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PART I

Acts, Ordinances, President's Orders and Regulations

NATIONAL ASSEMBLY SECRETARIAT

Islamabad, the 30th June, 2020

No. F. 22(35)2020-Legis.—The following Act of *Majlis-e-Shoora* (Parliament) received the assent of the President on the 30th June, 2020 is hereby published for general information:—

[ACT NO. XIX OF 2020]

AN

ACT

to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2020 and to amend certain laws

WHEREAS it is expedient to make provisions to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2020 and to amend certain laws for the purposes hereinafter appearing;

(285)

Price : Rs. 210.00

It is hereby enacted as follows:-

1. **Short title and commencement.**—(1) This Act shall be called the Finance Act, 2020.

(2) It shall, unless specified otherwise, come into force on the first day of July, 2020.

2. **Amendment of Petroleum Products (Petroleum Levy) Ordinance, 1961 (XXV of 1961).**—In the Petroleum Products (Petroleum Levy) Ordinance, 1961 (XXV of 1961), in section 3A,—

(1) in sub-section (2), in clause (b), after the figure “2005”, the expression “or general sales tax payable under the Sales Tax Act, 1990” shall be inserted; and

(2) in sub-section (3), after the expression “(IV of 1969),” the expression “the Sales Tax Act, 1990” shall be inserted.

3. **Amendment of Customs Act, 1969 (IV of 1969).**—In the Customs Act, 1969 (IV of 1969), the following further amendments shall be made, namely:—

(1) in section 2,—

(a) for clause (ai), the following shall be substituted, namely:—

“(ai) “advance ruling” means a written decision by the Board or any officer or a committee authorized by the Board, on the request of an applicant for determination of classification, origin or applicability of a particular relief or exemption on goods prior to their importation or exportation, valid for a specified period of time;”;

and

(b) in clause (s),—

(i) after the word “force”, the expression “, or in any way being concerned in carrying, transporting, removing, depositing, harbouring, keeping, concealing” shall be inserted; and

(ii) in sub-clause (ii), for the expression “one hundred and fifty thousand”, the expression “five hundred thousand” shall be substituted;

- (2) in section 7, after the word "Forces", the expression ", Border Military Police (BMP)" shall be inserted;
- (3) in section 17, for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:-

"Provided that the period of detention shall not exceed fifteen days which may be extended by the Chief Collector or Director General for a period not exceeding fifteen days.";

- (4) in section 19, in sub-section (5), in the second proviso, for the figure "2020", the figure "2021" shall be substituted;"
- (5) for section 19C, the following shall be substituted, namely;

"19C. **Minimal duties not to be demanded.**—Where the value of imported goods does not exceed five thousand rupees, no duties and taxes shall be demanded, subject to conditions and restrictions as may be prescribed by the Board under the rules.";

- (6) in section 21, in clause (c), for the expression "customs-duties", the expression "duties as levied under section 18 or 18A and" shall be substituted;
- (7) in section 27A, for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:—

"Provided that the goods imported in new condition shall not be allowed scrapping and mutilation and shall be classified and chargeable to leviable duty and taxes as new goods.";

- (8) in section 32A,-

(a) in sub-section (1),—

- (i) after clause (c), the following new clause (ca) shall be inserted, namely:—

"(ca) declares value which is significantly higher or lower than the actual value, that is, the price actually paid or payable for the goods when sold for export to Pakistan, proceedings may be initiated under this section subject to conditions or

limitations as may be prescribed by the Board under the rules;"; and

- (ii) in clause (e), for the expression "(c)" the expression "(c), (ca)" shall be substituted; and
- (b) in sub-section (2), for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:—

"Provided that an offence, having no revenue implication but covered under sub-section (1), shall also be served with show cause notice within a period of one hundred and eighty days of detection of such fraud for penal action under the relevant provisions of law.";

- (9) in section 80, in sub-section (3), for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:—

"Provided that in case of reassessment, a notice shall be served to the importer through Customs Computerized System and opportunity of hearing shall be provided, if he so desires.";

- (10) in section 139,—

- (a) for sub-section (2), the following shall be substituted, namely:—

"(2) Where any passenger or a member of the crew makes a false declaration or fails to make such declaration as required under sub-section (1), he shall be guilty of an offence under this Act."; and

- (b) after sub-section (2), substituted as aforesaid, the following new sub-section shall be added, namely:-

"(3) Notwithstanding the provisions of sub-section (2), where any person attempts to bring into or takes out of Pakistan, currency, gold, precious metals or stones, in any form, through concealment in baggage or circumventing customs controls at airports, sea-ports and land border custom-stations, he shall be guilty of an offence of smuggling within the meaning of clause (s) of section 2.";

(11) in section 156, in sub-section (1), in the Table, in column zero, against serial number 8,-

(a) for sub-serial (i) and entries relating thereto in columns (1), (2) and (3), the following shall be substituted, namely:—

“(i)	where any goods be smuggled into or out of Pakistan,-	such goods shall be liable to confiscation and any person concerned in the offence shall be liable to-	General”;
	(a) if the value of the goods is from PKR 500,001 to 3,000,000 (both inclusive);	a penalty not exceeding the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding two years;	
	(b) if the value of the goods is from PKR 3,000,001 to 5,000,000 (both inclusive);	a penalty not exceeding two times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding three years: Provided that the sentence of the imprisonment shall not be less than two years.	
	(c) if the value of the goods is from PKR 5,000,001 to 7,500,000 (both inclusive);	a penalty not exceeding three times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding five years: Provided that the sentence of the imprisonment shall not be less than two and half years.	
	(d) if the value of the goods is from PKR 7,500,001 to 10,000,000 (both inclusive);	a penalty not exceeding four times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment	

		for a term not exceeding ten years: Provided that the sentence of the imprisonment shall not be less than three years.	
	(c) if the value of the goods exceeds PKR 10,000,000;	a penalty not exceeding five times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding fourteen years: Provided that the sentence of the imprisonment shall not be less than five years and the whole or any part of his moveable and immoveable assets and property shall also be liable to forfeiture in accordance with section 187 of the Customs Act, 1969: Provided further that, in the case of such goods as may be notified by the Federal Government in the official Gazette, the sentence of imprisonment shall not be less than five years and the whole or any part of his property shall also be liable to forfeiture.	

- (b) for sub-serial (iii) and entries relating thereto in columns (1), (2) and (3), the following shall be substituted, namely:-

(iii)	If the smuggled or prohibited goods comprise currency, gold, silver, platinum or precious stones in any form-	such currency or goods shall be liable to confiscation and any person concerned in the offence shall be liable to-	General"; and
	(a) if the value of the currency or goods is	a penalty not exceeding the value of the goods; and	

	upto US \$ 10,000 or equivalent in value (currency of other denomination) etc;	upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding two years;	
	(b) if the value of the currency or goods is from US \$ 10,001 to US \$ 20,000 (both inclusive) or equivalent in value (currency of other denomination) etc;	a penalty not exceeding two times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding three years: Provided that the sentence of the imprisonment shall not be less than two years.	
	(c) If value of the currency or goods is from US \$ 20,001 to US \$ 50,000 (both inclusive) or equivalent in value (currency of other denomination) etc;	a penalty not exceeding three times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding five years: Provided that the sentence of the imprisonment shall not be less than two and half years.	
	(d) if the value of the currency or goods is from US \$ 50,001 to US \$ 100,000 (both inclusive) or equivalent in value (currency of other denomination) etc;	a penalty not exceeding four times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding ten years: Provided that the sentence of the imprisonment shall not be less than three years.	
	(e) if the value of the currency or goods exceeds US \$ 100,000 or equivalent in value (currency of other denomination) etc;	a penalty not exceeding five times the value of the goods; and upon conviction by a Special Judge he shall further be liable to imprisonment for a term not exceeding fourteen years:	

		Provided that the sentence of the imprisonment shall not be less than five years and the whole or any part of his moveable and immoveable assets and property shall also be liable to forfeiture in accordance with section 187 of the Customs Act, 1969.	
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- (c) sub-serial (iv) and entries relating thereto in columns (1), (2) and (3), shall be omitted;
- (12) in section 179, in sub-section (3),—
- (a) after the colon, the following new proviso shall be inserted, namely:—
- “Provided that in cases, wherein the provisions of clause (s) of section 2 have been invoked, such cases shall be decided within a period of thirty days of the issuance of show cause notice.”; and
- (b) in the existing proviso, after the word “Provided”, the word “further” shall be inserted;
- (13) in section 187, for the full stop at the end, a colon shall be substituted and thereafter the following provisos shall be added, namely:—

“Provided that any person, alleged to have committed an offence under this Act, shall bear the burden of proof that any property owned by him in his name or someone else name was not acquired from the proceeds of such crime:

Provided further that the procedure for forfeiture of such property shall be prescribed by the Board under the rules.”;

- (14) in section 194B, in sub-section (1), after the first proviso, the following new proviso shall be inserted, namely:—

“Provided further that in cases, wherein the provisions of clause (s) of section 2 have been invoked, appeals shall be decided within a period of thirty days.”;

(15) in section 195C,—

(a) in sub-section (2), for clause (c), the following shall be substituted, namely:—

“(c) a person to be nominated by the Board from a panel mentioned in clause (b);”;

(b) for sub-section (3), the following shall be substituted, namely:—

“(3) The Board shall communicate the order of appointment of committee to the court of law or the appellate authority and the Collector.”;

(c) sub-section (4) shall be omitted;

(d) in sub-section (5), for the colon at the end, a full stop shall be substituted and the proviso thereafter shall be omitted;

(e) in sub-section (6), for the expression “on withdrawal of appeal upto the date of decision by the committee”, the expression “from the date of appointment of the committee up to the date of decision of committee or its dissolution, as the case may be” shall be substituted;

(f) for sub-section (7), the following shall be substituted, namely:—

“(7) The decision of the committee under sub-section (5) shall be binding on the Collector when the aggrieved person, being satisfied with the decision, has withdrawn the appeal pending before the court of law or any appellate authority and has communicated the order of withdrawal to the Collector:

Provided that if the order of withdrawal is not communicated to the Collector within sixty days of the service of decision of the committee upon the aggrieved person, the decision of the committee shall not be binding on the Collector.”; and

(g) in sub-section (8), for the expression “which issued the order of withdrawal under sub-section (4) and the appeal shall be treated to be pending before such appellate authority as if the

appeal had never been withdrawn” the expression “where the dispute is pending” shall be substituted;

- (16) in section 201, in sub-section (3), for the full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:—

“Provided that, in case wherein goods declaration has been filed, the share of importer in sale proceeds shall not exceed the declared value of the goods.”;

- (17) in section 212A, after sub-section (2), the following sub-section shall be added, namely:—

“(3) Notwithstanding anything contained in this Act or any other law for the time being in force, the Board may, subject to such conditions, limitations or restrictions as it thinks fit to impose, grant benefits to the authorized economic operators in such manner as may be provided under the rules made including—

- (a) laying down any procedure or mode for collection of customs duties, fee, surcharge, penalty or any other levy under this Act or any other law;
- (b) deferring collection of customs duties, fee, surcharge, penalty or any other levy either in whole or in part;
- (c) condoning or substituting whole or part of the bank guarantee or pay order of a scheduled bank required under this Act with any other financial instrument as deemed appropriate.”; and

- (18) after section 212A, the following new section shall be inserted, namely:—

“212B. **Advance Ruling.**—(1) An applicant desirous of Advance Ruling may make an application in such form and in such manner as may be prescribed under the rules, stating any of the questions as contained in sub-section (2) hereinafter on which the Advance Ruling is sought.

- (2) The question on which advance ruling is sought shall be in respect of,—

- (i) classification of goods under the First Schedule to this Act;
 - (ii) determination of origin of the goods under the rules of origin notified for bilateral and multilateral agreements;
 - (iii) applicability of notifications issued in respect of duties under this Act or any tax or duty chargeable under any other law for the time being in force in the same manner as duty of customs leviable under this Act; or
 - (iv) any other matter as the Board may specify by notification in the official Gazette.
- (3) The proceedings for issuance of advance ruling shall be completed within ninety days.
 - (4) The Ruling issued under sub-section (1) shall be binding on the applicant.
 - (5) The Ruling issued under sub-section (1) shall be binding on the Customs for a period of one year unless there is a change in law or facts or circumstances on the basis of which the advance ruling was pronounced.
 - (6) The appeal against the Ruling issued under sub-section (1) shall lie with the Member Customs (Policy) within thirty days of issuance of the Ruling;

Provided that during the appeal period of thirty days, the operation of the Ruling shall remain suspended unless the applicant accepts the Ruling.”;

(19) in the First Schedule,—

- (i) in Chapter 99, in Sub-Chapter-V, in column (1) against PCT code 9917, in column (2), in paragraph (3), the following amendments shall be made and shall be deemed to have been made with effect from the 1st June, 2020, namely:—
 - (a) in sub-paragraph (i), for the word “and”, occurring for third time, the expression “, including Gwadar International Terminals Limited and Gwadar Marine Services Limited and their”, shall be substituted;

- (b) in sub-paragraph (ii), for the words, "the ships used in the port and its terminals", the words "all visiting ships including foreign and local and fishing vessels at Gwadar Port", shall be substituted; and
- (c) for sub-paragraph (iv), the following shall be substituted, namely:—
- “(iv) Imports by the following businesses to be established in the Gwadar Free Zone Area for a period of 23 years with effect from 1st July, 2016, packaging, distribution, stuffing and de-stuffing, CFS, container yard, warehousing including cool and cold rooms, transshipment, labelling, light end assembly and re-assembly, imports and exports/value added exports, value adding of imports, other similar or related businesses activities and such commercial activities as are required to support the free zone.”; and
- (ii) the amendments set out in the First Schedule to this Act shall be made in the First Schedule to the Customs Act, 1969 (IV of 1969); and
- (20) in the Fifth Schedule,—
- (A) in Part-I,—
- (i) in the preamble, in the explanation, for sub-para (b), the following shall be substituted, namely:—
- “(b) use in mining, agriculture, fisheries, animal husbandry, floriculture, horticulture, livestock, cool chain, dairy, poultry industry, IT sector, storage, communication and infrastructure development of SEZs by Zone Developer.”; and
- (ii) in the Table, in column (1),—
- (a) for S.No.23 and the entries relating thereto in columns (2), (3), (4) and (5), the following shall be substituted, namely:—

"23	Parts, Components and inputs for manufacturing LED lights:			If imported by LED Light and Bulbs manufacturers registered under the Sales Tax Act, 1990 subject to annual quota determination by the Input Output Coefficient Organization (IOCO)."
	(i) Housing/Shell, shell cover and base cap for all kinds of LED Lights and Bulbs	Respective headings	0%	
	(ii) Pickling preparations for metal surfaces; soldering brazing or welding powders and pastes consisting of metal and other materials	3810.9090	0%	
	(iii) Poly Butylene Terephthalate	3907.7000	0%	
	(iv) Bare or Stuffed Metal Clad Printed Circuit Board (MCPCB)	8534.0000	0%	
	(v) Constant Current Power Supply for LED Lights and Bulbs (1-300W)	8504.4090	0%	
(vi) Lenses for LED lights and Bulbs	9001.9000	0%		

(b) for S. No. 26 and the entries relating thereto in columns (2), (3), (4) and (5), the following shall be substituted, namely:—

"26	Plant machinery and equipment imported during the period commencing on 1st July, 2014 and ending on 30th June, 2023 for setting up of industries in erstwhile FATA Areas.	Respective headings	0%	The plant machinery and equipment under the said serial number shall be released on certification from Provincial Home Secretary that the goods are bonafide requirement of the unit as per Annex B. The goods shall not be sold or otherwise disposed of without prior approval of the Board."; and
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(c) after S.No.35 and corresponding entries relating thereto in columns (2), (3), (4) and (5), the following shall be added, namely:—

36	Machinery, equipment and other project related items for setting up of Submarine Cable Landing stations			If imported by Internet Service providers registered under the Sales Tax Act 1990, duly certified by the Ministry of Information Technology and Telecommunication and Pakistan Telecommunication Authority (PTA), and subject to annual quota determination by the Input Output Co-efficient Organization (IOCO).
	(i) Tubes Pipes and hollow profiles of cast iron	7303.0000	0%	
	(ii) Articles of non-malleable cast iron	7325.1000	0%	
	(iii) Static Converters	8504.4090	0%	
	(iv) Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	8517.6290	0%	
	(v) Optical fiber Cables	8544.7000	0%	
37	Other Electric Conductors exceeding 32000 V	8544.6090	11 %	If imported by manufacturers of transformers, registered under the Sales Tax Act 1990.

- (B) in Part II, in Table C, in column (1), after S.No.33, and corresponding entries relating thereto in columns (2), (3) and (4), the following shall be added, namely:—

34	Meglumine antimonite	3004.9099	0%
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- (C) in Part III, in the Table, in column (1),—

- (i) against S.No. 96, in column (2), against sub-serial (i), for the entries in columns (3) and (4), the entries "7606.1200" and "0%" shall be respectively substituted;
- (ii) against S.No. 105, in column (5), for the figure "2020" the figure "2030", shall be substituted; and
- (iii) for S.No. 107 and the entries relating thereto in columns (2), (3), (4) and (5), the following shall respectively be substituted, namely:—

107	(i) Paper having specification 60 gm/m ² in 23X36 inches or 20X30	4802.5510	0%	(1) If imported by a Federal or Provincial Government Institution or a Nashir-e-Quran approved by
		4810.1310		

	<p>inches sheets (ii) Art paper having specification 20x30 inches, 23x30 inches, 23x33 inches, 23x36 inches and 700x1000 mm</p>	4810.1990	<p>respective Provincial Quran Board for printing of Holy Quran;</p> <p>(2) In case of Nashir-e-Quran the quantity of paper to be imported would be determined by IOCO; and</p> <p>(3) The Nashir-e-Quran may also get printing done from another printer (vendor), duly registered under Sales Tax Act, 1990 and with relevant Provincial Quran Board, having suitable in-house facility, subject to approval of the IOCO. Imports made by Nashir-e-Quran availing the facility of printing through vendors will be cleared against submission of bank guarantee or pay order. In such case, -</p> <p>(i) the vendor shall have a firm contract with the Nashir-e-Quran;</p> <p>(ii) the Nashir-e-Quran may provide the imported paper, to the vendor;</p> <p>(iii) the vendor shall not be entitled to import the paper, under this scheme for printing of Quran to be supplied to the Nashir-e-Quran;</p> <p>(iv) the vendor, after completing the printing, shall supply the printed</p>
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				<p>Quran to that Nashir-e-Quran only with whom he held the firm contract; and</p> <p>(v) the vendor shall also maintain proper record of the imported paper utilized, and printed Quran supplied to the Nashir-e-Quran;</p> <p>(vi) the security deposited by the Nashir-e-Quran at the time of clearance shall be released after NOC from IOCO regarding consumption of paper and supply of finished product as per the contract.”;</p>
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- (iv) for S.No.109 and the entries relating thereto in columns (2), (3), (4) and (5), the following shall respectively be substituted, namely:—

"109	(i) Other craft paper	4804.3900	15%	If imported by a Sales Tax registered manufacturer of Aseptic liquid food packaging material, subject to quota determination by IOCO.”;
		4810.9200		
	(ii) Multi-ply (clay coated paper and paper board	7607.1100		
	(iii) Aluminum foil (rolled but not further worked)			

- (v) against S.No.116, in column (4), for the expression “10%” appearing against PCT 8529.9090, in column (3), the expression “0%” shall be substituted; and

- (vi) after S.No.118, the following new S. Nos. and entries relating thereto in columns (2), (3), (4) and (5), shall be added, namely:—

119	Organic composite solvents and thinners, not elsewhere specified or included; prepared paint or varnish removers.	3814.0000	5%	If imported by manufacturers of Butyl Acetate registered under the Sales Tax Act 1990, subject to annual quota determination by Input Output Co-efficient Organization (IOCO).
120	Plasticised (Poly Vinyl Chloride)	3904.2200	0%	If imported by manufacturers of disposable syringes and saline infusion sets, registered under the Sales Tax Act 1990, subject to annual quota determination by Input Output Co-efficient Organization (IOCO).
121	Other saturated Polyesters	3907.9900	5%	If imported by manufacturers of interlining/ buckram, registered under the Sales Tax Act 1990, subject to annual quota determination by Input Output Co-efficient Organization (IOCO);.
122	(i) Skimmed milk powder	0402.1000	0%	If imported by manufacturers of Ready to Use Supplementary Foods (RUSF), duly authorized
	(ii) Chickpeas	0713.2010		
	(iii) Soyabean oil	1507.9000		
	(iv) Palm Olein	1511.9030		
	(v) Hydrogenated vegetable fats	1516.2010		

(vi) Malto dextrins	1702.9030		by United Nations World Food Program (UNWFP) and subject to annual quota determination by Input Output Co-efficient Organization (IOCO);.
(vii) Premixes of vitamins and minerals	2106.9090		
(viii) Emulsifier	3404.9090		
(ix) Antioxidant	3824.9999		

(D) after Part V, the following new Part-V(A) shall be inserted, namely:—

“Part-V(A)
Import of Electric Vehicles (EV) CBU and their Parts
Under Electric Vehicle Policy 2020

TABLE-I
[For 2-3 Wheelers & Heavy Commercial Vehicles (CBUs)]

S. No.	Description	PCT Code	Customs Duty(%)	Conditions
(1)	(2)	(3)	(4)	(5)
1.	Electric auto rickshaw	8703.8030	50% of the prevailing tariff rate of customs duty as specified in the First Schedule to the Customs Act, 1969).	The concession shall be admissible for a period of 5 years with effect from 1 st July 2020, on import of 10 electric vehicles (CBU) of the same variant to be assembled/ manufactured as mentioned in column (2) of this table, to the extent of maximum 200 units, to 2-3 wheeler segment, duly approved / certified by the Engineering Development
2.	3-Wheeler electric loader	8711.6060		
3.	Electric motorcycle	8711.6040		

				Board (EDB). EDB shall monitor compliance with the EV Policy 2020 and intimate FBR immediately in case of violation by any manufacturer to stop further clearance at the concessional rate, specified in column 4.
4.	Electric buses	8702.4090	1%	Nil
5.	Electric trucks	8704.9030	1%	Nil
6.	Electric prime movers	8701.2060	1%	Nil

TABLE-II

[For CKD and EV Specific Parts]

S. No.	Description of vehicles	Description of imported goods	Customs duty (%)	Conditions
(1)	(2)	(3)	(4)	(5)
1.	Electric auto rickshaw (PCT code 8703.8030)	(i) Following EV specific components for assembly / manufacturing in any kit form (CKD): - (a) Batteries other than lead acid (PCT code 85.07), (b) Battery Charger (PCT code 8504.4020), (c) Controller (PCT code 8542.3100), (d) Electric Motor (PCT code 8501.3290), (e) Three connection terminal (PCT code 8504.9090), (f) Converter (PCT code 8502.4000), (g) Signal Hook (PCT code 8504.9090)	1% (notwithstanding the rate of customs duty on these items as specified in the First Schedule to the Customs Act, 1969).	The concession shall be admissible to manufacturers of electric auto rickshaws for a period of five years from 1st July, 2020 subject to certification and quota determination by the Engineering Development Board (EDB).

		(ii) Component for assembly / manufacturing in any kit form (CKD)- Non-localized parts.	15%	The concession shall be admissible subject to the conditions mentioned at Para-2 of SRO 656(I)/2006 dated 22.06.2006.
		(iii) Component for assembly / manufacturing in any kit form (CKD)- Localized parts.	15% plus Additional Customs Duty levied under SRO 693(I)/2006 dated 01.07.2006	Subject to the conditions mention at Para-2 of SRO 656(I)/2006 dated 22.06.2006.
2.	3-Wheeler electric loader (PCT code 8711.6060)	(i) Following EV specific components for assembly / manufacturing in any kit form (CKD): - (a) Batteries other than lead acid (PCT code 85.07). (b) Gear (PCT code 8483.4019). (c) Electric motor with axle (PCT code 8501.3290). (d) Controller (PCT code 8542.3100). (e) Power Switch (PCT code 8536.5029) (f) Electric auto cut (PCT code 8504.9090). (g) Battery Connection (PCT code 8544.4229) (h) Battery Charger (PCT code 8504.4020). (i) Junction Box (PCT code 8536.4910)	1% (notwithstanding the rate of customs duty as specified in the First Schedule to the Customs Act, 1969).	The concession shall be admissible to manufacturers of 3-Wheeler electric loader for a period of five years from 1st July, 2020 subject to certification and quota determination by the Engineering Development Board (EDB).
		Component for Assembly / manufacturing in any kit form (CKD)- Non-Localized parts.	15%	The concession shall be admissible subject to the conditions mentioned at Para-2 of SRO 656(I)/2006 dated 22.06.2006.

		Component for Assembly / manufacturing in any kit form (CKD)- Localized parts.	15% plus Additional Customs Duty levied under SRO 693(I)/2006 dated 01.07.2006	Subject to the conditions mention at Para-2 of SRO 656(I)/2006 dated 22.06.2006.
3.	Electric motorcycle (PCT code 8711.6040)	<p>i) Following EV specific components for assembly / manufacturing in any kit form (CKD): -</p> <p>(a) Electric Motor (PCT code 8501.3290),</p> <p>(b) Battery Charger (PCT code 8504.4020),</p> <p>(c) Switches (PCT code 8536.5029),</p> <p>(d) Junction Box (PCT code 8536.4910),</p> <p>(e) Controller (PCT code 8542.3100),</p> <p>(f) Converter (PCT code 8454.1000),</p> <p>(g) Batteries other than lead acid (PCT code 85.07)</p>	1% (notwithstanding the rate of customs duty as specified in the First Schedule to the Customs Act, 1969).	The concession shall be admissible to manufacturers of electric motorcycle for a period of five years from 1st July, 2020 subject to certification and quota determination by the Engineering Development Board (EDB).
		(ii) Component for Assembly / manufacturing in any kit form (CKD)- Non-Localized parts.	15%	The concession shall be admissible subject to the conditions mentioned at Para-2 of SRO 656(I)/2006 dated 22.06.2006.
		(iii) Component for Assembly / manufacturing in any kit form (CKD)- Localized parts.	15% plus Additional Customs Duty levied under SRO 693(I)/2006 dated 01.07.2006	Subject to the conditions mention at Para-2 of SRO 656(I)/2006 dated 22.06.2006.

4.	Electric Buses (PCT code 8702.4090)	Components in any kit form (CKD) (PCT code 8702.4010)	1%	<p>(i) The concession shall be admissible on import of CKD kits to manufacturers of electric buses for a period of five years with effect from 1st July, 2020 subject to certification and quota determination by the Engineering Development Board (EDB).</p> <p>(ii) The concession shall be admissible subject to the conditions mentioned at Para-2 of SRO 656(I)/2006 dated 22.06.2006.</p>
5.	Electric Trucks (PCT code 8704.9030)	Components in any kit form (CKD) (PCT code 8704.9020)	1%	<p>(i) The concession shall be admissible on import of CKD kits to manufacturers of electric trucks for a period of five years with effect from 1st July, 2020 subject to certification and quota determination by the Engineering Development Board (EDB).</p>

				(ii) The concession shall be admissible subject to the conditions mentioned at Para-2 of SRO 656(1)/2006 dated 22.06.2006.
6.	Electric Prime Movers (PCT code 8701.2060)	Components in any kit form (CKD) (PCT code 8701.2050)	1%	(i) The concession shall be admissible on import of CKD kits to manufacturers of electric prime movers for a period of five years with effect from 1st July, 2020 subject to certification and quota determination by the Engineering Development Board (EDB). (ii) The concession shall be admissible subject to the conditions mentioned at Para-2 of SRO 656(1)/2006 dated 22.06.2006.

TABLE-III
[Miscellaneous]

S. No.	Description	Customs duty (%)	Conditions
(1)	(2)	(3)	(4)
1	Plant and machinery specifically designed for use in manufacturing of electric vehicles.	0%	(i) The concession shall be admissible on one-time basis for setting up the new assembly and/ or manufacturing facility of electric vehicles, and for expansion in the existing units, duly approved/ certified, by the Engineering Development Board (EDB). (ii) The concession shall be admissible to manufacturers of the electric vehicles specified in column (2) of Table-II above, subject to certification by EDB that the plant & machinery is specifically designed for use in setting up of electric vehicle manufacturing only.
2.	Import of inputs for manufacturing of EV specific parts, as mentioned against S. No. 1, 2 and 3, of Table-II above, by vendors and OEMs of EV manufacturing.	0%	(i) The concession shall be admissible to manufacturers and vendors of EV specific parts, subject to certification and quota determination by EDB. (ii) The concession shall be admissible subject to the conditions mentioned under SRO 655(1)/2006 dated 22.06.2006.
3.	Import of CBU chargers with CKD kits for electric vehicles as specified in	1% (notwithstanding the rate of customs duty as	The concession shall be admissible on the CBU chargers.

	column 2 of Table-II above.	specified in the First Schedule to Customs Act, 1969).	imported with CKD kits of 2-3 wheelers and HCV vehicles specified in Table-II above, subject to FDB certification"; and
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- (E) in Part VI, in the Table, in column (1), after S.No.6 and the entries relating thereto in columns (2), (3), (4) and (5), the following shall be added, namely:—

7	Aircraft engine	8407.1000	0	For use in aircraft and trainer aircraft."
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4. **Amendment of Finance Act, 1989.**—In the Finance Act, 1989 (V of 1989), in section 7, after sub-section (10), the following new sub-section shall be added, namely:

“(11) Sub-section (1) shall cease to apply from the 17th day of April, 2020.”.

5. **Amendment of Sales Tax Act, 1990.**—In the Sales Tax Act, 1990, the following further amendments shall be made, namely:—

(1) in section 2,—

(a) in clause (1),—

(i) in sub-clause (a), the words “or is blocked” shall be omitted; and

(ii) in sub-clause (d), for the words “two consecutive monthly”, the word “quarterly” shall be substituted;

(b) in clause (20), for clause (c), the following shall be substituted, namely:—

“(c) sales tax levied on the services rendered or provided by the person under Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (XLII of 2001);” and

(c) in clause (46),—

(i) in sub-clause (h), after the word “producer”, the words “or WAPDA” shall be inserted and shall be deemed to have been inserted with effect from 1st July, 2019; and

(ii) in sub-clause (h), the word “and” at the end shall be omitted and in sub-clause (i), for the full stop at the end, the expression “; and” shall be substituted and thereafter the following sub-clause shall be added, namely:—

“(j) in case of registered person who is engaged in purchasing used vehicles from general public on which sales tax had already been paid at the time of import or manufacturing, and which are, later on, sold in the open market after making certain value addition, value of supply will be the difference between sale and purchase price of the said vehicle on the basis of the valuation method prescribed by the Board”;

(2) in section 3, in sub-section (7),—

(a) after the word “withheld”, the words “by the buyer” shall be omitted; and

(b) after the word “persons”, the words “being purchaser of goods or services” shall be inserted;

(3) in section 7, after sub-section (4), the following new sub-section shall be added, namely:—

“(5) Notwithstanding anything contained in this Act or the rules made thereunder, the Board, by notification in the official Gazette, may impose restrictions on wastage of material on which input tax has been claimed in respect of the goods or class of goods.”;

(4) in section 8, in sub-section (1), in clause (m), after the word “goods”, the words “or services” shall be inserted;

(5) in section 8B, after sub-section (4), the following new sub-section shall be inserted, namely:—

“(4A) Notwithstanding anything contained in sub-sections (1), (2) and (3), input tax allowed in case of locally manufactured electric vehicles subject to reduced rate of tax under the Eighth Schedule shall be limited to the extent of amount of output tax and no refund or carry forward of excess input tax shall be allowed.”;

- (6) after section 11B, the following new section shall be inserted, namely:—

“11C. **Power of tax authorities to modify orders, etc.**—(1) Where a question of law has been decided by a High Court or the Appellate Tribunal in the case of a registered person, on or after first day of July, 1990, the Commissioner or an officer of Inland Revenue may, notwithstanding that he has preferred an appeal against the decision of the High Court or made an application for reference against the order of the Appellate Tribunal, as the case may be, follow the said decision in the case of the said taxpayer in so far as it applies to said question of law arising in any assessment pending before the Commissioner or an officer of Inland Revenue, until the decision of the High Court or of the Appellate Tribunal is reversed or modified.

- (2) In case the decision of High Court or the Appellate Tribunal, referred to in sub-section (1), is reversed or modified, the Commissioner or an officer of Inland Revenue may, notwithstanding the expiry of period of limitation prescribed for making any assessment or order, within a period of one year from the date of receipt of decision, modify the assessment or order in which the said decision was applied so that it conforms to the final decision.”;

- (7) in section 23, in sub-section (1), in clause (b), for the word “fifty”, the words “one hundred” shall be substituted;

- (8) in section 25, after sub-section (2), the following new sub-section shall be inserted, namely:—

“(2A) For the purpose of sub-section (2) of section 25, the Commissioner may conduct audit proceedings electronically through video links, or any other facility as prescribed by the Board.”;

- (9) in section 26, in sub-section (1), after the word “true”, the comma and word “; complete” shall be inserted;

- (10) in section 33, in the Table, in column (1),—

- (a) against serial number 25, in column (2),—

- (i) for the word “six”, the word “two” shall be substituted; and

- (ii) for the words “ and an embargo shall be placed on his sales”, the words “till such time he integrates his business in the manner as stipulated under sub-section (9A) of section 3 or section 40C, as the case may be” shall be substituted; and
- (b) after serial number 27 and the entries relating thereto in columns (2) and (3), the following new serial number and the entries relating thereto shall be added, namely:—

“28. Any person who is required to share information under section 56AB, fails to do so in the manner as required under the law	Such person shall pay a penalty of twenty five thousand rupees for first default and fifty thousand rupees for each subsequent default	56AB.”;
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(11) in section 38,—

- (a) in sub-section (1), after the word “access”, the words “including real-time electronic access” shall be inserted; and
- (b) after sub-section (3), the following new sub-section shall be added, namely:—

“(4) For the purpose of sub-section (1), the Board may make rules relating to electronic real-time access for audit or a survey of persons liable to tax.”;

(12) in section 45B,—

(a) in sub-section (1),—

- (i) in the first proviso, for the colon at the end a full stop shall be substituted and thereafter the second proviso shall be omitted; and
- (ii) the existing sub-section (1A) shall be re-numbered as sub-section (1C) of that section and before sub-section (1C), re-numbered as aforesaid, the following new sub-sections (1A) and (1B) shall be inserted, namely:—

“(1A) An appeal under sub-section (1) shall—

- (a) be in the prescribed form;

- (b) be verified in the prescribed manner;
- (c) state precisely the grounds upon which the appeal is made;
- (d) be accompanied by the prescribed fee specified in sub-section (1B); and
- (e) be lodged with the Commissioner (Appeals) within the time set out in sub-section (1).

(1B) The prescribed fee shall be—

(a) in the case of an appeal against an assessment—

(i) where the appellant is a company, five thousand rupees; or

(ii) where the appellant is not a company, two thousand and five hundred rupees; and

(b) in any other case—

(i) where appellant is a company, five thousand rupees; or

(ii) where the appellant is not a company, one thousand rupees.”; and

(b) after omitted sub-section (4), the following new sub-section shall be added, namely:—

“(5) The Commissioner (Appeals) shall not admit any documentary material or evidence which was not produced before the Officer Inland Revenue unless the Commissioner (Appeals) is satisfied that the appellant was prevented by sufficient cause from producing such material or evidence before the Officer Inland Revenue.”;

(13) for section 47A, the following shall be substituted, namely:—

“47A. **Alternative dispute resolution.**—(1) Notwithstanding any other provision of this Act, or the rules made thereunder, an

aggrieved person in connection with any dispute pertaining to—

- (a) the liability of tax against the aggrieved person, or admissibility of refunds, as the case may be;
 - (b) the extent of waiver of default surcharge and penalty; or
 - (c) any other specific relief required to resolve the dispute, may apply to the Board for the appointment of a committee for the resolution of any hardship or dispute mentioned in detail in the application, which is under litigation in any court of law or an Appellate Authority, except where criminal proceedings have been initiated or where interpretation of question of law having effect on identical cases is involved having effect on other cases.
- (2) The Board may, after examination of the application of an aggrieved person, appoint a committee, within sixty days of receipt of such application in the Board, comprising,—
- (a) Chief Commissioner Inland Revenue having jurisdiction over the case; and
 - (b) two persons from a panel notified by the Board comprising of chartered accountants, cost and management accountants, advocates, having minimum of ten years' experience in the field of taxation and reputable businessmen.
- (3) The Board shall communicate the order of appointment of committee to the court of law or the appellate authority where the dispute is pending and the Commissioner.
- (4) The Committee appointed under sub-section (2) shall examine the issue and may, if it deemed necessary, conduct inquiry, seek expert opinion, direct any officer of the Inland Revenue or any other person to conduct an audit and shall decide the dispute through consensus, within one hundred and twenty days of its appointment.
- (5) The Committee may, in case of hardship, stay recovery of tax payable in respect of dispute pending before it for a period not exceeding one hundred and twenty days in aggregate or

till the decision of the Committee or its dissolution, whichever is earlier.

- (6) The decision of the committee under sub-section (4) shall be binding on the Commissioner when the aggrieved person, being satisfied with the decision, has withdrawn the appeal pending before any appellate authority or the court of law and has communicated the order of withdrawal to the Commissioner:

Provided that if the order of withdrawal is not communicated to the Commissioner within sixty days of the service of decision of the committee upon the aggrieved person, the decision of the committee shall not be binding on the Commissioner.

- (7) If the Committee fails to decide within the period of one hundred and twenty days under sub-section (4), the Board shall dissolve the committee by an order in writing and the matter shall be decided by the court of law or the appellate authority where the dispute is pending.
- (8) The Board shall communicate the order of dissolution to the court of law or the Appellate Authority and the Commissioner.
- (9) The aggrieved person, on receipt of the order of dissolution, shall communicate it to the court of law or the appellate authority, where the dispute is pending.
- (10) The aggrieved person may make the payment of sales tax and other taxes as decided by the committee under sub-section (4) and all decisions and orders made or passed shall stand modified to that extent.
- (11) The Board may prescribe the amount to be paid as remuneration for the services of the members of the Committee, other than the member appointed under clause (i) of sub-section (2).
- (12) The Board may, by notification in the official Gazette, make rules for carrying out the purposes of this section.”;

(14) in section 56,—

- (a) in sub-section (1), in clause (d), for the words "limited companies, both public and private", the words "registered person" shall be substituted; and
 - (b) in sub-section (2), in clause (d), for the expression "limited companies, both public and private", the words "registered person" shall be substituted;
- (15) after section 56A, the following new section shall be inserted, namely:—

“56AB. Real-time access to information and databases.—(1) Notwithstanding anything contained in any law for the time being in force, including but not limited to the National Database and Registration Authority Ordinance, 2000 (Ordinance VIII of 2000), and the Emigration Ordinance, 1979 (Ordinance XVIII of 1979), arrangements shall be made to provide real-time access of information and database to the Board in the prescribed form and manner by—

- (a) the National Database and Registration Authority with respect to information pertaining to National Identity Card (NIC), Pakistan Origin Card, Overseas Identity Card, Alien Registration Card, and other particulars contained in the Citizen Database;
- (b) the Federal Investigation Agency and the Bureau of Emigration and Overseas Employment with respect to details of international travel;
- (c) the Islamabad Capital Territory and Provincial and local land record and development authorities with respect to record-of-rights including digitized edition of record-of-rights, periodic record, record of mutations and report of acquisition of rights;
- (d) the Islamabad Capital Territory and Provincial Excise and Taxation Departments with respect to information regarding registration of vehicles, transfer of ownership and other associated record;
- (e) all electricity suppliers and gas transmission and distribution companies with respect to particulars of a consumer, the units consumed and the amount of bill charged or paid;

Provided that where the connection is shared or is used by a person other than the owner, the name and NIC of the owner and the user shall also be furnished:

Provided further that all electricity suppliers and gas transmission and distribution companies shall make arrangements by the 1st day of January, 2021 for allowing consumers to update the ratio of sharing of a connection or the particulars of users, as the case may be; and

- (f) any other agency, authority, institution or organization, notified by the Board.
- (2) The Board shall make arrangements for laying the infrastructure for real-time access to information and database under sub-section (1) and aligning it with its own database in the manner as may be prescribed.
- (3) Until real-time access to information and database is made available under sub-section (1), such information and data shall be provided periodically in such form and manner as may be prescribed.
- (4) Subject to section 56B, all information received under this section shall be used only for tax purposes and kept confidential.”;
- (16) in section 58A, in sub-section (3),—
 - (a) for the expression “subject to sub-section (4), where a person is a non-resident person, the representative of the persons for the purpose of this Act for a tax year shall be any person in Pakistan”, the expression “subject to sub-section (4), where a person is a non-resident person, the representative of the said person for the purpose of this Act, for a financial year in which the relevant tax period falls, shall be any person in Pakistan” shall be substituted; and
 - (b) after clause (f), the following explanation shall be added, namely:—

“*Explanation.*—For the purposes of this sub-section, non-resident person shall have the same meaning assigned thereto under the Income Tax Ordinance, 2001 (XLIX of 2001).”;