001 Rs 4,000,000	Rs 370,000 + 25% of the amount exceeding Rs 3,000,000
7	Rs 4,000,001 Rs 6,000,000	Rs 620,000 + 30% of the amount exceeding Rs 4,000,000
8	More than Rs 6,000,000	Rs 1,220,000 + 35% of the amount exceeding Rs 6,000,000

RATES OF TAX FOR COMPANIES (FIRST SCHEDULE, PART-I, DIVISION-II)

Small Company	22%
Banking Company	35%
All other Companies	29%
Alternate Corporate Tax (ACT)	17%



RATE OF SUPER TAX (FIRST SCHEDULE, PART-I, DIVISION-IIA)

Banking Company	4%
Other persons	0%

RATE OF DIVIDEND TAX (SECTION 5, FIRST SCHEDULE PART-I, DIVISION-III)

	Filer	Non-Filer
Received from IPPs	7.5%	15%
Received from Mutual Funds & Others	15%	30%
Received from Companies	25%	50%

RATE OF TAX ON PROFIT ON DEBT (SECTION-7B, FIRST SCHEDULE PART-I, DIVISION-IIIA)

Amounts	Filer & Non-Filer
Imposed under section 7B	15%

RATE OF TAX ON RETURN ON INVESTMENT IN SUKUKS RECEIVED FROM SPECIAL PURPOSE VEHICLE (SECTION 5AA, FIRST SCHEDULE PART-I, DIVISION-IIIB)

	Filer	Non-Filer
In case of a company	25%	50%
In case of an individual or AOP when profit is more than 1 million	12.5%	25%
In case of an individual or AOP when profit is less than 1 million	10%	20%

RATE OF TAX ON CAPITAL GAINS ON DISPOSAL OF IMMOVEABLE PROPERTY (SECTION 37, FIRST SCHEDULE PART-I, DIVISION-VIII)

Where the gain does not exceeds Rs 5 million	3.5%
More than Rs 5 million but less than Rs 10 million	7.5%
More than Rs 10 million but less than Rs 15 million	10%
More than Rs 15 million	15%



MINIMUM TURNOVER TAX (SECTION 113, FIRST SCHEDULE PART-I, DIVISION-IX)

Oil Marketing Companies, PIA, Poultry etc.	0.75%
Oil Refineries, Motorcycle Dealers registered under Sales Tax Act, 1990	0.5%
Distributors of Pharmaceutical products, FMCG & Cigarettes, Petroleum Agents, Rice mills, Flour mills dealers, Persons engaged in sale/purchase of used vehicles, Tier-I FMCG retailers integrated with FBR	0.25%
In all other cases	1.25%

RATE OF ADVANCE TAX AT IMPORT STAGE (SECTION-148, FIRST SCHEDULE PART-II, DIVISION-II)

	Filer	Non-Filer
Persons importing goods classified in Part I of Twelfth Schedule	1%	2%
Persons importing goods classified in Part II of Twelfth Schedule	2%	4%
Persons importing goods classified in Part III of Twelfth Schedule	5.5%	11%
Manufacturers covered under S.R.O. 1125(I)/2011	1%	2%
Pharmaceutical Imported Finish Goods	4%	8%

ADVANCE TAX ON SALE OF GOODS (FIRST SCHEDULE PART III, DIVISION III)

	Filer	Non-Filer
By Company	4%	8%
By Individual and AOP	4.5%	9%
Fast Moving Consumer Goods (FMCG)		
By Company	2%	4%
By Individual and AOP	2.5%	5%



ADVANCE TAX ON SERVICES (FIRST SCHEDULE PART III, DIVISION III)

	Filer	Non-Filer
By Company	8%	16%
By Individual and AOP	10%	20%
By export houses for services rendered	1%	2%
Advertisement Services (Electronic/ Print Media)	1.5%	3%
Other Advertisement Services		
Transport		
Freight Forwarding		
Air Cargo		
Courier		
Manpower Outsourcing		
Hotel		
Security Guard Services		
Software Development		
IT and IT Enabled services		
Tracking Services	3%	6%
Share Registered		
Engineering		
Car Rental		
Building maintenance		
Inspection		
Certification		
Testing & Training		
Warehouse Services		
Asset Management Services		
Data Services under license issued by PTA		
Telecom Infrastructure (Tower)		



**RATE OF TAX ON BROKERAGE AND COMMISSION (SECTION 233,
FIRST SCHEDULE PART IV, DIVISION II)**

	Filer	Non-Filer
Advertisement Agents	10%	20%
Life Insurance Agents < Rs 0.5M	8%	16%
Others	12%	24%

**RATE OF COLLECTION OF TAX ON ELECTRICITY CONSUMPTION
(FIRST SCHEDULE PART IV, DIVISION IV)**

Gross Amount of Bill	Tax
For Commercial & Industrial Consumers	
Upto Rs 500	Rs 0
Exceeds Rs 500 but does not exceed Rs 20,000	10% of the amount
Exceeds Rs 20,000	Rs 1950 plus 12% of the amount exceeding Rs 20,000 for commercial consumers
	Rs 1950 plus 5% of the amount exceeding Rs 20,000 for industrial consumers
For Domestic Consumers	
Less than Rs 25,000	0%
Exceeds Rs 25,000	7.5% of the amount

**ADVANCE TAX ON SALE OR TRANSFER OF IMMOVABLE PROPERTY
(SECTION 236 C, PART-IV, DIVISION X)**

	Filer	Non-Filer
On Buyer	1%	2%
On seller when holding period is within 4 years	1%	2%
On seller when holding period is after 4 years		0%

**ADVANCE TAX ON SALE TO DISTRIBUTORS, DEALERS AND WHOLESALERS
(SECTION-236G, DIV-XIV, PART-IV)**

Sector	Filer	Non-Filer
To distributors, dealers and wholesalers	0.1%	0.2%
Advance Tax on Sale to Retailers (Section-236H, DIV-XV, Part-IV)		
To retailers - Others	0.5%	1%

MISCELLANEOUS

	Filer	Non-Filer
General Insurance Premium	0%	0%
Life Insurance Premium above Rs 300,000	0%	0%
Offshore digital services from non-resident (Section 6, Part I, Division IV)	5%	10%
On functions and gatherings	0%	0%
Charge by local educational institutions (Section 236I, Part IV, Div-XVI)	0%	5%
Charge by foreign educational institutions (Section 236I, Part IV, Div-XVI)	0%	0%
Royalty and Technical Services (Resident)	15%	30%
Royalty and Technical Services (Non-resident) (Section 6, Part I, Div-IV)	15%	15%
On Prize Bonds (Section 156, Part-III, Div-VI)	15%	30%
On Winning from raffle, lottery, prize on winning quiz or prize offered by a company for promotion of sale (Section -156, Part-III, Div-VI)	20%	40%

TECHNICAL SUPPORT & PRACTICE DEVELOPMENT COMMITTEE

Mr. Shehzad Ahmed Malik, FCMA
Chairman

Mr. Shaukat Hayat Khan Baluch, FCMA
Member

Mr. Azeem Hussain, ACMA
Member

Sayyid Mansoob Hasan, FCMA
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Director TSPD & Acting Director North Region