

DECEMBER 19, 2024

# THE IMPACT!

November, 2024

- Federal Income Tax
- Federal Sales Tax
- Provincial Sales Tax
- Corporate Laws

**RIAZ AHMAD, SAQIB, GOHAR CO.**  
CHARTERED ACCOUNTANTS

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## THE IMPACT!

### Preamble:

Riaz Ahmad, Saqib, Gohar & Co. Chartered Accountants is pleased to present herewith its monthly technical updates encompassing the broadened scope under the banner of "The Impact" for the month of November, 2024. This document aims to provide an update with respect to the changes in the Income Tax Ordinance, 2001 (the Ordinance), Sales Tax Act, 1990, Provincial Sales Tax on Services, Company Laws and related rules therein, introduced through various SROS/Circulars issued during the month of November, 2024.

***Disclaimer: This memorandum is prepared to the best of our knowledge and belief. It is intended to provide only a general outline of the matters covered in the document. It should neither be regarded as comprehensive nor sufficient for decision making purposes nor should it be used in place of professional advice. Riaz Ahmad, Saqib, Gohar & Co. Chartered Accountants does not accept any responsibility for any loss arising due to any action taken or not taken by the readers of this publication.***



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## THE IMPACT!

### UPDATES PERTAINING TO FEDERAL INCOME TAX LAWS –

#### DOUBLE TAX TREATY BETWEEN PAKISTAN AND LATVIA – SRO 1734(I)/2024:

The Federal Board of Revenue has through its SRO 1734(I)/2024 dated November 01, 2024 notified the signing of a treaty for avoidance of double taxation between Pakistan and Latvia.

The objective of this treaty is to prevent tax evasion and avoidance and the same has now been made effective on income tax withheld and chargeable during tax years beginning the first day of January in the calendar year next following the year in which the treaty comes into force.

#### AMENDMENTS IN THE VALUATION OF IMMOVABLE PROPERTY FOR RAWALPINDI – SRO 1812(I)/2024:

The Federal Board of Revenue has through its SRO 1812(I)/2024 dated November 13, 2024 amendment the valuation of immovable properties situated in the following areas in Rawalpindi:

Sr. No	Area	Updated Value
5899	Capital Smart City, Chahan, Mandwal	2,621
5900	Capital Smart City, Chahan, Mandwal	1,555.0

### AMENDMENTS IN INLAND REVENUE REWARD RULES, 2021 – SRO 1726(I)/2024:

The Federal Board of Revenue has through its SRO 1726(I)/2024 dated November 20, 2024 has specified that any task assigned to an officer or staff approved by the Prime Minister and directions are supposed to be issued on his behalf by him. The reward of such services shall be approved by the Prime Minister.

### UPDATES PERTAINING TO FEDERAL SALES TAX LAWS –

#### MINIMUM RETAIL PRICE FOR TEA – SRO 1735(I)/2024:

The Federal Board of Revenue has through its SRO 1735(I)/2024 dated November 01, 2024 specified the minimum retail price of Rs. 1,200/- per KG (excluding sales tax) for tea.

This price shall be used for the purpose of determining the minimum value of supply. In case the value is higher than the above, then sales tax would be charged on such higher value.

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## THE IMPACT!

### UPDATES PERTAINING TO CORPORATE LAWS –

#### AMENDMENTS IN THE SEVENTH SCHEDULE – SRO 1806(I)/2024:

The Securities and Exchange Commission of Pakistan has through its SRO 1806(I)/2024 dated November 08, 2024 has revised its fee for the matters stated as under:

Description	Electronic Fee	Manual Fee
For registration of a company whose nominal share capital does not exceed 100,000 rupees.	1,000	10,000
Reservation of any proposed name for registration of a company from the registrar under section 10	Capital Smart City, Chahan, Mandwal	2,000
For registration as a group under Regulation 138 of the Companies Regulations, 2024.	100,000	150,000

Description	Electronic Fee	Manual Fee
For registration as a group under Regulation 140 of the Companies Regulations, 2024.	100,000	150,000

#### AMENDMENTS IN CONSOLIDATED CIRCULAR FOR MODARBAS – SRO 1861(I)/2024:

The Securities and Exchange Commission of Pakistan has through its SRO 1861(I)/2024 dated November 14, 2024 made amendments to the consolidated circulars for Modarbas previously published vide 2310(I)/2022 dated December 28, 2022.

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## THE IMPACT!

### **EXEMPTION WITH RESPECT TO APPLICATION OF IFRS 9 EXPECTED CREDIT LOSS METHOD – SRO 1784(I)/2024:**

The Securities and Exchange Commission of Pakistan has through its SRO 1784(I)/2024 stated that in respect of companies holding financial assets, due or ultimately due from the Government of Pakistan in respect of circular debt, the requirements contained in “IFRS-9 (Financial Instruments) with respect to application of Expected Credit Losses Method” shall not be applicable on such financial assets for the financial years ending on or before December 31, 2025:

Provided that such companies shall follow relevant requirements of IAS 39-Financial Instruments: Recognition and Measurement, in respect of above referred financial assets during the exemption period.

## THE IMPACT!

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