

GOVERNMENT OF PAKISTAN  
REVENUE DIVISION  
FEDERAL BOARD OF REVENUE

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C.No.1(21)/WHT/2006

Islamabad, April 1, 2011

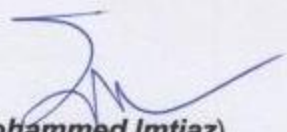
**CIRUCLAR NO.3/2011**  
(Income Tax)

Subject: **CLARIFICATION ON DEDUCTION OF WITHHOLDING TAX ON COMMISSION PAYMENTS MADE BY SALES TAX ZERO-RATED CATEGORIES OF TAXPAYERS**

It is clarified that under the provisions of section 233 of the Income Tax Ordinance, 2001, withholding tax is deductible @ 10% on payments made on account of brokerage commission, in the following categories of taxpayers falling under the Zero-Rating Regime of Sales Tax:

- (a) *carpets;*
- (b) *leather and articles thereof including artificial leather footwear;*
- (c) *surgical goods;*
- (d) *sports goods; and*
- (e) *textile and articles thereof.*

2. It is clarified that as provided under sub-section (3) of section 233 of the Income Tax Ordinance, 2001, tax collected shall be final tax on the income from brokerage/commission of such person.

  
(**Mohammed Imtiaz**)  
Secretary Withholding Tax