

**TAX EXPENDITURE REPORT 2023****EXECUTIVE SUMMARY**

Tax expenditure is revenue foregone because of selective provisions in the tax code<sup>1</sup>.

Tax expenditure reports are prepared worldwide as a future guideline for tax policy formulation. This report uses the standard “Revenue Forgone” methodology to estimate the tax expenditure under the Income Tax, Sales Tax and Customs laws in Pakistan. This approach quantifies the direct ex-post revenue loss associated with the provisions relative to the statutory tax rates. This report is based on data relevant to FY2021-22 with a few exceptions.

Income tax expenditures are calculated using the tax returns data and taking the statutory rates available in First schedule of ITO-2001 as the benchmark rates. The benchmarks for scope of income are taken as defined in Section 9 of ITO-2001 as the various heads of income and the origin-of-income concept for residents and non-residents. Where exact data was not available, reliance is placed on third party data and calendar year data instead of financial year data. Tax expenditure arising from withholding income tax at import stage is also included.

The Sales Tax expenditure is based on returns/imports data and the difference of sales tax paid and the sales tax payable at 17% is calculated as the Sales Tax expenditure. Certain adjustments on gross estimates have been made to allow for input tax adjustments in certain exempt items based on the counterfactual if such items were not exempt.

Customs duty expenditure is calculated based on the legal provisions under the Customs Act 1969, and statutory instruments through which exemptions/concessions are granted to imported goods. Statutory rates of customs duty relevant to FY 2021-22 are taken as the benchmark rates while provisions relating to exemptions from

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<sup>1</sup> IMF, 2019.

regulatory duty and additional customs duty have been excluded.

The interpretation of estimates in this report is subject to certain caveats. The expenditure amounts are calculated assuming that all other provisions of that tax type remained unchanged. It can by no means be construed that eliminating certain tax expenditure will necessarily increase revenue of the same amount. Actual receipts will depend on enforcement, taxpayer compliance, effective dates of legislation repealing the exemption, exact wording of any legislation, and taxpayers' behavior. Moreover, the actual amount will also depend on the nature of economic activity, elasticity of goods and services, etc. Hence, the realization of actual revenue, consequent to removal of certain exemptions, may vary. The impact of FBR tax expenditure on provincial tax systems is not included in this report.

Advanced countries have shown higher estimates of tax expenditures in comparison with the developing and poor countries at the global level during 2019 and 2020. Within the 21 sampled set of countries, the Russian Federation tops the list with an estimated 14.8% of GDP as tax expenditure while India is at the other extreme with only 0.4% of GDP as tax expenditure (Figure 2).

### **Key Findings**

- The total Federal Taxes' expenditure based on the data relating to FY2021-22 is estimated at **Rs. 2,239.63 billion** with a tax-wise breakdown as follows:
  - Income Tax: Rs. 423.89 billion (6.89% of total FBR tax collection, 18.93% of total expenditure and 0.64% of GDP)
  - Sales Tax: Rs. 1,294.04 billion (21.05% of the total FBR tax collection, 57.78% of total expenditure and 1.94% of GDP)
  - Customs Duty: Rs. 521.70 billion (8.49% of total FBR tax collection, 23.29% of total expenditure and 0.78% of GDP)

- The total expenditures are **36.43** % of total FBR tax collection in FY 2021-22.
- The tax revenue foregone constitutes approximately **3.36% of total GDP** in **FY2021-22** as against 2.69% in FY2020-21.
- Pakistan's current tax expenditure estimate and the average tax expenditure are far below the average estimates of the world (Figures 2 & 3).

**Table 1: Summary of Tax Expenditure Estimates FY2021-22 (Rs. Billion)**

Tax Heads	Tax Expenditure			Tax Expenditure as % of		
	FY 2020-21	FY 2021-22	Increase/ Decrease (%)	GDP	Total FBR Collection	Total Tax Expenditure
				FY2021-22		
<b>Income Tax</b>	416.51 <sup>2</sup>	423.89	1.77	0.64	6.89	18.93
<b>Sales Tax</b>	739.77	1,294.04	74.92	1.94	21.05	57.78
<b>Customs Duty</b>	342.89	521.70	52.15	0.78	8.49	23.29
<b>Total</b>	<b>1,499.17<sup>3</sup></b>	<b>2,239.63</b>	<b>49.39</b>	<b>3.36</b>	<b>36.43</b>	<b>100.00</b>

**Table 2: Income Tax Expenditure Summary**

Exemption Heads	Tax Expenditure		Increase/ Decrease
	(Rs. Million)		(%)
	FY 2020-21	FY2021-22	

<sup>2</sup> This estimate was reported at Rs. 399.66 million in PFY2020-21 Report. It is reworked and reported as per the current year's data retrieval methodology.

<sup>3</sup> The Total expenditure was reported as Rs. 1,482.32 million in PFY 2020-21 Report. It is reworked for this report due to the reason as explain above in footnote 2.

Exemptions and Tax Concessions given in Part VII of Chapter III of ITO, 2001	26,164	26,834	2.56
Deductible Allowances given in Part IX of Chapter III of ITO, 2001	10,625	14,506	36.53
Tax Credits given in Part X of Chapter III of ITO, 2001	65,465	52,133	-20.37
Income Exempt from Tax given in Part I of Second Schedule of ITO, 2001	232,852	232,398	-0.19
Reduction in Tax Rates given in Part II of Second Schedule of ITO, 2001	17,047 <sup>4</sup>	24,444	43.39
Reduction in Tax Liability given in Part III of Second Schedule of ITO, 2001	3,285	4,738	44.23
Exemption from Specific Provisions given in Part IV of Second Schedule of ITO, 2001	61,076	68,841	12.71
<b>Total Income Tax Expenditure</b>	<b>416,514<sup>5</sup></b>	<b>423,894</b>	<b>1.77</b>

**Table 3: Sales Tax Expenditure Summary**

Exemption Heads	Tax Expenditure		Increase/
	(Rs. Million)		Decrease
	FY2020-21	FY2021-22	(%)
Zero Rating under Fifth Schedule to Sales Tax Act 1990	33,422	139,448	317.23

<sup>4</sup> Estimate of Reduction in Tax Rates given in Part II of Second Schedule of ITO, 2001, was reported at Rs. 195 million in PFY2020-21 Report. It is reworked and reported as per the current year's data retrieval methodology.

<sup>5</sup> The total income tax expenditure was reported as Rs. 399.66 million in PFY 2020-21 report. It is reworked for this report due to the reason as explained above in footnote 3.

Exemptions given on POL Products Through Various SROs	-	632,950	100.00
Exemption under Sixth Schedule on (Imports)	327,656	257,537	-21.40
Exemption under Sixth Schedule on Local supplies	139,046	133,178	-4.22
Reduced Rates Under Eighth Schedule	193,722	129,906	-32.94
Sales Tax on cellular Mobile Phones under Ninth Schedule	45,919	1,021	-97.78
<b>Total Sales Tax Expenditure</b>	<b>739,765</b>	<b>1,294,041</b>	<b>74.93</b>

**Table 4: Customs Duty Expenditure Summary**

Exemption Heads	Tax Expenditure		Increase/
	(Rs. Million)		Decrease
	FY2020-21	FY2021-22	(%)
Chapter-99 Exemptions	15,963	22,240	39.32
FTA & PTA Exemptions	46,105	102,658	122.66
Fifth Schedule Exemptions & Concessions	168,754	172,978	2.50
General Concessions: Automobile sector, E&Ps, CPEC, etc.	60,987	192,950	216.38
Export Related Exemptions	51,081	30,878	(39.55)
<b>Total Customs Expenditure</b>	<b>342,890</b>	<b>521,703</b>	<b>52.15</b>
<b>Grand Total</b>	<b>1,499.17<sup>6</sup></b>	<b>2,239.63</b>	<b>49.39</b>
<b>(Income Tax + Sales Tax + Customs Duty)</b>			

<sup>6</sup> The Grand total of Income Tax, Sales Tax & Customs Duty was Rs. 1,482.32 million in PFY2020-21 report. It is reworked for this report due to the reason as explained above in footnote 3.

# **INTRODUCTION**

## **CHAPTER-1**

### **1.1. Tax Expenditure**

### **1.2. Methodology and Measurement**

### **1.3. Issues in interpretation**

#### **1.1 Tax Expenditure**

The concept of tax expenditure has been defined in various ways, including the following:

- The Organization for Economic Cooperation and Development (OECD) defines tax expenditure as “the estimated costs to the tax revenue of preferential treatment for specific activities.”
- The International Monetary Fund (IMF) defines tax expenditure as revenue foregone “as a result of selective provisions in the tax code.”
- The US Department of the Treasury defines Tax expenditure as “revenue losses attributable to provisions of Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability.”

Tax expenditure is a deviation from a defined “benchmark” tax structure. A benchmark is a reference tax system that defines what ought to be taxed in the normal course, when there are no deviations. Formal definition of “tax expenditure”, therefore, depends on how the benchmark tax system has been specified. The fundamental aspects of the tax system that constitute the “benchmark” are given in more detail in this chapter under heading 1.2. Thus, deviations from this benchmark, whether provided for in the main body of law or its schedules, are treated as tax expenditures. Tax expenditures can take different forms. They are usually in the form of allowances

(amounts deducted from the tax base before applying the tax rate), credits (amounts deducted from tax liability), exemptions (exclusion from the tax base), or rate relief (reduced tax rates), etc. They are sometimes referred to as tax incentives or tax subsidies. Negative tax expenditures are tax sanctions. A tax sanction means levying tax at a higher rate than the norm. However, negative tax expenditures have not been discussed in this report.

## **1.2 Methodology and Measurement**

The worldwide used “Revenue Forgone”, approach<sup>7</sup> is used to estimate tax expenditure in income tax, sales tax, and customs duty for this report. This method quantifies the direct ex-post revenue loss associated with the provisions relative to the statutory tax rates (holding other factors constant)<sup>8</sup>. This method calculates the tax liability for the taxpayer and subtracts tax paid from the tax liability. The difference between the two is the tax revenue foregone or tax expenditure. For measuring the tax expenditure in this report, the data used is mainly related to FY2021-22. During the FY2021-22, the total tax collection was Rs. 6,148.5 billion<sup>9</sup> and GDP was Rs. 66,624 billion<sup>10</sup>. The tax expenditures have been reported with references to these parameters as per standard practice. Where the data is not available specifically according to the financial year, the calendar year data has been used.

### **1.2.1 Measurement of Income Tax Expenditure**

Income tax expenditure in this report has been calculated by taking the data of Income Tax Returns for the FY2021-22 and third-party data. Tax rates given in the First Schedule of the ITO-2001 are taken as benchmark rates as modified and updated by

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<sup>7</sup> Canada Finance Department (2022), Federal Tax Expenditures - Concepts, Estimates and Evaluations 2022

US Treasury (2022), Australia Treasury (2022)

<sup>8</sup> Geourjon (2019)

<sup>9</sup> FBR Year Book 2021-22

<sup>10</sup> Pakistan Economic Survey, 2021-22

Finance Act 2021. These rates are applied to incomes declared to compute the normal tax amount. Any variation or concession in tax rates within the First Schedule is not considered as a deviation from the benchmark.

This report mainly focuses on Part VII of Chapter III of the ITO, 2001 and Parts I, II, III and IV of the second schedule of the said ordinance. These provisions provide the various items comprising the income tax expenditure including exemptions and concessions to individuals, association of persons, companies etc., who are taxable according to the rates specified in the first schedule.

Rate of minimum tax for loss declaring entities is taken as 1.25% and tax rates for individuals are taken as per the relevant slab given in First Schedule of ITO, 2001. Corporate benchmark rate is taken as 29% as corporate tax rate changed from 30% to 29% for FY 2018-19 onwards. While calculating the reduced rate exemptions, the difference between tax amounts on the basis of statutory tax rate and reduced/exempted rate for each item is taken as tax expenditure.

For several clauses of the second schedule, data was obtained from third party sources to calculate the tax expenditure as such data was either not available in the returns or it could not be retrieved from the database.

### **1.2.2 Measurement of Sales Tax Expenditure**

The standard sales tax rate of 17% is taken as the benchmark rate to calculate the sales tax liability. The FBR sales tax return database is used to estimate the tax expenditure in sales tax for FY2021-22. The concept is that a tax liability at 17% sales tax rate would have been payable if there were no tax concessions. This method quantifies the direct ex-post revenue loss associated with the provisions relative to the standard sales tax rates. The actual sales tax paid has been subtracted from the tax liability at 17% tax. The difference between the two is the sales tax revenue foregone.



Adjustments are made on gross estimates to avoid duplication in the estimations where required. According to the previous years' methodology a 30% adjustment has been considered for items listed as exempt in the Sixth Schedule to the Sales Tax Act, 1990. This is indicative of the input tax adjustment that would have been claimed in the absence of the exemption.

#### **1.2.2.1 Explanatory Notes on Sales Tax Estimates**

##### **A. Types of Concessions**

In sales tax act, concessions are granted broadly by three ways as follows:

- I. Zero rating
- II. Exemptions
- III. Reduced rates
- I. Zero rating

Under Section 4 of the Act, goods exported, or the goods specified in the Fifth Schedule; supply of stores and provisions for consumption aboard a conveyance proceeding to a destination outside Pakistan as specified in section 24 of the Customs Act, 1969 (IV of 1969); such other goods, as the Federal Government may specify by notification in the official Gazette, whenever circumstances exist to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements are charged to tax at the rate of zero per cent.

##### **II. Exemptions**

Under section 13 of the Sales Tax Act 1990, supply of goods or import of goods specified in the Sixth Schedule are exempt subject to conditions as may be specified by the Federal Government. The Federal Government is empowered to issue

exemptions whenever circumstances arise to take immediate action for the purposes of national security, natural disaster, national food security in emergency situations and implementation of bilateral and multilateral agreements, by notification in the official Gazette. Exemptions can be allowed to any supplies made or imports, of any goods or class of goods from the whole or any part of the tax chargeable under the Act, subject to the conditions and limitations specified therein.

### III. Reduced rates

Under section 3(2)(b) of Sales Tax Act 1990, the Federal Government is empowered to declare that in respect of any taxable goods, the tax shall be charged, collected, and paid in such manner and at such higher or lower rate or rates as may be specified, subject to such conditions and restrictions as it may impose, by notification in the official Gazette.

## **B. Nature of exemptions and concessions**

In sales tax act, concessions are granted broadly by three ways: i.e., zero rating, exemptions, and reduced rates as follows:

### I. Product-based Concessions

In some cases, product-based concession is granted under the sales tax act, for example, in case of food and grocery items, certain products are exempt or have reduced rate of sales tax. Data capture or in some cases its retrieval becomes challenging because these exemptions can have rules within rules. Prepared foods and ready-to-eat food items may be exempted or have reduced rate whereas the same items if sold under brand name may not have the concession.

### II. Use-based Concessions

Under the Act certain products that are intended to be used for in-house consumption, for use of a specific organization are given tax concession. Typically, this is where,

the end consumers are not liable to be taxed, or intended to be given tax concession.

### III. Buyer-based Concessions

Diplomats, diplomatic missions, diplomatic organizations, non-profit organizations, or government agencies often are not required to pay sales tax. This concession in the form of zero rating or exemption is extended to these national and international agencies.

### IV. Economic activity-based concessions

Certain tax concessions under the Act are granted for a specific economic activity, such as export promotions or certain activities in export processing zones. A unique case in Pakistan is the case of exemptions in erstwhile Federally Administered Tribal Areas (FATA), where exemptions are granted for mainstreaming of the geographic areas.

## **1.2.3 Measurement of Tax Expenditure in Customs Duty**

Data for estimation of Customs expenditure is also taken from FBR's official database, and estimates were calculated against statutory rates of duties, using revenue foregone approach.

### **1.2.3.1 Benchmark for Customs Duty Expenditure**

a) Statutory rates of Customs Duty (CD), Regulatory Duty (RD), and Additional Customs Duty (ACD) have been taken as benchmark rates. Customs related exemptions/concessions are generally sector based.

b) While making calculations, any deviation from statutory rates has been considered as an exemption/concession.

c) The period of study is July 2021 to June 2022.

d) Classification of total estimates of customs duty expenditure are based on figures in respect of customs duty exemptions given under chapter-99, FTA/PTAs, Fifth Schedule to

Customs Act 1969, General Concessions: exemptions given under other SROs to Automobile sector, E&Ps, CPEC, etc., and export-oriented exemption/concession SROs.

### **1.3 Issues in interpretation**

It is appropriate to acknowledge that the estimates in this report are quantified amounts. The factual tax expenditures may vary depending on a host of factors. Thus, several caveats are applied when we interpret these estimates. These caveats are discussed as follow:

- i. The tax expenditure estimates presented in this report relate to FBR revenues only and do not account for the provincial revenue expenditure. It is pertinent to mention that federal and provincial tax systems interact with each other to varying degrees on practical grounds. As a result, changes in FBR tax expenditure may have consequences for provincial revenues.
- ii. The amounts by which federal tax revenues are reduced due to existence of tax expenditures are estimated independently for each tax expenditure by assuming that all other tax provisions remain unchanged. However, elimination of tax expenditure would not necessarily yield the full amount of revenues shown in this report since there may be interaction of multiple tax expenditure provisions.
- iii. The reduction in tax revenue reported in this report is only due to the actual tax expenditure observed in the database. We assume that all other factors remain unchanged.
- iv. This measurement approach assumes that existence of tax expenditure does not affect taxpayers' behavior. There is a strong probability that if a particular tax expenditure provision is eliminated, it may not result in an exactly proportionate increase in revenue.

- v. This methodology does not consider the potential impact of a particular tax expenditure on the overall level of economic activity and consequently increase or decrease in aggregate tax revenues. For example, eliminating tax expenditure may affect the level of consumption or economic activity, which in turn could cause a further change in the amount of tax revenue collected.
- vi. Revenue forgone provides quantified amounts only; it ignores the potential transitional provisions and consequential government policy changes that may occur due to the elimination of a particular measure.

## **INTERNATIONAL EVIDENCE ON TAX EXPENDITURE**

### **CHAPTER - 2**

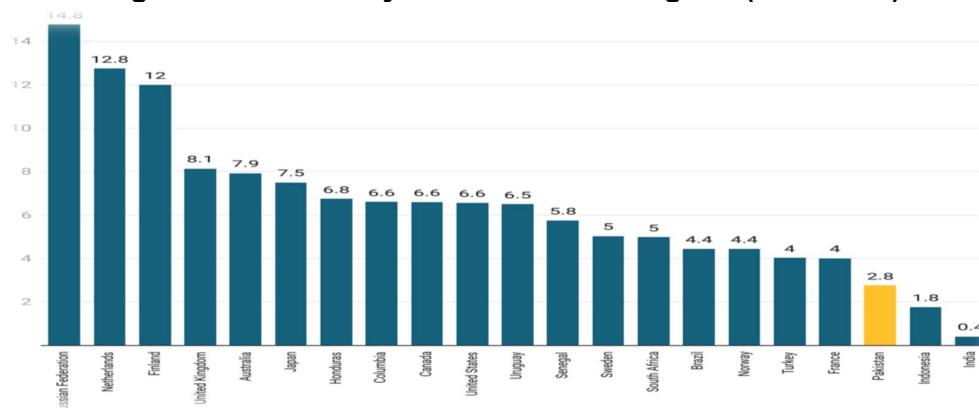
Throughout the World, most of the countries provide concessions, exemptions and tax relief on certain products and segments of society. There is large variation in tax expenditures across countries. Mostly, advanced countries report significantly higher estimates of revenue forgone.

According to the “Global Tax Expenditure” data of 2019 and 2020 (Figure 2). Russian Federation provides a huge size of tax exemptions, that is, 14.8% of their GDP. In U.S., income tax expenditure constitutes 6.6% of GDP.

Similarly, the government tax revenue gets reduced by around 8% of GDP in Australia. Canada, Japan, and UK also allow tax expenditure up to 6.6%, 7.5% and 8.1% of their GDP. The revenue forgone or tax expenditure in European countries is relatively close to the world average of tax expenditure (around 4% of GDP). However, Finland and Netherlands are exceptions, where tax expenditures are 12% and 12.8% of their GDP.

Many small and emerging economies also give tax concessions and exemptions. For instance, the tax expenditure was more than 4% of GDP in Brazil and South Africa while it was close to 7% in Colombia. Pakistan and India appear at lower tail of this distribution. Pakistan had tax expenditure equal to 2.8% of GDP and India had an expenditure of 0.4% of their GDP (Figure 2).

**Figure 2: Country wise Revenue Forgone (% of GDP)**



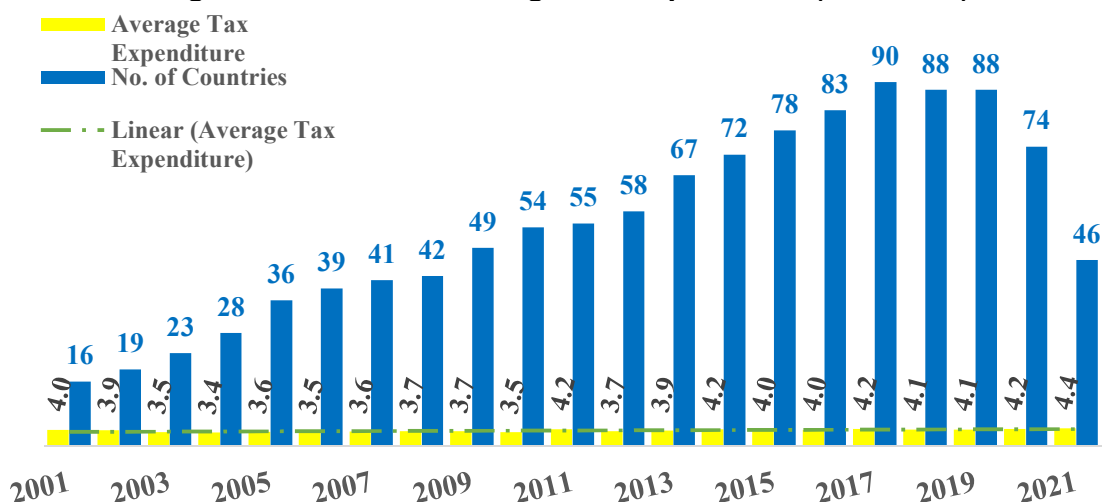
Source: <https://qted.net/> (Global Tax Expenditure Database)

In this figure, the tax expenditure varies between the years 2019 and 2020 across countries.

### Global Average Revenue Foregone

Figure 3 shows the global average tax expenditure as percent of GDP for the last 21 years. The average tax expenditure of the world shows a smooth increasing trend starting from an average of 3.6% of GDP in early years of 2000 with an increasing trend, i.e., up to 4% of GDP in 2020. The global average represents the sample number of countries included in the study which ranges from 16-90 with average rate of tax expenditure for the mentioned countries in the given year. The average tax expenditure remains between 3.4% to 4.4% of GDP. Pakistan's tax expenditure i.e., 3.36% for FY2021-22 is well below the global average.

**Figure 3: Global Average Tax Expenditure (% of GDP)**



Data Source: Global Tax Expenditure, May, 2023

## TAX EXPENDITURE ESTIMATES

### CHAPTER – 3

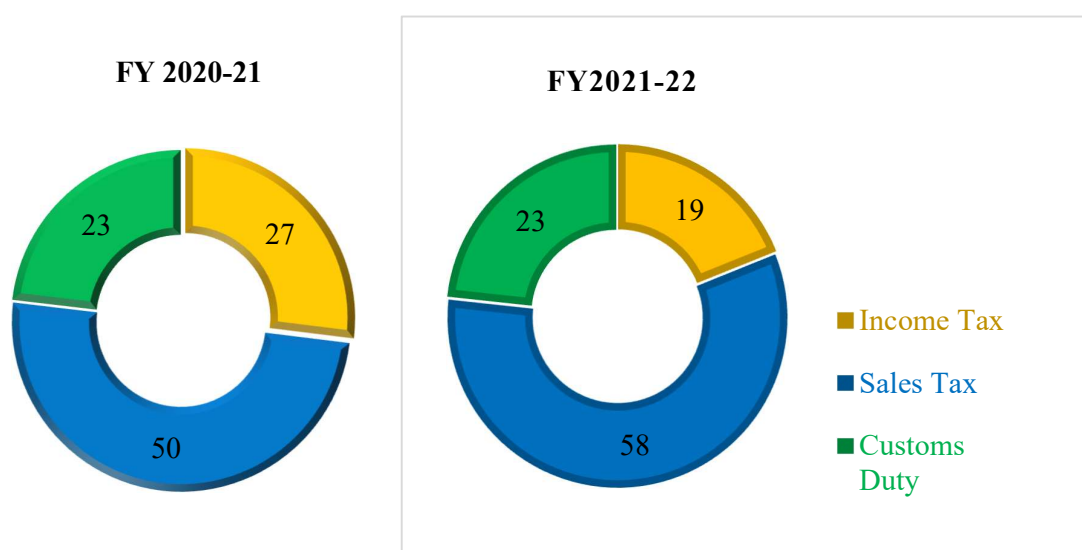
#### 3.1 Income Tax Estimates

#### 3.2 Sales Tax Estimates

#### 3.3 Customs Estimates

Figure 1 shows the percentage share of different taxes in tax expenditure for FY2021-22 in comparison with FY2020-21. A decline is observed in share of income tax expenditure in overall tax expenditures, whereas share of sales tax expenditure has increased significantly while the custom duty expenditure remains stable during FY2021-22 as compared to FY2020-21.

**Figure 1: Head-wise Tax Expenditure (% Share of Total Tax Expenditure)**



#### 3.1 Income Tax Estimates

Income tax expenditures are classified into various types of measure, i.e., allowances, credits, exemptions, reduced rates, exclusion, etc. Overall income tax expenditure accounted for 18.93% of the total expenditure in FY2021-22. Income tax related tax



expenditure are higher by 1.77% during FY2021-22 as compared to FY2020-21. Major chunk of income tax exemptions pertains to incomes exempt from tax given in Part I of Second Schedule (54.82%), followed by specific provisions (16.24%) and tax credits (12.30%). A substantial jump has been noted in tax expenditure on account of reduction of rates mainly because of non-availability of data on certain clauses during PFY and addition of some clauses through Finance Act, 2021 related to reduction in rates on import of sugar.

**Table 5 Income Tax Expenditure Summary**

Exemption Heads	Tax Expenditure		Increase/ Decrease In FY2022
	Rs. Million		
	<b>FY2020-21</b>	<b>FY2021-22</b>	<b>(%)</b>
<b>Exemptions and Tax Concessions given in Part VII of Chapter III of ITO, 2001</b>	26,164	26,834	2.56
<b>Deductible Allowances given in Part IX of Chapter III of ITO, 2001</b>	10,625	14,506	36.53
<b>Tax Credits given in Part X of Chapter III of ITO, 2001</b>	65,465	52,133	-20.37
<b>Income Exempt from Tax given in Part I of Second Schedule of ITO, 2001</b>	232,852	232,398	-0.19
<b>Reduction in Tax Rates given in Part II of Second Schedule of ITO, 2001</b>	17,047 <sup>11</sup>	24,444	43.39

<sup>11</sup> Estimate of Reduction in Tax Rates given in Part II of Second Schedule of ITO, 2001, was reported at Rs. 195 million in PFY2020-21 Report. It is reworked and reported as per the current year's data retrieval methodology.

<b>Reduction in Tax Liability given in Part III of Second Schedule of ITO, 2001</b>	3,285	4,738	44.23
<b>Exemption from Specific Provisions given in Part IV of Second Schedule of ITO, 2001</b>	61,076	68,841	12.71
<b>Total Income Tax Expenditure</b>	<b>416,514<sup>12</sup></b>	<b>423,894</b>	<b>1.77</b>

- The largest share of income tax expenditure was incurred in Part I of Second Schedule of ITO, 2001. However, variation under this item was negligible for FY2021-22 as compared to the previous year.
- The tax expenditure in income tax constitutes approximately 0.64% of GDP in the FY2021-22.
- The income tax expenditure on account of tax credits was reduced by 20.37% in FY2021-22 in comparison with the previous year.
- The total income tax expenditure showed an increase of 1.77% in FY2021-22 as compared with FY2020-21.

### **3.2 Sales Tax Estimates**

Sales tax expenditure has been calculated for sales tax at local and import stage. The tax expenditure in sales tax increased by 74.93% as compared to that in preceding year. The overall tax expenditure is 57.78% of the total expenditure in FY2021-22. The major share (48.91%) of sales tax expenditure goes to exemptions given on POL Products through various SROs followed by exemption under Sixth Schedule on (Imports) (19.90%) of sales tax expenditure, zero rating under Fifth Schedule (10.77%), local supplies under Sixth Schedule (10.29%), reduced rates under Eighth

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<sup>12</sup> The total income tax expenditure was reported as Rs. 399.66 million in PFY 2020-21 report. It is reworked for this report due to the reason as explained above in footnote 3.

Schedule (10.04%) and sales tax on cellular mobile phones under Ninth Schedule (0.08%).

**Table 6 Sales Tax Expenditure Summary**

Exemption Heads	Tax Expenditure		Increase/
	(Rs. Million)		Decrease (%)
	FY2020-21	FY2021-22	FY2022
Zero Rating under Fifth Schedule of the Sales Tax Act 1990	33,422	139,448	317.23
Exemptions given on POL Products Through Various SROs	-	632,950	100.00
Exemption under Sixth Schedule on (Imports)	327,656	257,537	-21.40
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Reduced Rates Under Eighth Schedule	193,722	129,906	-32.94
Sales Tax on cellular Mobile Phones under Ninth Schedule	45,919	1,021	-97.78
<b>Total Sales Tax Expenditure</b>	<b>739,765</b>	<b>1,294,041</b>	<b>74.93</b>

- Almost half of the amount of expenditure in sales tax is due to relief provided on POL Products.
- A significant increase is observed in the zero-rated items under Fifth Schedule of sales tax act 1990, which is primarily due to the zero-rating allowed to local sales of drugs and petroleum products.
- The cost of sales tax expenditure constitutes approximately 1.94% of the GDP in FY2021-22.

### 3.3 Customs Estimates

The customs duty concessions are in the form of reduced rate, zero rate, exemptions to specific sectors/items, which are broadly scattered among items such as plant, machinery and equipment, chemicals, parts, and renewable energy sources equipment. The largest portion of customs duty expenditure (37%) is on account of General Concessions for Automobile sector, E&Ps, CPEC, etc.

**Table 7 Customs Duty Expenditure Summary**

Exemption Heads	Tax Expenditure (Rs. Million)		Increase/ Decrease (%)
	FY2020-21	FY2021-22	FY2022
Chapter-99 Exemptions	15,963	22,240	39.32
FTA & PTA Exemptions	46,105	102,658	122.66
Fifth Schedule Exemptions & Concessions	168,754	172,978	2.50
General Concessions: Automobile sector, E&Ps, CPEC, etc.	60,987	192,950	216.38
Export Related Exemptions	51,081	30,878	-39.55
<b>Total Customs Expenditure</b>	<b>342,890</b>	<b>521,703</b>	<b>52.15</b>

- General Concessions and fifth schedule exemptions and concessions combined consist of 70% of customs duty expenditure.
- Total customs expenditure is based on figures in respect of customs duty exemptions given under chapter-99 (Rs. 22,240 million). FTA/PTAs (Rs. 102,658 million), Fifth Schedule to Customs Act, 1969 (Rs. 172,978 million), General Concessions: exemptions given under other SROs to Automobile

sector, E&Ps, CPEC, etc., (Rs. 192,950 million) and export-oriented exemption/concession SROs (Rs. 30,878 million).

- The customs duty expenditure is 0.78% of the GDP in FY2021-22 and contributed 23.29% in the total tax expenditure in the same fiscal year.

**APPENDIX**  
**CHAPTER – 4**

**4.1 Appendix A - Details of Tax Expenditure**

**4.1.1 Details of Income Tax Expenditure**

**4.1.2 Details of Sales Tax Expenditure**

**4.1.3 Details of Customs Duty Expenditure**

**4.2 Appendix B – Details of New Insertions/Omissions in FA 2021**

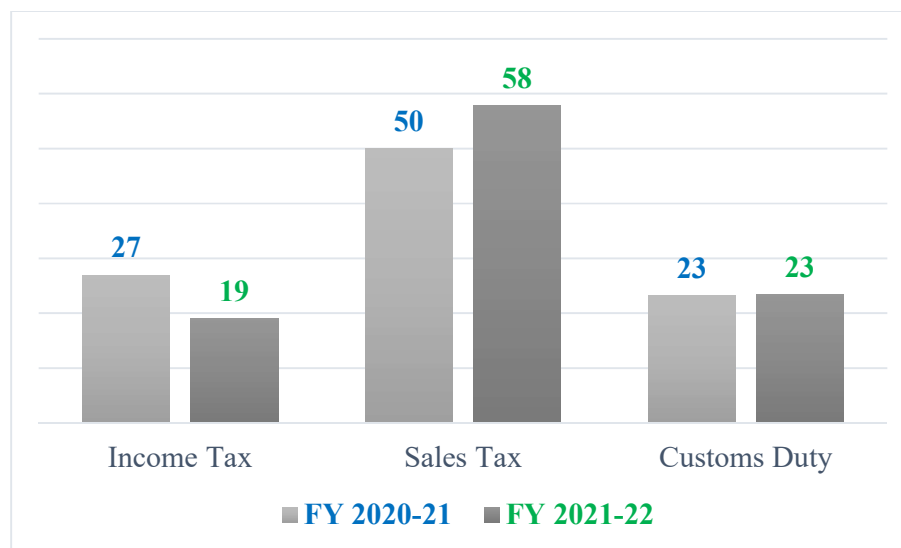
**4.2.1 New Insertions**

**4.2.2 Omissions**

**4.3 Appendix C – Data Sources**

**4.1 Appendix A - Details of Tax Expenditure**

**Figure 3: Distribution of Tax Expenditure of Federal Taxes**



#### 4.1.1 Details of Income Tax Expenditure

##### 4.1.1.1 Exemptions and Tax Concessions given in Part VII of Chapter III of ITO, 2001

(Rs. In Million)

S. No	Part / Chapter	Section	Description of Clause	Intended Beneficiary	Tax Expenditure
1	Part-VII of Chapter III	Section 41	Agricultural income	Agriculture sector	Not applicable as agricultural income has been historically exempt from tax under the law
2	Part-VII of Chapter III	Section 42	Diplomatic and United Nations exemptions	Diplomats and members of United Nations	Not applicable under international obligations
3	Part-VII of Chapter III	Section 43	Foreign Government Officials	Foreign Government officials	Not applicable under international obligations
4	Part-VII of Chapter III	Section 44	Exemptions under international agreements	Individuals / entities under international agreements	Not applicable under international obligations
5	Part-VII of Chapter III	Section 45	President's honours	Persons who received President's honours	--

				Foreigners as	
				Recipients of Profit	
				on Debt who have	
6	Part-VII of Chapter III	Section 46	Profit on debt	invested in securities of such entities earning Pakistan source income	--
7	Part-VII of Chapter III	Section 47	Scholarships	Persons who availed scholarships	--
8	Part-VII of Chapter III	Section 48	Support payments under an agreement to live apart	Recipients of support payments under this section	--
			The income of the Federal Government shall be exempt from tax under this Ordinance.		
9	Part-VII of Chapter III	Section 49	The income of a Provincial Government or a Local Government is exempt, other than income chargeable under the head "Income from Business" derived	Government organizations	26,834.26



by a Provincial Government or Local Government from a business carried on outside its jurisdictional area.

\* Exemption under this section is Data Data not available in the case of corporation, company, a regulatory authority, a development authority, other body or institution established by or under a Federal law or a Provincial law or an existing law or a corporation, company, a regulatory authority, a development authority or other body or institution set up, owned and controlled, either directly or indirectly, by the Federal Government

or a Provincial Government, regardless of the ultimate destination of such income as laid down in Article 165A of the Constitution of the Islamic Republic of Pakistan

10	Part-VII of Chapter III	Section 50	Foreign-source income of short-term resident individuals	short-term resident individuals	--
11	Part-VII of Chapter III	Section 51	Foreign-source income of returning expatriates	Returning expatriates	--
12	Part-VII of Chapter III	Section 53	Exemptions and tax concessions in the Second Schedule	Detail of beneficiaries given in detailed report of Second Schedule exemptions	Accounted for in detailed report of Second Schedule exemptions
13	Part-VII of Chapter III	Section 54	Exemptions and tax provisions in other laws	Recipients of such exemptions	--

**Total Tax Expenditure from Exemptions and Tax Concessions given in**

**26,834.26**

**Part VII of Chapter III of ITO, 2001**

#### 4.1.1.2 Deductible Allowances given in Part IX of Chapter III of ITO, 2001

(Rs. In Million)

S. No	Part / Chapter	Section	Description of Clause	Intended Beneficiary	Tax Expenditure
1	Part-IX of Chapter III	Section 60	Deductible allowance for Zakat	Persons / entities who paid zakat u/s 60	1,790.48
2	Part-IX of Chapter III	Section 60A	Deductible allowance for Workers' Welfare Fund	Persons / entities who paid Workers' Welfare Fund u/s 60A	4,635.77
3	Part-IX of Chapter III	Section 60B	Deductible allowance for Workers' Participation Fund	Persons / entities who paid Workers' Participation Fund u/s 60B	7,278.27
4	Part-IX of Chapter III	Section 60C	Deductible allowance for profit on debt	Individuals paying profit or share in rent and share in appreciation for value of house on loan by banks etc.	733.6

5	Part-IX of Chapter III	Section 60D	Deductible allowance for education expenses	Individuals having income of less than Rs. 1.5 million paying tuition fee	67.59
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**Total Tax Expenditure from Deductible Allowances**

**14,505.71**

given in Part IX of Chapter III of ITO, 2001

**4.1.1.3 Tax Credits given in Part X of Chapter III of ITO, 2001**

**(Rs. In Million)**

S. No	Part / Chapter	Section	Description of Clause	Intended Beneficiary	Tax Expenditure
1	Part-X of Chapter III	Section 61	Tax Credit for Charitable Donations u/s 61	Persons who declared charitable donations u/s 61	5,320.53
2	Part-X of Chapter III	Section 62	Tax Credit for Investment in Shares and Life Insurance Premium u/s 62	Persons (excluding companies) investing in shares, sukuks, or life insurance	3,090.39
3	Part-X of Chapter III	Section 62A	Tax Credit for Investment in Health Insurance u/s 62A	Persons (excluding companies) investing in health insurance	32.05

4	Part-X of Chapter III	Section 63	Tax Credit for Contribution to Approved Pension Fund u/s 63	Eligible persons as defined in sub- section (19A) of section 2 of Ordinance	1,510.39
5	Part-X of Chapter III	Section 64B	Tax Credit for Employment Generation by Manufacturers u/s 64B	Corporate manufacturing sector	1.59
6	Part-X of Chapter III	Section 65B	BF Tax Credit for Non- Equity Investment in Plant and Machinery u/s 65B	Corporate manufacturing sector	2,180.31
7	Part-X of Chapter III	Section 65B	BF Tax Credit for Equity Investment in Plant and Machinery u/s 65B	Corporate manufacturing sector	612.98
8	Part-X of Chapter III	Section 65C	Tax Credit for Enlistment in Registered Stock Exchange u/s 65C	Companies who have opted for enlistment in a registered stock exchange	0.00
9	Part-X of Chapter III	Section 65D	Tax Credit for Newly Established Industrial Undertaking u/s 65D	Corporate industrial units (including	5,986.29

				corporate dairy farming)	
10	Part-X of Chapter III	Section 65E	Tax Credit for Investment in Plant and Machinery by Existing Company u/s 65E	Corporate industrial units (including corporate dairy farming)	18,243.41
11	Part-X of Chapter III	Section 100C	Tax Credit for Trust/Welfare Institution/Non-Profit Organization u/s 100C	Non-profit organizations, trusts, welfare institutions	15,155.31
<b>Total Tax Expenditure from Tax Credits given in Part X of Chapter III of ITO, 2001</b>					<b>52,133.25</b>
<b>Grand Total of Chapter III of ITO, 2001</b>					<b>93,473.22</b>

#### 4.1.1.4 Incomes Exempt from Tax given in Part I of Second Schedule of ITO, 2001

(Rs. In Million)

S. No	Part / Schedule	Clause	Description of Clause	Intended Beneficiary	Tax Expenditure
1	Part I of Second Schedule	Clause 3	Any income chargeable under the head "Salary" received by a person who, not being a citizen	Foreign experts working with Agha Khan Development	130.00

			of Pakistan, is engaged	Network,	
			as an expert or	(Pakistan)	
			technical, professional,		
			scientific advisor or		
			consultant or senior		
			management staff by		
			institutions of the Agha		
			Khan Development		
			Network, (Pakistan)		
			listed in Schedule I of		
			the Accord and Protocol		
			dated, November 13,		
			1994 executed between		
			the Government of the		
			Islamic Republic of		
			Pakistan and Agha		
			Khan Development		
			Network.		
			Any allowance or		
			perquisite paid or		
			allowed as such outside		
2	Part I of Second Schedule	Clause 5	Pakistan by the	Government employees serving abroad	9.84
			Government to a citizen		
			of Pakistan for rendering		

			service outside Pakistan.		
			Any pension received by a citizen of Pakistan from a former employer, other than where the person continues to work for the employer (or an associate of the employer)	Pensioners receiving pension from former employer	1,701.20
3	Part I of Second Schedule	Clause 8			
			Pensions received by employees of Federal Government, Provincial Government, or Armed Forces, or their families and dependents	Retired government servants & military personnel	12,238.55
4	Part I of Second Schedule	Clause 9			
			Any payment in the nature of commutation of pension received from Government or under any pension scheme approved by the Board	Pensioners receiving pension from any pension scheme approved by the Board	3,624.65
5	Part I of Second Schedule	Clause 12			



			Any income		
			representing any		
			payment received by		
			way of gratuity or		
			commutation of pension		
			by an employee on his		
			retirement or, in the		
			event of his death, by his		
6	Part I of Second Schedule	Clause 13	heirs as does not exceed – (i) in the case of an employee of the Government, ... Provided that nothing in this sub-clause shall apply – (a) to any payment which is not received in Pakistan; ...	Recipients of gratuity payments	900.27
7	Part I of Second Schedule	Clause 16	Income derived by the families and dependents of the "Shaheeds" belonging to the Civil Armed Forces of Pakistan	Families and dependents of the "Shaheeds" belonging to the Civil Armed Forces	2.93

			Any sum representing encashment of leave preparatory to retirement of a member of the Armed Forces of Pakistan or an employee of the Federal Government or a Provincial Government; Any payment from a provident fund to which the Provident Funds Act, 1925 (XIX of 1925) applies;	Retiring personnel of Armed Forces or Government servant	170.98
8	Part I of Second Schedule	Clause 19			
9	Part I of Second Schedule	Clause 22		Recipient of payments from provident funds	1,404.59
10	Part I of Second Schedule	Clause 23	The accumulated balance due and becoming payable to an employee participating in a recognized provident fund;	Employees participating in a recognized provident fund	492.82
11	Part I of Second Schedule	Clause 23A	The accumulated balance upto [50]% received from the voluntary pension system offered by a	Voluntary participants in pension funds	58.86

pension fund manager  
under the Voluntary  
Pension System Rules,  
2005 at the time of  
eligible person's-  
(a) retirement; or (b)  
disability rendering him  
unable to work; or (c)  
death by his nominated  
survivors.

The amounts received  
as monthly installment  
from an income  
payment plan invested  
out of the accumulated  
balance of an individual  
pension accounts with a  
pension fund manager  
or an approved annuity  
plan or another  
individual pension  
account of eligible  
person or the survivors  
pension account  
maintained with any

Pensioners who  
are receiving  
monthly  
installment from an  
income payment  
plan

Part I of  
12 Second  
Schedule

Clause  
23B

27.50

other pension fund manager as specified in the Voluntary Pension System Rules 2005 shall be exempt from tax provided accumulated balance is invested for a period of ten years;

13	Part I of Second Schedule	Clause 23C	Any withdrawal of accumulated balance from approved pension fund that represent the transfer of balance of approved provident fund to the said approved pension fund under the Voluntary Pension System Rules, 2005	Pensioners who withdraw any amount from their approved pension fund	82.74
14	Part I of Second Schedule	Clause 24	Any benevolent grant paid from the Benevolent Fund to the employees or members	Recipients of benevolent grants	--

of their families in accordance with the provisions of the Central Employee Benevolent Fund and Any benevolent grant paid from the Benevolent Fund to the employees or members of their families in accordance with the provisions of the Central Employee Benevolent Fund and Group Insurance Act, 1969;

Any payment from an approved

superannuation fund made on the death of a beneficiary or in lieu of or in commutation of any annuity, or by way of refund of contribution on the death of a beneficiary

Families of deceased enrolled in approved superannuation funds

Part I of  
15 Second Clause 25  
Schedule

76.28



			Any income of a newspaper employee representing Local Travelling Allowance paid in accordance with the decision of the Third Wage Board for Newspaper Employees constituted under the Newspaper Employees (Conditions of Service) Act, 1973;		
18	Part I of Second Schedule	Clause 40	The perquisite represented by the right of the President of Pakistan, the Provincial Governors and the Chiefs of Staff, Pakistan Armed Forces to occupy free of rent as a place of residence any premises provided by the Government.	Newspaper employees	--
19	Part I of Second Schedule	Clause 51	Chiefs of Staff, Pakistan Armed Forces to occupy free of rent as a place of residence any premises provided by the Government.	President of Pakistan, the Provincial Governors and the Chiefs of Staff, Pakistan Armed Forces	--

20	Part I of Second Schedule	Clause 52	<p>The perquisite represented by free conveyance provided and the sumptuary (entertainment) allowance granted by Government to the Chiefs of Staff, Pakistan Armed Forces and the Corps Commanders</p> <p>The following perquisites received by an employee by virtue of his employment, namely: - free or subsidized food provided by hotels and restaurants to its employees during duty hours;</p> <p>- free or subsidized education provided by an educational institution to the children of its employees; - free</p>	Armed Forces Personnel	--
21	Part I of Second Schedule	Clause 53A	<p>Employees receiving employment-related perquisites</p>	173.13	



or subsidized medical  
treatment ...

22	Part I of Second Schedule	Clause 55	<p>The           perquisites represented by the right of a judge of the Supreme Court of Pakistan or of a judge of High Court to occupy free of rent of residence any premises provided by Federal or Provincial Government, as the case may be, or in case a judge chooses to reside in a house not provided           by Government, so income</p>	Judiciary of Superior Courts	22.77
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which represents as  
house rent allowance;

23	Part I of Second Schedule	Clause 56	The following perquisites, benefits and allowances received by a Judge of Supreme Court of Pakistan and Judge of High Court, shall be exempt from tax:  Any income from voluntary contributions, house property and investments in securities of the Federal Government derived by the following, namely:- (i) National Investment (Unit) Trust of Pakistan (ii) Mutual Fund set up by the Investment Corporation of Pakistan,	Judiciary of Superior Courts	158.92
24	Part I of Second Schedule	Clause 57(1)		National Investment (Unit) Trust of Pakistan, Mutual Funds set up by Investment Corporation of Pakistan	0.00

			Any income other than capital gain on stock and shares of public company, PTC vouchers, modaraba certificates, or any instrument of redeemable capital and derivative products held for less than 12 months derived by any Mutual Fund, investment company, or a collective investment scheme or a REIT Scheme or Private Equity and Venture Capital Fund or the National Investment (Unit) Trust of Pakistan established by the National Investment Trust Limited from any instrument of redeemable capital as defined in the		
25	Part I of Second Schedule	Clause 57(2)		Mutual funds, investment companies, collective investment schemes, REIT schemes, Private Equity & Venture Capital Funds, and National Investment (Unit) Trust of Pakistan	0.00

8[Companies Act, 2017  
(XIX of 2017), if not less  
than ninety per cent of  
its income of that year is  
distributed amongst the  
Unit- holders.

26	Part I of Second Schedule	Clause 57(3)(i)	Any income of a provident fund to which the Provident Funds Act, 1925 applies;	Provident Funds	680.73
27	Part I of Second Schedule	Clause 57(3)(ii)	Any income of trustees on behalf of a recognized provident fund or an approved superannuation fund or an approved gratuity fund;	Trustees of recognized provident funds, approved superannuation funds, and approved gratuity funds	23,164.26
28	Part I of Second Schedule	Clause 57(3)(iii)	Any income of a benevolent fund or group insurance scheme approved by the Board for the purposes of this clause;	Benevolent funds and group insurance schemes	159.03

			Any income of a Service Fund, any Unit, Station or Regimental Institute; and any recognized Unit, Station or Regimental Thrift and Savings Fund, the assets of which consist solely of deposits made by members and profits earned by investment thereof;		
29	Part I of Second Schedule	Clause 57(3)(iv), (vi), (vii)	Regimental Thrift and Savings Fund, the assets of which consist solely of deposits made by members and profits earned by investment thereof;	Service Fund, any Unit, Station or Regimental Institute; and any recognized Regimental Thrift and Savings Fund	--
30	Part I of Second Schedule	Clause 57(3)(v)	Any income of Employees Old Age Benefits Institution established under the Employees Old Age Benefit Act, 1976 (XIV of 1976);	Employees Old Age Benefits Institution	6,437.25
31	Part I of Second Schedule	Clause 57(3)(viii)	Any income of a Pension Fund approved by the SECP;	Approved Pension Funds	160.20
32	Part I of Second Schedule	Clause 57(3)(ix)	Any profit or gain or benefit derived by a pension fund manager from a pension Fund	Pension funds under the Voluntary Pension	0.00

			approved under the Voluntary Pension System Rules, 2005, on redemption of the seed capital invested in pension fund as specified in the Voluntary Pension System Rules, 2005;	System Rules 2005	
33	Part I of Second Schedule	Clause 57(3)(xi)	Any income of International Irrigation Management Institute	International Irrigation Management Institute	--
34	Part I of Second Schedule	Clause 57(3)(xii)	Any income of Punjab Pension Fund established under the Punjab Pension Fund Act, 2007 and the trust established thereunder	Punjab Pension Fund	1,549.76
35	Part I of Second Schedule	Clause 57(3)(xiii)	Any income of Sindh Province Pension Fund established under the Sindh Province Pension Fund Ordinance, 2002	Sindh Province Pension Fund	3,205.95

			Any income of Punjab			
			General Provident			
			Investment Fund			
	Part I of		established under the	Punjab General		
36	Second	Clause	Punjab General	Provident		131.88
	Schedule	57(3)(xiv)	Provident Investment	Investment Fund		
			Fund Act, 2009 (V of			
			2009) and the trust			
			established thereunder;			
				Khyber		
			Any income of Khyber	Pakhtunkhwa		
	Part I of		Pakhtunkhwa	Retirement		
37	Second	Clause	Retirement Benefits and	Benefits and	--	
	Schedule	57(3)(xv)	Death Compensation	Death		
			Fund	Compensation		
				Fund		
	Part I of		Any income of Khyber	Khyber		
38	Second	Clause	Pakhtunkhwa General	Pakhtunkhwa		1,026.86
	Schedule	57(3)(xvi)	Provident Investment	General Provident		
			Fund;	Investment Fund		
	Part I of		Any income of Khyber	Khyber		
39	Second	Clause	Pakhtunkhwa Pension	Pakhtunkhwa		1,331.14
	Schedule	57(3)(xvii)	Fund;	Pension Fund		

40	Part I of Second Schedule	Clause 65A	Income derived from the Welfare Fund created under section 16 of the Emigration Ordinance, 1979 (except the income generated by the aforesaid Fund through commercial activities.)	Emigrants and their families in Pakistan	--
41	Part I of Second Schedule	Clause 66	Any income derived by certain listed philanthropic organization like hospitals, governmental and non-governmental and international entities	All institution, foundations, societies, boards, trusts and funds mentioned in clause 66 of Part 1 of Second Schedule	22,090.89
42	Part I of Second Schedule	Clause 75	Any profit on debt and capital gains derived by any agency of foreign Government or any non- resident person approved by the Federal Government for the purpose of this clause	Agencies of foreign Governments, foreign nationals or any other non- resident person approved by the	30,196.40



			from debt and debt instruments approved by the Federal Government	Federal Government	
				Foreign currency account holders (Only One bank has submitted its figures until the compilation of this report)	
43	Part I of Second Schedule	Clause 78	Profit on debt on foreign currency accounts	Citizens of Pakistan residing abroad and remitting foreign exchange (Only One bank has submitted its figures until the compilation of this report)	1.45
44	Part I of Second Schedule	Clause 79	Profit on debt derived by non-resident Pakistanis on rupee accounts	exchange (Only One bank has submitted its figures until the compilation of this report)	40.77
45	Part I of Second Schedule	Clause 99	Any income derived by a Collective Investment Scheme or a REIT Scheme, if not less than	Collective Investment Schemes and REIT Schemes	20,713.62

			<p>ninety per cent of its accounting income of that year, as reduced by capital gains whether realized or unrealized, is distributed amongst the unit or certificate holders or shareholders as the case may be</p> <p>that are distributing more than 90% of their incomes to certificate holders / shareholders.</p>		
46	Part I of Second Schedule	Clause 99A	<p>Profits and gains accruing to a person on sale of immovable property to a REIT Scheme</p> <p>Income of a person as represents a subsidy granted to him by the Federal Government for the purposes of implementation of any orders of the Federal Government in this behalf</p>	<p>Taxpayers selling immovable property to a Developmental REIT Scheme or a rental REIT Scheme</p> <p>Recipients of subsidies granted by Federal Government</p>	0.00
47	Part I of Second Schedule	Clause 102A			17,809.44

48	Part I of Second Schedule	Clause 103A	<p>Any income derived from inter-corporate dividend within the group companies entitled to group taxation under section 59AA 3[4[ ] ] 5["subject to the condition that return of the group has been filed for the tax year</p>	<p>Persons deriving any income from Inter-corporate dividend</p>	--
49	Part I of Second Schedule	Clause 103D	<p>Dividend income and long term capital gains of any venture capital fund from investments in zone enterprises as defined in clause (p) of section 2 of the Special Technology Zones Authority Ordinance, 2020 for a period of ten years commencing from issuance of license by the Authority to the zone enterprise.</p>	<p>venture capital funds who are deriving dividend from investments in zone enterprises</p>	--

			Income received by a taxpayer from a receiving dividend	Taxpayers	
50	Part I of Second Schedule	Clause 105B	corporate agricultural enterprise, distributed as dividend out of its income from agriculture;	income from corporate agricultural enterprises	39.60
			Any income derived by any subsidiary of the		
51	Part I of Second Schedule	Clause 107	Islamic Development Bank wholly owned by it and set up in Pakistan and engaged in owning and leasing of tankers.	Islamic Development Bank	--
			Any income derived by the Islamic Development Bank from		
52	Part I of Second Schedule	Clause 107A	its operations in Pakistan in connection with its social and economic development activities.]	Islamic Development Bank	--
			Profit and gains accruing to persons mentioned in proviso to sub-section (1) of	persons / individuals deriving such profits and gains	
53	Part I of Second Schedule	Clause 114B			--

section 236C in respect of first sale of immovable property acquired from or allotted by the Federal Government or Provincial Government or any authority duly certified by the official allotment authority, and the property acquired or allotted is in recognition of services rendered by the Shaheed or the person who dies in service.

Income of a public sector university established solely for educational purposes and not for the purposes of profit;

Public sector universities

4,980.64

54 Part I of  
Second Clause 126  
Schedule

				China Overseas Ports Holding Company Limited, China Overseas Ports Holding Company Pakistan (Private) Limited, Gwadar International Terminal Limited, Gwadar Marine Services Limited and Gwadar Free Zone Company Limited from Gwadar Port operations	
55	Part I of Second Schedule	Clause 126A	Income derived by China Overseas Ports Holding Company Limited, China Overseas Ports Holding Company Pakistan (Private) Limited, Gwadar International Terminal Limited, Gwadar Marine Services Limited and Gwadar Free Zone Company Limited from Gwadar Port operations;	--	
56	Part I of Second Schedule	Clause 126AA	Profit and gains derived by a taxpayer from businesses set up in the Gwadar Free Zone Area;	--	
				All businesses set up in Gwadar Free Zone	

			Profit on debt derived by-		
			(a) any foreign lender; or	Foreign lenders or	
			(b) any local bank	public sector	
			having more than 75 per	banks/ State bank	
	Part I of		cent shareholding of the	having financing	
57	Second	Clause	Government or the	agreement with	--
	Schedule	126AB	State Bank of Pakistan,	China Overseas	
			under a Financing	Ports Holding	
			Agreement with the	Company Limited	
			China Overseas Ports		
			Holding Company		
			Limited;		
			Income derived by	contractors and	
			contractors and sub-	sub-contractors of	
			contractors of China	China Overseas	
			Overseas Ports Holding	Ports Holding	
			Company Limited,	Company Limited,	
	Part I of		China Overseas Ports	China Overseas	
58	Second	Clause	Holding Company	Ports Holding	--
	Schedule	126AC	Pakistan (Private)	Company Pakistan	
			Limited, Gwadar	(Private) Limited,	
			International Terminal	Gwadar	
			Limited, Gwadar Marine	International	
			Services Limited and	Terminal Limited,	

			Gwadar Free Zone	Gwadar Marine	
			Company Limited from	Services Limited	
			Gwadar Port operations;	and Gwadar Free	
				Zone Company	
				Limited from	
				Gwadar Port	
				operations	
				China Overseas	
			Income derived by	Ports Holding	
			China Overseas Ports	Company Limited	
			Holding Company	being dividend	
			Limited being dividend	received from	
			received from China	China Overseas	
			Overseas Ports Holding	Ports Holding	
	Part I of		Company Pakistan	Company Pakistan	
59	Second	Clause	(Private) Limited,	(Private) Limited,	--
	Schedule	126AD	Gwadar Inter-national	Gwadar Inter-	
			Terminal Limited	national Terminal	
			Gwadar Marine	Limited Gwadar	
			Services Limited and	Marine Services	
			Gwadar Free Zone	Limited and	
			Company Limited;	Gwadar Free Zone	
				Company Limited	



			Profits and gains derived by a refinery— (a) from new deep conversion refinery of at least 100,000 barrels per day for which approval is given by the Federal Government before the 31st day of December, 2021; or (b) for the purpose of up-gradation, modernization or expansion project of ... Profits and gains derived by a taxpayer from an industrial undertakings set up in the Gwadar declared by the Federal Government to be a Zone within the meaning of Export Processing Zone Authority Ordinance, 1980	Oil Refineries of at least 100,000 barrels per day conversion capacity	0.00
60	Part I of Second Schedule	Clause 126B			
61	Part I of Second Schedule	Clause 126D		Industrial undertaking set up in the Gawadar	--

			Income derived by a zone enterprise as defined in the Special Economic Zones Act, 2012 (XX of 2012) for a period of ten years starting from the date the developer certifies that the zone enterprise has commenced commercial operation and for a period of ten years to a developer of zone starting from the date of signing of the development agreement in the special economic zone as announced by the Federal Government, Provided that ...	Zone enterprise as defined in the Special Economic Zones Act, 2012, and developers of zones.	453.57
62	Part I of Second Schedule	Clause 126E			

			Profits and gains derived by—	
			(a) zone developer as defined in section 2 of the Special Technology Zones Authority Ordinance, 2020 from development and operations of the zones for a period of ten years starting from the date of signing of the development agreement;	Zone enterprise as defined in the Special Economic Zones Act, 2012, and developers of zones.
63	Part I of Second Schedule	Clause 126EA	(b) profits and gains of Zone Enterprises as defined in section 2 of the Special Technology Zones Authority Ordinance, 2020 for a period of ten years from the date of issuance of license by the Special Technology Zone Authority; and	--

(c) Special Technology  
Zones Authority  
established under the  
Special Technology  
Zones Ordinance 2020.

64	Part I of Second Schedule	Clause 126M	Profits and gains derived by a taxpayer from a transmission line project set up in Pakistan on or after the 1st day of July, 2015;  Profits and gains derived by a taxpayer from an electric power generation project set up in Pakistan on or after the 1st day of July, 1988, subject to following conditions:  (a) owned and managed by a company formed for operating the said project and registered	Companies deriving income from transmission line projects in Pakistan	0.00
65	Part I of Second Schedule	Clause 132		Electric power generation projects	56,025.51

under the Companies Ordinance, 1984 (XLVII of 1984), and having its registered office in Pakistan;

(b) not formed by the splitting up, or the reconstruction ...

Profits and gains derived from sale of electricity by National Power Parks Management Company (Private) Limited or demerged entities of National Power Parks Management Company (Private) Limited commencing from the commercial operation dates and continuing after the date of change of ownership as a result of privatization by the

National Power Parks Management Company (Private) Limited or demerged entities of National Power Parks Management Company (Private) Limited

3,978.53

66 Part I of  
Second  
Schedule

Clause  
132AA

## Privatization

### Commission of Pakistan

67	Part I of Second Schedule	Clause 132C	Profits and gains derived by a taxpayer from a bagasse/biomass based cogeneration power project having one or more boilers of not less than 60 bar (kg/CM3) pressure each, commissioned after the first day of January 2013.	Bagasse / Biomass Cogeneration Project Owners	--
68	Part I of Second Schedule	Clause 139	The benefit represented by free provision to the employee of medical treatment or hospitalization or both by an employer or the reimbursement received by the employee of the medical charges or	Employees receiving free medical care from employers.	1,666.72

			hospital charges or both paid by him		
			All payments on account of principal, interest, or fees received by the Overseas Private Investment Corporation (OPIC), from development project undertaken in pursuance to the Investment Incentive Agreement signed between the Government of Pakistan and the Government of the United States of America, dated 18th November, 1997	Overseas Private Investment Corporation (OPIC)	--
69	Part I of Second Schedule	Clause 140			
			Any profit on debt received by Japan International Cooperation Agency (JICA), from Islamabad-	Japan International Cooperation Agency (JICA)	0.00
70	Part I of Second Schedule	Clause 140A			

			Burhan Transmission Reinforcement Project (Phase-I) undertaken in pursuance to the loan agreement for Islamabad-Burhan Transmission Reinforcement Project (Phase-I)		
			Income from social Balochistan security contributions Employees' Social derived by Balochistan Security Institution, Employees' Social Employees' Social Security Institution, Security Institution Employees' Social Khyber Security Institution Pakhtunkhwa, Khyber Pakhtunkhwa, Punjab Punjab Employees' Employees' Social Social Security Security Institution Institution and Sindh and Sindh Employees' Social Employees' Social Security Institution; Security Institution		
71	Part I of Second Schedule	Clause 143	Security Institution Khyber Pakhtunkhwa, Punjab Employees' Employees' Social Social Security Security Institution Institution and Sindh and Sindh Employees' Social Employees' Social Security Institution; Security Institution	5,040.50	
72	Part I of Second Schedule	Clause 145A	Any income which was not chargeable to tax prior to the Individuals domiciled or companies and	10,237.04	



commencement of the associations of  
 Constitution (Twenty- persons resident in  
 fifth Amendment) Act, the ex-Tribal Areas  
 2018 (XXXVII of 2018)  
 of any individual  
 domiciled or company  
 and association of  
 persons resident in the  
 Tribal Area forming part  
 of the Provinces of  
 Khyber Pakhtunkhwa  
 and Baluchistan under  
 paragraph (d) of Article  
 246 of the Constitution  
 with effect from the 1st  
 day of June, 2018 to the  
 30th day of June, 2023  
 (both days inclusive).

Any income derived by  
 the Federal Government  
 Employees Housing  
 Authority and Naya  
 Pakistan Housing and  
 Development Authority  
 for the tax year 2020

Federal  
 Government  
 Employees  
 Housing Authority  
 and Naya Pakistan  
 Housing and

0.00

Part I of  
 73 Second Clause 147  
 Schedule

			and the following four tax years	Development Authority	
			Any sum— (i) remitted to Pakistan through banking channels in foreign currency received by an international buying house from its non- resident principal to meet its expenses in Pakistan; and (ii)	persons engaged as experts by an international buying house	
74	Part I of Second Schedule	Clause 149	chargeable under the head “Salary” received by a person who, not being a citizen or resident of Pakistan, is engaged as an expert by an international buying house. Explanation.—For the purpose of this clause ...		--

**Total Tax Expenditure from Incomes Exempt from Tax given in Part I of  
Second Schedule of ITO, 2001**

**232,397.77**

**4.1.1.5 Reduction in Tax Rates given in Part II of Second Schedule of ITO, 2001**

**(Rs. In Million)**

<b>S. No</b>	<b>Part / Schedule</b>	<b>Clause</b>	<b>Description of Clause</b>	<b>Intended Beneficiary</b>	<b>Tax Expenditure</b>
1	Part II of Second Schedule	Clause 5A	<p>The rate of tax to be deducted under sub-section (2) of section 152, in respect of payments 5[from] profit on debt payable to a non-resident person having no permanent establishment in Pakistan, other than those covered under clauses (78) and (79) of Part I of the Second Schedule,] shall be 10% of the gross amount</p> <p>Provided that tax deducted on profit on debt from debt instruments,</p>	Non resident Persons receiving profits and gains on their investments	1,786.11

Government securities including treasury bills and Pakistan Investment Bonds shall be final tax on profit on debt payable to a non-resident person having no permanent establishment in Pakistan and the investments are exclusively made through a Special Rupee Convertible Account maintained with a Bank in Pakistan.]

2 Part II of  
Second  
Schedule

Clause  
5AA

The rate of tax to be deducted under sub-section (2) of section 152, in respect of payments to an individual, on account of profit on debt earned from a debt instrument, whether conventional or Individuals who have invested in debt instrument, whether conventional or shariah compliant, issued by the Federal Government under

--

<div>3</div> <div>Part II of Second Schedule</div>	<div>Clause 5AB</div>	<div> <p> shariah compliant, the Public Debt  issued by the Federal Act, 1944 and  Government under the purchased  Public Debt Act, 1944 exclusively  and purchased through a bank  exclusively through a account  bank account maintained  maintained abroad, a abroad, a non-  non-resident Rupee resident Rupee  account repatriable account  (NRAR) or a foreign repatriable  currency account (NRAR) or a  maintained with a foreign currency  banking company in account  Pakistan shall be ten maintained with a  percent of the gross banking company  amount paid: in Pakistan  Provided that tax  deducted on such profit  on debt shall be final tax.    The rate of tax to be Resident citizens  deducted under section of Pakistan who  151 shall be ten percent have invested in  from the profit on debt debt instruments  from a debt instrument, who have already </p> </div>	<div>--</div>
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whether conventional or declared foreign  
 Shariah compliant, assets to the  
 issued by the Federal Board through a  
 Government under the Foreign Currency  
 Public Debt Act, 1944 Value Account  
 (XVIII of 1944) or its (FCVA)  
 wholly owned special maintained with  
 purpose company, authorized banks  
 purchased by a resident in Pakistan under  
 citizen of Pakistan who the foreign  
 has already declared exchange  
 foreign assets to the regulation issued  
 Board through a Foreign by the State Bank  
 Currency Value Account of Pakistan  
 (FCVA) maintained with  
 authorized banks in  
 Pakistan under the  
 foreign exchange  
 regulation issued by the  
 State Bank of Pakistan:  
 Provided that the tax so  
 deducted shall be the  
 final tax.

4	Part II of Second Schedule	Clause 9AA	In respect of import of white sugar from the 25th day of August, 2020 to the 15th day of November, 2020 both days inclusive, tax under section 148 shall be collected at the rate of 0.25% as per quantity, quality, mode and manner prescribed by Ministry of Commerce during the said period.	Sugar Importers	66.75
5	Part II of Second Schedule	Clause 9AB	Tax under section 148 on commercial import of the white sugar shall be collected at the rate of 0.25% from the 26th day of January 2021 till the 30th day of June, 2021.	Sugar Importers	1.70
6	Part II of Second Schedule	Clause 9AC	Subject to quota allotment by Commerce Division, tax under section 148 shall be	Sugar Importers	0.00

collected at the rate of 0.25% on import of raw sugar imported by sugar mills from the 26th day of January, 2021 to the 30th day of June, 2021 both days inclusive provided that such imports shall not exceed fifty thousand metric tons per sugar mill and three hundred thousand metric tons in aggregate by the sugar industry.

The rate of tax as specified in Division-III of Part-I of First Schedule shall be reduced to 7.5% in case of dividends declared by a company as are "attributable" to profits and gains derived from a bagasse and biomass based cogeneration

bagasse and biomass based cogeneration power project owners

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7 Part II of Second Schedule Clause 18C



power project qualifying  
for exemption under  
clause (132C) of Part-I  
of this Schedule:  
Provided that the  
amount of "attributable"  
dividends shall be  
computed in  
accordance with the  
following formula,  
namely:-  $AXB/C$ , ...

The rate of tax, under  
clause (a) of sub-section  
(1) of section 153, from  
distributors of cigarette  
and pharmaceutical  
products shall be 1% of  
the gross amount of  
payments.

(24C) The rate of tax  
under clause (a) of sub-  
section (1) of section  
153 in the case of  
distributors, dealers,  
sub-dealers,

distributors of  
cigarette and  
pharmaceutical  
products

distributors,  
dealers, sub-  
dealers,  
wholesalers and  
retailers of fast  
moving consumer

8 Part II of  
Second  
Schedule

Clause  
24A

14,694.79

9 Part II of  
Second  
Schedule

Clause  
24C

6,965.21

			wholesalers and goods, fertilizer, retailers of fast moving electronics consumer goods, excluding mobile fertilizer, electronics phones, sugar, excluding mobile cement, and edible phones, sugar, cement, oil and edible oil as recipient of payment shall be 0.25% of gross amount of payments subject to the condition specified therein...	
10	Part II of Second Schedule	Clause 24CA	The rate of tax under clause (a) of sub-section (1) of section 153 in case of a person, other than a company, as a recipient of payment for goods supplied to Utility Stores Corporation of Pakistan shall be 1.5% of the gross amount of payment in respect of supply of tea, spices, salt, dry milk, sugar,	persons other than a company, who are recipients of payment for goods supplied to Utility Stores Corporation of Pakistan
				917.49

pulses wheat flour and  
ghee for the period  
commencing from the  
7th day of April, 2020  
and ending on 30th day  
of September, 2020:  
Provided that this clause  
shall not be applicable  
to supply of tea, spices,  
salt and dry milk which  
are sold under a brand  
name:

The tax on payments  
under the Compulsory  
Monetization of  
Transport Facility for  
Civil Servants in BS-20  
to BS-22 (as reduced by  
deduction of driver's  
salary) shall be charged  
at the rate of 5% as a  
separate block of  
income

11	Part II of Second Schedule	Clause 27	Civil Servants in BS-20 to BS-22 (as reduced by deduction of driver's salary) shall be charged at the rate of 5% as a separate block of income	Civil servants of BS-20 and above	12.12
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12	Part II of Second Schedule	Clause 28C	The rates of tax shall be five percent in the case of a person running online marketplace as defined in clause (38B) of section 2	E-commerce sector	0.00
13	Part II of Second Schedule	Clause 28E	The rate of minimum tax under section 113 shall be 0.5% in case of a trader of yarn being an individual.]	Traders of yarn being individuals	0.00
14	Part II of Second Schedule	Clause 28F	The rate of tax under clause (b) of sub-section (1) of section 153 in case of oil tanker contractor services shall be 2% of the gross amount of the payments.]	Oil tanker contractors	0.00

**Total Tax Expenditure from Reduction in Tax Rates given in Part II of  
Second Schedule of ITO, 2001**

**24,444.17**

#### 4.1.1.6 Reduction in Tax Liability given in Part III of Second Schedule of ITO, 2001

(Rs. In Million)

S. No	Part / Schedule	Clause	Description of Clause	Intended Beneficiary	Tax Expenditure
1	Part III of Second Schedule	Clause 1(1)	Any amount received as flying allowance by flight engineers, navigators of engineers, navigators of Pakistan Armed Forces, Pakistani Airlines or Civil Aviation Authority, Junior Commissioned Officers or other ranks of Pakistan Armed Forces; and submarine allowance by the officers of the Pakistan Navy, shall be taxed @ 2.5% as a separate block of income	flight engineers, navigators of Pakistan Armed Forces, Pakistani Airlines or Civil Aviation Authority, Junior Commissioned Officers or other ranks of Pakistan Armed Forces; and submarine allowance by the officers of the Pakistan Navy	89.24
2	Part III of Second Schedule	Clause 1(1AA)	Total allowances received by pilots of any Pakistani airlines shall be taxed at a rate of 7.5%, provided that the reduction under this	Pilots of Pakistani Airlines	273.39

clause shall be available  
to so much of the  
allowances as exceeds  
an amount equal to the  
basic pay

The tax payable by a full  
time teacher or a  
researcher, employed in  
a non-profit education or  
research institution duly  
recognized by Higher  
Education Commission,  
a Board of Education or  
a University recognized  
by the Higher Education  
Commission, including  
government research  
institution, shall be  
reduced by an amount  
equal to 25% of tax  
payable on his income  
from salary

3	Part III of Second Schedule	Clause 1(2)	Full time teacher or a researcher	3,439.81
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4	Part III of Second Schedule	Clause 4	Importers of old and used cars	176.12
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section 148 shall not exceed the amount specified in Notification No. S.R.O. 577(I)/2005, dated the 6th June, 2005

The tax payable under clause (c) of sub-section

(1) of section 39, in respect of any amount invested in paid as yield or profit on investment in *Bahbood* Savings Certificate or Pensioners Benefit Account and *Shuhada* Family Welfare Account shall not exceed 10% of such profit

The tax payable on profits and gains derived by a person from low cost housing projects shall be reduced by fifty percent

Persons who have invested in *Bahbood* Savings Certificate or Pensioners Benefit Account and *Shuhada* Family Welfare Account

Taxpayers deriving income from low cost housing projects

0.34

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5 Part III of  
Second Clause 6  
Schedule

6 Part III of  
Second Clause 9  
Schedule

			<p>The amount of tax payable on income chargeable under the head, "Capital Gains" on disposal of immovable property shall be reduced by fifty percent on the first sale of immovable property acquired or allotted to ex-servicemen and serving acquired or allotted to ex-servicemen and serving personal of Armed Forces or ex-employees or serving personnel of Federal and Provincial Governments, being original allottees of the immovable property, duly certified by the allotment authority</p> <p>Provided that for capital gains arising after</p>	
7	<p>Part III of Second Schedule</p>	<p>Clause 9A</p>	<p>Ex-servicemen and serving acquired or allotted to ex-servicemen and serving personal of Armed Forces or ex-employees or serving personnel of Federal and Provincial Governments</p>	--



completion of three years from the date of acquisition of immovable property the amount of tax payable shall be reduced by seventy-five percent.

The tax payable on the income, profits and gains of projects of 'low cost housing' developed or approved by Naya Pakistan Housing and Development Authority

(NAPHDA) or under the Ehsaas Programme shall be reduced by 90%] Provided that exemption under this clause shall continue to remain available to such projects which commence on or before the 30th day of June, 2024.]

Taxpayers deriving income from low cost housing projects

--

Part III of  
8 Second Clause 9B  
Schedule

			<p>The tax payable by cotton ginners on their income and profits shall not be more than sum of 1% of their turnover from cotton lint, cotton seed, cotton seed oil and cotton seed cake</p> <p>Provided that the tax so payable shall be final tax in respect of their cotton ginning and oil milling activities only</p> <p>The rate of withholding tax on value of offshore supply contract of an Independent Power Producer located wholly or partly in territories of AJ&amp;K shall be 1% provided:</p> <p>(i) PPIB has issued Letter of Support for the project;</p> <p>(ii) its EPC Contract has</p>	Cotton ginners	--
9	Part III of Second Schedule	Clause 17			
10	Part III of Second Schedule	Clause 18	<p>Independent Power Producer located wholly or partly in territories of AJ&amp;K shall be 1% provided:</p> <p>(i) PPIB has issued Letter of Support for the project;</p> <p>(ii) its EPC Contract has</p>	Independent Power Producers located wholly or partly in territories of AJ&K	--

been executed and submitted to NEPRA for EPC stage tariff determination prior to the enactment of Finance Act, 2018; (iii) offshore supply contract arrangement of offshore supply contractor having permanent establishment in Pakistan falls under the purview of cohesive business operation as contemplated under Income Tax Ordinance, 2001; and (iv) such 1% tax shall be full and final liability of the offshore contractor.

The tax payable by woman enterprises on profit and gains derived from business

Women Enterprises

--

11 Part III of Second Schedule Clause 19

chargeable to tax under the head "Income from Business" shall be reduced by 25%.

The tax payable by a person other than a banking or insurance company in respect of profit on debt from investment in Federal Government securities

Persons who have invested in Federal Government securities

Part III of  
12 Second Clause 20  
Schedule

shall be fifteen percent of the gross amount of the profit on debt: Provided that tax so payable shall be final tax on the income representing profit on debt from investment in Federal Government securities.]

759.51

**Total Tax Expenditure from Reduction in Tax Liability given in Part III of  
Second Schedule of ITO, 2001**

**4,738.41**

**4.1.1.7 Exemption from Specific Provisions given in Part IV of Second Schedule of ITO, 2001**

**(Rs. In Million)**

<b>S. No</b>	<b>Part / Schedule</b>	<b>Clause</b>	<b>Description of Clause</b>	<b>Intended Beneficiary</b>	<b>Tax Expenditure</b>
1	Part IV of Second Schedule	Clause 1A	The provision of clause (d) of section 46 shall not apply to Sukuk issued by "The Second Pakistan International Sukuk Company Limited" and the Third Pakistan International Sukuk Company Limited	Persons who have invested in The Second Pakistan International Sukuk Company Limited" and the Third Pakistan International Sukuk Company Limited	Procedural
2	Part IV of Second Schedule	Clause 3	The provisions of clause (b) of component C of the formula contained in] sub-section (2) of section 61 shall not apply in case of donations made to Agha Khan Hospital and Medical College, Karachi:	Agha Khan Hospital and Medical College, Karachi	Procedural

3	Part IV of Second Schedule	Clause 4A	<p>No provision of this Ordinance shall apply for recoup of tax credit already allowed to National Power Parks Management Company (Private) Limited for investment in plant and machinery notwithstanding non issuance of share certificates or any restructuring of its ownership pattern or debt to equity ratio prior to privatization as part of the privatization process.</p>		
			<p>National Power Parks Management Company (Private) Limited</p> <p>Already accounted for in Tax Credit Section</p>		
4	Part IV of Second Schedule	Clause 5	<p>The provisions of section 111 regarding un-explained income or assets shall not apply in respect of foreign exchange deposited in a private Foreign</p>		
			<p>Foreign currency account holders</p> <p>Not applicable</p>		

			Currency account held		
			...		
			Provisions of clause (a)		
			of sub-section (1) of		
			section 153, shall not		
	Part IV of		apply to ship breakers		
5	Second	Clause	as recipient of payment:	Ship breakers	--
	Schedule	9AA	Provided that this		
			clause shall only apply		
			for ships imported after		
			the 1st July 2014.		
	Part IV of				
6	Second	Clause	Pakistan Red Crescent	Pakistan Red	0.00
	Schedule	11A	Society	Crescent Society	
	Part IV of				
7	Second	Clause	Corporate and	Corporate and	0.00
	Schedule	11A	Industrial Restructuring	Industrial	
			Corporation (CIRC)	Restructuring	
				Corporation (CIRC)	
	Part IV of				
8	Second	Clause	China Overseas Port	China Overseas	0.05
	Schedule	11A	Holding Company	Port Holding	
			Limited	Company Limited	
	Part IV of				
9	Second	Clause	The provisions of	Persons who have	107.58
	Schedule	36C	section 151 shall not	invested in such	
			apply to profit on debt	securities	

			paid on Pakistan Banao Certificate,		
			The provisions of sub-section 3 of section 153 shall not apply in respect of payments received by a resident person for providing services by way of operation of container or chemical or oil terminal at a sea-port in Pakistan or of an infrastructure project covered by the Government's Investment Policy, 1997.		
10	Part IV of Second Schedule	Clause 42	persons who are providing services by way of operation of container or chemical or oil terminal at a sea-port in Pakistan or of an infrastructure project of an infrastructure project	0.00	
11	Part IV of Second Schedule	Clause 56	The provisions of section 148, regarding withholding tax on imports shall not apply in respect of Certain Individuals / Entities	Persons / entities covering under Chapter 86 & chapter 99 of Pakistan Customs Tariff, POL Products under	67,039.08



			specified PCT Codes, imports under specified conditions, manufacturing bonds, Federal, Provincial, Local Government, goods exported under export facilitation schemes, etc	
			The provisions of section 151, regarding withholding tax on profit on debt, shall not apply in the case of any resident individual, no tax shall be deducted from income or profits paid on investment in monthly income Savings Accounts Scheme of Directorate of National Savings,	
12	Part IV of Second Schedule	Clause 59(iv)(b)	Resident Individuals receiving profit not exceeding Rs. 1,000/- from Monthly Savings Accounts of Directorate of National Savings	52.2

			where monthly installment in an account does not exceed one thousand rupees		
13	Part IV of Second Schedule	Clause 60A	<p>The provisions of section 148 shall not apply for import of plant, machinery and equipment in the case of:- (a) M/s China State Construction Engineering Corporation Ltd. (M/s CSCEC); and (b) M/s China Communication Construction Company (M/s CCCC).</p> <p>The provision of section 148 shall not apply on import of equipment to be furnished or installed for Rail Based Mass Transit Projects in Lahore, Karachi,</p>	<p>M/s China State Construction Engineering Corporation Ltd. (M/s CSCEC); and M/s China Communication Construction Company (M/s CCCC).</p> <p>Contractors of Rail Based Mass Transit Projects in Lahore, Karachi, Peshawar and Quetta under CPEC</p>	1.34
14	Part IV of Second Schedule	Clause 60C			0.00

Peshawar and Quetta  
under CPEC.

15	Part IV of Second Schedule	Clause 60D	The provisions of section 148 shall not apply on import of firefighting equipments Industrial by industrial undertakings set undertakings set up in up in the special the special economic economic zones zones established by the Federal Government			6.40
16	Part IV of Second Schedule	Clause 69	The provisions of sections 150, 151, 152, 153 and 233 shall not apply in respect of payments made to the Asian Asian Development Development Bank Bank established under the Asian Development Bank Ordinance, 1971 (IX of 1971).			0.00

			The provisions of this Ordinance shall not be applicable to the M/s TAISEI Corporation under the agreement with National Highway Authority, GOP	M/s TAISEI Corporation	0.00
17	Part IV of Second Schedule	Clause 71	Provisions of sections 148 and 153 shall not be applicable on import and subsequent supply of items with dedicated use of renewable sources of energy	Importers and suppliers of items with dedicated use of renewable sources of energy	1,254.08
18	Part IV of Second Schedule	Clause 77	(i) The dividend income of the shareholders of "Coal Mining and Coal based Power Generation Projects in Sindh" shall be exempt from provisions of section 150 from the date of commencement of business till 30 years from such date; and (ii)	Shareholders of coal mining and coal based power generation projects in Sindh	0.00
19	Part IV of Second Schedule	Clause 78			

The payments made on account of sale or supply of goods or providing or rendering of services during project construction and operations, shall be exempt from the provisions of section 152(2A) and section 153”;

The provisions of clause (b) of subsection (1) of section 153 shall not apply to payments received by

20	Part IV of Second Schedule	Clause 79A	National Telecommunication Corporation against provision of telecommunication services including ancillary services specified in subsection (3) of section 41 of the	National Telecommunication Corporation (NTC)	242.00

			Pakistan		
			Telecommunication		
			(Re-organization) Act,		
			1996 (XVII of 1996)		
			The provisions of		
			section 148 shall not		
			apply to- (i) Tillage and		
			seed bed preparation		
			equipment (ii) Seeding		
			or planting equipment		
			(iii) Irrigation, drainage	Importers of	
			and agro-chemical	specified	
21	Part IV of Second Schedule	Clause 91	application equipment	equipment under	138.14
			(iv) Harvesting,	farming sector	
			threshing and storage		
			equipment (v) Post-		
			harvest handling and		
			processing &		
			miscellaneous		
			machinery;		

The provisions of section 148 shall not apply to import of ships and other floating crafts including tugs, survey vessels and other specialized crafts purchased or bare-boat chartered by a Pakistani entity and flying Pakistani flag:

22	Part IV of Second Schedule	Clause 98	<p>Provided that exemption under this clause shall be available up to the year 2 [2030], subject to the condition that the ships and crafts are used for the purpose for which they were procured, and in case such ships and crafts are used for demolition purposes, tax collectible under section 148, applicable</p>	Shipping Companies	0.00
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to ships and crafts  
purchased for  
demolition purposes,  
shall be chargeable.]

23	Part IV of Second Schedule	Clause 102	The provisions of section 231B (1A) shall not apply to light commercial vehicles leased under the Prime Minister's Youth Business Loan Scheme	Beneficiaries of PM's Youth Business Loan Scheme	Not applicable
24	Part IV of Second Schedule	Clause 103	The provisions of section 7B shall not apply to yield or profit on investment in Bahbood Savings Certificate or Pensioner's Benefit Account, provided that tax on the said yield or profit on debt is paid at the rates specified in Division I of Part I of the	Persons who are beneficiaries of Bahbood Saving Certificate or Pensioner's Benefit Account	--



First Schedule subject  
to clause (6) of Part III  
of Second Schedule

25	Part IV of Second Schedule	Clause 104	The provisions of section 5A shall not apply to a company where a restriction has been imposed on distribution of dividend on account of an agreement with the Government of Pakistan	All those companies where a restriction has been imposed on distribution of dividend on account of an agreement with the Government of Pakistan	Not applicable
			The provisions of section 111 relating to unexplained income or assets shall not apply in respect of any contribution paid to the Supreme Court of Pakistan – Diamer Bhasha & Mohmand Dams – Fund.	Persons who have donated their unexplained incomes to the Supreme Court of Pakistan – Diamer Bhasha & Mohmand Dams – Fund	
26	Part IV of Second Schedule	Clause 107 of Part 4 of Second Schedule			--

27	Part IV of Second Schedule	Clause 108 of Part 4 of Second Schedule	<p>The provisions of sections 113 and 151 shall not apply to the Supreme Court of Pakistan – Diamer Bhasha &amp; Mohmand Dams – Fund.</p> <p>The provisions of section 4B shall not apply to so much of the income of banking company as defined in the said section subject to reduced rate of tax at 20% under rules 7D, 7E and 7F of the Seventh Schedule for tax years 2020 to 2023.</p>	Supreme Court of Pakistan – Diamer Bhasha & Mohmand Dams – Fund	--
28	Part IV of Second Schedule	Clause 111 of Part 4 of Second Schedule	<p>The provisions of section 100BA and rule 1 of the Tenth Schedule shall not apply to the extent of payment of dividend to non-resident persons.</p>	Banking Companies	--
29	Part IV of Second Schedule	Clause 111A of Part 4 of Second Schedule	<p>The provisions of section 100BA and rule 1 of the Tenth Schedule shall not apply to the extent of payment of dividend to non-resident persons.</p>	Non-resident persons as recipients of Dividends	--

30	Second Schedule	Part IV of Part 4 of Second Schedule	Clause 111B of Part 4 of Second Schedule	<p>The provisions of section 100BA and rule 1 of the Tenth Schedule shall not apply to non-resident individual holding Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) or Computerized National ID Card (CNIC) maintaining a Foreign Currency Value Account (FCVA) or Non-resident Pakistani Rupee Value Account (NRVA) with authorized banks in Pakistan under the foreign exchange regulations issued by the State Bank of Pakistan.]</p>	<p>non-resident individuals maintaining a Foreign Currency Value Account (FCVA) or Non-resident Pakistani Rupee Value Account (NRVA) with authorized banks in Pakistan</p>	--

			The provision of sub-section (5B) of sections 147 shall not apply in respect of capital gains arising to a non-resident company having no permanent establishment in Pakistan from investment in debt instruments and Government securities including treasury bills and Pakistan Government investment bonds securities including through special treasury bills convertible rupee account (SCRA) maintained with a banking company or financial institution in Pakistan.	
31	Part IV of Second Schedule	Clause 113 of Part 4 of Second Schedule	investment in debt instruments and Government securities including treasury bills and Pakistan Government investment bonds securities including through special treasury bills convertible rupee account (SCRA) maintained with a banking company or financial institution in Pakistan.	--
32	Part IV of Second Schedule	Clause 114 of Part 4 of	The provisions of non-resident section "clause (ae) of sub-section (a) of company having no permanent	--

	Second Schedule	section 114” and 181 shall not apply to a non-resident company having no permanent establishment in Pakistan solely by reason of capital gain or profit on debt earned from investments in debt securities and Government securities including treasury bills and Pakistan investment bonds through special convertible rupee account maintained with a banking company or financial institution in Pakistan	establishment in Pakistan from investment in debt instruments and Government securities including treasury bills	
33	Part IV of Second Schedule	Clause 114A	The provisions of non-resident clause (ae) of sub-section (1) of section 114 and section 181 shall not apply to a non-	individual holding Pakistan Origin Card (POC) or National ID Card
				--

resident individual for Overseas  
 holding Pakistan Origin Pakistanis (NICOP)  
 Card (POC) or National or Computerized  
 ID Card for Overseas National ID Card  
 Pakistanis (NICOP) or (CNIC) maintaining  
 Computerized National a Foreign Currency  
 ID Card (CNIC) Value Account  
 maintaining a Foreign (FCVA) or a  
 Currency Value Nonresident  
 Account (FCVA) or a Pakistani Rupee  
 Nonresident Pakistani Value Account  
 Rupee Value Account (NRVA) with  
 (NRVA) with authorized authorized banks  
 banks in Pakistan under in Pakistan  
 the foreign exchange  
 regulations issued by  
 the State Bank of  
 Pakistan:

The provisions of  
 section 151 and 236P  
 shall not apply to The  
 Prime Minister's  
 COVID-19 Pandemic  
 Relief Fund-2020.

Beneficiaries of  
 Prime Minister's  
 COVID-19  
 Pandemic Relief  
 Fund-2020

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Part IV of  
 34 Second Clause 116  
 Schedule

<b>Total Tax Expenditure from Specific Provisions given in Part IV of Second Schedule of ITO, 2001</b>	<b>68,840.87</b>
<b>Grand Total of Second Schedule of ITO, 2001</b>	<b>330,421.22</b>
<b>Grand Total of Income Tax Expenditure</b>	<b>423,894.44</b>

#### **4.1.2 Details of Sales Tax Expenditure**

##### **4.1.2.1 Zero Rating under Fifth Schedule on Local Supplies**

<b>(Rs. In Million)</b>					
<b>S.No.</b>	<b>Schedule</b>	<b>Serial</b>	<b>Description</b>	<b>Intended Beneficiary</b>	<b>Tax Expenditure</b>
1	Fifth Schedule	2	Supply to diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various Acts, Orders, Rules, Regulations and Agreements passed by the Parliament or issued or agreed by the Government of Pakistan.	Diplomats	873.63
2	Fifth Schedule	5	Supplies of raw materials [components and goods for further manufacture of goods in the Export Processing Zones.]	Manufacturer, General Masses	1,349.45

3	Fifth Schedule	6(A)	Supplies of locally manufactured plant and machinery of the following specifications, to manufacturers in the Export Processing Zone, subject to the conditions, restrictions and procedure given below, namely:- plant and machinery operated by any description as it is used for the manufacture or production...	Manufacturer, Industrial Sector	3.23
4	Fifth Schedule	6(A)(ii)	Apparatus, appliances and equipment specifically meant or adapted for use in conjunction with the machinery specified in clause (i);	Manufacturer, Industrial Sector	0.19
5	Fifth Schedule	7	Supplies made to exporters under the Duty and Tax Remission Rules, 2001 subject to the observance of procedures, restrictions and conditions prescribed therein	Exporters	118.89



6	Fifth Schedule	8	Imports or supplies made to Gwadar EPZ  Gwadar Special Economic Zone,  excluding vehicles falling under  heading 87.02 of the Pakistan  Customs Tariff, subject to such  conditions, limitations and  restrictions as the 3 [Board] may  impose.		28.71
7	Fifth Schedule	9	Goods exempted under section 13,  if exported by a manufacturer	Importer,  Exporter	25.47
8	Fifth Schedule	12(xvii )	Preparations suitable for infants,  put up for retail sale (PCT Heading  1901.1000)	Manufacturer,  General  Masses	10,404.42
9	Fifth Schedule	12(xix)	Bicycles (PCT heading 87.12).	Manufacturer,  General  Masses	212.88
10	Fifth Schedule	12(xx)	Colors in sets (PCT heading  3213.1000).	Manufacturer,  General  Masses	7.95
11	Fifth Schedule	12(xxi)	Writing, drawing and marking inks  (PCT heading. 3215.9010 and  3215.9090)	Manufacturer,  General  Masses	64.80
12	Fifth Schedule	12(xxii )	Erasers (PCT heading 4016.9210  and 4016.9290)	Manufacturer,  General  Masses	59.64

13	Fifth Schedule	12(xxiii )	Exercise books (PCT heading 4820.2000)	Manufacturer, General Masses	499.90
14	Fifth Schedule	12(xxi v)	Pencil sharpeners (PCT heading 8214.1000)	Manufacturer, General Masses	600.56
15	Fifth Schedule	12(xxv )	Geometry boxes (PCT heading 9017.2000)	Manufacturer, General Masses	41.11
16	Fifth Schedule	12(xxv i)	Pens, ball pens, markers and porous tipped pens (PCT heading 96.08)	Manufacturer, General Masses	793.05
17	Fifth Schedule	12(xxv ii)	Pencils including color pencils (PCT heading 96.09)	Manufacturer, General Masses	501.27
18	Fifth Schedule	13	Supplies of raw materials, components and goods for further manufacture of goods in the Gwadar Free Zone and export thereof, provided that in case of supply to tariff area of Pakistan, tax shall be charged on the value assessed on the Goods Declaration for import	Gwadar EPZ	4.62

19	Fifth Schedule	14	Supplies of locally manufactured plant and machinery of the following specifications, to manufacturers in the Gwadar Free Zone, subject to the conditions, restrictions and procedure given below, namely:–	Gwadar EPZ	629.81
20	Fifth Schedule	15	Local supplies of raw materials, components, parts and plant and machinery to registered exporters authorized under Export Facilitation Scheme, 2021 notified by the Board with such conditions, limitations and restrictions	General Masses	1.85
21	Fifth Schedule	16	Milk (PCT heading 04.01)	General Masses	15,312.08
22	Fifth Schedule	17	Fat filled milk excluding that sold in retail packing under a brand name or a trademark (PCT heading 1901.9090)	General Masses	7,971.22

23	Fifth Schedule	18	(i) Supply, repair or maintenance of any ship which is neither; (a) a ship of gross tonnage of less than 15 LDT; nor (b) a ship designed or adapted for use for recreation or pleasure. (ii) Supply of spare parts and equipment for ships falling under (i) above.(iii) Supply of equipment and machinery for salvage or towage services. (iv) Supply of equipment and machinery for other services provided for the handling of ships in a port.]	Shipping Industry Airline	201.64
24	Fifth Schedule	19	Drugs registered under the Drugs Act, 1976 (XXXI of 1976), or medicaments as classified under chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969) except PCT heading 3005.000	Health, General Masses	63,145.22
25	Fifth Schedule	20	Petroleum Crude Oil (PCT heading 2709.0000)]	Petroleum Sector	15,949.23
<b>Total of Zero Rating under Fifth Schedule on Local Supplies</b>					<b>118,800.84</b>

#### 4.1.2.1 Zero Rating under Fifth Schedule at Import Stage

(Rs. In Million)					
S. No.	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure
1	Fifth Schedule	12	(Finished goods)(import of color sets (3213.1000), writing, drawing and marking inks (3215.9010 and 3215.9090), erasers (4016.9210 and 4016.9290), exercise books (4820.2000), pencil sharpener (8214.1000), geometry boxes (9017.2000), pen, ball pens, markers and porous tipped pens (96.08), pencils including color pencils (96.09)	Manufacturer, General Masses	78.14
2	Fifth Schedule	12	(Raw materials etc.)Raw materials, packing materials, sub-components, components, sub-assemblies and assemblies imported or purchased locally for the manufacture of the goods specified at s.no. 12 of 5th schedule to sales tax act, 1990, subject to the conditions, limitations and restrictions as specified in	Manufacturer, General Masses	860.30

chapter xiv of the sales tax special  
procedure rules, 2007.

3	Fifth Schedule	13	Supplies of raw materials, components and goods for further manufacture of goods in the Gwadar free zone and export thereof, provided that in case of supply to tariff area of Pakistan, tax shall be charged on the value assessed on the goods declaration for import	Gwadar EPZ	14.77
4	Fifth Schedule	15	Local supplies of raw materials, components, parts and plant and machinery to registered exporters authorized under export facilitation scheme, 2021 notified by the board with such conditions, limitations and restrictions.	Export Sector	0.04
5	Fifth Schedule	16	Milk (PCT heading 04.01).	General Masses	2.89
6	Fifth Schedule	17	Fat filled milk (PCT heading 1901.9090).	General Masses	824.70

7	Fifth Schedule	19	Drugs registered under the drugs act, 1976 (xxxi of 1976), or medicaments as classified under chapter 30 of the first schedule to the customs act, 1969 (iv of 1969) except PCT heading 3005.0000.	Health/General Masses	18,866.26
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**Total of Zero Rating under Fifth Schedule at Import Stage** **20,647.11**

**Total of Zero Rating under Fifth Schedule on Local Supplies** **118,800.84**

**Total of Zero Rating under Fifth Schedule at Import Stage** **20,647.11**

**Total Sales Tax Expenditure of Zero Rating under Fifth Schedule** **139,447.94**

#### 4.1.2.2 Exemption given on POL Products through various SROs

(Rs. In Million)

S.No.	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure
1	SROs		POL Products	General Masses	632,950
<b>Total exemption given on POL Products through various SROs</b>					<b>632,950</b>

#### 4.1.2.3 Exemption under Sixth Schedule Table I on Local Supplies

						(Rs. In Million)
S.No	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure	
1	Sixth Schedule Table I	1	Live Animals and live poultry	General Masses	2,856.64	
2	Sixth Schedule Table I	2	Meat of bovine animals, sheep and goat, excluding poultry and offal, whether or not fresh, frozen or otherwise, preserved [or packed].	General Masses	209.53	
3	Sixth Schedule Table I	3	Fish and crustaceans excluding live fish whether or not fresh, frozen or otherwise preserved or packed	General Masses	44.49	
4	Sixth Schedule Table I	11	Eggs including eggs for hatching	General Masses	577.59	
5	Sixth Schedule Table I	12	Live plants including bulbs, roots and the like.	General Masses	21.53	



6	Sixth Schedule Table I	13	Edible vegetables including roots and tubers, except ware potato and onions, whether fresh, frozen or otherwise preserved (e.g. in cold storage) but excluding those bottled or canned.	General Masses	95.17
7	Sixth Schedule Table I	14	Pulses	General Masses	4,580.42
8	Sixth Schedule Table I	15	Edible fruits excluding imported fruits (except fruits imported from Afghanistan) whether fresh, frozen or otherwise preserved but excluding those bottled or canned.	General Masses	214.63
9	Sixth Schedule Table I	16	Red chilies excluding those sold in retail packing bearing brand names and trademarks.	General Masses	105.70
10	Sixth Schedule Table I	17	Ginger excluding those sold in retail packing	General Masses	23.48

			bearing brand names and trademarks.		
11	Sixth Schedule Table I	18	Turmeric excluding those sold in retail packing bearing brand names and trademarks.	General Masses	29.07
12	Sixth Schedule Table I	19	Cereals and products of milling industry excluding the products of milling industry, other than wheat and meslin flour, as sold in retail packing bearing brands name or a trade mark.	General Masses	6,200.53
13	Sixth Schedule Table I	20	Seeds, fruit and spores of a kind used for sowing.	Agriculture	721.90
14	Sixth Schedule Table I	21	Cinchona bark.	Agriculture	1,271.06
15	Sixth Schedule Table I	31	Holy Quran, complete or in parts, with or without translation; Quranic Verses recorded on any	General Masses	205.26

analogue or digital media;  
other Holy books.

16	Sixth Schedule Table I	32	Newsprint, newspapers, journals, periodicals, books but excluding directories	General Masses	946.63
17	Sixth Schedule Table I	33	Currency notes, bank notes, shares, stocks and bonds.	General Masses	3,348.40
18	Sixth Schedule Table I	45	Dextrose and saline infusion giving sets along with empty non-toxic bags for infusion solution, Dextrose and saline infusion giving sets, Artificial parts of the body, Intra-Ocular lenses and Glucose testing equipment	Health, General Masses	1,651.47

19	Sixth Schedule Table I	46	Goods imported by UN Organizations  various agencies of the  United Nations, diplomats,  diplomatic missions,  privileged persons and  privileged organizations  which are covered under  various Acts and, Orders,  rules and regulations  made thereunder; and  agreements by the  Federal Government  provided that such goods  are charged to zero-rate of  customs duty under  Customs Act, 1969 (IV of  1969), and the conditions  laid therein	5.22
20	Sixth Schedule Table I	47	Import of articles of General Masses  household and personal  effects including vehicles  and also the goods for  donation to projects  established in Pakistan  imported by any of the	0.58

rulers of Gulf Sheikhdoms  
 who is in possession of  
 residential  
 accommodation in  
 Pakistan and goods  
 including vehicles by the  
 United Arab Emirates  
 dignitaries as are listed in  
 column (2) ...

21	Sixth	48	Goods imported or General Masses	2.93
	Schedule		supplied under grants-in-	
	Table I		aid for which a specific	
			consent has been	
			obtained from the 1	
			[Board]; supplies and	
			imports under agreements	
			signed by the Government	
			of Pakistan before the	
			30th June, 1996, provided	
			the agreements contained	
			the provision for	
			exemption of tax at the	
			time of signing of	
			agreement.	

22	Sixth Schedule Table I	50	Articles imported through post as unsolicited gifts, subject to the same conditions as are envisaged for the purposes of applying zero-rate of customs duty under the Customs Act, 1969. (IV of 1969).	General Masses	0.59
23	Sixth Schedule Table I	52	Goods imported by or donated to hospitals run by the Federal Government or a Provincial Government; and non-profit making educational and research institutions subject to the similar restrictions, limitations, conditions and procedures as are envisaged for the purpose of applying zero rate of customs duty on such goods under the Customs Act, 1969, (IV of 1969)	Health, General Masses	322.58

24	Sixth Schedule Table I	52A	Goods excluding electricity and natural gas] supplied to hospitals run by the Federal or Provincial Governments or charitable operating hospitals of fifty beds or more or the teaching hospitals of statutory universities of two hundred or more beds.	Health, Masses	General	695.67
25	Sixth Schedule Table I	53	Import of all such gifts as are received, and such equipment for fighting tuberculosis, leprosy, AIDS and cancer and such equipment and apparatus for the rehabilitation of the deaf, the blind, crippled or mentally retarded as are purchased or otherwise secured by a charitable non-profit making institution solely for the	Health, Masses	General	29.76

			purpose of advancing declared objectives of such institution,			
26	Sixth Schedule Table I	59	Artificial kidneys, eye cornea, hemodialysis machines, hemodialyzers, A.V. fistula needles, hemodialysis fluids and powder, blood tubing tines for dialysis and reverse osmosis plants for dialysis, double lumen catheter for dialysis, catheter for renal failure patient and peritoneal dialysis solution, 2 [cochlear implants systems]and angioplasty equipment (balloons, catheters, wires and stents), subject to the similar conditions and procedures as are envisaged for the purpose of	Health, Masses	General	143.47



applying zero-rate of  
customs duty on these  
goods under the Customs  
Act, 1969 (IV of 1969).

27	Sixth Schedule Table I	60	Contraceptives and Health, accessories thereof. Masses	General	29.56
28	Sixth Schedule Table I	61	Goods produced or Manufacturer, manufactured in and Exporters exported from Pakistan which are subsequently imported in Pakistan within one year of their exportation, provided conditions of section 22 of the Customs Act, 1969 (IV of 1969)		16.03
29	Sixth Schedule Table I	72	Uncooked poultry Meat 3 [whether or not fresh, Masses frozen or otherwise, preserved or packed]	Poultry/General	1,033.47
30	Sixth Schedule Table I	81	Cotton seed	General Masses	5,489.98

31	Sixth Schedule Table I	84	Preparations suitable for infants, put up for retail sale	Manufacturer, General Masses	604.46
32	Sixth Schedule Table I	86	Colors in sets (Poster colors)	Manufacturer, General Masses	0.44
33	Sixth Schedule Table I	88	Erasers	Manufacturer, General Masses	7.10
34	Sixth Schedule Table I	89	Exercise books	Manufacturer, General Masses	23.02
35	Sixth Schedule Table I	90	Pencil sharpeners	Manufacturer, General Masses	10.76
36	Sixth Schedule Table I	92	Sewing machines of the household type	Manufacturer, General Masses	2.79
37	Sixth Schedule Table I	94	Wheelchairs	Manufacturer, General Masses	7.96
38	Sixth Schedule Table I	96	Other drawing, marking out or mathematical calculating instruments (geometry box)	Manufacturer, General Masses	10.63

39	Sixth Schedule Table I	97	Pens, ball pens, markers and porous tipped pens	Manufacturer, General Masses	21.84
40	Sixth Schedule Table I	98	Pencils including color pencils	Manufacturer, General Masses	294.42
41	Sixth Schedule Table I	99	Compost (non- commercial fertilizer) produced and supplied locally	Fertilizer sector	73.87
42	Sixth Schedule Table I	100	Construction materials to Gwadar Export processing Zone's investors and to Export Processing Zone Gwadar for development of Zone's infrastructure	Gwadar EPZ	873.22
43	Sixth Schedule Table I	100A	Materials and equipment (plant, machinery, equipment, appliances and accessories) for construction and operation of Gwadar Port and development of Free Zone for Gwadar Port as	Gwadar EPZ	1.81

imported by or supplied to  
China Overseas Ports  
Holding Company Limited  
(COPHCL) and its  
operating companies...

44	Sixth Schedule Table I	100A(( i))	This exemption shall be import/export admissible only to China Overseas Ports Holding Company Limited (COPHCL) and its operating companies, their contractors and subcontractors which hold the Concession Agreement;	2.79
45	Sixth Schedule Table I	100B	Supplies made by the Gwadar EPZ businesses to be established in the Gwadar Free Zone for a period of twenty-three years within the Gwadar Free Zone, subject to the condition that the sales and	3.49

supplies outside the  
Gwadar Free Zone and  
into the territory of  
Pakistan shall be  
subjected to sales tax.

46	Sixth Schedule Table I	100C	Vehicles imported by China Overseas Ports China Overseas Ports Holding Company Holding Company Limited Limited (COPHCL) and its operating companies namely (i) China Overseas Ports Holding Company Pakistan (Private) Limited (ii) Gwadar International Terminal Limited, (iii) Gwadar Marine Services Limited and (iv) Gwadar Free Zone Company Limited, for a period of twenty-three years for construction, development...	0.71
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47	Sixth Schedule Table I	102	<p>Machinery, equipment and materials imported either for exclusive use within the limits of Export Processing Zone or for making exports therefrom, and goods imported for warehousing purpose in Export Processing Zone, subject to the conditions that such machinery, equipment, materials and goods are imported by investors of Export Processing Zones, and all the procedures, limitations and restrictions as are applicable on such goods under the Customs Act, 1969 (IV of 1969) and rules made thereunder shall mutatis mutandis, apply.</p>	Manufacturer, Exporters EPZ	3.34
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48	Sixth Schedule Table I	104	Substances registered as Pharmaceutical drugs under the Drugs Industry Act, 1976 (XXXI of 1976) and medicaments as are classifiable under chapter 30 of the First Schedule to the Customs Act, 1969 (IV of 1969) except the following, even if medicated or medicinal in nature, namely:-	42,640.77
49	Sixth Schedule Table I	105	Raw materials for the Pharmaceutical basic manufacture of Industry pharmaceutical active ingredients and for manufacture of pharmaceutical products, provided that in case of import, only such raw materials shall be entitled to exemption which are liable to customs duty not exceeding 1 [eleven] per cent ad valorem, either under the First Schedule 2	8,056.34

[or Fifth Schedule] to the  
 Customs Act, 1969 (IV of  
 1969) or under a  
 notification issued under  
 section 19 thereof

50	Sixth Schedule Table I	107	Import and supply of iodized salt bearing brand names and trademarks whether or not sold in retail packing.	Importer/General Masses	326.80
51	Sixth Schedule Table I	109	Goods imported temporarily with a view to subsequent, exportation as concurred by the Board, including passenger service item, provision and stores of Pakistani Airlines	Importer, Exporter	0.00



52	Sixth Schedule Table I	110	The following items with dedicated use of renewable source of energy like solar and wind, subject to certification by the Alternative Energy Development Board (AEDB), Islamabad 1 [for the period ending on the 30th June, 2023]:	Energy Sector, General Masses	210.83
53	Sixth Schedule Table I	110(a)	Solar PV panels;	Energy Sector, General Masses	203.25
54	Sixth Schedule Table I	110(c)	SMD, LEDs, with or without ballast, with fittings and fixtures;	Energy Sector, General Masses	4.57
55	Sixth Schedule Table I	110(g)	PV modules along with related components, including invertors, charge controllers and batteries.	Energy Sector, General Masses	119.91
56	Sixth Schedule Table I	112	Following cardiology/cardiac surgery, neurovascular, electrophysiology, endosurgery, endoscopy,	Health, General Masses	438.54

oncology, urology,  
gynecology, disposables  
and other equipment:

57	Sixth Schedule Table I	112A	Angioplasty Products	Health, Masses	General	0.05
58	Sixth Schedule Table I	112B	Angiography Products	Health, Masses	General	0.78
59	Sixth Schedule Table I	112H (viii)	Cardiac Electrophysiology Products Remote Ep Monitoring Device And Accessories	Health, Masses	General	0.03
60	Sixth Schedule Table I	112J(x )	Cardiac Surgery Products Minimally Invasive Surgery Equipment & Instruments	Health, Masses	General	0.10
61	Sixth Schedule Table I	113	High Efficiency Irrigation Equipment (If used for agriculture sector)	Agriculture		43.79
62	Sixth Schedule Table I	113(i)	Submersible pumps (up to 75 LBS and head 150 meters)	Agriculture		2.89

63	Sixth Schedule Table I	114	Green House Framing and Other Green House Equipment (If used for Agriculture Sector)	Agriculture	37.02
64	Sixth Schedule Table I	114(i)	Tunnel farming equipment [consisting of plastic covering and mulch film, anti-insect net and shade net]	Agriculture	46.03
65	Sixth Schedule Table I	116	Plant, machinery and equipment imported for setting up industries in FATA upto 30th June 2019 subject to the same conditions and procedure as are applicable for import of such plant, machinery and equipment under the Customs Act, 1969 (IV of 1969).	Industrial Undertakings	1.71
66	Sixth Schedule Table I	120	Diagnostic kits or equipment	Health, General Masses	904.64

67	Sixth Schedule Table I	121	Blood Bag CPDA-1 with blood transfusion set pack in aluminum foil with set.	Health, Masses	General	467.56
68	Sixth Schedule Table I	122	Urine drainage bags	Health, Masses	General	0.72
69	Sixth Schedule Table I	127	Operational tools, machinery, equipment and furniture and fixtures on one-time basis for setting up Greenfield airports by a company authorized by Aviation Division.	Airlines		10.64
70	Sixth Schedule Table I	130	Sodium Iron (Na Fe EDTA), and other premixes of vitamins, minerals and micro- nutrients (food grade) and subject to conditions imposed for importation under the Customs Act, 1969]	Health, Masses	General	1.69

71	Sixth Schedule Table I	131	Laptop computers, notebooks whether or not incorporating multimedia kit	General Masses	203.14
72	Sixth Schedule Table I	132	Personal computers	General Masses	22.69
73	Sixth Schedule Table I	133	Pesticides and their active ingredients registered by the Department of Plant Protection under the Agricultural Pesticides Ordinance, 1971(II of 1971), stabilizers, emulsifiers and solvents specified therein...	Agriculture	16,286.45
74	Sixth Schedule Table I	135	Sunflower and canola hybrid seeds meant for sowing	Agriculture	124.34
75	Sixth Schedule Table I	136	Combined harvesters upto five years old	Agriculture	8.19
76	Sixth Schedule Table I	137	Paper weighing 60 g/m <sup>2</sup> 2 [, art paper and printing paper] for printing of Holy	General Masses	4.18

Quran imported by  
Federal or Provincial  
Governments and  
Nashiran-e-Quran as per  
quota determined by  
IOCO

77	Sixth Schedule Table I	138	Fish Feed	General Masses	73.88
78	Sixth Schedule Table I	139	Fans for dairy farms	Dairy Sector, General Masses	1.38
79	Sixth Schedule Table I	140	Bovine semen	Dairy Sector, General Masses	29.93
80	Sixth Schedule Table I	141	Preparations for making animal feed	Dairy Sector, General Masses	550.47
81	Sixth Schedule Table I	142	Promotional and advertising material including technical literature, pamphlets, brochures and other giveaways of no commercial value,	General Masses	0.14

distributed free of cost by  
the exhibitors

82	Sixth Schedule Table I	143(i)( c)	Hearing aids (all types and kinds), ABR.	General Masses	0.01
83	Sixth Schedule Table I	144	Liquefied Natural Gas imported by fertilizer manufacturers for use as feed stock	Fertilizer sector	0.92
84	Sixth Schedule Table I	145	Plant, machinery, China equipment including dumpers and special purpose motor vehicles, if not manufactured locally, imported by M/s China State Construction Engineering Corporation Limited (M/s CSCECL) for the construction of Karachi – Peshawar Motorway (Sukkur – Multan Section) and M/s China Communication Construction Company (M/s CCCC) for the	China State Construction Engineering Corporation Limited	4.39

			construction of Karakorum Highway (KKH) Phase-II - (Thakot - Havellian Section) subject to the conditions mentioned therein ...	
85	Sixth Schedule Table I	147	Goods supplied to German Development Agency (GIZ) Agency (Deutsche Gesellschaft für International Zusammenarbeit) GIZ	0.67
86	Sixth Schedule Table I	148	Imported construction materials and goods China State Construction Engineering Corporation Limited (M/s CSCECL), whether or not locally manufactured, for construction of Karachi-Peshawar Motorway (Sukkur-Multan Section) subject to fulfilment of same conditions,	6.57



limitations and restrictions  
as are specified under S.  
No. 145 of this table,  
provided that total  
incidence of exemptions  
of all duties and taxes in  
respect of construction  
materials and goods  
imported for the project  
shall not exceed ten  
thousand eight hundred

87	Sixth Schedule Table I	150	Plant and machinery excluding consumer durable goods and office equipment as imported by greenfield industries, intending to manufacture taxable goods, during their construction and installation period subject to conditions noted below and issuance of exemption certificate by the Commissioner Inland	Greenfield Industries	6.97
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Revenue having  
jurisdiction:–

88	Sixth Schedule Table I	150(a)	The importer is registered under the Act on or after the first day of July, 2019;	Greenfield Industries	125.65
89	Sixth Schedule Table I	150(b)	The industry is not established by splitting up or reconstruction or reconstitution of an undertaking already in existence or by transfer of machinery or plant from another industrial undertaking in Pakistan	Greenfield Industries	1.15
90	Sixth Schedule Table I	151(a)	Supplies	Manufacturer, General Masses	20,704.87
91	Sixth Schedule Table I	151(b)	Imports of plant, machinery, equipment for installation in tribal areas and of industrial inputs by the industries located in the tribal areas, as defined in the Constitution of	Manufacturer, General Masses	1,779.06

Islamic Republic of  
Pakistan,— as made till  
30th June, 2023, to which  
the provisions of the Act or  
the notifications issued  
thereunder, would have  
not applied had Article  
247 of the Constitution not  
been omitted under the  
Constitution (Twenty fifth  
Amendment) Act, 2018  
(XXXVII of 2018)

92	Sixth Schedule Table I	152	Supplies of electricity, as made from the day of assent to the Constitution (Twenty-fifth Amendment) Act, 2018, till 30th June, 2023, to all residential and commercial consumers in tribal areas, and to such industries in the tribal areas which were set and started their industrial production before 31st May, 2018, but excluding Residential and commercial consumers of electricity in tribal areas except steel and ghee/cooking oil industries	17.73
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			steel and ghee or cooking oil industries		
93	Sixth Schedule Table I	155	Oil cake and other solid residues, whether or not ground or in the form of pellets	General Masses	3,941.04
94	Sixth Schedule Table I	156	Import of CKD kits by local manufacturers of following Electric Vehicles: – (i) Road Tractors for semi- trailers (Electric Prime Movers) (ii) Electric Buses (iii) Three Wheeler Electric Rickshaw (iv) Three Wheeler Electric Loader (v) Electric Trucks (vi) Electric Motorcycle	Local manufacturers of Electric Vehicles, General Masses	5.67
<b>Sub-total of Exemption under Sixth Schedule Table I on Local Supplies</b>					<b>130,234.14</b>

#### 4.1.2.4 Exemption under Sixth Schedule Table II on Local Supplies

						(Rs. In Million)
S.No.	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure	
1	Sixth Schedule Table II	1	Supply of cottonseed exclusively meant for sowing purposes, subject to such conditions as the Board may specify.	Cotton Growers, Agriculture Sector	281.71	
2	Sixth Schedule Table II	2	Supply of locally produced crude vegetable oil obtained from the locally produced seeds [other than cotton seed], except cooking oil, without having undergone any process except the process of washing.	Milling Industry	1,581.29	
3	Sixth Schedule Table II	3	Supplies made by cottage industry.	General Masses	51.54	
4	Sixth Schedule Table II	4	Raw material and intermediary goods manufactured or produced, and services provided or rendered, by a registered person, consumed	Manufacturers	4.06	

in-house for the manufacture of  
goods subject to sales tax.

5	Sixth Schedule Table II	6	Supply of fixed assets against which input tax adjustment is not available under a notification issued in terms of clause (b) of subsection (1) of section 8 of the Sales Tax Act, 1990.	General Masses	69.49
6	Sixth Schedule Table II	7	Breads prepared in tandoors and bakeries, vermicillies, nans, chapattis, sheer mal, bun, rusk	General Masses	4,997.93
7	Sixth Schedule Table II	8	Foodstuff cooked or prepared in-house and served in messes run on the basis of mutuality and industrial canteens for workers.	General Masses	3.37
8	Sixth Schedule Table II	9	Foodstuff and other eatables prepared in the flight kitchens and supplied for consumption on-board in local flights.	General Masses	0.25

9	Sixth Schedule Table II	10	Agricultural produce of Pakistan, not subjected to any further process of manufacture.	Agriculture/General Masses	1,584.63
10	Sixth Schedule Table II	11	Supply of ware potato and [Supply of ware potato and onions	General Masses	115.53
11	Sixth Schedule Table II	15(a)	Sprinkler Equipment	Agriculture	16.68
12	Sixth Schedule Table II	15(b)	Drip Equipment	Agriculture	0.05
13	Sixth Schedule Table II	15(c.)	Spray Pumps and nozzles	Agriculture	0.58
14	Sixth Schedule Table II	21	Poultry feed, cattle feed, sunflower seed meal, rape seed meal and canola seed meal	Poultry/General Masses	41,064.58
15	Sixth Schedule Table II	22	Single cylinder agriculture diesel engines (compression ignition internal combustion piston engines) of 3 to 36 HP.	Agriculture	301.39

16	Sixth Schedule Table II	23	Match boxes	General Masses	795.35
17	Sixth Schedule Table II	30	Milk and cream, concentrated or containing added sugar or other sweetening matter, excluding that sold in retail packing under a brand name	General Masses	1,385.17
18	Sixth Schedule Table II	33	Whey	General Masses	11.78
19	Sixth Schedule Table II	34	Butter	General Masses	53.59
20	Sixth Schedule Table II	35	Desi Ghee	General Masses	15.71
21	Sixth Schedule Table II	36	Cheese	General Masses	403.34
22	Sixth Schedule Table II	40	Live Animals And Live Poultry	Agriculture	1,933.58



23	Sixth Schedule Table II	41	Meat of bovine animals, sheep, goat and uncooked poultry meat excluding those sold in retail packing under a brand name	General Masses	2,142.89
24	Sixth Schedule Table II	42	Fish and crustaceans excluding those sold in retail packaging under a brand name	General Masses	2.95
25	Sixth Schedule Table II	43	Live plants including bulbs, roots and the like	General Masses	2.67
26	Sixth Schedule Table II	44	Cereals other than rice, wheat, wheat and meslin flour	General Masses	1,300.56
27	Sixth Schedule Table II	45	wheat and meslin flour Respective headings 45 Edible vegetables including roots and tubers, except ware potato and onions, whether fresh, frozen or otherwise preserved (e.g. in cold storage) but excluding those bottled or canned.	General Masses	13.68
28	Sixth Schedule Table II	46	Edible fruits	General Masses	19.13

29	Sixth Schedule Table II	47	Sugar cane	General Masses	101.40
30	Sixth Schedule Table II	48	Eggs including eggs for hatching	General Masses	221.31
31	Sixth Schedule Table II	49	Compost (non-commercial fertilizer)	Agriculture sector	83.98
32	Sixth Schedule Table II	50	Locally manufactured laptops, computers, notebooks whether or not incorporating multimedia kit and personal computers	Information Technology/General Masses	1.51
33	Sixth Schedule Table II	51	Newspaper	General Masses	0.92
<b>Sub-total of Exemption under Sixth Schedule Table II on Local Supplies</b>					<b>58,562.59</b>

#### 4.1.2.5 Exemption under Sixth Schedule Table III on Local Supplies

						(Rs. In Million)
S.No.	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure	
1	Sixth Schedule Table III	1	Machinery and equipment for initial installation, balancing, modernization, replacement or expansion of desalination plants, coal firing system, gas processing plants and oil and gas field prospecting.	Petroleum Sector	70.27	
2	Sixth Schedule Table III	2A(iv)	Emergency Operating Lights.	General Masses	1.79	
3	Sixth Schedule Table III	2B(iii)	Intravenous cannula catheter.	General Masses	2.44	
4	Sixth Schedule Table III	2C	Disposable Medical Devices	General Masses	3.38	

5	Sixth Schedule Table III	3(i)	Machinery, equipment, materials, capital goods, specialized vehicles (4x4 non-luxury) i.e. single or double cabin pickups, accessories, spares, chemicals and consumables meant for mine construction phase or extraction phase.	Industrial Undertakings	0.54
6	Sixth Schedule Table III	5(i)	Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through oil, gas, coal, wind and wave energy including under construction projects, which entered into an implementation agreement with the Government of Pakistan.	Energy Sector/General Masses	0.34

7	Sixth Schedule Table III	6(i)	Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through gas, coal, hydel, and oil including under construction projects.	Industrial Sector	0.06
8	Sixth Schedule Table III	6(ii)	Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project.	Industrial Sector	0.51

9	Sixth Schedule Table III	7(i)	Machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through nuclear and renewable energy sources like solar, wind, micro-hydel bio-energy, ocean, waste-to-energy and hydrogen cell.  1 [This exemption in relation to renewable energy shall remain in force up to the 30th June, 2023.]	Industrial Sector	57.65
10	Sixth Schedule Table III	7(ii)	Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project	Industrial Sector	0.16

11	Sixth Schedule Table III	8	Machinery and equipment meant for power transmission and grid stations including under construction projects.  Explanation.- For the purpose of this serial number, “machinery and equipment” shall mean,--	Energy Sector, General Masses	47.22
12	Sixth Schedule Table III	8(i)(b)	apparatus, appliances, metering and testing apparatus, mechanical and electrical control, transmission gear and transmission tower, power transmission and distribution cables and conductors, insulators, damper spacer and hardware and parts thereof adapted to be used in conjunction with the machinery and equipment as specified in clause (a) above;	Energy Sector/General Masses	13.99

13	Sixth Schedule Table III	9	Following machinery, equipment and other education and research related items imported by technical, training institutes, research institutes, schools, colleges and universities:-	Education/General Masses	0.02
14	Sixth Schedule Table III	9(i)	Quartz reactor tubes and holders designed for insertion into diffusion and oxidation furnaces for production of semiconductor wafers.	Education/General Masses	0.01
15	Sixth Schedule Table III	11(i)	Polishing cream or material	Industrial Sector	47.18
16	Sixth Schedule Table III	11(ii)	Fiber glass mesh	Industrial Sector	0.02
17	Sixth Schedule Table III	11(iii)	Chain saw/diamond wire saw in all sizes and dimensions and spares thereof, diamond wire joints all types and	Industrial Sector	3.78



dimensions, chain for  
chain saw and diamond  
wires for wire saw and  
spare widia.

18	Sixth Schedule Table III	11(iv)	Gin saw blades	Industrial Sector	1.60
19	Sixth Schedule Table III	12	Machinery, equipment and other project related items including capital goods, for setting up of hotels, power generation plants, water treatment plants and other infrastructure related projects located in an area of 30 km around the zero point in Gwadar	Gwader Port Development	47.29
20	Sixth Schedule Table III	13	Effluent treatment plants	General Masses	0.15
21	Sixth Schedule Table III	14	Items for use with solar energy:- Solar Power Systems	Energy Sector/General Masses	249.93

22	Sixth Schedule Table III	14(1)	Off-grid/On-grid solar power system (with or without provision for USB/charging port) comprising of :	Energy Sector/General Masses	42.68
23	Sixth Schedule Table III	14(1)(i)	PV Module.	Energy Sector/General Masses	244.46
24	Sixth Schedule Table III	14(1)(ii)	Charge controller )	Energy Sector/General Masses	0.18
25	Sixth Schedule Table III	14(1)(v)	Inverters (off-grid/ on-grid/ hybrid with provision for direct connection/ input renewable energy source and with Maximum Power Point Tracking (MPPT).	Energy Sector/General Masses	0.19
26	Sixth Schedule Table III	14A	Following systems and items for dedicated use with renewable source of energy like solar, wind, geothermal 1 [as imported on or before the 30th June, 2023.]	Energy Sector/General Masses	20.93

27	Sixth Schedule Table III	14A(9)	Pyranometers and accessories for solar data collection	Energy Sector	142.92
28	Sixth Schedule Table III	14A(10)	Solar chargers for charging electronic devices	Energy Sector/General Masses	0.05
29	Sixth Schedule Table III	14A(12)	Wind Turbines.	Energy Sector/General Masses	7.11
30	Sixth Schedule Table III	14A(3b)	Cooling towers.	Energy Sector/General Masses	0.30
31	Sixth Schedule Table III	14A(6a)	Solar Water Heaters with accessories.	Energy Sector/General Masses	4.25
32	Sixth Schedule Table III	14A(6c)	Electronic controller	Energy Sector/General Masses	0.04
33	Sixth Schedule Table III	14A(6c)	Assistant/ Feeding tank	Energy Sector/General Masses	3.48
34	Sixth Schedule Table III	14A(6c)	Circulation Pump	Energy Sector/General Masses	3.57

35	Sixth Schedule Table III	14A(7a )	PV Modules.	Energy Sector/General Masses	13.59
36	Sixth Schedule Table III	15(i)	SMD/LED/LVD lights with or without ballast, fittings and fixtures.	Energy Sector/General Masses	87.71
37	Sixth Schedule Table III	15(ii)	SMD/LED/LVD lights, with or without ballast, PV module, fitting and fixtures	Energy Sector/General Masses	8.65
38	Sixth Schedule Table III	15(iii)	Tubular Day lighting Device	Energy Sector/General Masses	27.87
39	Sixth Schedule Table III	15(ix)	PV module, with or without, the related components including invertors (off-grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT), charge controllers and solar batteries.	Energy Sector/General Masses	249.26

40	Sixth Schedule Table III	15(vii)	Energy saver lamps of varying voltages	Energy Sector/General Masses	0.00
41	Sixth Schedule Table III	15(viii)	Energy Saving Tube Lights.	Energy Sector/General Masses	1.73
42	Sixth Schedule Table III	15(xi)	Water pumps operating on solar energy along with solar pump controllers	Energy Sector/General Masses	1.67
43	Sixth Schedule Table III	15(xv)	Invertors (off-grid/on grid/hybrid) with provision for direct connection/input from renewable energy source and with Maximum Power Point Tracking (MPPT).	Energy Sector/General Masses	1.84
44	Sixth Schedule Table III	15(xvi)	Charge controller/ Current controller.	Energy Sector/General Masses	0.21
45	Sixth Schedule Table III	15A(i)	Housing /shell. Shell cover and base cap for all kinds of LED lights and bulbs	Energy Sector/General Masses	2.54

46	Sixth Schedule Table III	15A(ii)	Bare and stuffed Metal Clad Printed Circuit Boards (MCPCB) for LED	Energy Sector/General Masses	30.12
47	Sixth Schedule Table III	15A(iii)	Constant Current Power Supply for of LED Lights and Bulbs (1-300W)	Energy Sector/General Masses	10.80
48	Sixth Schedule Table III	16	Plant, machinery, equipment and specific items used in production of bio-diesel.	Energy Sector	0.03
49	Sixth Schedule Table III	18(xiv)	Power supply	General Masses	0.10
50	Sixth Schedule Table III	19	Plant and machinery, except the items listed under Chapter 87 of the Pakistan Customs Tariff, imported for setting up of a Special Economic Zone (SEZ) by zone developers and for installation in that zone by zone enterprises, on one time basis as prescribed in the SEZ Act, 2012 and rules	Special Economic Zone (SEZ)	2.71

thereunder subject to  
such condition, limitations  
and restriction as a  
Federal Board of  
Revenue may impose  
from time to time

51	Sixth Schedule Table III	20	Plant and machinery for General Masses the assembly/ manufacturing of electric vehicles	0.66
<b>Sub-total of Exemption under Sixth Schedule Table III on Local Supplies</b>				<b>1,457.99</b>
<b>Total of Exemption under Sixth Schedule on Local Supplies</b>				<b>190,254.71</b>
<b>Less 30% adjustment on account of value addition of Local Supplies</b>				<b>57,076.41</b>
<b>Total of Exemption under Sixth Schedule on Local Supplies after Adjustment</b>				<b>133,178.30</b>

#### 4.1.2.6 Exemption under Sixth Schedule Table I at Import Stage

(Rs. In Million)

S. No.	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure
1	Sixth Schedule Table I	1	Live animals and live poultry	General Masses	714.87
2	Sixth Schedule Table I	2	Meat of bovine animals, sheep and goat, excluding poultry and offal, whether or not fresh, frozen	General Masses	30.61

			or otherwise, preserved or packed		
3	Sixth Schedule Table I	3	Fish and crustaceans excluding live fish whether or not fresh, frozen or otherwise preserved or packed	General Masses	13.75
4	Sixth Schedule Table I	11	Eggs including eggs for hatching	General Masses	22.17
5	Sixth Schedule Table I	12	Live plants including bulbs, roots and the like.	General Masses	21.17
6	Sixth Schedule Table I	13	Edible vegetables imported from Afghanistan including roots and tubers, except ware potato and onions, whether fresh, frozen or otherwise preserved (e.g. in cold storage) but excluding those bottled or canned.	General Masses	3,695.90
7	Sixth Schedule Table I	14	Pulses.	General Masses	17,820.97
8	Sixth Schedule Table I	15	Edible fruits imported from Afghanistan ( excluding fresh apples 0808.1000) whether	General Masses	2,965.13



			fresh, frozen or otherwise preserved but excluding those bottled or canned.		
9	Sixth Schedule Table I	16	Red chillies excluding those sold in retail packing bearing brand names and trademarks.	General Masses	52.55
10	Sixth Schedule Table I	17	Ginger excluding those sold in retail packing bearing brand names and trademarks.	General Masses	1,978.51
11	Sixth Schedule Table I	18	Turmeric excluding those sold in retail packing bearing brand names and trademarks.	General Masses	11.03
12	Sixth Schedule Table I	19	Rice, wheat, wheat and muslin flour (respective headings)	General Masses	19,425.80
13	Sixth Schedule Table I	20	Seeds, fruit and spores of a kind used for sowing.	Agriculture Sector	1,939.17
14	Sixth Schedule Table I	21	Cinchona bark.	Agriculture Sector	0.06
15	Sixth Schedule Table I	24	Edible oils and vegetable ghee, including cooking oil, on which federal excise duty is charged, levied and collected by a	General Masses	403.24

registered manufacturer or importer as if it were a tax payable under section 3 of the act. Explanation.— exemption of this entry shall not be available on local supply made by importers, distributors, wholesalers or retailers.

16	Sixth Schedule Table I	31	Holy Quran, complete or in parts, with or without translation; Quranic verses recorded on any analogue or digital media; other holy books.	General Masses	27.88
17	Sixth Schedule Table I	32	Newsprint and books but excluding brochures, leaflets and directories (respective headings)	General Masses	1,289.00
18	Sixth Schedule Table I	45	Dextrose and saline infusion giving sets along with empty non-toxic bags for infusion solution, dextrose and saline infusion giving sets, artificial parts of the body, intra-ocular lenses and glucose testing equipment.	Health/General Masses	1,209.47

19	Sixth Schedule Table I	46	Goods imported by various UN agencies of the united nations, Organizations diplomats, diplomatic missions, privileged persons and privileged organizations which are covered under various acts and orders, rules and regulations made there under by the federal government provided that said goods are charged at zero rate of custom duty under custom act 1969(iv of 1969) and the condition laid therein.	114.17
20	Sixth Schedule Table I	47	Import of articles of household and personal effects including vehicles and also the goods for donation to projects established in Pakistan imported by any of the rulers of gulf sheikhdoms who is in possession of residential accommodation in Pakistan and goods including vehicles by the united Arab Emirates dignitaries as are listed in column (2) against heading	0.01

no. 99.05 in column (1) of the first schedule to the customs act, 1969 (iv of 1969) for their personal use and for donation to welfare projects established in Pakistan subject to the similar conditions as are envisaged for the purposes of applying zero-rate of customs duty on such goods under the said act. (pct 99.05)

21	Sixth Schedule Table I	48	Goods imported or supplied under grants-in-aid for which a specific consent has been obtained from the board; supplies and imports under agreements signed by the government of Pakistan before the 30th June, 1996, provided the agreements contained the provision for exemption of tax at the time of signing of agreement. (PCT 99.03)	International Aid	1,172.35
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22	Sixth Schedule Table I	52	Goods imported by or donated to hospitals run by the federal or provincial government; and non-profit making educational and research institutions, limitations, conditions and procedures as are envisaged for the purpose of applying zero-rate of customs duty on such goods under the customs act, 1969 (iv of 1969)	Health/General Masses	33.38
23	Sixth Schedule Table I	59	Artificial kidneys, eye cornea, hemodialysis machine hemodialyzers, a.v. fistula needles, hemodialysis fluids and powder, blood tubing tines for dialysis and reverse osmosis plants for dialysis, double lumen catheter for dialysis, catheter for renal failure patient and peritoneal dialysis solution, cochlear implants systems] and angioplasty equipment (balloons, catheters, wires and stents), subject to the similar conditions and procedures as	Health/General Masses	383.22

are envisaged for the purpose of applying zero-rate of customs duty on these goods under the customs act, 1969 (iv of 1969) (PCT 99.24, 99.25, 99.37 and 99.38 )

24	Sixth Schedule Table I	60	Contraceptives and accessories thereof.	Health/General Masses	229.81
25	Sixth Schedule Table I	61	Goods produced or manufactured in and exported from Pakistan which are subsequently imported in Pakistan within one year of their exportation.	Manufacturing/ Exporters	1,880.39
26	Sixth Schedule Table I	72	Uncooked poultry meat whether or not fresh, frozen or otherwise, preserved or packed	Poultry/Genera I Masses	2.52
27	Sixth Schedule Table I	84	Preparations suitable for infants, put up for retail sale	Manufacturer/ General Masses	1,816.83
28	Sixth Schedule Table I	86	Colors in sets (poster colors)	Manufacturer/ General Masses	28.05

29	Sixth Schedule Table I	87	Writing, drawing and marking inks	Manufacturer/ General Masses	50.54
30	Sixth Schedule Table I	88	Erasers	Manufacturer/ General Masses	96.27
31	Sixth Schedule Table I	89	Exercise books	Manufacturer/ General Masses	6.40
32	Sixth Schedule Table I	90	Pencil sharpeners	Manufacturer/ General Masses	7.81
33	Sixth Schedule Table I	92	Sewing machines of the household type	Manufacturer/ General Masses	8.10
34	Sixth Schedule Table I	94	Wheelchairs	Manufacturer/ General Masses	199.73
35	Sixth Schedule Table I	96	Other drawing, marking out or mathematical calculating instruments (geometry box)	Manufacturer/ General Masses	9.15
36	Sixth Schedule Table I	97	Pens, ball pens, markers and porous tipped pen	Manufacturer/ General Masses	143.65

37	Sixth Schedule Table I	98	Pencils including color pencils	Manufacturer/ General Masses	513.41
38	Sixth Schedule Table I	99	Compost (non-chemical fertilizer) produced and supplied locally	Fertilizer Sector	0.06
39	Sixth Schedule Table I	100	Construction materials to Gwadar export processing zone's investors and to export processing zone Gwadar for development of zone's infrastructure	Gwadar EPZ	131.37
40	Sixth Schedule Table I	100A	Materials and equipment (plant, machinery, equipment, appliances and accessories) for construction and operation of Gwadar port and development of free zone for Gwadar port as imported by or supplied to china overseas ports holding company limited (COPHCL) and its operating companies namely china overseas ports holding company Pakistan limited (ii) Gwadar international terminal limited (iii) Gwadar marine services limited (iv) Gwadar	(i) China overseas ports holding company Pakistan (private) limited (ii) Gwadar overseas ports holding company international terminal limited (iii) Gwadar marine services limited (iv) Gwadar	5.67



terminal limited, (iii) Gwadar free zone marine services limited and (iv) company Gwadar free zone company limited, limited, their contractors and sub-contractors; and ship bunker oils bought and sold to the ships calling on/visiting Gwadar port, by the aforesaid operating companies having concession agreement with the Gwadar port authority, for a period of forty year, subject to conditions and procedures ...

41	Sixth Schedule Table I	100C	Vehicles imported by china (i) china overseas ports holding company limited (COPHCL) and its holding operating companies namely (i) china overseas ports holding Pakistan company Pakistan (private) limited (ii) Gwadar international terminal limited, (iii) Gwadar marine services limited and (iv) Gwadar free zone company limited, for a period of twenty- three years for construction,	(i) china overseas ports holding Pakistan (private) limited (ii) Gwadar international terminal limited (iii) Gwadar marine services limited	4.56
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development and operations of (iv) Gwadar  
 Gwadar port and free zone area free zone  
 subject to limitations, conditions company  
 prescribed ... limited,

42	Sixth Schedule Table I	100D	<p>Machinery, equipment, materials and goods imported either for exclusive use within the limits of Gwadar free zone, or for making exports therefrom, subject to the conditions that such machinery, equipment, materials and goods, are imported by investors of Gwadar free zone, and all the procedures, limitations and restrictions as are applicable on such goods under the customs act, 1969 (act iv of 1969) and rules made thereunder shall, mutatis mutandis, apply. Provided also that if any of such goods is taken out of the zone for purpose other than the export, the tax on the same shall be paid by the importer. This sr has been</p>	Gwadar EPZ	3.03
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			added through presidential ordinance named tax law (amendment ) ordinance 2019		
43	Sixth Schedule Table I	102	Machinery, equipment and materials imported either for exclusive use within the limits of export processing zone or for making exports therefrom, and goods imported for warehousing purpose in export processing zone, subject to the conditions that such mac	Manufacturer/ Exporters EPZ	329.70
44	Sixth Schedule Table I	104	Substances registered as drugs under the drugs act, 1976 (xxxi of 1976) and medicaments as are classifiable under chapter 30 of the first schedule to the customs act, 1969 (iv of 1969) except the following, even if medicated or medicinal in nature, namely	Pharmaceutica I Industries	73,747.19

45	Sixth Schedule Table I	105	Raw materials for the basic manufacture of pharmaceutical active ingredients and for manufacture of pharmaceutical products, provided that in case of import, only such raw materials shall be entitled to exemption which are liable to customs duty not exceeding 11% advalorem, either under the first or fifth schedule to the customs act, 1969 (iv of 1969) or under a notification issued under section 19 thereof.	Pharmaceutica I Industries	15,350.53
46	Sixth Schedule Table I	110	The following items with dedicated use of renewable source of energy like solar and wind, subject to certification by the alternative energy development board (AEDB), Islamabad:- as listed at sub-serial number (a) to (j).	Energy Sector/General Masses	21.99
47	Sixth Schedule Table I	112	Cardiology/cardiac surgery, neurovascular, electrophysiology, endosurgery,	Health/General Masses	1,052.79

endoscopy, oncology, urology, gynaecology, disposables and other equipment as stated in serial 112 of table i of 6th schedule.

48	Sixth Schedule Table I	113	High efficiency irrigation equipment. (if used for agriculture sector) 1 submersible pumps (up to 75 lbs and head 150 meters) 2) sprinklers including high and low pressure (center pivotal) system, conventional sprinkler equipment, water reel travel. Hs code 8424.8200 inserted in the light of clarification issued vide c.no.4/24-stb/2017 /86031-r dated 14.07.2017	Agriculture Sector	115.17
49	Sixth Schedule Table I	114	Green house farming and other greenhouse equipment consisting of plastic covering and mulch film, anit-insect net and shade net (if used for agriculture sector) 1) tunnel farming	Agriculture Sector	37.84

equipment. 2) greenhouses  
(prefabricated).

50	Sixth Schedule Table I	120	Diagnostic kits or equipment specified therein ...	Health/General Masses	3,845.73
51	Sixth Schedule Table I	121	Blood bag cpda-1 with blood transfusion set pack in ammonium foil with set	Health/General Masses	170.54
52	Sixth Schedule Table I	122	Urine drainage bags	Health/General Masses	46.47
53	Sixth Schedule Table I	126	Machinery, equipment and tools for setting up maintenance, repair and overhaul (MRO) workshop by MRO company recognized by aviation division	Industrial Undertakings	0.01
54	Sixth Schedule Table I	127	Operational tools, machinery, equipment and furniture and fixtures on one-time basis for setting up greenfield airports by a company authorized by aviation division	Airlines	0.25

55	Sixth Schedule Table I	129	Import of plant, machinery and production line equipment used for the manufacturing of mobile phones by the local manufacturers of mobile phones duly certified by Pakistan telecommunication authority	Manufacturer/ General Masses	98.73
56	Sixth Schedule Table I	130	Sodium iron (na fe edta), and other premixes of vitamins, minerals and micro-nutrients (food grade) and subject to conditions imposed for importation under the customs act, 1969	Health/General Masses	105.47
57	Sixth Schedule Table I	131	Laptop computers, notebooks whether or not incorporating multimedia kit	General Masses	2,878.07
58	Sixth Schedule Table I	132	Personal computers	General Masses	2,599.18
59	Sixth Schedule Table I	133	Pesticides and their active ingredients registered by the department of plant protection under the agricultural pesticides ordinance, 1971 (ii of 1971),	Agriculture Sector	14,049.79

stabilizers, emulsifiers and  
solvents specified therein ...

60	Sixth Schedule Table I	134	Goods received as gift or donation from a foreign government or organization by the federal or provincial governments or any public sector organization subject to recommendations of the cabinet division and concurrence by the federal board of revenue	General Masses	223.63
61	Sixth Schedule Table I	135	Sunflower and canola hybrid seeds meant for sowing	Agriculture Sector	96.38
62	Sixth Schedule Table I	136	Combined harvesters up to five years old	Agriculture Sector	31.26
63	Sixth Schedule Table I	137	Paper weighing 60 g/m2, art paper, printing paper and art card for printing of holy Quran imported by federal or provincial governments and Nashiran-e-Quran as per quota determined by IOCO	General Masses	74.94



64	Sixth Schedule Table I	138	Fish feed	General Masses	1.90
65	Sixth Schedule Table I	139	Fans for dairy farms	Dairy Sector/General Masses	9.86
66	Sixth Schedule Table I	140	Bovine semen	Dairy Sector/General Masses	54.33
67	Sixth Schedule Table I	141	Preparation for making animal feed	Dairy Sector/General Masses	1,457.40
68	Sixth Schedule Table I	142	Promotional and advertising material including technical literature, pamphlets, brochures and other giveaways of no commercial value, distributed free of cost by the exhibitors	General Masses	1.65
69	Sixth Schedule Table I	143	Hearing aids (all types and kinds) hearing assessment equipment; (a) audiometers (b) tympanometer (c) ABR (d) OTO acoustic omission	Health/General Masses	205.94

70	Sixth Schedule Table I	150	Plant and machinery excluding consumer durable goods and office equipment as imported by greenfield industries, intending to manufacture taxable goods, during their construction and installation period subject to conditions noted below and issuance of exemption certificate by the commissioner inland revenue having jurisdiction:- conditions: (a) the importer is registered under the act on or after the first day of July, 2019; and (b) the industry is not established by splitting up or reconstruction or reconstitution of an undertaking already in existence or by transfer of machinery or plant from another industrial undertaking in Pakistan	Agriculture Sector	314.57
71	Sixth Schedule Table I	151(I)	Supplies and imports of plant, machinery, equipment for installation in tribal areas and of	Manufacturing Sector/General Masses	15,307.22

			industrial inputs by the industries located in the tribal areas, as defined in the constitution of Islamic Republic of Pakistan subject to furnishing of security		
72	Sixth Schedule Table I	151(II)	Imports of plant, machinery, equipment for installation in tribal areas and of industrial inputs by the industries located in the tribal areas, as defined in the constitution of Islamic Republic of Pakistan subject to furnishing of security with reference to STGO 14 of 2022 dated 16-04-2022.	Manufacturing Sector/General Masses	1,384.96
73	Sixth Schedule Table I	154	Dietetic foods intended for consumption by children suffering from inherent metabolic disorder subject to the conditions that the importer shall acquire approval and quota from ministry of national health services, regulations and coordination.	Health/General Masses	20.04

74	Sixth Schedule Table I	156(II)	Electric buses (respective heading)	General Masses	3.81
75	Sixth Schedule Table I	156(III)	Three wheeler electric rickshaw (respective heading)	General Masses	4.41
76	Sixth Schedule Table I	156(IV )	Three wheeler electric loader (respective heading)	General Masses	11.82
77	Sixth Schedule Table I	156(VI )	Electric motorcycle(respective heading)	General Masses	18.32
78	Sixth Schedule Table I	157	Import of CKD kits for the following electric vehicles (4 wheelers) by local manufacturers till the 30th day of June, 2026:– (a) small cars and SUVs with 50 kwh battery or below; and (b) light commercial vehicles (LCVS) with 150 kwh battery or below.	General Masses	1.92
79	Sixth Schedule Table I	158	Goods temporarily imported into Pakistan by international athletes or sportsmen which would be subsequently taken	International Athletes	3.72

back by them within 120 days of  
temporary import

80	Sixth Schedule Table I	159	Import of auto disable syringes till 30th June, 2021 (i) with needles (9018.3110) (ii) without needles (9018.3120)	Health/General Masses	1.54
81	Sixth Schedule Table I	160	Import of following raw materials for the manufacturers of auto disable syringes till 30th June, 2021 (i) tubular metal needles (9018.3200) (ii) rubber gaskets (4016.9310)	Manufacturer/ General Masses	5.85
82	Sixth Schedule Table I	160	Import of following raw materials for the manufacturers of auto disable syringes till 31st December 2021 (i) tubular metal needles (ii) rubber gaskets	Health/General Masses	8.64
83	Sixth Schedule Table I	161	Import of plant, machinery, equipment and raw materials for consumption of these items within special technology zone by the special technology zone authority, zone developers and zone enterprises.	Special Technology Zones	38.95

84	Sixth Schedule Table I	162	Import of raw materials, components, parts and plant and machinery by registered persons authorized under export facilitation scheme, 2021 notified by the board with such conditions, limitations and restrictions.	Export Sector	9.82
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**Sub-total of Exemption under Sixth Schedule Table I at Import Stage 192,204.16**

**4.1.2.7 Exemption under Sixth Schedule Table III at Import Stage**

**(Rs. In Million)**

<b>S.No.</b>	<b>Schedule</b>	<b>Serial</b>	<b>Description</b>	<b>Intended Beneficiary</b>	<b>Tax Expenditure</b>
1	Sixth Schedule Table III	1	Exemption of sales tax on machinery and equipment for initial installation, balancing, modernization, replacement or expansion of desalination plants, coal-firing system, gas processing plants and oil and gas field prospecting. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Petroleum Sector	14.55

2	Sixth Schedule Table III	2	Exemption of sales tax @ 0% on machinery, equipment, apparatus, and medical, surgical, dental and veterinary furniture, materials, fixture and fittings imported by hospitals and medical or diagnostic institutes - subject to condition given at s.no. 2 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table- 3 of 6th schedule to the sales tax act, 1990.	Health/Gener al Masses	1.41
3	Sixth Schedule Table III	2.A5	Exemption of sales tax @ 0% on 5) hospital beds with mechanical fittings. -medical equipment- machinery, equipment, apparatus, and medical, surgical, dental and veterinary furniture, materials, fixtures and fittings imported by hospitals and medical or diagnostic institutes-subject	Health/Gener al Masses	0.66

to conditions. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

4	Sixth Schedule Table III	2.A9	Exemption of sales tax @ 0% on 9) contrast media injections (for use in angiography & MRI etc). - medical equipment-machinery, equipment, apparatus, and medical, surgical, dental and veterinary furniture, materials, fixtures and fittings imported by hospitals and medical or diagnostic institutes-subject to conditions. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Health/General Masses	0.02
5	Sixth Schedule Table III	2.C1	Exemption of sales tax @ 0% on self-disabling safety sterile syringes. -disposable medical	Health/General Masses	1.26



devices imported by hospitals and medical or diagnostic institutes--subject to conditions. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

6	Sixth Schedule Table III	2.D2	Exemption of sales tax @ 0% on fixtures & fittings for hospitals. -other related equipment's imported by hospitals and medical or diagnostic institutes-subject to conditions. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Health/Gener al Masses	0.04
7	Sixth Schedule Table III	3.1	Exemption of sales tax @ 5% on machinery, equipment, materials, capital goods, specialized vehicles (4x4 non luxury) i.e single or double cabin pickups, accessories,	Industrial Undertakings	178.43

spares, chemicals and consumables meant for mine construction phase or extraction phase subject to condition given at s.no. 3 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

8	Sixth Schedule Table III	4	Exemption of sales tax @ 0% on coal mining machinery, equipment, spares including vehicles for site use i.e single or double cabin pick-ups and dump trucks imported for thar coal field - subject to condition given at s.no. 4 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Mining Sector	1,849.89
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9	Sixth Schedule Table III	5.1	Exemption of sales tax @ 0% on machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through oil, gas, coal, wind and wave energy including under construction projects, which entered into an implementation agreement with the Government of Pakistan. -subject to condition given at s.no. 5 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Industrial Sector	10,639.94
10	Sixth Schedule Table III	5.2	Exemption of sales tax @ 0% on construction machinery, equipment and specialized vehicles, excluding	Industrial Sector	10.93

passenger vehicles, imported on temporary basis as required for the construction of project. -subject to condition given at s.no. 5 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

11	Sixth Schedule Table III	6.1	Exemption of sales tax @ 0% on machinery, equipment and spares meant for initial installation, balancing, modernization, replacement or expansion of projects for power generation through gas, coal, hydel, and oil including under construction projects. -subject to condition given at s.no. 6 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the	Industrial Sector	21,276.25
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preamble of table-3 of 6th  
schedule to the sales tax act,  
1990.

12	Sixth Schedule Table III	6.2	Exemption of sales tax @ 0% on construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project. -subject to condition given at s.no. 6 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table- 3 of 6th schedule to the sales tax act, 1990.	Industrial Sector	89.87
13	Sixth Schedule Table III	7.1	Exemption of sales tax @ 0% on machinery, equipment and spares meant for initial installation, balancing, modernization, replacement	Industrial Sector	14,557.87

or expansion of projects for power generation through nuclear and renewable energy sources like solar, wind, micro-hydel bio-energy, ocean, waste-to-energy and hydrogen cell etc. -subject to condition given at s.no. 7 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

14	Sixth Schedule Table III	7.2	Exemption of sales tax @ 0% on construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the construction of project. -the expression "projects for power generation" means any project for generation of	Industrial Sector	185.74
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electricity whether small, medium or large and whether for supply to the national grid or to any other user or for in house consumption. -subject to condition given at s.no. 7 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

15	Sixth Schedule Table III	8.1	Exemption of sales tax @ 0% on machinery and equipment meant for power transmission and grid stations including under construction projects. Subject to condition given at s.no. 8 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Energy Sector/Gener al Masses	4,189.34
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16	Sixth Schedule Table III	9.13	Exemption of sales tax @ 0% on 13) networking equipment's like routers, land bridges, hubs excluding switches and repeaters.- machinery, equipment and other education and research related items imported by technical, training institutes, research institutes, schools, colleges and universities- subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Education/Ge neral Masses	0.04
17	Sixth Schedule Table III	9.14	Exemption of sales tax @ 0% on 14) other furnaces and ovens.- machinery, equipment and other education and research related items imported by technical, training institutes, research institutes, schools, colleges and universities- subject to conditions given in	Education/Ge neral Masses	0.04



the preamble of table-3 of 6th  
schedule to the sales tax act,  
1990.

18	Sixth Schedule Table III	9.23	Exemption of sales tax @ 0% on 23) spares, accessories and reagents for scientific equipment's.- machinery, equipment and other education and research related items imported by technical, training institutes, research institutes, schools, colleges and universities- subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Education/Ge neral Masses	0.00
19	Sixth Schedule Table III	9.5	Exemption of sales tax @ 0% on 5) personal weighing machines, including baby scales; household scales.- machinery, equipment and other education and research related items imported by	Education/Ge neral Masses	0.02

technical, training institutes, research institutes, schools, colleges and universities- subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

20	Sixth Schedule Table III	11.2	Exemption of sales tax @ 0% on 2) fiber glass mesh- machinery and equipment for marble, granite and gem stone extraction and processing industries. - subject to condition given at s.no. 11 of annexure of table- iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Industrial Sector	0.22
21	Sixth Schedule Table III	11.5	Exemption of sales tax @ 0% on 5) gang saw blades/ diamond saw blades/ multiple blades or all types and	Industrial Sector	1.15

dimensions. -machinery and equipment for marble, granite and gem stone extraction and processing industries. - subject to condition given at s.no. 11 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

22	Sixth Schedule Table III	11.7	Exemption of sales tax @ 0% on 7) machine and tool for stone work; sand blasting machines; tungsten carbide tools; diamond tools & segments (all type & dimensions), hydraulic jacking machines, hydraulic manual press machines, air/hydro pillows, compressed air rubber pipes, hydraulic drilling machines, manual and power drilling machines, steel	Industrial Sector	23.29
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drill rods and spring (all sizes and dimensions), whole finding system with accessories, manual portable rock drills, cross cutter and bridge cutters.-machinery and equipment for marble, granite and gem stone extraction and processing industries. Subject to condition given at s.no. 11 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

23	Sixth Schedule Table III	12	Exemption of sales tax @ 0% on machinery, equipment and other project related items including capital goods, for setting up of hotels, power generation plants, water treatment plants and other infrastructure related projects	Gwadar Port Development	43.79
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located in an area of 30 km around the zero point in Gwadar. Subject to condition given at s.no. 12 of annexure of table-iii of 6th schedule to the sales tax act, 1990. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

24	Sixth Schedule Table III	13	Exemption of sales tax @ 0% on effluent treatment plants- subject to conditions. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	General Masses	29.65
25	Sixth Schedule Table III	14	Following items for use with solar energy, solar power systems	Energy Sector/General Masses	666.06
26	Sixth Schedule Table III	14.1.I	Off-grid/on-grid solar power system (with or without provision for usb/charging port) comprising of : i. PV module.	Energy Sector/General Masses	827.15

27	Sixth Schedule Table III	14.1.II	Charge controller.	Energy Sector/Gener al Masses	2.07
28	Sixth Schedule Table III	14.1.III	Batteries for specific utilization with the system (not exceeding 50 ah in case of portable system).	Energy Sector/Gener al Masses	0.73
29	Sixth Schedule Table III	14.1.IV	Essential connecting wires (with or without switches).	Energy Sector/Gener al Masses	0.40
30	Sixth Schedule Table III	14.1.V	Inverters (off-grid/ on-grid/ hybrid with provision for direct connection/ input renewable energy source and with maximum power point tracking (MPPT).	Energy Sector/Gener al Masses	695.53
31	Sixth Schedule Table III	14A.1.A	Following systems and items for dedicated use with renewable source of energy like solar, wind, geothermal etc. 1. (a) solar parabolic trough power plants.	Energy Sector/Gener al Masses	8.62
32	Sixth Schedule Table III	14A.1.B. V	Sun tracking control system.	Energy Sector/Gener al Masses	0.34

33	Sixth Schedule Table III	14A.1.B. VI	Control panel with other accessories.	Energy Sector/Gener al Masses	0.97
34	Sixth Schedule Table III	14A.2.B.I	Parts for solar dish sterling engine. (i). Solar concentrating dish.	Energy Sector/Gener al Masses	4.55
35	Sixth Schedule Table III	14A.3.B.I I	Cooling towers.	Energy Sector/Gener al Masses	0.92
36	Sixth Schedule Table III	14A.3.B. VI	Charging & testing equipment.	Energy Sector/Gener al Masses	0.44
37	Sixth Schedule Table III	14A.4.B.I	Parts for solar desalination system, (i). Solar photo voltaic panels.	Energy Sector/Gener al Masses	569.40
38	Sixth Schedule Table III	14A.4.B.I V	Charge controllers.	Energy Sector/Gener al Masses	4.15
39	Sixth Schedule Table III	14A.4.B. V	Inverters (off grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with maximum power point tracking (MPPT)	Energy Sector/Gener al Masses	57.19

40	Sixth Schedule Table III	14A.5	Solar thermal power plants with accessories.	Energy Sector/Gener al Masses	10.87
41	Sixth Schedule Table III	14A.6.B.I V	Copper and aluminum tubes	Energy Sector/Gener al Masses	14.12
42	Sixth Schedule Table III	14A.6.C.I	Accessories: (i). Electronic controller	Energy Sector/Gener al Masses	1.27
43	Sixth Schedule Table III	14A.6.C.I I	Assistant/ feeding tank	Energy Sector/Gener al Masses	0.00
44	Sixth Schedule Table III	14A.6.C.I II	Circulation pump	Energy Sector/Gener al Masses	12.49
45	Sixth Schedule Table III	14A.6.C.I V	Electric heater/ immersion rod (one piece with one solar water heater)	Energy Sector/Gener al Masses	3.94
46	Sixth Schedule Table III	14A.6.C. V	Solenoid valve (one piece with one solar water heater)	Energy Sector/Gener al Masses	0.02
47	Sixth Schedule Table III	14A.6.C. VI	Selective coating for absorber plates	Energy Sector/Gener al Masses	0.32



48	Sixth Schedule Table III	14A.7.A	PV modules.	Energy Sector/Gener al Masses	5,513.84
49	Sixth Schedule Table III	14A.7.B.I	Parts for PV modules, (i). Solar cells.	Energy Sector/Gener al Masses	199.73
50	Sixth Schedule Table III	14A.7.B.I I	Tempered glass.	Energy Sector/Gener al Masses	15.92
51	Sixth Schedule Table III	14A.7.B.I II	Aluminum frames.	Energy Sector/Gener al Masses	3.46
52	Sixth Schedule Table III	14A.7.B.I V	O-ring.	Energy Sector/Gener al Masses	0.01
53	Sixth Schedule Table III	14A.7.B. V	Flux.	Energy Sector/Gener al Masses	0.25
54	Sixth Schedule Table III	14A.7.B. VII	Junction box & cover.	Energy Sector/Gener al Masses	0.57
55	Sixth Schedule Table III	14A.7.B. VIII	Sheet mixture of paper and plastic	Energy Sector/Gener al Masses	0.91

56	Sixth Schedule Table III	14A.7.B.I X	Ribbon for PV modules (made of silver & lead).	Energy Sector/Gener al Masses	4.35
57	Sixth Schedule Table III	14A.7.B. XI	Eva (ethyl vinyl acetate) sheet (chemical).	Energy Sector/Gener al Masses	2.17
58	Sixth Schedule Table III	14A.8.VII I	Aluminum and silver paste.	Energy Sector/Gener al Masses	0.01
59	Sixth Schedule Table III	14A.9	Pyrometers and accessories for solar data collection.	Energy Sector/Gener al Masses	0.68
60	Sixth Schedule Table III	14A.12.B .I	Turbine with generator/ alternator.	Energy Sector/Gener al Masses	14.48
61	Sixth Schedule Table III	14A.12.B .III	Blades.	Energy Sector/Gener al Masses	0.37
62	Sixth Schedule Table III	14A.12.B .IV	Pole/ tower.	Energy Sector/Gener al Masses	0.11
63	Sixth Schedule Table III	14A.12.B .V	Inverter for use with wind turbine.	Energy Sector/Gener al Masses	1.72

64	Sixth Schedule Table III	14A.15	Any other item approved by the alternative energy development board (AEDB) and concurred to by the FBR.	Energy Sector/Gener al Masses	23.89
65	Sixth Schedule Table III	15.I	Following items for promotion of renewable energy technologies or for conservation of energy: -  (i). SMD/LED/LVD lights with or without ballast, fittings and fixtures.	Energy Sector/Gener al Masses	1.63
66	Sixth Schedule Table III	15.II	SMD/LED/LVD lights, with or without ballast, pv module, fitting and fixtures	Energy Sector/Gener al Masses	1.08
67	Sixth Schedule Table III	15.V	Solar torches.	Energy Sector/Gener al Masses	4.03
68	Sixth Schedule Table III	15.VI	Lanterns and related instruments.	Energy Sector/Gener al Masses	4.53
69	Sixth Schedule Table III	15.VIII	Led bulb/tube lights.	Energy Sector/Gener al Masses	6.67

70	Sixth Schedule Table III	15.IX	PV module, with or without, the related components including invertors (off-grid/on grid/ hybrid) with provision for direct connection/input from renewable energy source and with maximum power point tracking (MPPT), charge controllers and solar batt	Energy Sector/Gener al Masses	817.76
71	Sixth Schedule Table III	15.X	Light emitting diodes (light emitting in different colors).	Energy Sector/Gener al Masses	1.02
72	Sixth Schedule Table III	15.XI	Water pumps operating on solar energy along with solar pump controllers	Energy Sector/Gener al Masses	16.49
73	Sixth Schedule Table III	15.XII	Energy saver lamps of varying voltages	Energy Sector/Gener al Masses	6.09
74	Sixth Schedule Table III	15.XIII	Energy saving tube lights.	Energy Sector/Gener al Masses	9.81
75	Sixth Schedule Table III	15.XV	Invertors (off-grid/on grid/hybrid) with provision for direct connection/input from renewable energy source and	Energy Sector/Gener al Masses	325.91

with maximum power point tracking (MPPT).

76	Sixth Schedule Table III	15.XVI	Charge controller/ current controller. Provided that exemption under this serial shall be available with effect from 01.07.2016. (xvi). Charge controller/ current controller. Provided that exemption under this serial shall be available with effect	Energy Sector/Gener al Masses	0.32
77	Sixth Schedule Table III	15A.I	Parts and components for manufacturing led lights: - (i). Housing /shell. Shell cover and base cap for all kinds of led lights and bulbs if imported by led light manufacturers registered under the sales tax act, 1990 subject to annual quota determination by the input output co-efficient organization (IOCO)	Energy Sector/Gener al Masses	721.20

78	Sixth Schedule Table III	15A.II	Bare and stuffed metal clad printed circuit boards (MCPCB) for led if imported by led light manufacturers registered under the sales tax act, 1990 subject to annual quota determination by the input output co-efficient organization (IOCO)	Energy Sector/Gener al Masses	77.98
79	Sixth Schedule Table III	15A.III	Constant current power supply for of led lights and bulbs (1-300w) if imported by led light manufacturers registered under the sales tax act, 1990 subject to annual quota determination by the input output co-efficient organization (IOCO)	Energy Sector/Gener al Masses	335.89
80	Sixth Schedule Table III	15A.IV	Lenses for led lights and bulbs if imported by led light manufacturers registered under the sales tax act, 1990 subject to annual quota determination by the input	Energy Sector/Gener al Masses	187.02

output co-efficient  
organization (IOCO)”

81	Sixth Schedule Table III	15B	CKD kits for single cylinder agriculture diesel engines (compression-ignition internal combustion piston engines) of 3 to 36 hp.	Energy Sector/Gener al Masses	183.23
82	Sixth Schedule Table III	15.2	Exemption of sales tax @ 0% on 2. SMD, LEDS with or without ballast with fittings and fixtures. -items for promotion of renewable energy technologies. Subject to conditions. Subject to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.	Energy Sector/Gener al Masses	5.65
83	Sixth Schedule Table III	15.4	Exemption of sales tax @ 0% on 4. Solar torches. -items for promotion of renewable energy technologies. Subject	Energy Sector/Gener al Masses	0.01

to conditions given in the preamble of table-3 of 6th schedule to the sales tax act, 1990.

84	Sixth Schedule Table III	15.6	Exemption of sales tax @ 0% on 6. Pv module, with or without, the related components including invertors, charge controllers and batteries-items for promotion of renewable energy technologies subject to certification by alternative energy development board (AEDB), Islamabad that the inverters, charge controllers and batteries being imported are in quantities which commensurate with the pv modules being imported. - subject to conditions. Subject to conditions given in the preamble of table-3 of 6th	Energy Sector/Gener al Masses	49.52
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schedule to the sales tax act,  
1990.

85	Sixth Schedule Table III	17	Machinery, equipment, raw materials, components and other capital goods for use in building, fittings, repairing or refitting of ships, boats or floating structures imported by Karachi shipyard and engineering works limited.	Industrial Undertakings	17.46
86	Sixth Schedule Table III	18	The following parts for assembling and manufacturing of personal computers and laptops: (i) bare PCBS (ii) power amplifier (iii) microprocessor/ controllers (iv) equipment for	General Masses	1.01

SMT manufacturing (v) laptop  
batteries (vi) adopters (vii)  
cooling fans (viii)

87	Sixth Schedule Table III	19	Plant and machinery, except the items listed under chapter 87 of the Pakistan customs tariff, imported for setting up of a Special Economic Zone (SEZ) by zone developers and for installation in that zone by zone enterprises, on one time basis as prescribe	Special Economic Zones	654.66
88	Sixth Schedule Table III	20	Plant and machinery for the assembly/ manufacturing of electric vehicles the exemption shall be admissible on one time basis for setting up the new assembly and/or manufacturing facility of the vehicles and expansion in the existing units to the extent of electric vehicles specific plant	General Masses	40.20

and machinery, duly  
approved/ certified and  
determined by the  
engineering development  
board (EDB)

89	Sixth	21	Import of pos machines General	105.68
	Schedule		including credit/debit cards Masses	
	Table III		terminals and retailer cash	
			register	

**Sub-total of Exemption under Sixth Schedule Table III at Import Stage 65,333.30**

**Total of Exemption under Sixth Schedule at Import Stage 257,537.45**

**Total of Exemption under Sixth Schedule on Local Supplies 133,178.30**

**Total of Exemption under Sixth Schedule at Import Stage 257,537.45**

**Total Sales Tax Expenditure of Sixth Schedule 390,715.75**

#### 4.1.2.8 Reduced Rates under Eighth Schedule Table I on Local Supplies

(Rs. In Million)

S.No	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure
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1	Eighth Schedule Table I	2	Oil cake and other solid residues, whether or not ground or in the form of pellets	Agriculture sector	9.49
2	Eighth Schedule Table I	4	Oilseeds meant for sowing.	Agriculture sector	1.03
3	Eighth Schedule Table I	6	Plant and machinery not manufactured locally and having no compatible local substitutes	Manufacturing Inputs	28.02
4	Eighth Schedule Table I	7	Flavored milk	Food Items/General Masses	313.66
5	Eighth Schedule Table I	8	Yogurt	Food Items/General Masses	139.70
6	Eighth Schedule Table I	9	Cheese	Food Items/General Masses	109.85
7	Eighth Schedule Table I	10	Butter	Food Items/General Masses	50.37
8	Eighth Schedule Table I	11	Cream	Food Items/General Masses	303.40

9	Eighth Schedule Table I	12	Desi ghee	Food Items/General Masses	34.15
10	Eighth Schedule Table I	13	Whey	Food Items/General Masses	0.71
11	Eighth Schedule Table I	14	Milk and cream, concentrated or containing added sugar or other sweetening matter	Food Items/General Masses	91.06
12	Eighth Schedule Table I	15	Ingredients of poultry feed, cattle feed, except soya bean meal of PCT heading 2304.0000 and oilcake of cotton-seed falling under PCT heading 2306.1000	Agriculture sector	435.19
13	Eighth Schedule Table I	16	Incinerators of disposal of waste management, motorized sweepers and snow ploughs	Agriculture sector	2.58
14	Eighth Schedule Table I	23	Secondhand and worn clothing or footwear	Agriculture sector	129.15
15	Eighth Schedule Table I	25	Agricultural tractors	Agriculture sector	5,054.30
16	Eighth Schedule	26(i)	Rotavator	Agriculture sector	19.70

Table I

17	Eighth Schedule	26(ii)	Cultivator	Agriculture sector	4.86
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Table I

18	Eighth Schedule	26(iii)	Ridger	Agriculture sector	0.67
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Table I

19	Eighth Schedule	26(iv)	Sub soiler	Agriculture sector	0.16
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Table I

20	Eighth Schedule	26(v)	Rotary slasher	Agriculture sector	0.86
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Table I

21	Eighth Schedule	26(vi)	Chisel plow	Agriculture sector	0.62
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Table I

22	Eighth Schedule	26(vii)	Ditcher	Agriculture sector	0.02
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Table I

23	Eighth Schedule	26(viii) )	Border disc	Agriculture sector	4.68
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Table I

24	Eighth Schedule	26(ix)	Disc harrow	Agriculture sector	0.32
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Table I

25	Eighth Schedule	26(x)	Bar harrow	Agriculture sector	0.85
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Table I

26	Eighth Schedule	26(xi)	Mould board plow	Agriculture sector	0.06
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Table I

27	Eighth Schedule	26(xii)	Tractor rear or front blade	Agriculture sector	0.90
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Table I

28	Eighth Schedule	26(xiii )	Land leveller or land planer	Agriculture sector	2.32
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Table I

29	Eighth Schedule	26(xiv )	Rotary tiller	Agriculture sector	0.29
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Table I

30	Eighth Schedule	26(xv)	Disc plow	Agriculture sector	0.01
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Table I

31	Eighth Schedule	26(xvi )	Soil-scrapper	Agriculture sector	4.34
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Table I

32	Eighth Schedule	26(xix )	Land leveller	Agriculture sector	5.96
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Table I

33	Eighth Schedule	27(i)	Seed-cum-fertilizer drill (wheat, rice barley, etc.)	Agriculture sector	6.89
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Table I

34	Eighth Schedule	27(ii)	Cotton or maize planter with fertilizer attachment	Agriculture sector	0.98
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Table I

35	Eighth Schedule	27(iii)	Potato planter	Agriculture sector	0.02
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Table I

36	Eighth Schedule	27(v)	Rice transplanter	Agriculture sector	7.01
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Table I

37	Eighth Schedule	27(vii)	Sugarcane planter	Agriculture sector	0.01
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Table I

38	Eighth Schedule	28(i)	Tubewells filters or strainers	Agriculture sector	0.07
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Table I

39	Eighth Schedule	28(ii)	Knapsack sprayers	Agriculture sector	4.18
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Table I

40	Eighth Schedule	29(i)	Harvesting, threshing and storage equipment:	Agriculture sector	4.64
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Table I

41	Eighth Schedule	29(ii)	Wheat thresher	Agriculture sector	4.17
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Table I

42	Eighth Schedule	29(vi)	Potato digger or harvester	Agriculture sector	0.17
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Table I

43	Eighth Schedule	29(viii )	Post hole digger	Agriculture sector	0.09
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Table I

44	Eighth Schedule	29(ix)	Straw balers	Agriculture sector	27.95
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Table I

45	Eighth Schedule	29(xi)	Wheat or rice reaper	Agriculture sector	6.29
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Table I

46	Eighth Schedule	29(xiv )	Onion or garlic harvester	Agriculture sector	1.57
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Table I

47	Eighth Schedule	29(xvi )	Onion or garlic harvester	Agriculture sector	3.60
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Table I

48	Eighth Schedule	29(xvi i)	Reaping machines	Agriculture sector	0.09
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Table I

49	Eighth Schedule	30(ii)	Fodder and feed cube maker equipment	Agriculture sector	2.15
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Table I

50	Eighth Schedule	43	Natural gas	Agriculture sector	9,111.62
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Table I

51	Eighth Schedule	44	Phosphoric acid	Chemical Industry	0.14
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Table I

52	Eighth Schedule	45(i)	Machinery for preparing feeding stuff	Poultry/General Masses	1.45
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Table I

53	Eighth Schedule	45(iv)	Poultry sheds	Poultry/General Masses	0.49
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Table I

54	Eighth Schedule	45(v)	Evaporative air cooling system	Poultry/General Masses	1.49
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Table I

55	Eighth Schedule	45(vi)	Evaporative cooling pad	Poultry/General Masses	0.75
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Table I

56	Eighth Schedule	47	Locally produced coal	General Masses	-33.17
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Table I

57	Eighth	52	Fertilizers (all types)	Agriculture	38,382.19
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Schedule

Table I

58	Eighth	53(i)	Projector	Media/General	0.00
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Schedule

masses

Table I

59	Eighth	53(vi)	3D Glasses	Media/General	0.11
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Schedule

masses

Table I

60	Eighth	54	lithium iron phosphate battery (Li-	Energy	1,391.97
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Schedule

Fe-PO4)

Sector/General

Table I

Masses

61	Eighth	57	Rock Phosphate	Manufacturing	6.23
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Schedule

(Industrial

Table I

Inputs)

62	Eighth	58	LPG	Energy sector	723.19
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Schedule

Table I

63	Eighth	59	Products of milling industry	Agriculture	38.69
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Schedule

except wheat and meslin flour

Table I

64	Eighth	60	Fat filled milk	Food	750.88
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Schedule

Items/General

Table I			Masses		
65	Eighth Schedule Table I	61	Silver, in unworked condition	General Masses	24.35
66	Eighth Schedule Table I	62	Gold, in unworked condition	General Masses	2.29
67	Eighth Schedule Table I	63	Articles of jewelry, or parts thereof, of precious metal or of metal clad with precious metal.	General Masses	10.44
68	Eighth Schedule Table I	64	Prepared Food, foodstuff and sweetmeats supplied by restaurants, bakeries, caterers and sweetmeat shops	Food Sector/General Masses	165.94
69	Eighth Schedule Table I	66	Supplies as made from retail outlets as are integrated with Board's computerized system for real-time reporting of sales	General Masses	134.96
70	Eighth Schedule Table I	68	Frozen prepared or preserved sausages and similar products of poultry meat or meat offal	Food Sector/General Masses	119.14
71	Eighth Schedule Table I	69	Meat and similar products of prepared frozen or preserved meat or meat offal of all types	Food Sector/General Masses	459.55

including poultry, meat and fish

72	Eighth Schedule Table I	70	Following locally manufactured electric vehicles	Manufacturing Inputs/General Masses	30.43
73	Eighth Schedule Table I	70(i)	Road Local supplies only] Tractors for semitrailers (Electric Prime Movers)	Agriculture sector	13.08
74	Eighth Schedule Table I	70(vi)	Electric Motorcycle	General Masses	25.90
75	Eighth Schedule Table I	74	Goods supplied from tax-exempt areas of erstwhile FATA/PATA to the taxable areas	FATA/PATA	0.11
76	Eighth Schedule Table I	75	Import of electric vehicle in CBU conditions	General Masses	2,544.75
77	Eighth Schedule Table I	77	Personal computers and Laptops	General Masses	130.24

**Sub-total of Reduced Rates under Eighth Schedule Table I on Local**

**60,856.39**

**Supplies**

**4.1.2.9 Reduced Rates under Eighth Schedule Table II on Local Supplies**

**(Rs. In Million)**

<b>S.No.</b>	<b>Schedule</b>	<b>Serial</b>	<b>Description</b>	<b>Intended Beneficiary</b>	<b>Tax Expenditure</b>
1	Eighth Schedule Table II	1	Machinery and equipment for development of grain handling and storage facilities including silos.	Agriculture	0.72
2	Eighth Schedule Table II	2	Cool chain machinery and equipment	Agriculture	33.00
3	Eighth Schedule Table II	4(1)	Machinery, equipment, materials, capital goods, specialized vehicles (4x4 non luxury) i.e. single or double cabin pickups, accessories, spares, chemicals and consumables meant for mineral exploration phase.	General Masses	0.03
4	Eighth Schedule Table II	5	Complete plants for relocated industries.	Manufacturing Inputs	0.80
5	Eighth Schedule Table II	6	Machinery, equipment and other capital goods meant for initial installation, balancing, modernization, replacement or expansion of oil refining (mineral oil, hydro- cracking and other value added petroleum	Industrial Sector	2.41

6	Eighth Schedule Table II	9	Capital goods otherwise not Energy exempted, for Transmission Line Sector/General Projects. Masses	2,026.42
<b>Sub-total of Reduced Rates under Eighth Schedule Table II on Local Supplies</b>				<b>2,063.38</b>

**Total of Reduced Rates under Eighth Schedule on Local Supplies 62,919.77**

**4.1.2.10 Reduced Rates under Eighth Schedule Table I at Import Stage**

**(Rs. In Million)**

<b>S.No.</b>	<b>Schedule</b>	<b>Serial</b>	<b>Description</b>	<b>Intended Beneficiary</b>	<b>Tax Expenditure</b>
1	Eighth Schedule Table I	6	Sales tax @ 10% on the import of plant, machinery not manufactured locally & having no compatible local substitutes, subject to conditions given in s.no. 6 of table i of 8th schedule to sales tax act, 1990.	Manufacturing Inputs	8,329.25
2	Eighth Schedule Table I	8	Yogurt, sold in retail packing under a brand name	Food Items/General Masses	0.67
3	Eighth Schedule Table I	9	Cheese, sold in retail packing under a brand name	Food Items/General Masses	11.52
4	Eighth Schedule Table I	10	Butter, sold in retail packing under a brand name	Food Items/General Masses	4.63

5	Eighth Schedule Table I	11	Cream, sold in retail packing under a brand name	Food Items/General Masses	1.59
6	Eighth Schedule Table I	15	Ingredients of poultry feed, cattle feed, except soya bean meal of PCT heading 2304.0000 and oil-cake of cotton seed falling under PCT heading 2306.1000. Besides, benefit of this s.no. Will also be available to specified therein ...	Agriculture Sector	922.56
7	Eighth Schedule Table I	16	Incinerators of disposal of waste management, motorized sweepers and snow ploughs	Agriculture Sector	7.23
8	Eighth Schedule Table I	17	Re-importation of foreign origin goods which were temporarily exported out of Pakistan subject to similar conditions as are envisaged for the purposes of customs duty under the customs act,1969, and taxable value shall be the value determined under PCT heading 99.18 of the said act increased by customs duty payable	Exporters	14.72
9	Eighth Schedule	20	Plant. Machinery and equipment used in production of bio-diesel	Agriculture Sector	2.71



	Table I		subject to conditions mentioned against s.no. 20 of table i of 8th schedule to the sales tax act, 1990		
10	Eighth Schedule	23	Second hand and worn clothing or footwear	Agriculture Sector	5,081.52
	Table I				
11	Eighth Schedule	25	Agricultural tractors Hs code 8701.9220 & 8701.9320 are added in the system in pursuance of letter c.no. 4/24-stb/2017 dated 21.07.2017	Agriculture Sector	489.87
	Table I				
12	Eighth Schedule	26(I)	Rotavator	Agriculture Sector	0.12
	Table I				
13	Eighth Schedule	26(II)	Cultivator	Agriculture Sector	0.15
	Table I				
14	Eighth Schedule	26(V)	Rotary slasher	Agriculture Sector	0.25
	Table I				
15	Eighth Schedule	26(XIV)	Rotary tiller	Agriculture Sector	22.91
	Table I				
16	Eighth Schedule	26(XX)	Laser land leveler comprising of laser transmitter, laser receiver,	Agriculture Sector	17.68

	Table I		control box, rigid mast pack, with or without scrapper under respective heading		
17	Eighth Schedule	27(II)	Seeding or planting equipment: cotton or maize planter with fertilizer attachment	Agriculture Sector	1.21
18	Eighth Schedule	27(IV)	Seeding or planting equipment: fertilizer or manure spreader or broadcaster	Agriculture Sector	0.15
19	Eighth Schedule	27(V)	Seeding or planting equipment: rice transplanted	Agriculture Sector	10.00
20	Eighth Schedule	27(VI)	Seeding or planting equipment: canola or sunflower drill	Agriculture Sector	3.37
21	Eighth Schedule	27(VII)	Seeding or planting equipment: sugarcane planter	Agriculture Sector	1.35
22	Eighth Schedule	28(I)	Irrigation drainage and agrochemical application equipment: tube wells filters or strainers	Agriculture Sector	1.79
23	Eighth Schedule	28(II)	Irrigation drainage and agrochemical application equipment: knapsack sprayers	Agriculture Sector	49.65

24	Eighth Schedule Table I	28(IV)	Irrigation drainage and agrochemical application equipment: boom or field sprayers	Agriculture Sector	1.84
25	Eighth Schedule Table I	28(VI)	Irrigation drainage and agrochemical application equipment: orchard sprayer	Agriculture Sector	10.88
26	Eighth Schedule Table I	29(III)	Harvesting threshing and storage equipment: maize or groundnut thresher or Sheller	Agriculture Sector	0.07
27	Eighth Schedule Table I	29(IV)	Harvesting threshing and storage equipment: groundnut digger	Agriculture Sector	4.68
28	Eighth Schedule Table I	29(IX)	Harvesting threshing and storage equipment: fodder rake	Agriculture Sector	1.83
29	Eighth Schedule Table I	29(V)	Harvesting threshing and storage equipment: potato digger or harvester	Agriculture Sector	0.40
30	Eighth Schedule Table I	29(VII)	Harvesting threshing and storage equipment: post hole digger	Agriculture Sector	0.53
31	Eighth Schedule Table I	29(VIII)	Harvesting threshing and storage equipment: straw balers	Agriculture Sector	10.64

32	Eighth Schedule Table I	29(X)	Harvesting threshing and storage equipment: wheat or rice reaper	Agriculture Sector	6.35
33	Eighth Schedule Table I	29(XI)	Harvesting threshing and storage equipment: chaff or fodder cutter	Agriculture Sector	20.56
34	Eighth Schedule Table I	29(XV)	Harvesting threshing and storage equipment: tractor trolley or forage wagon	Agriculture Sector	0.54
35	Eighth Schedule Table I	29(XVI)	Harvesting threshing and storage equipment: reaping machines	Agriculture Sector	3.63
36	Eighth Schedule Table I	29(XVII)	Harvesting threshing and storage equipment: combined harvesters	Agriculture Sector	203.76
37	Eighth Schedule Table I	29(XVIII)	Harvesting threshing and storage equipment: pruner/shears	Agriculture Sector	0.01
38	Eighth Schedule Table I	30(I)	Postharvest handling and processing & miscellaneous machinery: vegetables and fruits cleaning and sorting or grading equipment	Agriculture Sector	7.77
39	Eighth Schedule	30(II)	Postharvest handling and processing & miscellaneous	Agriculture Sector	0.47

	Table I		machinery: fodder and feed cube maker equipment		
40	Eighth Schedule Table I	44	Sales tax @ 5% of phosphoric acid if imported by fertilizer company for manufacturing of dap	Chemical Industries	10,692.88
41	Eighth Schedule Table I	45(I)	Machinery for preparing feeding stuff @ 7%	Poultry/General Masses	30.09
42	Eighth Schedule Table I	45(II)	Incubators, brooders and other poultry equipment @ 7%	Poultry/General Masses	129.69
43	Eighth Schedule Table I	45(III)	Insulated sand wish panels @ 7%	Poultry/General Masses	81.32
44	Eighth Schedule Table I	45(IV)	Poultry sheds @ 7%	Poultry/General Masses	3.91
45	Eighth Schedule Table I	45(V)	Evaporative air cooling system	Poultry/General Masses	26.69
46	Eighth Schedule Table I	45(VI)	Evaporative cooling pad @ 7%	Poultry/General Masses	5.72
47	Eighth Schedule	46	Multimedia projectors @ 10%	Media/General Masses	20.49

Table I

48	Eighth Schedule	52	Fertilizers (all types)	Agriculture Sector	22,239.97
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Table I

49	Eighth Schedule	55	Fish babies / seedlings	Agriculture Sector	0.01
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Table I

50	Eighth Schedule	56	Potassium chlorate (kclo3) -- (respective headings) rate: 17% along with rupees 60 per kilogram condition: import and supply thereof.	Chemical Industries	0.00
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Table I

51	Eighth Schedule	57	Rock phosphate if imported by fertilizer manufacturers for use in the manufacturing of fertilizers	Manufacturing Sector (industrial inputs)	880.81
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Table I

52	Eighth Schedule	58	Reduced rate of 10% on import of lpg	Energy Sector/General Masses	8,090.74
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Table I

53	Eighth Schedule Table I	60	Fat filled milk if sold in retail packing under a brand name or trademark	Food Items/General Masses	10.00
54	Eighth Schedule Table I	66B	Import of remittable scrap (respective PCT headings) @ 14% if imported by steel millers."	Steel sector	3,601.65
55	Eighth Schedule Table I	68	Frozen prepared or preserved sausages and similar products of poultry meat or meat offal, if sold in retail packing under a brand name or trademark	Food Sector/General Masses	1.10
56	Eighth Schedule Table I	69	Meat and similar products of prepared frozen or preserved meat or meat offal of all types including poultry, meat and fish, if sold in retail packing under a brand name or trademark	Food Sector/General Masses	1.18
57	Eighth Schedule Table I	73 (A)	Hybrid electric vehicles (87.03): (a) up to 1800 cc	General Masses	215.91
58	Eighth Schedule Table I	73 (B)	Hybrid electric vehicles (87.03): (b) from 1801 cc to 2500 cc	General Masses	160.61
59	Eighth Schedule	75	Sales tax @ 12.5% on import of electric vehicle in CBU condition	General Masses	686.82

	Table I		(8703.8090)		
60	Eighth	77	Personal computers and laptop General		3,170.80
	Schedule		computers, notebooks whether or Masses		
	Table I		not incorporating multimedia kit if		
			imported in CBU condition		
<b>Sub-total of Reduced Rates under Eighth Schedule Table I at Import Stage</b>					<b>65,299.25</b>



#### 4.1.2.11 Reduced Rates under Eighth Schedule Table II at Import Stage

(Rs. In Million)

S.No	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure
1	Eighth Schedule Table II	1	Machinery and equipment for development of grain handling and storage facilities including silos.	Agriculture	767.34
2	Eighth Schedule Table II	2	Cool chain machinery and equipment. - subject to conditions. Subject to conditions given in preamble of table-2 of 8th schedule to the sales tax act, 1990.	Agriculture Sector	46.21
3	Eighth Schedule Table II	4.1	Machinery, equipment, materials, capital goods, specialized vehicles (4x4 non luxury) i.e. single or double cabin pickups, accessories, spares, chemicals and consumables meant for mineral exploration phase. - subject to conditions given against s.no. 4 of annexure of table-ii of 8th schedule to the sales tax act, 1990. Subject to conditions given in preamble of table-2 of 8th schedule to the sales tax act, 1990.	Agriculture Sector	7.53

4	Eighth Schedule Table II	4.2	Construction machinery, equipment and specialized vehicles, excluding passenger vehicles, imported on temporary basis as required for the exploration phase. - subject to conditions given against s.no. 4 of annexure of table-ii of 8th schedule to the sales tax act, 1990. Subject to conditions given in preamble of table-2 of 8th schedule to the sales tax act, 1990.	Agriculture Sector	7.37
5	Eighth Schedule Table II	5	Complete plants for relocated industries. - subject to condition. Subject to conditions given in preamble of table-2 of 8th schedule to the sales tax act, 1990.	Manufacturing Inputs	26.94
6	Eighth Schedule Table II	6	Machinery, equipment and other capital goods meant for initial installation, balancing, modernization, replacement or expansion of oil refining (mineral oil, hydro- cracking and other value added petroleum products), petrochemical and petrochemical downstream products including	Industrial Sector	797.51

			fibers and heavy chemical industry, cryogenic facility for ethylene storage and handling. - subject to conditions. Subject to conditions given in preamble of table-2 of 8th schedule to the sales tax act, 1990.		
7	Eighth Schedule Table II	8	(Chapter 84 and 85) if imported by registered manufacturer who is member of Pakistan dairy association	General Masses	34.58
<b>Sub-total of Reduced Rates under Eighth Schedule Table II at Import Stage</b>					<b>1,687.48</b>
<b>Total of Reduced Rates under Eighth Schedule at Import Stage</b>					<b>66,986.73</b>
<b>Total of Reduced Rates under Eighth Schedule on Local Supplies</b>					<b>62,919.77</b>
<b>Total of Reduced Rates under Eighth Schedule at Import Stage</b>					<b>66,986.73</b>
<b>Total Sales Tax Expenditure of Reduced Rates under Eighth Schedule</b>					<b>129,906.49</b>

**4.1.2.12 Sales Tax on Cellular Mobile Phones under Ninth Schedule on Local Supplies**

						(Rs. In Million)
S.No	Schedule	Serial	Description	Intended Beneficiary	Tax Expenditure	
1	Ninth Schedule Table II	1C	Cellular mobile phones or satellite phones to be charged on the basis of import value per set, or equivalent value in rupees in case of supply by the manufacturer, at the rate exceeding US\$ 30 but not exceeding US\$100	Manufacturer / Importers of mobile phones / General Masses	/	2.41
2	Ninth Schedule Table II	1D	Cellular mobile phones or satellite phones to be charged on the basis of import value per set, or equivalent value in rupees in case of supply by the manufacturer, at the rate exceeding US\$ 100 but not exceeding US\$200	Manufacturer / Importers of mobile phones / General Masses	/	0.24

3	Ninth	Column	Sales tax on supply of Manufacturer /	1,018.24
	Schedule	5 of item	locally manufactured Importers of	
	Table II	1	mobile phones in CBU mobile phones /	
			condition in addition to tax General Masses	
			applied on imports in	
			CKD/SKD condition	

<b>Total of Sales Tax on Cellular Mobile Phones under Ninth Schedule on</b>	<b>1,020.88</b>
<b>Local Supplies</b>	
<b>Sales Tax Expenditure on Local Supplies</b>	948,869.78
<b>Sales Tax Expenditure at Import Stage</b>	<b>345,171.29</b>
<b>Total Sales Tax Expenditure</b>	<b>1,294,041.07</b>

#### 4.1.3 Details of Customs Duty Expenditure

##### 4.1.3.1 Chapter - 99 Exemptions

(Rs. In Million)

S. No.	Exemption Order	Statutory (Benchmark) Rate of	Description	Intended Beneficiary	Tax Expenditure
		CD/RD/ACD			
1	9901.0000	Statutory tariff rates under Chapter 1-97	Chapter-99 Exemptions: Goods imported by various agencies of the United Nations	Agencies under the United Nations	955.42

2	9902.0000	Statutory tariff rates under Chapter 1-97	Chapter-99 Exemptions: Goods imported by Diplomats/Embassies/Consulates under the Diplomatic and Consular Privileges Act, 1972	1,215.07
3	9903.0000	Statutory tariff rates under Chapter 1-97	Chapter-99 Exemptions: Privileged personnel or by organizations or by any person authorized by the contracting parties, under grant-in-aid agreements (including those agreements which cover off budget foreign contributions or funds brought by registered INGO's without any financial liabilities)	2,735.44

				to the Government of Pakistan).	
4	9904.0000	Statutory tariff rates under Chapter 1-97	Chapter-99 Exemptions: Vehicles in CKD condition, imported by recognized local manufacturer for supply to diplomat, diplomatic mission, and privileged person.	Vehicles in CKD condition, imports by recognized local manufacturer for supply to diplomat, diplomatic mission, privileged person	13.84
5	9905.0000	Statutory tariff rates under Chapter 1-97	Chapter-99 Exemptions: import by Dignitaries of UAE, Qatar and Bahrain	Dignitaries of UAE, Qatar and Bahrain	0.00
6	9906.0000	Statutory tariff rates under Chapter 1-97	Chapter-99 Exemptions: Goods imported under the President/Prime Minister/Governors/Salar y, Allowances and Privileges Act, 1975.	The President and the Prime Minister of Pakistan. The Governors and the Acting Governors of the Provinces.	6.40
7	9908.0000	Statutory tariff rates under Chapter 1-97	Goods received as gift by Pakistani organizations from Church World Services or the Catholic Relief Services as are certified by the Ministry of	Goods received as gift by Pakistani organizations	778.66

National Health Services  
Regulation and  
Coordination (NHSRC),  
that these imports are  
made under agreements  
signed by the  
Government of Pakistan  
with the Church World  
Service and with the  
Catholic Relief Service

8	9909.0000	Statutory tariff rates under Chapter 1-97	Articles, value of which does not exceed Rs.20,000/- per parcel, if imported through post or courier service as unsolicited gift parcel	Articles, value of which does not exceed Rs.20,000/- per parcel, if imported through post or courier service as unsolicited gift parcel	74.97
9	9910.0000	Statutory tariff rates under Chapter 1-97	Samples of no commercial value imported by manufacturers	Samples of no commercial value imported by manufacturers	6.30



10	9911.0000	Statutory tariff	Relief goods donated for	(i)	Relief goods	4,013.10
		rates under	free distribution among		donated for free	
		Chapter 1-97	the victims of natural		distribution among	
			disaster or other		the victims of	
			catastrophe, as are		natural disaster or	
			certified by the		other catastrophe,	
			authorized officer of		as are certified by	
			Federal/Provincial		the authorized	
			Government, Plant,		officer of	
			machinery and		Federal/Provincial	
			equipment imported by		Government.	
			way of donation for	(ii)	Plant,	
			installation in the		machinery and	
			earthquake hit districts		equipment	
					imported by way of	
					donation for	
					installation in the	
					earthquake hit	
					districts as certified	
					by ERRA/National	
					Disaster	
					Management	
					Authority.	

11	9912.0000	Statutory tariff rates under Chapter 1-97	Imports by Edhi Foundation	Imports by Edhi Foundation	0.02
12	9913.0000	Statutory tariff rates under Chapter 1-97	Gifts or donations received by a non-profit making hospital or institution	Gifts or donations received by a charitable non-profit making hospital or institution	7,220.87
13	9914.0000	Statutory tariff rates under Chapter 1-97	Imports by Charitable Institutions and Hospitals	Imports by Charitable Institutions and Hospitals	1,697.76
14	9915.0000	Statutory tariff rates under Chapter 1-97	Goods imported by or donated to non -profit making educational and research institutions	Goods imported by or donated to non -profit making educational and research institutions	268.02
15	9916.0000	Statutory tariff rates under Chapter 1-97	Goods supplied free of cost as replacement of identical goods previously imported	Goods supplied free of cost as replacement of identical goods previously imported	184.01

16	9922.0000	Statutory tariff rates under Chapter 1-97	Ship spares, stores and equipment imported for use in ships registered in Pakistan	Ship spares, stores and equipment imported for use in ships registered in Pakistan	8.61
17	9924.0000	Statutory tariff rates under Chapter 1-97	Eye cornea	Eye cornea	0.23
18	9925.0000	Statutory tariff rates under Chapter 1-97	Artificial kidneys, hemodialysis machines, hemodialyzers, A.V. fistula needles, hemodialysis fluids and powder, blood tubing tines for dialysis, reverse osmosis plants for dialysis, double lumen catheter for dialysis, catheters for renal failure patients, peritoneal dialysis solution and cardiac catheters.	Artificial kidneys, hemodialysis machines, hemodialyzers, A.V. fistula needles, hemodialysis fluids and powder, blood tubing tines for dialysis, reverse osmosis plants for dialysis, double lumen catheter for dialysis, catheters for renal failure patients, peritoneal dialysis solution	619.12

					and cardiac catheters.	
19	9927.0000	Statutory tariff rates under Chapter 1-97	Pharmaceutical materials if imported for manufacture of contraceptives in accordance with the input output ratios determined by the Directorate of Input Output Co-efficient Organization. Contraceptives and accessories thereof	raw Pharmaceutical raw materials if imported for manufacture of contraceptives in accordance with the input output ratios determined by the Directorate of Input Output Co-efficient Organization. Contraceptives and accessories thereof	113.84	
20	9930.0000	Statutory tariff rates under Chapter 1-97	Any goods, including vehicles, specified in the First schedule to the Customs Act, 1969 (IV of 1969) imported by the Government Departments, Municipal	Any goods, including vehicles, specified in the First schedule to the Customs Act, 1969 (IV of 1969) imported by Federal/Provincial/	707.58	

bodies and Development Local Government  
authorities subject to the Departments,  
condition that the goods Municipal bodies  
are donated to the and Development  
importers for use in an authorities subject  
approved foreign grant to the condition  
funded project under a that the goods are  
proper grant relating to donated to the  
Capital Aid-Technical importers for use  
Assistant Agreement in an approved  
signed between the foreign grant  
Government of Pakistan funded project  
and a foreign  
government or agency  
subject to concurrence of  
the Federal Board of  
Revenue

21	9931.0000	Statutory tariff	Ground handling	Ground handling	30.81
		rates under	equipment, service and	equipment	
		Chapter 1-97	operation vehicles, imported by		
			catering equipment and airlines		
			fuel trucks not		
			manufactured locally,		
			imported by domestic		
			airlines or by any other		

service company to  
which a license has been  
issued by the Civil  
Aviation Authority for  
such purposes.

22	9937.0000	Statutory tariff rates under Chapter 1-97	Items relating to disabled persons like Wheel chairs, Artificial human parts. Items used for rehabilitation of blind persons etc.	Certain items imported by the Disabled persons	170.36
23	9938.0000	Statutory tariff rates under Chapter 1-97	Disposables, as are not manufactured locally, for Cardiology/cardiac surgery, Neurovascular, Electrophysiology, Endo-surgery, Endoscopy, Cardiology/cardiac Oncology, Urology, Gynecology; and following equipment:-	Certain disposables, as are not manufactured locally, for Cardiology/cardiac surgery, Neurovascular, Electrophysiology, Endo-surgery, Endoscopy, Oncology, Urology, Gynecology; and	647.37

following  
equipment:-

24	9939.0000	Statutory tariff Diagnostic kits for HIV rates under and Hepatitis Chapter 1-97	763.78
25	9941.0000	Statutory tariff goods imported by or rates under donated to municipal Chapter 1-97 authorities including development authorities, Federal Government, Provincial Government, Government of Azad Jammu and Kashmir, Government of Gilgit- Baltistan, National Disaster Management Authority (NDMA), Provincial Disaster Management Authority (PDMA) and Government Emergency/Rescue services,	8.52
<b>Total of Chapter-99 Exemptions</b>			<b>22,240.14</b>

**4.1.3.2 FTA & PTA Exemption Bilateral arrangements with different Government  
/Regional commitments**

**(Rs. In Million)**

S. No.	Exemption Order	Statutory (Benchmark)	Description	Intended Beneficiary	Tax Expenditure
		Rate of CD/RD/ACD			
1	558(I)/2004 Table II	CD 3%, 11%, 16%, 20% and Rs.10200/Mton	section 19	FTA: General exemption on import from ECO	18.55
2	558(I)/2004 Table II	CD 3%, 11%, 16%, 20% and Rs. 9050/MT and Rs.10800/Mton	section 19	FTA: General concession on import from SAARC	-
3	1296(I)/200 5 Table I	CD 3%, 16% and 20%	section 19	FTA: China Early Harvest Program (prescribes FTA CD rate)	2.78
4	1296(I)/200 5 Table II	CD 3%, 16% and 20%	section 19	FTA: China Early Harvest Program (prescribes FTA CD rate)	-



5	1274(I)/200 6 Table-I	CD 3%, 11%, 16% and 20%	section 19	FTA exemption import SAARC countries under SAFTA Agreement	General on from countries SAFTA	257.21
6	1274(I)/200 6 Table-II	CD 3%, 11%, 16% and 20%	section 19	FTA exemption import SAARC countries under SAFTA Agreement	General on from countries SAFTA	-
7	659(I)/2007 Table I	CD 3%, 11%, 16%, 20% and 30%	section 19	FAT: exemption import under FTA	General on from China Pak-China	5.92
8	1640(I)/201 9	CD 3%, 11%, 16%, 20% and 30%	section 19	FAT: exemption import under FTA	General on from China Pak-China	91,472.99
9	659(I)/2007 Table II	CD 3%, 11%, 16% and 20%	section 19	FAT: exemption import	General on from China	-

					under Pak-China FTA		
10	1151(I)/200 7 Table	CD 3%, 11% and 20%	section 19		FTA; exemption import Mauritius PTA	General on from under	-
11	1261(I)/200 7 Table I	CD 11%, 20% Rs.10800/MT, and Rs. 9050(I)/MT	section 19		FTA; exemption import Malaysia PTA	General on from under	3,923.07
12	1261(I)/200 7 Table II	CD 11%, 20% Rs.10800/MT, and Rs. 9050(I)/MT	section 19		FTA; exemption import Malaysia PTA	General on from under	-
13	741(I)/2013 Table	CD 3%, 11%, 16%, Rs.10800/MT, and Rs.9050/MT	section 19		PTA: exemption import Indonesia Pak-Indonesia PTA	General on from under	4,096.47

14	280(I)/2014	CD 3%, 11%, section 19 d 16% and Rs.600/Kg	FTA: General exemption on import from Sri Lanka under Pak- Srilanka FTA	2,886.46
15	280(I)/2014	section 19 I	FTA: General exemption on import from Sri Lanka under Pak- Srilanka FTA	-
16	280(I)/2014	CD 3%, 11%, section 19 Table I 16% and R.600/Kg	FTA; General exemption on import from Sri Lanka under Pak- Sri Lanka FTA	-
17	280(I)/2014	CD 3%, 11%, section 19 Table III 16% and R.600/Kg	FTA; General exemption on import from Sri Lanka under Pak- Sri Lanka FTA	-
<b>Total FTA &amp; PTA Exemption Bilateral arrangements with different Government /Regional commitments</b>				<b>102,657.54</b>

#### 4.1.3.3 Fifth Schedule Exemptions and Concessions

(Rs. In Million)

S. No.	Exemption Order	Statutory (Benchmark)	Description	Intended Beneficiary	Tax Expenditure
		Rate of CD/RD/ACD			
1	Fifth Schedule (Customs Duty) Part I	CD 3%, 11%, 16% 20% and 35%	Exemption under the Customs Act, 1969	Import of Plant, Machinery, equipment and apparatus, including Capital Goods for various industries/sectors	37,736.03
2	Fifth Schedule (Customs Duty) Part II Table-A	CD 3% and 11%	Exemption under the Customs Act, 1969	Import of Active pharmaceutical Ingredients by pharma sector	6,093.16
3	Fifth Schedule (Customs Duty) Part II Table B	CD 16%, 20% and Fixed Rs.10200/MT	Exemption under the Customs Act, 1969	Excipients/Chemicals by pharmaceutical sector	698.55
4	Fifth Schedule	CD 11% and 20%	Exemption under the Customs Act, 1969	Drugs (mostly lifesaving) by	6,941.85

	(Customs Duty) Part II Table C						pharmaceutical sector	
5	Fifth Schedule (Customs Duty) Part II Table-D	CD 20%	16%and	Exemption under the Customs Act, 1969		Packing Materials/Raw materials for packing by pharmaceutical sector	1,592.24	
6	Fifth Schedule (Customs Duty) Part II Table E	CD 20%		Exemption under the Customs Act, 1969		Diagnostic Kits/Equipment by pharmaceutical sector	4,555.21	
7	Fifth Schedule (Customs Duty) Part III	CD 3%, 11%, 16% and 20%		Exemption under the Customs Act, 1969		Poultry and Textile sectors	65,767.12	
8	Fifth Schedule (Customs Duty) Part IV	CD 3%		Exemption under the Customs Act, 1969		Machinery and equipment for Textile Sector	369.27	

9	Fifth Schedule (Customs Duty) Part V	CD 11%, 16%, 20% and 30%	Exemption under the Customs Act, 1969	Automotive manufacturing sector (Auto Policy)	2,189.38
10	Fifth Schedule (Customs Duty) Part V(A)	CD 11%, 16%, 20% and 30%	Exemption under the Customs Act, 1969	Electric vehicles	4,592.73
11	Fifth Schedule (Customs Duty) Part V(B)	CD 11%, 16%, 20% and 30%	Exemption under the Customs Act, 1969	For CKD & EV specific parts	6.37
12	Fifth Schedule (Customs Duty) Part VI	CD 3%	Exemption under the Customs Act, 1969	Aviation Sector (Aviation Policy)	309.71
13	Fifth Schedule (Customs Duty) Part VII	CD 11%, 16% and 20%	Exemption under the Customs Act, 1969	Essential edible items like pulses, potato etc. Oil and Oil products, Inputs of export sectors etc.	42,126.40

14	Fifth Schedule (Customs Duty) Part VIII	Cd 3%, 11% , 16% and 20%	Exemption under the Customs Act, 1969	Miscellaneous
<b>Total Fifth Schedule Exemptions and Concessions</b>				<b>172,978.02</b>

**4.1.3.4 General Concessions: Automobile sector, E&Ps, CPEC etc.**

(Rs. In Million)

S. No.	Exemption Order	Statutory (Benchmark) Rate of CD/RD/ACD	Description	Intended Beneficiary	Tax Expenditure
1	268(I)/2015	CD 3%, 30% and 60%	Section 19	Mining equipment & machinery imported by Thar Coal Field	679.87
2	565(I)/2006	CD 3%, 11%, 16%, 20% and Rs.9050/MT	Section 19	Raw material of survey based local industries: Stationary /Electrical Capacitor/ Pesticides/ Distilled Fatty	2,323.23

					Acids/CRC & GI Coils/ Fans/ Transformers/ Electric Motors manufacturers	
3	499(I)/2013	CD 60% and 100%	Section 19		Auto Sector: General concession for import of Hybrid Electric Vehicles	3,011.83
4	678(I)/2014	CD 3%, 11%, 16%, 20%, 30%, 35%, 50%, 60% and 100%	Section 19		Exploration and Production companies	7,120.80
5	107(I)/2019 and 48(I)/2018	CD 3%	Section 19		Textile Sector (Local Yarn Producers) Import of Cotton	-
6	642(I)/2016	All tariff rates	Section 19		Imports by M/s. CSCEL for Karachi-Peshawar Motorway	20.89



7	644(I)/2018	CD 50%	Section 19	General: Concession of CD on import of electric motor vehicles	9.15
8	40(I)/2017	CD 3%, 11%, 16% and 20%	Section 19	Lahore Orange Metro Train Project	-
9	655(I)/2006	CD 3%, 11%, 16%, 20%, 30%, 35%, 50%, 55%, 60%, 75% and 100%	Section 19	Vendors of automotive sector	66,315.69
10	656(I)/2006	CD 3%, 11%, 16%, 20%, 30%, 35%, 50%, 55%, 60%, 75% and 100%	Section 19	OEMs of automotive sector	113,468.48
<b>Total of General Concessions: Automobile sector, E&amp;Ps, CPEC etc.</b>					<b>192,949.94</b>

#### 4.1.3.5 Export Related Exemptions

(Rs. In Million)

S. No.	Exemption Order	Statutory (Benchmark) Rate of CD/RD/ACD	Description	Intended Beneficiary	Tax Expenditure
1	450(I)/2001	CD 3%, 11%, 16% and 20%	Section 19	DTRE/Temporary Imports/IOCO/Manufacturing Bonds	19,420.00
2	41(I)/2009	CD 3%, 11%, 16% and 20%	Section 19	Special Industrial and Economic Zones	434.25
3	30(I)/2017 Table	CD 3% and 20%	Section 19	Textile Sector (under PM package)	-
4	9919	All tariff rates	Chapter 99 Exemptions	Temporary Import	1,974.96
5	9920	All tariff rates	Chapter 99 Exemptions	Temporary Import	17.65
6	9917	All tariff rates	Chapter 99 Exemptions	EPZ and SEZs	9,003.10
7	9918	All tariff rates	Chapter 99 Exemptions	Re-importation	27.80
<b>Total of Export Related Exemptions</b>					<b>30,877.76</b>
<b>Total of Customs Duty Expenditure</b>					<b>521,703.40</b>

## 4.2 Appendix B – List of New Insertions/Omissions in FA 2021

### 4.1.4 4.2.1 Insertions

**Table 11: List of Insertions in FA 2021 (ITO, 2001)**

S. No.	Clause No. / Schedule / Part	Description of Clause	Inserted by
1	Clause 132AA of Part I of Second Schedule	Profits and gains derived from sale of electricity by National Power Parks Management Company (Private) Limited or demerged entities of National Power Parks Management Company (Private) Limited commencing from the commercial operation dates and continuing after the date of change of ownership as a result of privatization by the Privatization Commission of Pakistan	Inserted by the Finance Act, 2021
2	Clause 9AA of Part II of Second Schedule	In respect of import of white sugar from the 25th day of August, 2020 to the 15th day of November, 2020 both days inclusive, tax under section 148 shall be collected at the rate of 0.25% as per quantity, quality, mode and manner prescribed by Ministry of Commerce during the said period.	Inserted by the Finance Act, 2021
3	Clause 9AB of Part II of Second Schedule	Tax under section 148 on commercial import of the white sugar shall be collected at the rate of 0.25% from the 26th day of January 2021 till the 30th day of June, 2021.	Inserted by the Finance Act, 2021

4	Clause 9AC of Part II of Second Schedule	Subject to quota allotment by Commerce Division, tax under section 148 shall be collected at the rate of 0.25% on import of raw sugar imported by sugar mills from the 26th day of January, 2021 to the 30th day of June, 2021 both days inclusive provided that such imports shall not exceed fifty thousand metric tons per sugar mill and three hundred thousand metric tons in aggregate by the sugar industry.	Inserted by the Finance Act, 2021
5	Clause 18C of Part II of Second Schedule	The rate of tax as specified in Division-III of Part-I of First Schedule shall be reduced to 7.5% in case of dividends declared by a company as are “attributable” to profits and gains derived from a bagasse and biomass based cogeneration power project qualifying for exemption under clause (132C) of Part-I of this Schedule: Provided that the amount of “attributable” dividends shall be computed in accordance with the following formula, namely:- $AXB/C$ Where- A is the total amount of dividend for the year; B is the accounting profit for the year attributable to the bagasse and biomass based cogeneration power project qualifying for exemption under clause (132C) of Part-I of this Schedule; and C is the total accounting profit before tax for the year.	Inserted by the Finance Act, 2021

		The tax payable by a person other than a banking or insurance company in respect of profit on debt	
6	Clause 20 of Part III of Second Schedule	from investment in Federal Government securities shall be fifteen percent of the gross amount of the profit on debt: Provided that tax so payable shall be final tax on the income representing profit on debt from investment in Federal Government securities.]	Inserted by the Finance Act, 2021
7	Clause 79A of Part IV of Second Schedule	The provisions of clause (b) of sub-section (1) of section 153 shall not apply to payments received by National Telecommunication Corporation against provision of telecommunication services including ancillary services specified in subsection (3) of section 41 of the Pakistan Telecommunication (Re-organization) Act, 1996 (XVII of 1996)	Inserted by the Finance Act, 2021

#### 4.1.5 4.2.2 Omissions

**Table 12: List of Omissions in FA 2021 (ITO, 2001)**

S. No.	Clause No. / Schedule / Part	Description of Clause	Omitted by
1	Clause 4 of Part I of Second Schedule	Any income chargeable under the head "Salary" received by- (a) a Pakistani seafarer, working on Pakistan flag vessels for one hundred and eighty three days or more during a tax year; or (b) a Pakistani seafarer working on a foreign	Omitted by the Finance Act, 2021

vessel provided that such income is remitted to Pakistan, not later than two months of the relevant 3[tax year], through normal banking channels.

2	Clause 39 of Part I of Second Schedule	Any special allowance or benefit (not being entertainment or conveyance allowance) or other perquisite within the meaning of section 12 specially granted to meet expenses wholly and necessarily incurred in the performance of the duties of an office or employment of profit;	Omitted by the Finance Act, 2021
3	Clause 61 of Part I of Second Schedule	Any amount paid as donation to certain institutions, foundations, societies, boards, trusts and funds	Omitted by the Finance Act, 2021
4	Clause 64A of Part I of Second Schedule	Any amount donated to the Prime Minister's Special Fund for victims of terrorism	Omitted by the Finance Act, 2021
5	Clause 64B of Part I of Second Schedule	Any amount donated to the Chief Minister's (Punjab) Relief Fund for Internally Displaced Persons (IDPs) of NWFP	Omitted by the Finance Act, 2021
6	Clause 64C of Part I of Second Schedule	Prime Minister's Flood Relief Fund 2010 and Provincial Chief Ministers' Relief Funds, for victims of flood 2010	Omitted by the Finance Act, 2021
7	Clause 72A of Part I of Second Schedule	Any income derived by Sukuk holder in relation to Sukuk issued by "The Second Pakistan International Sukuk Company Limited" and the	Omitted by the Finance Act, 2021

Third Pakistan International Sukuk Company Limited, including any gain on disposal of such Sukuk.

8	Clause 74 of Part I of Second Schedule	Profit on debt derived by Hub Power Company Limited on or after the first day of July, 1991	Omitted by the Finance Act, 2021
9	Clause 80 of Part I of Second Schedule	Income derived from a private foreign currency account held with an authorized bank in Pakistan, or certificate of investment issued by investment banks, by a resident individual who is a citizen of Pakistan: (This exemption is not available in respect of any incremental deposits made in the said accounts on or after the 16th day of December, 1999)	Omitted by the Finance Act, 2021
10	Clause 90 of Part I of Second Schedule	Profit on debt payable by an industrial undertaking in Pakistan — (i) on moneys borrowed by it under a loan agreement with a financial institution in a foreign country (ii) on moneys borrowed or debts incurred by it in a foreign country in respect of the purchase of capital plant and machinery;	Omitted by the Finance Act, 2021
11	Clause 90A of Part I of Second Schedule	Any profit on debt derived by any person on bonds issued by Pakistan Mortgage Refinance Company to refinance the residential housing mortgage market	Omitted by the Finance Act, 2021

12	Clause 91 of Part I of Second Schedule	Any income of a text-book board of a Province	Omitted by the Finance Act, 2021
13	Clause 98 of Part I of Second Schedule	Any income derived by any Board or other organization established by Government in Pakistan for the purposes of controlling, regulating or encouraging major games and sports recognised by Government, except Pakistan Cricket Board;	Omitted by the Finance Act, 2021
14	Clause 100 of Part I of Second Schedule	Income, except income from manufacturing or trading activity, of a registered modaraba, provided not less than ninety per cent of its total profits are distributed amongst the shareholders;	Omitted by the Finance Act, 2021
15	Clause 101 of Part I of Second Schedule	Venture capital companies and venture capital funds registered under Venture Capital Companies and Funds Management Rules, 2000 and a Private Equity and Venture Capital Funds	Omitted by the Finance Act, 2021
16	Clause 103 of Part I of Second Schedule	Any distribution received by a taxpayer from a collective investment scheme out of the capital gains of the said scheme. This exemption is available to only such mutual funds, collective investment schemes that are debt or money market funds and these do not invest in shares;	Omitted by the Finance Act, 2021



17	Clause 104 of Part I of Second Schedule	income derived by the Libyan Arab Foreign Investment Company being dividend of the Pak-Libya Holding Company;	Omitted by the Finance Act, 2021
18	Clause 105 of Part I of Second Schedule	Income derived by the Government of Kingdom of Saudi Arabia being dividend of the Saudi-Pak Industrial and Agricultural Investment Company Limited;	Omitted by the Finance Act, 2021
19	Clause 105A of Part I of Second Schedule	Income derived by Kuwait Foreign Trading Contracting and Investment Company or Kuwait Investment Authority being dividend of the Pak Kuwait Investment Company in Pakistan;	Omitted by the Finance Act, 2021
20	Clause 110B of Part I of Second Schedule	Gain on transfer of a capital asset, being a membership right held by a member of an existing stock exchange, for acquisition of shares and trading or clearing rights acquired by such member in new corporatized stock exchange in the course of corporatization of an existing stock exchange;	Omitted by the Finance Act, 2021
21	Clause 110C of Part I of Second Schedule	Any gain by a person on transfer of a capital asset, being a bond issued by Pakistan Mortgage Refinance Company to refinance the residential housing mortgage market	Omitted by the Finance Act, 2021
22	Clause 114 of Part I of Second Schedule	Income under the head "capital gains" derived by industrial undertakings set up in a "Zone" within the meaning of the Export Processing Zones Authority Ordinance, 1980;	Omitted by the Finance Act, 2021

23	Clause 126BA of Part I of Second Schedule	<p>Profits and gains derived by a refinery set up between the 1st day of July, 2018 and the 30th day of June, 2023 with minimum 100,000 barrels per day production capacity.</p> <p>Exemption under this clause is also available to existing refineries, if—</p> <p>(a) existing production capacity is enhanced by at least 100,000 barrels per day;</p> <p>(b) the refinery maintains separate accounts for income arising from aforesaid additional production capacity; and</p> <p>(c) the refinery is a deep conversion refinery;</p>	Omitted by the Finance Act, 2021
24	Clause 126C of Part I of Second Schedule	Profits and gains derived by a taxpayer from an industrial undertaking set up in Larkano Industrial Estate from 2008 to 2013;	Omitted by the Finance Act, 2021
25	Clause 126G of Part I of Second Schedule	<p>Profits and gains derived by the following companies from the projects mentioned against each that have been declared 'Pioneer Industry' by Economic Coordination Committee of the Cabinet:-</p> <p>1. Income of Astro Plastics (Pvt) Limited derived from their project Biaxially Oriented Polyethylene Terephthalate (BOP ET) Project; and</p>	Omitted by the Finance Act, 2021

2. Income of Novatex Limited derived from their project Biaxially Oriented Polyethylene Terephthalate (BOPET) Project;

26	Clause 126H of Part I of Second Schedule	Income from fruit processing or preservation units set up in Balochistan Province, Malakand Division, Gilgit Baltistan and FATA between the first day of July, 2014 to the thirtieth day of June, 2017;	Omitted by the Finance Act, 2021
27	Clause 126I of Part I of Second Schedule	Industrial undertakings set up by 31st day of December, 2016 and engaged in the manufacture of plant, machinery, equipment and items with dedicated use for generation of renewable energy;	Omitted by the Finance Act, 2021
28	Clause 126J of Part I of Second Schedule	Profits and gains derived by a taxpayer, from an industrial undertaking set up between 1st day of July, 2015 and 30th day of June, 2016 engaged in operating warehousing or cold chain facilities for storage of agriculture produce	Omitted by the Finance Act, 2021
29	Clause 126K of Part I of Second Schedule	Profits and gains derived by a taxpayer, from an industrial undertaking set up between the first day of July, 2015 and the 30th day of June, 2017 for establishing and operating a halal meat production unit	Omitted by the Finance Act, 2021

30	Clause 126L of Part I of Second Schedule	Industrial undertakings set up in the Provinces of Khyber Pukhtunkhwa and Baluchistan between 1st day of July, 2015 and 30th day of June, 2018;	Omitted by the Finance Act, 2021
31	Clause 126N of Part I of Second Schedule	Profits and gains derived by a taxpayer from an industrial undertaking, duly certified by the Pakistan Telecommunication Authority, engaged in the manufacturing of cellular mobile phones setup and commercial production has commenced between the first day of July, 2015 and the thirtieth day of June, 2017;	Omitted by the Finance Act, 2021
32	Clause 126O of Part I of Second Schedule	Profits and gains of a company from a green field industrial undertaking incorporated on or after the first day of July, 2019;	Omitted by the Finance Act, 2021
33	Clause 131 of Part I of Second Schedule	Royalty, commission or fees earned from a foreign enterprise in consideration for the use outside Pakistan of any patent, invention, model, design, secret process or formula or similar property right or information concerning industrial, commercial or scientific knowledge, experience or skill made available or provided to such enterprise by the company or in the consideration of technical services rendered outside Pakistan to such enterprise by the company under an agreement in this behalf;	Omitted by the Finance Act, 2021

34	Clause 132A of Part I of Second Schedule	Profit and gains derived by Bosicor Oil Pakistan Limited	Omitted by the Finance Act, 2021
35	Clause 132B of Part I of Second Schedule	Profits and gains derived by a taxpayer from Coal mining projects in Sindh, supplying coal exclusively to power generation projects	Omitted by the Finance Act, 2021
36	Clause 133 of Part I of Second Schedule	Income from exports of computer software or IT services or IT enabled services. Provided that eighty per cent of the export proceeds is brought into Pakistan in foreign exchange remitted from outside Pakistan through normal banking channels	Omitted by the Finance Act, 2021
37	Clause 135A of Part I of Second Schedule	Income derived by non-residents from investment in OGDCL exchangeable bonds issued by the Federal Government	Omitted by the Finance Act, 2021
38	Clause 136 of Part I of Second Schedule	Income of a special purpose vehicle as defined in the Asset Backed Securitization Rules, 1999;	Omitted by the Finance Act, 2021
39	Clause 141 of Part I of Second Schedule	Profit and gains derived by LNG Terminal Operators and Terminal Owners;	Omitted by the Finance Act, 2021
40	Clause 143 of Part I of Second Schedule	Profit and gains derived by a start-up as defined in clause (62A) of section 2;	Omitted by the Finance Act, 2021

41	Clause 3B of Part II of Second Schedule	The income of Pakistan Cricket Board derived from sources outside Pakistan shall be taxed at a rate of four per cent of the gross receipts from such sources	Omitted by the Finance Act, 2021
42	Clause 18 of Part II of Second Schedule	In the case of a modaraba the rate of income tax shall be 25% of total income excluding such part of total income to which Division III of Part I of the First Schedule or section 153 or section 154 applies	Omitted by the Finance Act, 2021
43	Clause 18A of Part II of Second Schedule	The rate of tax shall be reduced to 20% for a company setting up an industrial undertaking between the first day of July, 2014 to the thirtieth day of June, 2017, for a period of five years beginning from the month in which the industrial undertaking is set up or commercial production is commenced whichever is later. Provided that fifty percent of the cost of the project including working capital is through owner equity foreign direct investment;	Omitted by the Finance Act, 2021
44	Clause 18B of Part II of Second Schedule	The rate of tax shall be reduced by 2% in case of a company whose shares are traded on stock exchange if it fulfills prescribed shari'ah compliant criteria approved by State Bank of Pakistan, Securities and Exchange Commission of Pakistan	Omitted by the Finance Act, 2021

and the Board, and derives income from manufacturing activities only

45	Clause 28A of Part II of Second Schedule	<p>The rate of tax under section 148 on import of hybrid cars shall be reduced as below:—</p> <p>Upto 1200 cc - 100%</p> <p>1201 to 1800 cc - 50%</p> <p>1801 to 2500 cc - 25%;</p>	Omitted by the Finance Act, 2021
46	Clause 7 of Part III of Second Schedule	<p>The amount of tax payable by foreign film-makers from making films in Pakistan shall be reduced by fifty percent on income from film-making in Pakistan</p>	Omitted by the Finance Act, 2021
47	Clause 8 of Part III of Second Schedule	<p>The amount of tax payable by resident companies deriving income from film-making shall be reduced by seventy percent on income from film-making</p>	Omitted by the Finance Act, 2021

### **4.3 Appendix C – Data Sources**

Estimates for tax expenditures of sales tax and customs are based on data obtained from FBR's official database (PRAL). However, for estimations of income tax expenditure, data from FBR's official database, i.e., from income tax returns, has certain limitations, and therefore, it is not sufficient for calculating the tax expenditures. Therefore, additional data was requested from FBR's field formations, while in many other cases, data was collected from various third-party sources. A list of these sources is given as under:

#### **Federal Government and Semi-Autonomous Departments:**

1. Accountant General Pakistan Revenue
2. Alternative Energy Development Board
3. Aviation Division
4. Board of Investment
5. Bureau of Emigration
6. Controller General of Accounts
7. Economic Affairs Division
8. Employees' Old-Age Benefits Institution
9. Engineering Development Board
10. Export Processing Zones Authority
11. Federal Employees Benevolent and Group Insurance Fund
12. Finance Division
13. Military Accountant General, Rawalpindi
14. Military Lands & Cantonment Headquarters, Rawalpindi
15. Ministry of Energy (Power Division)
16. Ministry of Foreign Affairs



17. Ministry of Maritime Affairs,
18. Ministry of Textile Industry
19. National Logistic Cell, Rawalpindi
20. National Transmission & Dispatch Company (NTDC)
21. Oil & Gas Development Company Limited (OGDCL)
22. Oil & Gas Regulatory Authority (OGRA)
23. Pakistan Agricultural Research Council
24. Pakistan Centre for Philanthropy (PCP)
25. Pakistan Council of Scientific and Industrial Research
26. Pakistan National Shipping Corporation
27. Pakistan Railway Headquarters, Lahore
28. Pakistan Software Export Board (PSEB)
29. Pakistan Telecommunication Authority (PTA)
30. Pakistan Water & Power Development Authority
31. Petroleum Division
32. Prime Ministers' Office (Prime Minister's Youth Program)
33. Private Power and Infrastructure Board (PPIB)
34. Registrar of Ships & Superintendent of Light Houses
35. Securities & Exchange Commission of Pakistan (SECP)
36. State Bank of Pakistan (SBP)

**Provincial Government Departments:**

37. Accountant General, Balochistan
38. Accountant General, KPK
39. Accountant General, Punjab
40. Accountant General, Sindh

41. Board of Revenue, Balochistan
42. Board of Revenue, KPK
43. Board of Revenue, Punjab
44. Board of Revenue, Sindh
45. Directorate of Postal Accounts, Lahore
46. Energy Department, Sindh
47. Finance Department, Balochistan
48. Finance Department, KPK
49. Finance Department, Punjab
50. Finance Department, Sindh
51. Mines & Mineral Development Department (Sindh)
52. Provincial Sports Boards
53. Provincial Textbook Boards
54. Social Security Institutions

#### **Financial Institutions**

55. Asset Management / Mutual Funds Institutions
56. Commercial Banks
57. Real Estate Investment Trust (Dolmen City)
58. Health Insurance Companies
59. National Investment Trust Limited
60. Pakistan Mortgage Refinance Company Limited,
61. Pakistan Stock Exchange
62. Pension Funds (registered under Voluntary Pension System)
63. Private pension funds and trusts (registered with FBR)
64. Provident Fund Institutions (those registered under Provident Fund Act 1925)

### **Private/Others**

- 65.** Agha Khan Development Network
- 66.** Association of Builders and Developers (ABAD)
- 67.** China North Industries Corps
- 68.** China Overseas Ports holding Company (Pakistan) Pvt. Ltd.,
- 69.** Gwadar Free Zone Company (GFZC)
- 70.** Pakistan Film Producers Association
- 71.** Pakistan Science Foundation
- 72.** Pakistan Software Houses Association for IT & ITES (P@SHA)
- 73.** Shipping Companies

### **Websites**

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- 76.** State Bank of Pakistan
- 77.** Pakistan Bureau of Statistics

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