

WITHHOLDING TAX CHART/STATEMENTS EFFECTIVE 1.7.2009

(For exemptions, reduced rates and non-application see footnote)

Sec.	Responsible person	Nature of Payment/ Transaction	Rate	Adjustable/ final	Payment of tax deducted or collected (Rule 43)	Statements to be filed (Rule 44)
148	Collector of Customs	Imports (not otherwise specified)	4% of the import value As increased by customs duty, Federal Excise and sales tax, if any	Final, except in the case of: i) an industrial undertaking importing goods as raw material or plant and machinery for own use ii) cases covered u/s 148(7)(b) to (d), and iii) Edible oil and Packing material	The same day as collection is made by federal government.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4). For electronic filing see s. 165(5) [FBR has yet not notified any rule for this purpose].
		Import by an industrial undertaking for its own use	3%	Adjustable		
		Import of edible Oil and packing material	4%	Minimum tax		
		Import of all fiber, yarns and fabrics and goods covered by the Zero Rating Regime of Sales Tax [Cl. (9), Part II, Second Schedule]	1%	Final		
		Import of potassic fertilizers [Cl. (13E), Part-II of Second Schedule	1%	Final		
		Items mentioned in Cl. (13G), Part II of Second Schedule	1%	Final		
		Import of Urea Fertilizer [Cl. (23), Part-II of Second Schedule	1%	Final		
		Import of pulses [Cl. (24), Part-II of Second Schedule]	2%	Final		
	Old and used automotive vehicles	Rates specified in Cl. (4), Part III of 2 nd Schedule	Final			

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149	Employer	Salary (including value of perquisites allowances and benefits computed as per law/rules). The employer can make adjustments on account of tax credits u/s 61, 62, 63 and 64.	Average	Adjustable	Federal or Provincial Government – The same day. Others – within seven days from the end of each week.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).
		Bonus to corporate employees receiving salary income of one million rupees or more (excluding bonus); one-time levy for tax year 2010 Note: Internally Displaced Persons Tax (IDPT) @ 5% is payable on income of one million rupees or more	30%			
150	Every person	Dividend income	10% of gross payment	Final (except in the case of companies)	Within seven days from the end of each week.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).
		However, the following concessions are to be noted: - On dividend declared/distributed by purchaser of power project privatized by Wapda – Cl. (17), Part II, 2 nd Sch.	7.5%	Final (except in the case of companies)		
		- On dividend declared/distributed by a company set up for power generation. Cl. (20), Part II, Second Schedule	7.5%	Final (except in the case of companies)		
151	Any person making payment	Yield on accounts, deposits or certificates under the National Savings Scheme or Post Office Savings Account. No withholding tax on investment up to 150,000/- in Certificates and Rs. 1000 monthly instalment in Monthly Saving Account Scheme [Cl. (59)(iv), Part IV, 2 nd Schedule.] No deduction in respect of Bahbood Saving Certificates or Pensioner's Benefit Account irrespective of quantum [Cl. (36A), Part IV, 2 nd Sch.]	10% of the yield	Final (except for companies)	The same day as payment is made by government.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4)
151 (1)(a)				Income is subjected to tax not exceeding 10% [Cl. (5), Part III, 2 nd Sch.]		
151 (1)(b)	Banking company or financial institution	Profit on debt on an account or deposit. [See exemption in clauses (16), (19), (38), (49) and (59)(iii), Part IV, 2 nd Schedule]	10% of the yield	Final (except for companies)	Within seven days from the end of each week.	-do-
151 (1)(c)	Federal/Provincial Govt./local authority	Profit on securities, other than those mentioned in s.151(1)(a), issued by Federal/Provincial Governments or a local authority.	10% of the yield	Adjustable	The same day.	-do-
151 (1)(d)	Banking company, a financial institution, a company or finance society	Profit on bonds, certificates, debentures, securities or instruments of any kind (other than loan agreements between borrowers and banking companies or development financial institutions) payable to any person other than financial institution. [For exemption see clause (59)(i)(ii), Part IV, 2 nd Schedule].	10% of the yield	Final (except for companies)	Within seven days from the end of each week.	-do-

Sec.	Responsible person	Nature of Payment/ Transaction	Rate	Adjustable/ final	Payment of tax deducted or collected (Rule 43)	Statements to be filed (Rule 44)	
151(2)	Every person	In case of non-resident recipients In case of non-residents having no permanent establishment (PE) in Pakistan Important In all above cases gross amount shall be taken as reduced by Zakat deducted, if any [S. 151(1)].	30% of the profit or reduced rate, if any, under Double Tax Agreement (DTA) 10% of gross amount paid [clause (5A) Part-II, 2 nd Sch.] [See reduced rates under treaties at our website: www.huzaimaikram.com]	Adjustable	Federal or Provincial Government – The same day. Others – within seven days from the end of each week.	-do-	
152 Payments to non-residents	152(1)	Every Person	Royalties or fee for technical services to non-residents other than their PEs in Pakistan	15% of the gross amount or reduced rate under DTA [See reduced rates under treaties at our website www.huzaimaikram.com]	Final	Federal or Provincial Government – The same day. Others – within seven days from the end of each week.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).
	152(1A)	Every Person	A non-resident person on the execution of: a) Contract or sub-contract under a construction, assembly or installation project in Pakistan including a contract for the supply of supervisory activities relating to such project. b) Any other contract for construction or services rendered relating thereto. c) Contract for advertisement services rendered by TV satellite channels. No deduction in respect of payments to foreign news agencies, syndicate services and non-resident contributors, who have no PE in Pakistan.[clause (41B) Part-IV]	6% 6% 6%	Final (if option is exercised under clause (41), Part IV, 2 nd Schedule). Final (if option is exercised under clause (41), Part IV, 2 nd Schedule). Final (if option is exercised under clause (41), Part IV, 2 nd Schedule).	Federal or Provincial Government – The same day. Others – within seven days from the end of each week.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).
152 (1AA)	Every person	Any payment of insurance premium or re-insurance premium to a non-resident person	5% of gross amount	Final	Federal or Provincial Government – The same day. Others – within seven days from the end of each week.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).	

Sec.	Responsible person	Nature of Payment/ Transaction	Rate	Adjustable/ final	Payment of tax deducted or collected (Rule 43)	Statements to be filed (Rule 44)
152(2)	Every person	<p>Payment for profit on debt to a non-resident having no permanent establishment in Pakistan</p> <p>Any other payment to non-resident, not otherwise specified and excluding the following:</p> <p>(a) on account of salary, dividend, contractual payments u/s 153, rent, winnings & prizes and commission/ brokerage;</p> <p>(b) taxable in the hands of a PE in Pakistan of the non-resident person;</p> <p>(c) payable by a person who is liable to pay tax as representative of the non-resident; or</p> <p>(d) not chargeable to tax in the hands of the non-resident</p> <p>Important</p> <p>For making payment without deduction of tax, except where a treaty applies, a notice is to be given to the Commissioner communicating the nature and amount of payment along with the name and address of the non-resident person. The Commissioner is bound to pass an order within 30 days accepting the contention or in case of disagreement, to pass an order directing for deduction of tax.</p> <p>However, prior clearance from the Commissioner is not required where a double taxation treaty provides exemption and in the following cases:</p> <p>(a) on import of goods where title passes outside Pakistan and payment is not related to supply of goods to a PE in Pakistan; supply is made between associates or supply is made by a resident person or a Pakistani PE of a non-resident; or</p> <p>(b) education and medical expenses remitted in accordance with the regulations of SBP.</p>	<p>10% of gross amount paid [clause (5A) Part-II, 2nd Sch.]</p> <p>30% of the gross amount or reduced rate under DTA, if applicable</p>	Adjustable	<p>Federal or Provincial Government – The same day.</p> <p>Others – within seven days from the end of each week.</p>	<p>Monthly – within 20 days of end of each month.</p> <p>Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).</p>

Sec.	Responsible person	Nature of Payment/ Transaction	Rate	Adjustable/ final	Payment of tax deducted or collected (Rule 43)	Statements to be filed (Rule 44)
153 (1)(a)	- Federal Govt./ Provincial Govt. - Company - AOP constituted or formed under the law - Non Profit Organization - Foreign contractor or consultant - Consortium or Joint Venture - AOP having turnover of 50 (m) or above [Note: Manufacturer-cum-exporters are exempt on fulfillment of conditions mentioned in clause (45), Part IV, 2 nd Schedule.]	Payment in full or in part including by way of advance to a resident person or PE of non-resident; - for sale of rice, cotton seed, edible oil;	1.5% of the gross payment [exemptions/ reduced rates are provided in SRO 600(I)/1991, dt. 2.7.91 and SRO 586(I)/1991, dt. 30.6.1991.]	Final (except in case of listed companies and companies engaged in manufacturing)	Federal or Provincial Government – The same day.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).
		- Rice sold by Rice Exporters Association of Pakistan to Utility Store Corporation.	1% of sale value [clause (13HH) Part-II, 2 nd Sch.]	Final		
		- for sale of any other goods	3.5% of the gross payment	Final (except in case of listed companies and companies engaged in manufacturing)		
153 (1)(b)	-do-	- Transport services; - All others	2% 6% of the payment	Minimum tax Minimum tax		
153 (1)(c)	-do-	On execution of a contract, other than for supply of goods or the rendering of or providing services:	6% of gross payment	Final (except in case of listed companies)		

Sec.	Responsible person	Nature of Payment/ Transaction	Rate	Adjustable/ final	Payment of tax deducted or collected (Rule 43)	Statements to be filed (Rule 44)
153 (1A)	Exporter/Export House	<p>Services rendered or provided for stitching, dying, printing, embroidery, washing, sizing and weaving.</p> <p>Important:</p> <p>A. No deduction on:</p> <p>i) supplies/sale of imported goods where the importer of the goods has paid tax u/s 148 in respect of such goods and the said goods are sold in the same condition in which they were imported;</p> <p>ii) a refund of any security deposit;</p> <p>iii) any payment by Federal/ provincial govt./local authority for construction material supplied to the contractor by them;</p> <p>iv) a cotton ginner who deposits in the government treasury, an amount equal to the amount of tax deductible on the payment being made to him.</p> <p>v) purchase of assets under sale and lease back agreement by a leasing company, Modaraba, banking or financial institution;</p> <p>vi) Securitization of receivables by Special Purpose Vehicle to originator.</p> <p>vii) Payment made by a Small Company; and</p> <p>viii) payment on sale of air tickets by traveling agents, who have paid withholding tax on their commission income [Cl.43B, Part-IV]</p> <p>B. Tax deducted on supply of goods by a manufacturer (other than Individual and AOP) falls outside the PTR [s. 153(6A)].</p>	0.5%	Final		
153A	Every person	Any payment for advertisement services to a non-resident media person relaying from outside Pakistan	10% of gross amount paid	Final	<p>Federal or Provincial Government – The same day.</p> <p>Others – within seven days from the end of each week.</p>	<p>Monthly – within 20 days of end of each month.</p> <p>Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).</p>
Payment to non-resident media						

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154						
Exports & Foreign Indenting Commission						
154(1)	Authorized dealer/Banking company	On realization of proceeds on account of export of goods. [Exemption to cooking oil or vegetable ghee exported to Afghanistan if tax u/s 148 is paid.]	1%	Final	Within seven days from the end of each week.	Monthly – within 20 days of end of each month. Extension can be sought from Commissioner u/s 165(4).
154(2)	Authorized dealer/Banking company	On realization of proceeds on account of commission to: (i) non-export indenting agent (ii) export indenting agent/export buying house	5% 5%	Final Final	-do-	-do-
154(3)	Banking company	On realization of proceeds on account of sale of goods to an exporter under inland back to back LC or any other arrangement as may be prescribed by FBR	1%	Final	-do-	-do-
154 (3A)	EPZ Authority	Export of goods located in EPZ	1%	Final	-do-	-do-
154 (3B)	Direct exporter/export house registered under DTRE Rules, 2001	Payment to indirect exporters as defined in DTRE Rules, 2001	1%	Final	-do-	-do-
154 (3C)	Collector of Custom	Clearance of goods exported	1%	Final	-do-	-do-

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155	Federal Govt./ Provincial Govt.; Company; local authority, non-profit organization, diplomatic mission of a foreign state and any other person notified by FBR	Any payment in full or in part including by way of advance on account of rent of immovable property including rent of furniture and fixtures and services relating to such property and amounts mentioned in section 16(1) or (3): A) In case of Individual or AOP i) Amount not exceeding 150,000 ii) 150,000 to 400,000 iii) 400,000 to 1,000,000 iv) Exceeding 1,000,000 B) In case of Company i) Amount not exceeding 400,000 ii) 400,000 to 1,000,000 iii) Exceeding 1,000,000	Nil 5% of amount exceeding 150,000 12,500 + 7.5 % of amount exceeding 400,000 57,500 + 10% of amount exceeding 1,000,000 5% 20,000 + 7.5% of amount exceeding 400,000 65,000 + 10% of amount exceeding 1,000,000	Final	Federal or Provincial Government – The same day. Others – within seven days from the end of each week.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year Extension can be sought from Commissioner u/s 165(4).
156	Every person	Payment of prize on prize bonds Payment on a winning from a raffle, lottery, prize on winning a quiz, prize offered by companies for promotion of sale, crossword puzzles <i>(Where such amount is not paid in cash then tax is to be collected from the recipient on fair market value of the prize)</i>	10% 20%	Final Final	Federal or Provincial Government – The same day. Others – within seven days from the end of each week.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).
156A	Every person	Payment to petrol pump operator on account of sale of petroleum products	10% of amount of commission	Final	Federal or Provincial Government – The same day. Others – within seven days from the end of each week.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).

Sec.	Responsible person	Nature of Payment/ Transaction	Rate	Adjustable/ final	Payment of tax deducted or collected (Rule 43)	Statements to be filed (Rule 44)
156B	Pension Fund Manager	i) Withdrawal before retirement age ii) Withdrawal, if in excess of 25% of accumulated balance at or after the retirement age. <u>Important</u> Tax is not deductible if balance in pension account is: i) invested in an approved payment plan; ii) paid to Life insurance company to purchase an approved annuity plan; or iii) transferred to another individual pension account of the taxpayer iv) if eligible person is suffering from disability [see rule 17(2) of Voluntary Pension System Rules, 2005 v) Share of the nominated survivor of the deceased eligible person	As specified in sub-section (6) of section 12 i.e. average rate of tax for the last 3 preceding years or rate applicable for the year whichever is lower.	Adjustable	Federal or Provincial Government – The same day. Others – within seven days from the end of each week.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).
231A	Every Banking Company	Payment of cash withdrawal exceeding Rs.25,000/- in a day	0.3% of the amount exceeding Rs.25,000/-, e.g. on Rs.60,000, tax of Rs.70/- will be debited to account.	Adjustable	Within seven days from the end of each week.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).
231B	Motor vehicle registration authority	Upto 850cc 851cc to 1000cc 1001cc to 1300cc 1301cc to 1600cc 1601cc to 1800cc 1801cc to 2000cc Above 2000cc	Rs.7,500 Rs.10,500 Rs.16,875 Rs.16,875 Rs.22,500 Rs.16,875 Rs.50,000	Adjustable	The same day as collection is made by provincial government.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).

Sec.	Responsible person	Nature of Payment/ Transaction	Rate	Adjustable/ final	Payment of tax deducted or collected (Rule 43)	Statements to be filed (Rule 44)
233 Brokerage & Commission	Federal Government, Provincial Government, Local authority, Company, AOP constituted by or under any law.	Brokerage and commission income (including non-resident agents)	10% of the amount of payment 5% in case of advertising agents	Final	Federal or Provincial Government – The same day. Others – within seven days from the end of each week.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).
233A Collection of tax by Stock Exchange						
233A (1)(a)	Stock Exchange registered in Pakistan	On purchase of shares in lieu of the commission earned by its Members.	0.01% of purchase value	Minimum tax	Within seven days from the end of each week.	Monthly – within 20 days of end of each month.
(1)(b)		On sale of shares in lieu of the commission earned by its Members.	0.01% of sale value	Minimum tax		Annual – within two months of end of financial year.
(1)(c)		From its Members in respect of trading of shares.	0.01% of traded value	Minimum tax		Extension can be sought from Commissioner u/s 165(4).
(1)(d)		From its Members in respect of financing of carryover trade in shares business.	10% of carryover charge	Adjustable		
234 Tax on Motor Vehicles	Person collecting motor vehicle tax	From plying or hiring of goods transport; Reduced rate for goods transport vehicles with laden weight of 8120 kilograms or more after a period ten years from the date of first registration of the vehicle in Pakistan [Para (1A) of Div. III of Part IV of 1 st Sch.] Passenger transport: Private motor cars Note: No tax in respect of: (i) motor cars used for more than 10 years. (ii) passenger transport vehicle with registered capacity of ten or more after a period of 10 years from the 1 st July of the year of make of vehicle. (iii) goods transport vehicle with registered laden weight of less than 8120 kilogram after 10 years from the date of first registration of vehicle in Pakistan.	Rs. 1200 to Rs. 36000 per annum Rs. 1200 per annum Rs. 25 to Rs. 100 per seat per annum Rs. 750 to Rs. 8000 per annum [Paragraph (1), Div. III, Part IV of First Sch.]	Final Final Adjustable Adjustable	The same day as tax is collected by provincial governments.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).

Sec.	Responsible person	Nature of Payment/ Transaction	Rate	Adjustable/ final	Payment of tax deducted or collected (Rule 43)	Statements to be filed (Rule 44)
234A CNG Stations	Person preparing gas consumption bill	On the amount of gas bill of a Compressed Natural Gas	4%	Final	Within seven days from the end of each week.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).
235 Electricity	Person preparing electricity bills.	Commercial and industrial consumer Note: - Tax collected up to bill amount of Rs.30,000 shall be minimum tax on income of a person (other than a company). There shall be no refund of the tax collected under this section, unless the tax so collected is in excess of the amount for which the taxpayer is chargeable to tax under this Ordinance in the case of a company. - No tax collection from exporters-cum-manufacturer of items mentioned in clause (66) Part IV of 2 nd Schedule	As given in Part IV Division IV of First Schedule. (Ranging from Rs. 60 to Rs. 2000 depending on the monthly bill). For bill exceeding Rs.20,000, 10%	Adjustable	Within seven days from the end of each week.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).
236 Telephone	Person preparing telephone bill/issuing or selling prepaid card for mobile phones.	Telephone subscribers Mobile telephone subscribers and prepaid telephone cards	Up to monthly 1,000: Nil Bill exceeding 1,000: 10% 10% of amount of bill	Adjustable	Federal or Provincial Government – The same day. Others – within seven days from the end of each week.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).
236A Auction	Every person	Sale by auction	5%	Adjustable	Federal or Provincial Government – The same day. Others – within seven days from the end of each week.	Monthly – within 20 days of end of each month. Annual – within two months of end of financial year. Extension can be sought from Commissioner u/s 165(4).

REFERENCE TO WITHHOLDING TAX CHART

1 Exemptions/Non-application:

- (a) Persons or class of persons or goods or class of goods as may be specified by FBR. [Sec. 148(2)].
- (b) Import of items mentioned in clause (56) Part-IV of Second Schedule.
- (c) Import of cipher devices mentioned in clause (60) Part-IV of Second Schedule.

Reduced rates:

- (a) See clause (9), Part II, Second Schedule and SRO 638(I)/2005 dated June 27, 2005.
- (b) Clause (13C) to (13G), (25), Part II, Second Schedule.

2 For exemptions, rates, reductions etc, please see Chapter 3 of Practical Handbook of Income Tax (available online as well as at www.huzaimaikram.com)

3 Exemptions are available to:

- (a) Inter-corporate dividend within group companies taxed u/s 59AA.
- (b) Private Equity & Venture Capital Funds.
- (c) Islamic Development Bank.

4 Exemptions

See clauses (72) to (90), Part I, Second Schedule. For text of these clauses visit www.huzaimaikram.com

Non-application

See Part IV, Second Schedule for non-application of withholding provisions—for text visit www.huzaimaikram.com

5 Exemptions

Export of computer software or IT services [See clause (113), Part I, Second Schedule.

Non-application

Cooking oil or vegetable ghee exported to Afghanistan on which tax was collected at import stage u/s 148 [Cl. (47C), Part IV, 2nd Schedule.]