

CHART OF WITHHOLDING TAX UNDER THE INCOME TAX ORDINANCE, 2001

SECTION I.T. Ord. 2001	First Sch. Reference	DESCRIPTION	OBLIGATION OF	RATE	COMMENTS
148	Part II	Imports	Collector of Customs	5% of the value of goods	Rate reduced of 1% for items mentioned in clause (9), 13(E), (13G), (23), 3% for items mentioned in clause (9A), 2% for items mentioned in clause (13C) and 2% for items mentioned in clause (24) of Part II of Second Schedule
149	Division I of Part I	Salary	Employer	Varying slabs based on estimated salary for the year	Salary upto Rs. 300,000 not chargeable to tax
150	Division III of Part I	Dividend	Every Person	10% in call cases	All dividends are subject to withholding tax including inter-corporate dividends Rate reduced to 7.5% in case of dividends - paid by a purchaser of a power project privatized by WAPDA as per clause (17) of Part II of Second Schedule Paid by a company set up for power generation as per clause (20) of Part II of Second Schedule
151	Division I of Part III	Profit on debt (yield/interest/discount/premium. Etc) on - a) National Savings Scheme (DSCs, SSCs, etc.) b) An account or deposit maintained with a banking company or a financial institution c) National Savings Scheme (DSCs, SSCs, etc.) d) Any bond, Certificate, Debenture, security or instrument of any kind (other than a loan agreement between a borrower and a banking company)	Any payer Banking company and financial institution Federal or Provincial Government, local authority Banking company, financial institution, company of finance society	10% 10% 10% 10%	In case of a non-resident person withholding tax is to be withheld in terms of section 152(2) The provisions of this section shall not apply to person who produces an exemption certificate The provisions of this section shall not apply to special purpose vehicle for the purpose of securitization

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152	Division IV of Part I	Payment to non-residents			Lower rate may apply if provided under a double tax treaty
		a) Royalty and Fees for Technical Services	Every Person	15%	
	Division II of Part III	b) Execution of contract - Contract or sub-contract under a construction, assembly or installation project in Pakistan, including a contract for the supply of supervisory activities in relation to such profit - Contract for construction or services rendered relating thereof - A contract for advertisement services rendered by TV satellite channels - Payment of insurance premium or Re insurance Premium c) other payments	Every Person	6%	
				6%	
				6%	
5%					
	c) other payments		20%		
153	Division III of Part III	1) Payment to a resident or PE of non-resident on account of -	Federal Government, Company, AOP registered under law, N.P.O., foreign contractor or consultant, consortium or joint venture, AOP or Individual having turnover of Rs. 50 million or above.		Deduction is not required in following cases- a) where an importer is selling goods in the same condition and has paid tax under section 148 at import stage b) Refund of security deposit c) lease and buy back arrangements Payment for securitization of Special Purpose Vehicle
		a) Sale of goods (gross amount payable inclusive of sales tax)		1.5% in case of sale of rice, cotton seed or edible oils.	
				3.5% in case of sale of any other goods	
		b) Rendering of services		2% in case of transport services 6% in any other case	
		c) Execution of contracts (other than a contract for supply of goods or rendering of professional services)		6%	
	Division IV of Part III	d) Rendering of services of stitching, dying, printing, embroidery, washing, sizing and weaving	Every exporter or an export house	0.5%	
153A	Division IIIA of Part III	Payment to a non resident media person relaying from outside Pakistan for advertisement services	Every Person	10%	

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154	Division IV of Part III	<p>Exporter proceeds</p> <p>Proceeds from sale of goods to an exporter under an inland back to back letter of credit or other arrangement as prescribed by the Board</p> <p>Proceeds from export of goods by an industrial undertaking located in the areas of Export Processing Zone</p> <p>Payment for a firm contract to an indirect exporter by direct exporter and an export house</p> <p>Clearing of goods exported</p> <p>Indenting commission (other than on export of goods)</p>	<p>Authorised dealer in foreign exchange</p> <p>Banking Company</p> <p>Export Processing Zone Authority</p> <p>Direct exporter and Export House</p> <p>Collector of Customs</p> <p>Authorised dealer in foreign exchange</p>	<p>1%</p> <p>1%</p> <p>1%</p> <p>1%</p> <p>1%</p> <p>5%</p>	
155	Division V of Part III	Rent of immovable property including rent of furniture & fixtures and amounts for related services	Federal, Provincial or Local Government, company, non-profit organization or diplomatic mission,	Rates ranging from 5 to 10% depending on the amount of the gross rent	Rent upto Rs. 150,000 received by an AOP or Individual in a tax year is exempted
156	Division VI of Part III	<p>Prize on prize bonds or cross word puzzle</p> <p>Winnings from a raffle, lottery, prize on winning a quiz or prize offered by a company for promotion of sale</p>	<p>Every Person</p> <p>Every Person</p>	<p>10%</p> <p>20%</p>	
156A	Division VI-A of Part III	Payment of commission or discount allowed to a petrol pump operator	Every Person selling petroleum products	10% of the amount of commission	
156B	Section 12(6)	Payment from individual pension accounts	Pension fund manager	Average rate of past 3 years taxable income	
231A	Division VI of Part IV	Cash withdrawal from a bank	Every Banking company	0.3% where the cash withdrawal exceeds Rs. 25,000 in a day	
231AA	Division VIA of Part IV	<p>Sale against cash of any instrument, including demand draft, payorder, CDR, STDR, SDR, RTC or any other instrument of bearer nature or on receipt of cash on cancellation of any of these instrument</p> <p>At the time of transfer of any sum against cash through online transfer, telegraphic transfer, mail transfer or any other mode of electronic transfer</p>	Every Banking company, non-banking financial institution, exchange company or authorized dealer of foreign exchange	<p>0.3% of the transaction exceeds Rs. 25,000 in a day</p> <p>0.3% of the transaction exceeds Rs. 25,000 in a day</p>	<p>Not applicable in the case of:</p> <p>a) Inter Bank or Intra Bank transfers; or</p> <p>b) payment made through cross cheque for purchase of financial instruments or;</p> <p>c) withdrawals / transactions made by: -</p> <p>- Federal or Provincial Government or; - a</p> <p>- foreign diplomat or a diplomatic mission in Pakistan or; - a</p> <p>- person who produces exemption certificate</p> <p>Not applicable in the case of withdrawals / transactions made by: -</p> <p>- Federal or Provincial Government or; - a</p> <p>- foreign diplomat or a diplomatic mission in Pakistan or; - a</p> <p>- person who produces exemption certificate</p>

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231B	Division VII of Part IV	Registration of a new locally manufactured motor vehicle	Motor vehicle registration authority	Amounts based on engine capacity of the vehicle	This section shall not be applicable to Federal, Provincial & Local Government, a foreign diplomat or a diplomatic mission in Pakistan
233	Division II of Part IV	Brokerage or commission	Federal Provincial or Local Government, company, AOP & Individual (having turnover of Rs. 50 million or above)	10%	Reduced rate of 5% for advertising agents (clause 26 of Part II of 2nd Schedule)
233A	Division IIA of Part IV	Collection of tax by a Stock Exchange registered in Pakistan on - purchase of shares - sale of shares - trading of shares - Financing of Carry over trade	Stock Exchange registered in Pakistan	0.01% of purchase value 0.01% of sale purchase value 0.01% of traded purchase value 10% of the carry over charge	The tax collected on purchases, sales & trading of shares shall be adjustable
234	Division III of Part IV	Tax on motor vehicles (Transport business) - Goods transport vehicle - Passenger transport vehicles plying for hire - Other private motor cars	Any person collecting motor vehicle tax	tax @ Rs. 1/kilogram of the laden weight in accordance with registered seating capacity in accordance with engine capacity	no tax shall be collected with registered laden weight of less than 8120 kilograms after period of ten years from the date of registration no tax shall be collected with registered seating capacity of ten or more persons after a period of ten years. no tax shall be collected for motor cars used for more than ten years in Pakistan.
234A	Division VIB of part III	CNG Stations	Person preparing gas consumption bill	4% of the gas consumption charges	Final tax on the income of a CNG station
235	Division IV of Part IV	Electricity consumption (by industrial and commercial consumers only)	Person preparing electricity consumption bill	at different amounts depending on the amount of bill, starting from Rs. 400	where the bill exceeds Rs. 20,000, the rate of advance tax will be: a) 10% for commercial consumers; and b) 5% for industrial consumers, of the billing amount
236	Division V of Part IV	Telephone users (other than Government, foreign diplomats, diplomatic missions)	Preparer of telephone bill, seller of prepaid cards for telephones or seller of units through any electronic medium	10% of the bill exceeding Rs.1000 in case of land line subscribers 10% in case of mobile phone bills, prepaid cards and sale of units through any electronic medium	

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236A	Division VIII of Part IV	Person to whom the property or goods are being sold by public auction	persons making sale by public auction of any property or goods	5%	
236B	Division IX of Part IV	Purchase of Air tickets	Person preparing air ticket	5% of the gross amount of air ticket	
37A	Division VII of Part I	Capital gain on disposal of securities	Mutual fund or collective investment scheme on redemption of securities	Effective from the Tax Year 2011 as per the following tax rates: a) @ 10% where the holding period of security is less than six months b) @ 7.5% where the holding period of security is more than six months but less than twelve months c) no tax shall be applicable where the holding period of security would be more than one year.	Not applicable to Banking & Insurance companies (Note: The rates mentioned are only for tax year 2011. For rates applicable to future tax years, please refer to Division VII of Part I of the First Schedule to the Income Tax Ordinance, 2001)