

Tax Review/Taxation

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This special email service from Monday to Friday, part of subscription package, is aimed at keeping you informed about tax and fiscal matters. It contains news, legislative changes, case-law, in-depth articles and analyses covering all areas of taxes at domestic and international level. On every Saturday evening, we email weekly compilation of the entire material. Every month, *Taxation* in printed form, is sent through post and digital version of *Tax Review International* is made available for download at www.huzaimaikram.com.

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by

Naveed Zafar Ashfaq Jaffery & Co.

Chartered Accountants

Kind Regards,

Huzaima Bukhari
Editor

AA Consultants & Publishers

Suite # 14, 2nd Floor, Sadiq Plaza, Regal Chowk, Mall Road,
Lahore, Pakistan

Phone. 042-36365582 & 042-36280015 Fax 042-35310721

Email: sales@aacp.com.pk website: <http://aacp.com.pk>

Investigations opened against 3 former: FBR chairmen, others?

National Accountability Bureau (NAB) on Saturday opened investigations against three former Federal Board of Revenue (FBR) chairmen and former collector Ashir Azeem in the record computerisation project. According to NAB sources, important advancement has been made into the corruption case regarding the record computerisation project. The inquiry against three former chairmen - Ali Arshad Hakeem, Salman Siddique and Abdullah Yousuf - has been turned into an investigation upon receipt of new evidence.

The three men booked have been accused of awarding the contract to a company against the rules, misusing their powers. Sources told that two former collectors, Mian Azhar and Ashir Azeem, are also nominated in the alleged corruption case. – *Courtesy Business Recorder*

FBR wing serves notices on illegal currency dealers

Expanding the scope of investigation against illegal money changers and currency dealers, the Directorate of Intelligence & Investigation Inland Revenue (IR) has also served notices on different money changers in other cities including Karachi and Lahore, following recovery of Pak rupee against the US dollar.

Sources told here on Saturday that the recovery of Pak rupee against the dollar has been witnessed after strict enforcement actions by the Directorate of Intelligence & Investigation IR, crackdown on illegal money changers, strict vigilance at airports and customs monitoring of incoming/outgoing international passengers at Islamabad and other airports. The government has categorically conveyed to the money dealers that it would take extra enforcement measures against the illegal movement of the foreign exchange and action against illegal currency exchange dealers would continue. The enforcement actions have forced the currency dealers or investors to avoid purchase of dollars from the market by undeclared sources. Among other factors, the strict enforcement by the FBR's intelligence agency is also one of the factors for recovery of the rupee against the dollar.

Finance Minister Ishaq Dar had reportedly conveyed to the money changers in last meeting that the government has already launched a crackdown on illegal money changers as well as at the

airports. As a result of the crackdown on unscrupulous elements, the rupee/dollar parity has improved by Rs 1, he added.

Sources said that the money changers and currency dealers in Karachi and Lahore have to complete a Performa of Directorate of Intelligence & Investigation Inland Revenue containing detailed information about the currency transactions to nab those individuals who are buying dollars in bulk from market and taking them abroad. Information also included details of those individuals who purchased dollars over the threshold of 2,500 during the last two months. Action is intended against those whose declared income is not commensurate with hefty purchases of foreign currencies, especially dollars.

This is the first of its kind of major enforcement action against the buyers of dollars purchased from undeclared sources of income. The action is against those where declared income is not matching with hefty purchases of foreign currencies.

Earlier, the agency is already investigating suspicious purchases of dollar from the market in Islamabad by undeclared sources of income. The FBR has also called a Collectors Conference next week (Tuesday) to discuss in detail the measures to curb smuggling of dollars and gold. Recently, some individuals were caught at the airports while smuggling foreign currency out of the country as well as bringing gold into Pakistan. In the Collectors Conference, the FBR will seek details of the enforcement actions taken by the Collectors of Customs in this regard.

The government has already directed FIA, IB, Custom Intelligence and State Bank of Pakistan to keep strict vigilance in this regard and all airports and other entry points would be kept under strict surveillance to curb this menace of currency and bullion smuggling. – *Courtesy Business Recorder*

Withholding tax commissioners' Conference on December 20

The Federal Board of Revenue (FBR) has decided to convene a Withholding Tax Commissioners' Conference on December 20, 2016 to chalk out a comprehensive plan for improving withholding tax collection in remaining period of 2016-17 to overcome the revenue shortfall through withholding taxes.

Sources told here on Saturday that the FBR has issued instructions to field formations to suggest measures and recovery

plan for increasing withholding tax collection in the remaining period of current fiscal year. The withholding taxes contributed a major chunk ie around 68-70 per cent to the collection of direct taxes in 2015-16. The nine major components of withholding taxes that contributed around 85 per cent to total WHT collection are contracts, imports, salary, telephone, export, bank interest/securities, cash withdrawal, dividends and electricity in 2016-17.

The agenda of the upcoming conference included in-depth analysis of withholding taxes by the regional tax offices (RTOs). Analysis included updated stock position of withholding agents specifying the category; whether withholding statements are filed by agents, if not action taken so far along with amount of penalty and number of orders passed thereof, and whether the tax is being deducted as per prescribed rates and deposited timely.

Field formations would inform FBR the number of orders passed u/s 161/205 of the Income Tax Ordinance in case of default by the withholding agents; analysis of major withholding sections of the RTO. In case of reflecting growth; how to further maximise them. In case of negative trends, how to reverse the situation for improving collection?

The RTOs would share the mechanism for the enforcement, monitoring & verification of various withholding provisions regarding filers/non filers; month-wise collection out of current and arrear demand created u/s 161/205 and implementation of newly introduced withholding sections along with revenue impact.

The FBR has also asked the field formations to specify any special initiative taken in withholding taxes which can be shared with other RTOs as “best practices” and strategy to monitor withholding taxes in the next quarter.

On the sales tax side, the commissioners will brief the FBR on the updated stock position of WHT Agents; salient features of the ST withholding regime of the RTO; cross matching exercise between WHT statements (income tax) filed by companies and sales tax return and number of default cases, demand created and collected during the current quarter (October-December) 2016-17.

The FBR has further directed Chief Commissioners to nominate a senior most Commissioner Inland Revenue (CIR) to represent LTU/RTO concerned for making a presentation in respect of withholding taxes at the conference. – *Courtesy Business Recorder*

Customs values on vehicles, bikes and tyres revised

The Directorate General of Customs Valuation Karachi has revised customs values on the import of tyres and tubes of cars, light trucks, motorcycles and other vehicles from Japan, India and China.

Sources told here on Saturday that the directorate has issued a new valuation ruling number 985 of 2016 to change customs values of tyres & tubes. The directorate has also superseded Valuation Ruling No. 812/2016 dated 28.1.2016.

The Directorate General of Customs Valuation Karachi has also revised customs values on the import of tyres and tubes from other foreign origins as well.

The directorate said that the customs values of tyres & tubes were determined vide Valuation Ruling No.812/2016 dated 28.01.2016. The trade community has been demanding revision of prices of this commodity owing to downward trend in its prices in international market and in the light of order of Sindh High Court in CP 6918 dated 13.11.2015. Therefore an exercise was undertaken to re-determine the customs value of the subject goods under Section 25A of the Customs Act, 1969.

A meeting with stakeholders was held on 04.10.2016 which was attended by commercial importers including office-bearers of Pakistan Tyre Importers and Dealers Association (PTIDA). All the participants had been requested to submit the documents including copy of GD & invoices of imports during last three months showing factual value, website names and e-mail addresses of known foreign manufacturers or the item in question through which the actual current value can be ascertained, copy of contracts made/ LCs opened during the last three months showing the values of the item in question, copy of sales tax invoices issued during last three months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

No substantial evidence was submitted by the stakeholders to support their claim, the ruling said.

Similarly, in order to ascertain the correct value, local market enquiry was conducted from Karachi market as well from Lahore through Directorate of Valuation, Lahore. The Clearance Collectories as well as importers of Indian origin tyres were asked to furnish the import documents of consignments of tyres

and tubes from India along with their B/Ls showing shipping bill number and date. No relevant data has been received from the Clearance Collectorates thus far. One importer submitted a few relevant B/Ls showing shipping bill number and date. These were checked through icegate.gov.in and the worked out values was considered for determination of Indian origin tyres. An importer submitted representation for determination of customs values of tractor tyres of Belarus origin which has been given due consideration. The contentions of Pakistan Tyre Importers and Dealers Association (PTIDA) were accounted for, wherever reasonable. The values of only those types of tyers have been notified which are frequently imported as evident from the clearance database, the FBR said.

The valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue in hand. Transaction value method under Sub-Section (1) of Section 25 of the Act, 1969 was found inapplicable because required information was not available as per law. Identical/similar goods value methods provided in Sub-Sections (5) & (6) of Section 25 *ibid* were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be relied on due to variation in the same. Market enquiry as envisaged under Section 25(7) of the Customs Act, 1969 from Karachi market as well from Lahore through Directorate of Valuation, Lahore was conducted which provided some reference values. The computed method as provided under Section 25(8) of the Customs Act 1969 could not be applied as the conversion costs from constituent material at the country of export were not available. Finally, import data available was analysed and international prices from various sources on internet were also checked. All the information so gathered was evaluated and analysed for the purpose or determination of customs values. Consequently, the customs value of tyre and tubes have been determined under Section 25(9) of the Customs Act, 1969.

Customs values of tyre & tubes hereinafter specified, shall be assessed to duty/ taxes on the customs values mentioned against them as Annex-"A" which forms integral part of the valuation ruling along with laid down conditions. If a radial tyre is imported which is not covered in this ruling and whose specifications are similar to normal tyre except for being radial, such tyres may be assessed at 25% higher than the normal tyre.

The ruling said that where only tyres are imported, other than tubeless, deduction of 5% shall be allowed on ruling value. The value of tyres with different “ply” shall be assessed by adding or subtracting from tile determined value @5% per two ply rating.

The discount of 5% is admissible for import of tyres & tubes through land route on C&F values determined by the Directorate General.

In cases where declared/ transaction values are higher than the Customs values determined in this ruling, the assessing officers shall apply those values in terms of Sub-section (1) of Section 25 of the Customs Act, 1969. In case of import of tyres of specifications not covered in this valuation ruling, the same shall be assessed by the Clearance Collectorates under Section 25 of the Customs Act 1969 or the same may be forwarded to this Directorate General through WeBOC system under provisional assessment regime of section 81 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the air freight while applying the customs values determined in this ruling.

The values determined vide this ruling shall be the applicable customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Sections (1) or (:1) of Section 25-A of the Customs Act, 1969.

The Collectors of Customs may ensure that the values given in the valuation ruling for the given description of goods are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of directorate general immediately. Customs values determined the ruling are for the description and specification as mentioned in the table above of this ruling.

HS Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalised on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification required thereon. In addition to this, it is further necessary to verify that there is no misdeclaration or any sort or violation of Import Policy Order or Section 15 of the Customs Act, 1969 or any other law in vogue therein, ruling added.

– *Courtesy Business Recorder*

FBR urged to expedite efforts towards collection

Minister for Finance, Senator Ishaq Dar on Sunday urged the Federal Board of Revenue (FBR) team to redouble their efforts to meet this year's revenue targets.

He was chairing a meeting to review the revenue collection targets and other matters related to the FBR. Special Assistant to Prime Minister on Revenue, Haroon Akhtar Khan was also present during the meeting, said a statement issued here.

Chairman FBR, Nisar Mohammad Khan briefed the Finance Minister on the latest revenue collection figures.

The finance minister appreciated the efforts of the FBR in increasing tax collections by 60 per cent over the last three years.

He emphasised the importance of enhanced revenue collection in the background of country's need for development and for achieving higher rate of inclusive and sustainable growth.

The meeting was attended by senior officials of the FBR and the Ministry of Finance. – *Courtesy Business Recorder*

2016 TRI 561 (S.C. Ind.)

SUPREME COURT OF INDIA

Ranjan Gogoi and N.V. Ramana, JJ.

Ashok Prapann Sharma

v.

Commissioner of Income Tax & Anr

FACTS/HELD

S. 55(2): In determining the cost of acquisition as on 01.04.1974 (or 01.04.1981), the value declared in the wealth-tax return as well as the comparable sales, even if later in point of time, have to be considered. The High Court should not interfere with findings of fact, unless palpably incorrect

1. The Assessee was subjected to payment of income-tax on capital gains accruing from land acquisition compensation and sale of land. The dispute arose as to how the cost of acquisition is to be worked out for the purposes of deduction of such cost from the receipts so as to arrive at the correct quantum of capital gains exigible to tax under the Income-Tax Act, 1961 (for short "the Act"). The Assessing Officer as well as the First Appellate Authority took into account the declaration made in the return filed by the Assessee under the Wealth Tax Act (Rs.2 per square yard) in respect of the very plot of land as the cost of acquisition. Some instances of comparable sales showing higher value at which such transactions were made (Rs.70/- per square yard) were also laid by the Assessee before the Assessing Officer. The same were not accepted on the ground that such sales were subsequent in point of time i.e. 1978-1979 whereas under Section 55(2) of the Act the crucial date for determination of the cost of acquisition is 1st April, 1974. The Tribunal took the view that the comparable sales cannot altogether be ignored. Therefore, though the comparable sales were at a higher value of Rs.70/- per square yard, the learned Tribunal thought it proper to determine the cost of acquisition at Rs.50/- per square yard. In Second Appeal, the High Court exercising jurisdiction under Section 260A of the Act reversed the said finding bringing the Assessee to this Court by way of

present appeal. On appeal to the Supreme Court HELD reversing the High Court:

- (i) A declaration in the return filed by the Assessee under the Wealth Tax Act would certainly be a relevant fact for determination of the cost of acquisition which under Section 55(2) of the Act to be determined by a determination of fair market value. Equally relevant for the purposes of aforesaid determination would be the comparable sales though slightly subsequent in point of time for which appropriate adjustments can be made as had been made by the learned Tribunal (from Rs.70/- per square yard to Rs.50/- per square yard). Comparable sales, if otherwise genuine and proved, cannot be shunted out from the process of consideration of relevant materials. The same had been taken into account by the learned Tribunal which is the last fact finding authority under the Act. Unless such cognizance was palpably incorrect and, therefore, perverse, the High Court should not have interfered with the order of the Tribunal. The order of the High Court overlooks the aforesaid severe limitation on the exercise of jurisdiction under Section 260A of the Act.
- (ii) That apart, it appears that there was an on-going process under the Land Acquisition Act, 1894 for determination of compensation for a part of the land belonging to the Assessee which was acquired [39 acres (approx.)]. The Reference Court enhanced the compensation to Rs.40/- per square yard. The above fact, though subsequent, would not again be altogether irrelevant for the purposes of consideration of the entitlement of the Assessee. However, as the determination of the cost of acquisition by the learned Tribunal was on the basis of the comparable sales and not the compensation awarded under the Land Acquisition Act, 1894 (the order awarding higher compensation was subsequent to the order of the learned Tribunal) and the basis adopted was open for the learned Tribunal to consider, we take the view that in the facts of the present case the High Court ought not to have interfered with the order of the learned Tribunal.

Appeal allowed.

Tax Review International

Civil Appeal No. 2314/2007.

Heard on: 24th November, 2016.

Decided on: 24th November, 2016.

Present at hearing: Guru Krishnakumar, Sr. Advocate & Santosh Krishnan, Advcoate, for Appellant(s). Arijit Prasad, Gargi Khanna, Praneet Pranav & Anil Katiyar, Advocates, for Respondent(s).

JUDGMENT

Ranjan Gogoi, J.–

1. The Assessment Year in question is 1989-1990. The Assessee has been subjected to payment of income-tax on capital gains accruing from land acquisition compensation and sale of land. The dispute is as to how the cost of acquisition is to be worked out for the purposes of deduction of such cost from the receipts so as to arrive at the correct quantum of capital gains exigible to tax under the Income-Tax Act, 1961 (for short “the Act”).

2. The Assessing Officer as well as the First Appellate Authority took into account the declaration made in the return filed by the Assessee under the Wealth Tax Act (Rs.2 per square yard) in respect of the very plot of land as the cost of acquisition. Some instances of comparable sales showing higher value at which such transactions were made (Rs.70/- per square yard) were also laid by the Assessee before the Assessing Officer. The same were not accepted on the ground that such sales were subsequent in point of time i.e. 1978-1979 whereas under Section 55(2) of the Act the crucial date for determination of the cost of acquisition is 1st April, 1974.

3. The matter reached the learned Income Tax Appellate Tribunal (for short “the Tribunal”) by way of further appeal by the Assessee. The learned Tribunal took the view that the comparable sales cannot altogether be ignored. Therefore, though the comparable sales were at a higher value of Rs.70/- per square yard, the learned Tribunal thought it proper to determine the cost of acquisition at Rs.50/- per square yard. In Second Appeal, the High Court exercising jurisdiction under Section 260A of the Act reversed the said finding bringing the Assessee to this Court by way of present appeal.

4. We have heard the learned counsels for the parties at length.

5. A declaration in the return filed by the Assessee under the Wealth Tax Act would certainly be a relevant fact for determination of the cost of acquisition which under Section 55(2) of the Act to be determined by a determination of fair market value. Equally relevant for the purposes of aforesaid determination would be the comparable sales though slightly subsequent in point of time for which appropriate adjustments can be made as had been made by the learned Tribunal (from Rs.70/- per square yard to Rs.50/- per square yard). Comparable sales, if otherwise genuine

and proved, cannot be shunted out from the process of consideration of relevant materials. The same had been taken into account by the learned Tribunal which is the last fact finding authority under the Act. Unless such cognizance was palpably incorrect and, therefore, perverse, the High Court should not have interfered with the order of the Tribunal. The order of the High Court overlooks the aforesaid severe limitation on the exercise of jurisdiction under Section 260A of the Act.

6. That apart, it appears that there was an on-going process under the Land Acquisition Act, 1894 for determination of compensation for a part of the land belonging to the Assessee which was acquired [39 acres (approx.)]. The Reference Court enhanced the compensation to Rs.40/- per square yard. The above fact, though subsequent, would not again be altogether irrelevant for the purposes of consideration of the entitlement of the Assessee. However, as the determination of the cost of acquisition by the learned Tribunal was on the basis of the comparable sales and not the compensation awarded under the Land Acquisition Act, 1894 (the order awarding higher compensation was subsequent to the order of the learned Tribunal) and the basis adopted was open for the learned Tribunal to consider, we take the view that in the facts of the present case the High Court ought not to have interfered with the order of the learned Tribunal.

7. Consequently and taking into account all the reasons stated above, we are of the view that this appeal should be allowed which we hereby do. The order of the High Court is set aside and that of the learned Tribunal is restored.

IMMOVABLE PROPERTY – VALUATION, CAPITAL GAIN TAX AND RATES

FURTHER AMENDMENTS INTRODUCED VIDE INCOME TAX (AMENDMENT) ORDINANCE, 2016

Prepared By

*NAVEED ZAFAR ASHFAQ JAFFERY & CO.
CHARTERED ACCOUNTANTS*

**REFERENCE: SECTION 37, 111, 68, 236C, 236W (Sch. I, Part I,
Div. VIII), (Sch. I, Part I, Div. VIII)**

A. Historic Perspective:

1. Fair Market Value:

- Earlier, vide a circular letter no. 7(13), dated: June 29, 1993, the Board issued instructions regarding valuation of Immovable property by the Commissioners. The Board instructed that the values fixed by the provincial authorities should be made the basis of valuation.
- It was proposed vide Finance Bill 2016 that fair market value of any property shall be determined without taking into consideration the value fixed or notified by any provincial authority.
- However, FA 2016 altogether barred Commissioner from determining Fair Market Value of Immoveable Property. The same was made to be determined on the basis of valuation made by a panel of approved valuers of the State Bank of Pakistan (“SBP”).

2. Capital Gain Tax Rates:

- Finance Act 2012 (“FA 2012”) for the first time brought capital gain arising out of disposal of immovable property to tax subsequent to 18th constitutional amendment, wherein, entry number 50 in Federal Legislative List empowers the Federal Government to levy this tax.
- Prior to FA 2016 and after FA 2012, capital gains on immovable property sold after holding upto one year and upto two years were charged to tax at the rates of 10% and 5%, respectively, whereas, capital gains on property sold after holding for a period of more than two years were exempt from tax.
- FA 2016 levied capital gain tax at the rate of 10% on sale of a property held for a period upto five years, whereas, capital gains on property sold after holding for a period of more than five years were exempt from tax.

A comparison of tax rate with previous years is provided below:

| Holding Period | TY 2013 to TY 2016 | TY 2017 |
|--|---------------------------|----------------|
| Upto one Year | 10% | 10% |
| More than one year but less than two years | 5% | |
| More than two years but less than five years | Nil | |
| More than five years | Nil | Nil |

B. Earlier Amendments vide Income Tax Amendment Ordinance, 2016 (July 31st, 2016):

1. Fair Market Value

- The real estate sector strongly opposed the amendments introduced vide FA 2016, especially in section 68 of Income Tax Ordinance, 2001 (“ITO”), which resulted in further amendment in ITO after prolonged deliberations among Ministry of Finance, FBR, Tax Policy Experts, representatives from Real Estate Sector and other stock holders.

The amendments are as briefly described as under:

- Amendment in section 68 of ITO was made and FBR was empowered to determine and notify the fair market values of the immovable property.
- Furthermore, it was also made clear that following values shall not be less than the values determined for the purpose of stamp duty or by FBR, as the case may be:
 - Consideration received on disposal of property;
 - Value of property at the time of purchase; and
 - Valuation of property under section 111

This meant that the powers of district officer under rule 228 of Income Tax Rule, 2002 to fix a higher value of constructed property, than value under section 68 of ITO, for the purpose of section 111 of ITO, was curbed.

- It was further explained that if the determined fair market value was different from auction price, the higher of the two values shall be applicable.

2. Advance Tax on Sale/Disposal or Purchase:

- Moreover, the holding period for exemption from adjustable advance tax on sale or transfer of immovable property was reduced to 3 years from 5 years. Also, such advance tax was exempted if the seller is dependent of a Shaheed of Pakistan Armed Forces (“PAF”) or of a person who dies while in the service of PAF or Federal and Provincial Governments. The

advance tax was also exempted on first sale of property acquired or allotted as an original allottee.

- Limit for exemption of advance tax on purchase of immovable property was also enhanced from 3 million to 4 million.

3. Capital Gain Tax Rates

- Capital Gain Tax was exempted on sale of property if the seller is dependent of a Shaheed of PAF or of a person who dies while in the service of PAF or Federal and Provincial Governments. Capital Gain Tax has also been exempted on first sale of property acquired or allotted as an original allottee.

For the cases other than above, following Capital Gain Tax rates shall be applicable:

a. For property acquired on or after July 01, 2016

| Holding Period | Tax Rate |
|--|----------|
| Less than one year | 10% |
| Equal to or more than one year but less than two years | 7.5% |
| Equal to or more than two year but less than three years | 5% |
| Equal to or more than three years | 0% |

b. For property acquired before July 01, 2016

| Holding Period | Tax Rate |
|-----------------------|----------|
| Upto three years | 5% |
| More than three years | 0% |

Capital Gain Tax rates was reduced by 50% in case of first sale of property acquired or allotted to ex-servicemen and serving personnel of Federal and Provincial Governments, being original allottee of the property.

C. Further amendments proposed vide Income Tax Amendment Ordinance, 2016

- In addition to above amendments introduced vide Income Tax Amendment Ordinance, 2016, enacted on July 31st, 2016, following further amendments in Income Tax Ordinance, 2001 are proposed to resolve the concerns of business and real estate community.

1. Advance Tax on Purchase or Transfer:

- Every person attesting or registering transfer of any immovable property is proposed to be made responsible for collection of advance tax at the rate of 3% from purchaser or transferee on amount calculated as under:

$$A - B$$

Where, A is the amount determined under section 68; and

B is the amount recorded by the registering authority.

The above tax collected shall not be adjustable.

2. Unexplained Assets:

- It has also been proposed that the difference between registered value and value determined under section 68 shall not be considered for the purposes of section 111 i.e. the differential amount will not be charged as unexplained income and the amount, on which advance tax under section 236W has been paid, shall be allowed to be incorporated in books of accounts in tangible form.

Example:

Mr. A purchases an immovable property having registered value of Rs. 5,000,000. The amount under section 68 is determined to be Rs. 15,000,000.

The amount of advance tax to be paid at the time of purchase/transfer shall be as follows:

| | | | |
|-------------------------------------|----|-----------------------------|-------------|
| Under section 236K (Adjustable) | 2% | of 5,000,000 | Rs. 100,000 |
| Under section 236W (Not Adjustable) | 3% | of (15,000,000 – 5,000,000) | Rs. 300,000 |

Mr. A will be entitled to record the investment in immovable property at Rs. 15,000,000. However, amount of Rs, 5,000,000 will be required to be explained only. Sources of investment of Rs. 10,000,000 will not be required to be explained.

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Karachi: Wednesday, November 30, 2016