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S. A. Salam's

Income Tax
Ready Reference

Update No. 03 of 2026 – June 20, 2026

Brief Summary of Material

It gives me great pleasure to complete **3rd** update of Income Tax Ready Reference. This update comprises of **121** pages:–

Page	Description	Subject
	Circulars 2026	
	(Please replace existing page 1, 2)	
2	Cir 8 of 2025-26 15-04-2026	Clarification Regarding Applicability of Withholding Tax under Section 236C in Respect of Persons Covered under Section 7F of the Income Tax Ordinance, 2001 and supersession of Circular No.7 of 2026
3	6(1)S(IR-Op)/2024 19-05-2026	Collection of Duties / Taxes on Saturday 23rd May, 2026 & Sunday 24th May, 2026
	Notifications 2026	
	(Please replace existing page 3, 4)	
5	SRO 644(I)/2026 16-04-2026	Supersession of S.R.Os. 163(I)/2026, dated February 02, 2026 & SRO 332(I)/2026 dated February 24, 2026-Revision of Value of Immovable Properties of Islamabad
5	SRO 650 to 653(I)/26 21-04-2026	Amendment of S.R.O. S.R.O. 1688(I)/2024, S.R.O. 1691(I)/2024, 1729(I)/2024, S.R.O. 1730(I)/2024 all dated October 29, 2024 - Revision of Value of Immovable Properties of Multan, Faisalabad, Bahawalpur & Gujranwala
5	SRO 662(I)/2026 22-04-2026	Amendment of S.R.O. 1712(I)/2024, dated October 29, 2024 - Revision of Value of Immovable Properties of Sialkot
6	SRO 663(I)/2026 22-04-2026	Rationalization of Tax Concessions on Import of White Crystalline Sugar and Withdrawal of Extended Cut-off Date and rescinded SROs 455(I)/2026 dated March 05, 2026 and 527(I)/2026 dated March 19, 2026
6	SRO 799(I)/2026 04-05-2026	Exemption of Default Surcharge and Penalties against Current Tax Liability of Pakistan International Airlines Corporation Limited (PIACL)

7	SRO 876(I)/2026 19-05-2026	Amendment of S.R.O. 1722(I)/2024, dated October 29, 2024 - Revision of Value of Immovable Properties of Lahore
7	SRO 877(I)/2026 19-05-2026	Amendment of S.R.O. 1728(I)/2024, dated October 29, 2024 - Revision of Value of Immovable Properties of Rawalpindi
8	SRO 879(I)/2026 20-05-2026	Amendment in the Income Tax Rules, 2002- Rules 80B Re: Requirement of e-enrolment

Budget 2026-27

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Yours sincerely,
Abdul Rab Khan
(Manager)

[2026 ITC]

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

F. No. 6(1)S(IR-Operations)/2024/11673-R Islamabad, January 27, 2026

Subject: Collection of Duties/ Taxes on 31st January, 2026

I am directed to refer to the subject and to communicate that all LTOs, MTO, CTOs and RTOs shall observe normal working hours on Saturday i.e. 31st January, 2026.

Waqar Ahmed

Second Secretary (IR Operations)
Phone:051-9208456
Email: secretary.ir.ops@fbr.gov.pk

[2026 ITC]

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

No. 1(1)M(Admn/HR)/2026 Islamabad, March 11, 2026

Subject: FBR Headquarters and field formation offices will remain open on Friday

In pursuance of the decision of the Committee for Monitoring and Implementation of Conservation and Additional Austerity Measures during its meeting held on 11th March, 2026, all the Members of FBR HQ, Directors General and Heads of Field Formations are hereby informed that:

1) All the offices of FBR HQ and its field formations shall continue to remain open on Fridays; and

2) The restriction of work-from-home for up to 50% of staff on alternate days basis, earlier notified by the Cabinet Division, shall not apply to FBR HQ and its field formations.

3. All the Members of FBR HQ, Directors General and Heads of Reid Formations are directed to strictly adhere to the above.

(Mohammad Iqbal)

Member (Admn/HR)

[2026 ITC 7]

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

No. 1(19)S(ITP)/2026 Islamabad, March 31, 2026

Circular No. 07 of 2025-26 IR-Policy

(Income Tax)

Subject: Clarification Regarding Applicability of Withholding Tax under Section 236C in Respect of Persons Covered under Section 7F of the Income Tax Ordinance, 2001

It has been brought to the notice of the Federal Board of Revenue (FBR) that concerns have been raised regarding the applicability of withholding tax under section 236C of the Income Tax Ordinance, 2001 ("the Ordinance") to persons engaged in construction and development activities who are subject to tax under the special regime introduced through section 7F of the Ordinance.

2. Under section 7F, a special tax regime has been prescribed for certain categories of builders and developers, whereby their income is determined as a fixed percentage of gross receipts. It has been represented that tax under section 236C is generally adjustable against capital gains arising from such sales. However, in the case of such builders and developers, profits and gains are chargeable under the head "Income from Business" through the special procedure described in section 7F. Consequently, any deduction under section 236C creates an additional liquidity burden on such taxpayers, especially in cases where the taxpayer does not have any other taxable income during the tax year.

3. The matter has been examined, and it is hereby clarified that persons who have discharged their tax liability under section 7F of the Ordinance, and who do not have any other income chargeable to tax under the Ordinance (against which such tax collection can be adjusted), may seek exemption from the collection of advance tax under section 236C.

4. Such persons may apply to the concerned Commissioner Inland Revenue under section 159 of the Ordinance for the issuance of an exemption certificate authorizing the non-collection of tax under section 236C on their transactions involving the sale of immovable property.

5. Commissioners Inland Revenue are directed to examine such applications on a case-to-basis, ensuring that the applicant fulfills all conditions precedent to such exemption, and to decide the matter in accordance with the law.

6. The prescribed timelines for the Commissioner and Chief Commissioner regarding the issuance of exemption certificates shall apply ipso facto.

(Mohammad Amin Qureshi)
Secretary (Income Tax Policy)

[2026 ITC 8]

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

No. 1(19)S(ITP)/2026 **Islamabad, April 15, 2026**

Circular No. 08 of 2025-26 IR-Policy

(Income Tax)

In supersession of Circular No. 7 of 2025-26 IR-Policy dated 31st March 2026 and in order to further clarify the concerns which have been raised regarding the applicability of withholding tax under section 236C of the Income Tax Ordinance, 2001 ("the Ordinance") to persons engaged in construction and development activities who are subject to tax under the special regime introduced through section 7F of the Ordinance.

2. Under section 7F, a special tax regime has been prescribed for certain categories of builders and developers, whereby their income is determined as a fixed percentage of gross receipts. It has been represented that tax under section 236C is generally adjustable against capital gains arising from such sales. However, in the case of such builders and developers, profits and gains are chargeable under the head "Income from Business" through the special procedure described in section 7F. Consequently, any deduction under section 236C creates an additional liquidity burden on such taxpayers, especially in cases where the taxpayer does not have any other taxable income during the tax year.

3. The matter has been examined, and it is hereby clarified that persons who have discharged their tax liability under section 7F of the Ordinance, and who do not have any other income chargeable to tax under the Ordinance (against which such tax collection can be adjusted), may seek exemption from the collection of advance tax under section 236C.

4. Such persons may apply to the concerned Commissioner Inland Revenue under section 159 of the Ordinance for the issuance of an exemption certificate authorizing the non-collection of tax under section 236C on their transactions involving the sale of immovable property.

5. Commissioners Inland Revenue are directed to examine such applications on a case-to-case basis, ensuring that the applicant fulfills all conditions precedent to such exemption, and to decide the matter in accordance with the law.

6. The prescribed timelines for the Commissioner and Chief Commissioner regarding the issuance of exemption certificates shall apply ipso facto. Provided that an applicant files an application after fulfilling all the condition precedent to such exemption and the Commissioner fails to take any action within seven working days of filing of such application, such exemption certificate shall be automatically processed and issued by IRIS.

(Mohammad Amin Qureshi)
Secretary (Income Tax Policy)

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[2026 ITC]

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

No. 6(1)S(IR-Operations)/2024/55775-R Islamabad, May 19, 2026

Subject: Collection of Duties / Taxes on Saturday 23rd May, 2026 & Sunday 24th May, 2026

I am directed to refer to the subject and to communicate that all LTOs, MTO, CTOs and RTOs shall observe normal working hours on Saturday i.e. 23rd May, 2026 & Sunday 24th May, 2026.

(Shafqat Rasool Sindhu)
Secretary (Revenue Budget)

[2026 ITN 4]

Amendment in the S.R.O. 1712(I)/2024, dated 29th October, 2024 - Revision of Immovable Property Valuation - Sialkot)

SRO 256(I)/2026, Islamabad, the 11th February, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in its Notification No. S.R.O. 1712(I)/2024 dated the 29th October, 2024, namely:-

In the aforesaid notification, in Table-I, in column (1), against Sr. No. 6, in columns (3) and (4), for the figure "27,574" and "31,574", the figure "2,757" and "5,735" shall be substituted respectively.

[F. No. 2(45)R&S/2024]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

[2026 ITN 5]

Amendment in the SRO 163(I)/2026 dated February 02, 2026 - Revision of Value of Immovable Properties of Islamabad

SRO 332(I)/2026, Islamabad, the 24th February, 2026.- In exercise of powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in its Notification No. 163(I)/2026, dated 2nd February, 2026, namely:-

In the aforesaid Notification, in the Table, in column (1),-

(i) for S. No. 1, under titled Naval Anchorage, and the entries relating thereto in columns (2), (3), (4), (5) and (6), the following new S. Nos. and the entries relating thereto in columns (2), (3), (4), (5) and (6) shall be substituted, namely:-

"Sr. No.	Description	Residential open plots per Sq Yards	Residential Built-up Apartment/ Flat per Sq foot	Commercial open plot per Sq Yards	Commercial built-up per Sq Foot
-1	-2	-3	-4	-5	-6
Naval Anchorage					
1	Open Plots with possession	20,000	-	13,774	-
2	Open Plots without possession	8,000	-	8,000	-"

(ii) for S. No. 3, under titled Agro/Poultry/Vegetable Farm (Value Per Kanal/500 Square Yards), and the entries relating thereto in columns (2), (3), (4), (5) and (6), the following new S. Nos. and the entries relating thereto in columns (2), (3), (4), (5) and (6) shall be substituted, namely:-

"Sr. No.	Description	Residential open plots per Sq Yards	Residential Built-up Apartment/ Flat per Sq foot	Commercial open plot per Sq Yards	Commercial built-up per Sq Foot
-1	-2	-3	-4	-5	-6
Agro/Poultry/Vegetable Farm (Value Per Kanal/500 Square Yards)					
3	Naval Farms With possession	2,000,000	-	-	-
3A	Naval Farms Without possession	800,000	-	-	-"

[F. No. 2(15)R&S/2024]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

[2026 ITN 6]

Amendment in the SRO 1216(I)/2025 dated July 08, 2025 - Exemption on Import of White Crystalline Sugar.

SRO 455(I)/2026, Islamabad, the 05th March, 2026.- In exercise of the powers conferred by sub-section (2) of section 53 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Government is pleased to direct that the following further amendment shall be made in its Notification No. S.R.O. 1216(I)/2025 dated 8th July, 2025, namely:

In the aforesaid Notification, in condition (iii), for the expression "30th day of November, 2025", the expression "28th day of February, 2026" shall be substituted."

[F. No. 1(77)R&S/2020]

(Sajjad Taslim Azam)
Member (Inland Revenue Policy)/ Additional Secretary

[2026 ITN 7]

Supersession of S.R.O. 163(I)/2026, dated February 02, 2026 & SRO 332(I)/2026 dated February 24, 2026 - Revision of Value of Immovable Properties of Islamabad

SRO 644(I)/2026, Islamabad, the 16th April, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance.2001 (XLIX of 2001) and in supersession of its Notification No. S.R.O. 163(I)/2026, dated 2nd February, 2026, and S.R.O. 332(I)/2026 dated 24th February, 2026, the Federal Board of Revenue is pleased to determine the following fair market values of immoveable properties as specified in columns (3). (4), (5) and (6) of the Table below in respect of areas of Islamabad as specified in column (2) thereof, namely:-

2. The value of residential and commercial superstructure shall be-

(a) Rs.2500 per square foot if the superstructure is up to five years old; and

(b) Rs.1200 per square foot if the superstructure is more than five years old.

3. Valuation of Rural Areas of Islamabad Capital Territory shall be taken as notified vide No.I-69/1(182)/DRA dated 01-07-2025 by Additional Deputy Commissioner (Revenue)/ District Collector Islamabad.

4. In case of conflict in rates of a particular area the higher of the two values shall apply."

(Table not reproduced here)

[F. No. 2(15)R&S/2024]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

[2026 ITN 8]

Amendment of S.R.O. S.R.O. 1688(I)/2024, S.R.O. 1691(I)/2024, 1729(I)/2024, S.R.O. 1730(I)/2024 all dated October 29, 2024 -Revision of Value of Immovable Properties of Multan, Faisalabad, Bahawalpur & Gujranwala

SROs 650 to 653(I)/2026, Islamabad, all the 21st April, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance.2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the above titled SROs:-

(Table not reproduced here)

[F. No. 2(21)R&S/2024]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

[2026 ITN 9]

Amendment of S.R.O. S.R.O. 1712(I)/2024 dated October 29, 2024 - Revision of Value of Immovable Properties of Sialkot

SRO 662(I)/2026, Islamabad, the 22nd April, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance.2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in its Notification No. S.R.O. 1712(I)/2024, dated the 29th October 2024, namely:-

(Table not reproduced here)

[F. No. 2(45)R&S/2024]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

[2026 ITN 10]

Rationalization of Tax Concessions on Import of White Crystalline Sugar and Withdrawal of Extended Cut-off Date and rescinded SROs 455(I)/2026 dated March 05, 2026 and 527(I)/2026 dated March 19, 2026

SRO 663(I)/2026, Islamabad, the 22nd April, 2026.- In exercise of the powers conferred under section 3 of the Sales Tax Act, 1990, read with section 19 of the Customs Act, 1969 (IV of 1969) and sub-section (2A) of section 148 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Government is pleased to rescind the following notifications, with immediate effect, namely:-

(i) S.R.O. No. 455(1)/2026 dated the 5th March, 2026; and

(ii) S.R.O. No. 527(1)/2026 dated the 19th March, 2026.

[3(8)ST &FE-Policy/2025]

(Sajjad Taslim Azam)
Member (Inland Revenue Policy)/ Additional Secretary

[2026 ITN 11]

Exemption of Default Surcharge and Penalties against Current Tax Liability of Pakistan International Airlines Corporation Limited

SRO 799(I)/2026, Islamabad, the 04th May, 2026.- In exercise of the powers conferred under section 183 of the Income Tax Ordinance, 2001 (XLIX of 2001), and in pursuance of the Cabinet Decision in Case No. 928/Rule-19/2025/ 1253 dated the 31st December, 2025, the Federal Government is pleased to exempt default surcharge and penalties against the current tax liabilities of the Pakistan International Airlines Corporation Limited (PIACL), amounting to Rs.8,765,972,000/-, subject to the final determination, in order to successfully conclude the process for divestment of PIACL to the successful bidder and to ensure timely execution of the bid documents and satisfaction of terms contained therein.

This exemption shall be subject to the condition that the current liabilities of the PIACL (amounting to PKR 8,765,972,000/-) as at 30th June, 2025 shall be paid to the Federal Board of Revenue within a period of four years, following a grace period of one year in equal annual installments, after First Completion as defined in the Share Purchase and Subscription Agreement between the Government of Pakistan and successful bidders.

[No.1(5)R&S/2026]

(Sajjad Taslim Azam)
Member (Inland Revenue)/ Additional Secretary

[2026 ITN 12]

Amendment of S.R.O. S.R.O. 1722(I)/2024 dated October 29, 2024 - Revision of Value of Immovable Properties of Lahore

SRO 876(I)/2026, Islamabad, the 19th May, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in its Notification No. S.R.O. 1722(I)/2024, dated the 29th October 2024, namely:-

In aforesaid notification, in the Table, in column (1)-

(i) the following serials numbers 1330, 1331, 1332, 1333, 1334, 1335, 1316, 1337, 1338, 1339, 1340, 1341, 1342, 1343, 1344, 1345, 1346, 1347, 1348, 1349, 1350, 1351, 1352, 1353, 1354, 1355, 1156, 1357, 1358, 1359, 1360, 1361, 1362 and 1363 and entries relating thereto in columns (6) and (7) shall be substituted, namely:-

(Table not reproduced here)

(ii) after S. No. 1363 and entries relating thereto in columns (6) and (7), the following new S. No. and entries relating thereto in column (6) and (7) shall be inserted, namely:-

(Table not reproduced here)

[F. No. 2(17)R&S/2017]

(Muhammad Amin Qureshi)
Secretary Rules & SRO

[2026 ITN 13]

Amendment of S.R.O. S.R.O. 1728(I)/2024 dated October 29, 2024 - Revision of Value of Immovable Properties of Rawalpindi

SRO 877(I)/2026, Islamabad, the 19th May, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in its Notification No. S.R.O. 1728(I)/2024, dated the 29th October 2024, namely:-

In aforesaid Notification, in the Table, in column (1), the following serials numbers 5768, 5769, 5770, 5771, 5772, 5773, 5774, 5775, 5776, 5777, 5778, 5779, 5780, and 5781 and entries relating thereto in columns (6) and (7) shall be substituted, namely:-

(Table not reproduced here)

[F. No. 2(31)R&S/2024]

(Muhammad Amin Qureshi)
Secretary Rules & SRO

[2026 ITN 14]

Amendment in the Income Tax Rules, 2002- Rules 80B

SRO 879(I)/2026, Islamabad, the 20th May, 2026.- In exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance,2001 (XLIX of 2001), Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Income Tax Rules, 2002, the same having been previously published vide Notification No. S.R.O. 856(I)/2026, dated 11th May 2026 as required by sub-section (3) of section 237 of the said Ordinance, namely:-

In the aforesaid Rules, in rule 80B,-

(i) in sub-rule (1), for clause (a), the following shall be substituted, namely:-

"(a) number of CNIC, NICOP, POC or foreign passport;"; and

(ii) after sub-rule (5), the following new sub-rule shall be added, namely:-

"(6) Notwithstanding anything contained in sub-rule (3) and (4), an International Non-Government Organization (INGO) required to be registered under sub-rule (3) and (6) of rule 80 shall provide-

(a) name of taxpayer;

(b) business address;

(c) accounting period;

(d) phone number of business;

(e) principal business activity;

(f) name and address of principal officer or authorized representative of the company;

(g) authority letter for appointment of principal officer or authorized representative of the company for applying for registration in Pakistan;

(h) cell phone number of principal officer or authorized representative of the company;

(i) email address of principal officer or authorized representative of the company;

(j) tax registration or incorporation document from concerned regulatory authorities of the foreign country;

(k) letter from the concerned embassy verifying the credentials of the INGO;

(l) proof of local residence (rent/lease agreement and electricity bill, etc) with complete address and telephone numbers;

(m) no objection certificate (NOC) issued by the Ministry of Interior and Narcotics Control;

(n) Memorandum of Understanding (MoU) signed between the Government of Pakistan and the INGO; and

(o) following particulars of directors or trustees and major shareholder having 10% or more shares in case of company or partners in case of an AOP, namely:-

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(i) name;

(ii) nationality;

(iii) passport; and

(iv) Percentage of share.”.

[F. No. 1(10)R&S/2026]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

[2026 ITB 1]

Finance Bill 2026

(Relevant Extracts)

A

BILL

to give effect to the financial proposals of the Federal Government for the year beginning on the first day of July, 2026, 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, 2026, and to amend certain laws for the purposes hereinafter appearing;

It is hereby enacted as follows:-

1. Short title and commencement.- (1) This Bill shall be called the Finance Bill, 2026.

(2) It shall, unless otherwise provided, come into force on the first day of July, 2026.

2. Amendments of the West Pakistan Motor Vehicles Taxation Act, 1958 (WP Act XXXII of 1958).- In the West Pakistan Motor Vehicles Taxation Act, 1958 (WP Act XXXII of 1958) as in force in the Islamabad Capital Territory, in the Schedule, for the Tables 2, 3, 4 and 5, the following shall be substituted, namely:- ……………………………………………

3. Amendments of the Petroleum Products (Petroleum Levy and Climate Support Levy) Ordinance, 1961 (XXV of 1961).- In the Petroleum Products (Petroleum Levy and Climate Support Levy) Ordinance, 1961 (XXV of 1961), the following further amendments shall be made, namely:- …………………

4. The 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, after clause (ssss), a new clause shall be added, namely: –

"(ssssa) "State warehouse" means any place authorized by the Collector of Customs to store the detained, seized or confiscated goods, as the case may be";

(2) in section 19, in sub-section (5), in the second proviso, for the figure "2026", the figure "2027" shall be substituted;

(3) in section 32,-

(a) in sub-section (3), in the first proviso, the words "in a case" shall be omitted; and

(b) in sub-section (3A), in the proviso, the words "in a case" shall be omitted;

(4) in section 80, in sub-section (4),-

(a) after the word "examined", a comma shall be inserted and thereafter the word "scanned" shall be inserted; and

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(b) in the proviso, after the word "examined", the words "or scanned" shall be inserted;

(5) in section 82,-

(a) in sub-section (1),-

(i) for the words "Federal Government", the word "Board" shall be substituted; and

(ii) in the first proviso, after the word "waive", the words "or reduce" shall be inserted and for the full stop at the end a colon shall be substituted and thereafter the following new proviso shall be added, namely:-

"Provided further that the Board may notify the rules to regulate the implementation of above provisions, including the process of appeal against imposed penalties and the Customs stations, goods or class of goods, where the provisions of sub-section (1) shall not be applicable."; and

(b) in sub-section (2), after the fifth proviso, the following new proviso shall be added, namely;-

"Provided also that the Board may authorize any person, to auction any auctionable goods, in the manner as notified by the Board.";

(6) in section 156, in sub section (1), in the Table.-

(a) against S. No. 7A, in the third column, for the words "five hundred thousand", the words "ten million" shall be substituted;

(b) after S.No.62, the following S. No. shall be added, namely:-

"62A	If any person is found to be involved or abetting in the removal, substitution, damage or otherwise tempering with any goods, whether or not confiscated, at any such place as authorized by the Collector as a State Warehouse.	such person shall be liable to a penalty not exceeding two times the value of the goods involved; and upon conviction by a Special Judge, shall further be liable to imprisonment for a period not exceeding five years, or fine or the both."; and	General

(c) against S. No. 83, in the second column, for the existing entry, the following shall be substituted, namely:-

"If an officer of any authority who is duty bound under section 170 to deposit the impugned goods with customs, neglects so to do.";

(7) in section 157, after sub-section (2), the following explanation shall be added, namely:-

"***Explanation***:- The word "removal" includes, and shall be deemed to have always included, every act of carrying, transporting, depositing, harbouring, keeping, concealing, retailing, or any other act involving movement of smuggled goods.";

(8) for section 170, the following shall be substituted, namely:-

"**170. Procedure in respect of goods seized or detained by other authorities**.- Notwithstanding anything contained in any other law for the time being in force, when any goods liable to confiscation under this Act are detained or seized by any other authority on any violation, irrespective of any pending proceedings under the laws of that authority, the customs authorities upon confirmation that such goods are liable to confiscation shall intimate that authority in writing and that authority shall be bound to deposit the impugned goods with customs for further processing under this Act.";

(9) in section 179, after sub-section (5), the following sub-section shall be added, namely:-

"(6) Notwithstanding anything contained in this Act, or any other law for the time being in force, the Board may notify a procedure for faceless adjudication whereby adjudication proceedings shall be conducted without any face-to-face interaction between the adjudicating officer and the respondent. The virtual mode shall be in such manner as may be prescribed by the Board from time to time.";

(10) in section 185A, after sub-section (5), the following sub-section (6) shall be added, namely:-

"(6) Where a Special Judge during trial of an offence punishable under this Act, is satisfied that there is any reasonable grounds for believing that the accused has committed an illegal transfer of funds into or out of Pakistan, he may order the freezing of the assets of the accused, whether in his possession or in the possession of any other person on his behalf.";

(11) after section 196J, the following section shall be added, namely;-

"**196JJ. Independent case scrutiny committee**.- (1) Any Civil petition, reference, civil petition for leave to appeal or review petition before the High Court, the Federal Constitutional Court or the Supreme Court of Pakistan shall only be filed by the Collector or Director of Customs, or any officer of Customs not below the rank of Deputy Collector or Deputy Director authorized by the Collector or Director of Customs, in writing, subject to approval by an independent case scrutiny committee, as constituted by the Board under sub-section (3).

(2) The Board may constitute one or more such committees and assign them jurisdiction which shall exercise the powers and functions in a manner, and from the date, as may be notified by the Board.

(3) The independent case scrutiny committee shall comprise of the following Members, namely:-

(a) a retired judge of superior judiciary who shall also act as Chairman of the Committee;

(b) an advocate having not less than fifteen years of experience in customs and commercial litigation before the High Court or Supreme Court of Pakistan; and

(c) a serving or retired officer not below the rank of Director or Collector of Customs.

(4) The members shall receive such renumeration as may be prescribed by rules.

(5) Recommendations of the committee shall be binding upon the concerned Collector or Director of Customs.

(6) No suit, prosecution or other legal proceedings shall lie against the members of the committee in relation to the decisions made under this section.";

(12) in section 215, in clause (c), for the full stop at the end, the expression "; or " shall be substituted and thereafter the following new clause shall be added, namely:-

"(d) in the manner prescribed for service of a summons under the Code of Civil Procedure, 1908 (Act V of 1908).";

(13) The amendment 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

(14) The Fifth Schedule to the Customs Act, 1969 (IV of 1969), shall be substituted in the manner provided for in the Second Schedule to this Act.

5. Amendments in the Sales Tax Act, 1990.- In the Sales Tax Act, 1990 (VII of 1990), the following further amendments shall be made, namely:-

(1) in section 2,-

(a) after clause (1A), the following new clauses shall be inserted, namely:–

"(1AA) "**advance receipt invoice**" means an invoice in the format as may be notified by the Board from time to time;

(1AAA) "**algorithmic settlement mechanism**" means algorithmic settlement mechanism provided under section 26AAA of this Act"

(b) after the omitted clause (9AA), the following new clause shall be inserted, namely:–

"(9AB) "**electronic invoicing system**" means such electronic system or mechanism as may be prescribed or approved by the Board for issuance and recording of sales tax invoices in electronic form;";

(c) after clause (17), the following new clause shall be inserted, namely:-

"(17A) "**National faceless centre**" means National faceless centre as defined in section 32C of the Act;";

(d) after clause (22), the following new clause shall be inserted, namely:-

"(22)(1A) "**production monitoring system**" means any system or technology, used for the purposes of monitoring production and sale of goods, whether in real-time or otherwise, including such systems or technologies as may be prescribed by the Board from time to time;

(e) in clause (43A),–

(i) in sub-clause (d), after the expression, "wholesaler-cum-retailer", the expression "having turnover more than two hundred million" shall be inserted;

(ii) sub-clauses (f) and (g) shall be omitted;

(iii) after omitted sub-clause (ga), the following new sub-clause shall be inserted, namely:-

"(gb) a retailer having turnover exceeding two hundred million rupees either by way of declaration or from worked back value of turnover from tax deduction under section 236G or 236H of Income Tax Ordinance, 2001 (XLIV of 2001) during the immediately preceding twelve consecutive months; and" and

(iv) in sub-clause (h), for full stop at the end, a colon shall be substituted and thereafter the following proviso shall be added, namely:–

"Provided that the Board may also exclude any person or class of persons through a notification in the official gazette.".;

(f) in clause (44), after sub-clause (a), the following explanation shall be added, namely:–

"***Explanation***.– For the removal of doubt, the term goods are delivered or made available mean the goods become ready for dispatch from the business premises including but not limited to factory, warehouse, godown or branch."; and

(g) in clause (46), in sub-clause (j), in the first proviso, at the end, for the colon, the full stop shall be substituted and thereafter the following expression shall be added, namely:-

"For this purpose of valuation, the Board may use the valuation of such goods as notified by Pakistan Bureau of Statistics immediately before the start of tax period. The Board may also where deems fit outsource the functions of valuation of goods to third party in the mode and manner as may be prescribed:";

(2) in section 6, in sub-section (2), after the first proviso, for full stop at the end, a colon shall be substituted and thereafter the following new proviso shall be added, namely:–

"Provided further that in the case of steel melters, steel re-rollers and composite units, the tax shall be collected on the basis of per unit electricity consumption at the rate as prescribe by the Board, through notification in the official Gazette. The tax so collected shall be adjustable and the excess amount, if any, shall be refunded on monthly basis through Board's automated refund system to those registered persons who integrate with the Board's prescribed production monitoring and digital invoicing systems.";

(3) in section 8B, in sub-section (1), in the second proviso, for full stop at the end, a colon shall be substituted and thereafter the following new proviso shall be added, namely:–

"Provided further also that the Board may by notification in the official Gazette, reduce or enhance the limit provided in this sub-section for any registered person on the basis of compliance or non-compliance with the production monitoring, digital invoicing, e-bility, POS, or any other electronic system prescribed by the Board for digital integration of data.";

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

"Provided that the issuance of debit and credit notes shall be governed by the mechanism including electronic adjustments, as may be prescribed by the Board.";

(5) after section 11G, the following new section shall be inserted, namely:-

"**11H. Faceless audit and assessment**.– (1) Notwithstanding anything to the contrary contained in any other provision of this Act, any audit under sections 25 and 72B, any order made under section 11E, and rectification under section 57 with respect to the cases referred to in sub-section (2), may be made in a faceless manner as may be prescribed by the Board from time to time.

(2) The faceless assessment under sub-section (1) shall be made in respect of such persons or class of persons, or incomes or class of incomes, or cases or class of cases, as may be specified by the Board.

(3) The provisions of section 25 shall apply to the audit conducted in faceless manner under this section:

Provided that where opportunity of being heard is to be provided to the taxpayer during the course of this audit or a statement under oath is required to be obtained from a taxpayer or any other person under section 37 of this Act, the same shall be done through E-hearing:

Provided further that the identity of the officer, including facial and voice identity, conducting such E-hearing shall be kept confidential.";

(6) in section 21, in sub-section (2), after the word "invoices", the expression ", has committed non-compliance of sub-sections (5) and (6) of section 23 or section 40C" shall be inserted;

(7) in section 23, in sub-section (1),–

(i) for the words "supply shall issue a serially numbered tax invoice" the expression "as well as exempt supply shall issue a tax invoice including an advance receipt invoice, bearing a verifiable and unique FBR invoice number" shall be substituted; and

(ii) in clause (b), after the Explanation, for the existing provisos, the following shall be substituted, namely:–

"Provided that the Board may notify any person or class of persons who may be allowed to issue an advance receipt invoice within the notified system:

Provided further that the condition of verifiable and unique FBR invoice number shall be applicable from a time as notified by the Board.";

(8) in section 25,–

(i) after sub-section (8), the following new sub-sections shall be inserted, namely:-

"(8A) If, at any stage of the proceedings before him, if the Commissioner is of the opinion that having regard to,-

(a) the nature and complexity of the accounts; or

(b) volume of the accounts; or

(c) doubts about the correctness of the accounts; or

(d) multiplicity of transactions in the accounts; or

(e) specialized nature of business activity of the registered person, and interests of the revenue, is of the opinion that it is necessary so to do, he may, after giving the registered person a reasonable opportunity of being heard, and with the previous approval of the Chief Commissioner, direct the registered person to get either any or all of the following:-

(i) accounts re-audited by an accountant, and to furnish a report of such audit duly signed and verified by such accountant including answers to the specific queries as the Commissioner may require; or

(ii) inventory re-valued by a cost accountant, and to furnish a report of such inventory valuation duly signed and verified by such cost accountant including answers to the specific queries as the Officer of Inland Revenue may require;

Explanation:- The accountant or the cost accountant, as referred to in this sub-section shall be nominated by the Commissioner for the purposes of the said sub-section from amongst the panel of such accountants or cost accountants nominated by the Board."; and

(8B) After completion of the audit, the officer of Inland Revenue shall, after obtaining the registered person's explanation on all the issues raised in the audit, issue an audit report containing audit observations and finding.";

(ii) in sub-section (9), for the words "completion of the audit", the words "issuing the audit report" shall be substituted; and

(iii) in sub-section (11),–

(a) for the words "wishes to deposit", the word "deposits" shall be substituted; and

(b) in the second proviso, for the words "full amount", the words "fifty percent" shall be substituted;

(9) after section 30A, the following new section shall be inserted, namely:-

"30AA. Faceless jurisdiction.– (1) Notwithstanding anything contained in this Act, the Inland Revenue tax authorities appointed in National faceless center shall perform all or such functions, and exercise all or such powers under this Act as may be assigned to them in respect of such persons, or classes of persons, for such tax periods of a person through algorithms developed by the Board.

(2) The jurisdiction so assigned may be exclusive or concurrent.

(3) The Board may transfer jurisdictions in respect of persons or classes of persons, for a specific tax period, for which the jurisdiction has already been assigned under this section, from National faceless center to the officer of Inland Revenue having jurisdiction under section 30 of this Act, on the recommendation of the Chief Commissioner or on its own accord.

(4) The Chief Commissioner appointed in the National faceless center may request the Board to direct the officer of Inland Revenue having jurisdiction under section 30 or any other Authority under this Act, as it may deem fit, to conduct physical verification including nature and size of the business, assets, investments, expenditures, and any other information or verification required by the Chief Commissioner for conducting any proceedings assigned to the National faceless centre:

Provided that the Board may exercise its power of allocation of verification through an algorithm based system.

(5) Notwithstanding anything contained in any law for the time being in force, the identity of the authority exercising jurisdiction in the National faceless centre shall be kept confidential from the registered person, the authorized representative of the registered person, and any unauthorized person.

(6) No notice, order, or other communication by an authority appointed at the National faceless centre shall be called in question or set aside merely on the ground that such authority did not have jurisdiction over the taxpayer under section 30 of this Act, or lack of notified delegation of power under section 32 of this Act, or because of the fact that identity of the authority has been kept confidential from the taxpayer as per sub-section (5).";

(10) after section 30DDDA, the following new section shall be inserted, namely:–

"**30DDDB. Directorate General (Field Compliance) Inland Revenue**.– (1) The Directorate General (Field Compliance) Inland Revenue shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors, Assistant Directors and such other officers as the Board may, by notification in the official Gazette, appoint.

(2) The Board may, by notification in the official Gazette,-

(a) specify the functions and jurisdiction of the Directorate General and its officers; and

(b) confer the powers of authorities specified in section 30 upon the Directorate General and its officers."

(11) after section 32B, the following new section shall be inserted, namely:-

"**32C. National faceless centre**.– (1) Notwithstanding anything to the contrary contained in any of the provisions of this Act, the Board may, for the purposes of proceedings under this Act in faceless manner, establish a National faceless center (hereinafter referred to as "the Centre") and specify its jurisdiction, powers, and functions.

(2) The centre shall comprise a Director General and as many officers of Inland Revenue along with support staff, as the Board may deem fit for the purposes of this section.

(3) The Board may design algorithms for assigning any function or jurisdiction under this section to any of the authorities mentioned in sub-section (2).

(4) The centre shall comprise as many wings and units as may be prescribed by the Board.

(5) The functions of audit, assessment, and quality control in a specific case for a specific tax period shall be performed by separate officers.

(6) All communications, among the units, or with the registered person, or an authorized representative of the registered persons, or with any other person with respect to the information or documents or evidence or any other details, as may be necessary, shall be through electronic means.";

(12) in section 33, in the Table, in column (1),–

(a) against S. No. 1, in column (2),-

(i) for the word "ten", the word "fifty" shall be substituted; and

(ii) in the proviso, for the word "hundred", the word "thousand" shall be substituted;

(b) against S. No. 2, in column (2), for the expression "five thousand rupees or three per cent", the expression "twenty-five thousand rupees or five per cent" shall be substituted;

(c) against S. No. 3, in column (2),-

(i) for the word "ten", the word "fifty" shall be substituted; and

(ii) for the word "five", the word "ten" shall be substituted;

(d) against S. No. 5, in column (2),-

(i) for the expression "ten thousand rupees or five per cent of the amount of the tax involved, whichever is higher", the expression "fifty thousand rupees or five per cent of the amount of the tax involved, whichever is higher" shall be substituted; and

(ii) in the first proviso, for the word "hundred", the word "thousand" shall be substituted;

(e) against S. No. 7, in column (2), for the word "ten", the word "fifty" shall be substituted;

(f) against S. No. 8, in column (2), for the word "ten", the word "fifty" shall be substituted;

(g) against S. No. 25, in column (1) and entries related thereto in column (2), the following shall be substituted, namely:–

25.	Any person, who is required to integrate his business for monitoring, tracking, reporting or recording of sales, production and similar business transactions with the Board or its Computerized system, fails to get himself registered under this Act, and if registered, fails to integrate in the manner as required under law within the stipulated time as notified by the Board.	Such person shall be liable to pay a penalty up to one million rupees, if he continues to commit the offence after one month of the imposition of first penalty, he shall be liable to second penalty of up to five million rupees. Notwithstanding, his business premises shall be liable to be sealed with or without imposition of penalty by an officer of Inland Revenue in the manner as may be prescribed.

(h) after S. No. 28, the following new S. Nos. and entries relating thereto in columns (1), (2) and (3) shall be added, namely:-

29.	Where any registered person issues a tax invoice for a transaction which is simulated or fictitious, or for which no actual supply of goods or services has taken place, as established after notice and adjudication.	(i) Such person shall pay a penalty equal to the face value of the simulated or fictitious invoice or invoices. (ii) The Board shall, after issuance of a show cause notice and an opportunity of being heard, place the name and registration number of such person on a publicly accessible simulated invoice issuers register maintained on the Board's computerized system. (iii) Any input tax credit claimed by a counterparty on the basis of invoices issued by a person on the simulated invoice issuers register shall be reversed automatically and treated as inadmissible with effect from the date of listing. (iv) Listing on the register shall be removed upon full payment of the penalty and default surcharge, and upon satisfactory demonstration of compliance.	2(37)

30.	Where the Board's computerized system identifies that input tax credit claimed by a registered person in respect of any tax period cannot be matched to corresponding output tax declared by the supplier for the same or proximate tax period, and such mismatch is confirmed after issuance of notice and provision of opportunity of being heard.	Such person shall pay a penalty of twenty per cent of the unmatched input tax amount, in addition to reversal of the inadmissible credit and payment of default surcharge under section 34.	7, 8A
31.	Where a registered person has claimed input tax credit on the basis of invoices issued by a person who is subsequently placed on the simulated invoice issuers register under S. No. 29, and such registered person fails to reverse the inadmissible input tax credit within sixty days of the listing of the invoice issuer on the register.	Such person shall pay a penalty of twenty per cent of the unreversed input tax credit, in addition to the reversal of such credit and default surcharge under section 34.	7, 8A, 33 (S.No.29)

(13) in section 40C,–

(a) for sub-sections (2) and (3), the following shall be substituted, namely:–

"(2) From such date as may be prescribed by the Board, no taxable goods shall be removed or sold by the manufacturer or any other person unless such goods are affixed with tax stamps, band role stickers or labels are monitored through a Production Monitoring System, video analytics or any other prescribed monitoring mechanism, etc. in any such form, style and manner as may be prescribed by the Board in this behalf;

(3) Such tax stamps, banderols, stickers, labels, barcodes, production monitoring equipment etc., shall be acquired by the registered person referred to in sub-section (2) from a licensee appointed by the Board."; and

(b) after the omitted sub-section (5), the following new sub-section shall be added, namely:–

"(6) Any taxable goods in respect of which monitoring, tracking or identification has been prescribed under this Act or rules made thereunder, which are manufactured, produced, removed, transported, supplied or otherwise dealt with or without affixing the prescribed tax stamps, banderoles, stickers, labels, barcodes or without compliance with the prescribed monitoring system, shall be liable to seizure and confiscation in the prescribed manner, along with the conveyance used for the movement, carriage or transportation of such goods.";

(14) after section 40E, the following new section shall be inserted, namely:–

"**40F. Sale of confiscated goods by auction**.– (1) Where any goods liable to confiscation under any provision of this Act have been confiscated, these goods, without prejudice to other action specified against such goods, shall be sold by public auction.

(2) The goods may be sold under sub-section (1) through electronic means, as prescribed by the Board.

(3) For the purpose of sub-sections (1) and (2) of this section, the Board shall be bound by Public Procurement Regulatory Authority Rules, 2014.

(4) The sale proceeds shall be applied to the following purposes in their respective order, namely:-

(a) first to pay the expenses of the sale;

(b) then to pay the sales tax, other taxes and dues including penalty and surcharge payable to the Federal Government in respect of such goods; and

(c) the balance in respect of confiscated goods excluding those liable for outright confiscation, if any, shall be paid to the owner of the goods, provided he applies for it within six months of the sale of the goods failing which the balance amount shall be deposited into government treasury:

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.";

(15) after section 45B, the following new section shall be inserted, namely:-

"**45C. Faceless appeals**.– (1) Notwithstanding anything contained in this Act, any appeal filed under section 45B of this Act may be processed through the National faceless center as may be prescribed by the Board.

(2) The provisions of section 45B of this Act, shall apply to faceless appeals accordingly.

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(16) after section 47A, the following new sections shall be inserted, namely:-

"**47AA. Algorithmic settlement mechanism**.- (1) Notwithstanding anything contained in this Act, the Board may establish digitally operated algorithmic settlement mechanism (hereinafter referred to as "the mechanism") for settlement of tax proceedings at any stage before any order under sections 11D or 11E of the Act.

(2) In case, the mechanism calculates and presents to the registered person a settlement offer as per the criteria provided under sub-section (3), the registered person may avail the offer as provided in sub-section (4).

(3) The system generated settlement offer shall be calculated on the basis including but not limited to:

(a) the stage of proceedings at which settlement is offered;

(b) the registered person's compliance history, as maintained in FBR's data;

(c) the nature and character of the discrepancy; and

(d) any other basis the Board may consider relevant.

(4) A registered person who opts to avail this mechanism shall within ten days from the date of settlement offer to accept the settlement offer on IRIS and deposit the settlement offer amount.

(5) The issues confronted to the registered person, if any, through a notice or an audit report under this Act shall stand abated if the registered person deposits the settlement amount as provided in sub-section (4).

(6) Payment of tax consequent upon acceptance of offer under sub-section (4) of this section shall not preclude proceedings in respect of any other issue or discrepancy not covered by the settlement offer, nor shall it affect proceedings for any other tax period.

"**47AAA. Independent case scrutiny committee**. – (1) A reference under section 47 before the High Court, or an appeal or review before the Federal Constitutional Court or the Supreme Court of Pakistan, as the case may be, shall only be filed by the Commissioner Inland Revenue after the same has been approved by an independent case scrutiny committee as constituted by the Board.

(2) The Board may constitute one or more such committees and assign them cases or classes of cases decided by the Appellate Tribunal Inland Revenue or the High Court as the case may be.

(3) The Committee shall comprise of the following Members as nominated by the Board–

(a) a retired judge of Supreme Court of Pakistan, the Federal Constitutional Court, or any of the High Courts of Pakistan who shall also act as Chairman of the Committee;

(b) an Advocate having not less than fifteen years of experience in tax and commercial litigation before the High Court or Supreme Court of Pakistan, to be nominated from a panel notified by the Board from time to time; and

(c) a senior serving or retired officer of the FBR (BS 20 or above).

(4) The powers, functions, and procedure of the Committee along with remuneration of its Members shall be governed as prescribed.

(5) Recommendations of the committee shall be binding upon the Commissioner Inland Revenue having jurisdiction over the case.

(6) Notwithstanding anything contained in any other law for the time being in force, no suit, prosecution, or other legal proceedings shall lie against the Members of the Committee and the Commissioner Inland Revenue having jurisdiction over the case, in relation to the decisions made under this section.;

(7) The Committee constituted under this sub-section shall exercise its powers and functions with effect from the date of its constitution as notified by the Board.";

(17) in section 56B, after sub-section (2), the following new sub-section shall be added, namely:–

"(3) Notwithstanding anything contained in sub-section (1), the Board shall have the power to share data contained in Sales Tax returns of registered persons belonging to a sector amongst all registered persons of the same sector under strict non-disclosure agreements to create market equity and to enhance tax compliance subject to such limitations, restrictions and conditions as may be specified by the Board.";

(18) in the Third Schedule, in the Table, in column (1), after Serial No. 55, the following new Serial Nos. and entries relating thereto in columns (2) and (3) shall be added, namely:-

"56.	Vegetable and animal fats and oils, sold in retail packing.	Respective headings
*56.	Sugar Confectionary, sold in retail packing.	Respective headings
57.	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared, sold in retail packing.	19.02
58.	Sauces, ketchup and other preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard, sold in retail packing.	Respective headings
59.	Fermented beverages, sold in retail packing.	Respective headings
60.	Petroleum jelly, paraffin wax, micro-crystalline petroleum wax, slack wax, ozokerite, lignite wax, peat wax, other mineral waxes, and similar products obtained by synthesis or by other processes, whether or not coloured, sold in retail packing.	27.12

*it should be 57 onwards

61.	Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant- growth regulators, disinfectants and similar products, put up in forms or packings for retail sale or as preparations or articles put up in forms or packings for retail sale.	38.08
62.	Plates, sheets, film, foil, tape, strip and other flat shapes, of plastics, whether or not in rolls, sold in retail packing.	39.19, 39.20, 39.21
63.	Tableware, kitchenware, plastic furniture, storage items, hygienic or toilet articles, and allied other household articles of plastics, sold in retail packing.	Chapter 39
64.	Trunks, suit- cases, vanity- cases, executive- cases, briefcases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; travelling- bags, insulated food or beverages bags, toilet bags, rucksacks, handbags, shopping- bags, wallets, purses, map- cases, cigarette- cases, tobacco- pouches, tool bags, sports bags, bottle- cases, jewellery boxes, powder-boxes, cutlery cases and similar containers, of leather or of composition leather, of sheeting of plastics, of textile materials, of vulcanised fibre or of paperboard, or wholly or mainly covered with such materials or with paper, put up for retail sale.	42.02
65.	Footwear (all types)	Respective headings
66.	Bathroom accessories and bath items, sanitaryware including taps, showerheads, fittings, mixers, valves and other washroom accessories and fixtures, sold in retail packing	Respective headings
67.	Crockery Items, sold in retail packing	Respective headings
68.	Car and automobile accessories, sold in retail packing	Respective headings
69.	Milk, fat filled milk, preparations suitable for infants, and other products of milk, sold in retail packing	Respective headings
70.	Preparations for use on the hair, sold in retail packing	33.05
71.	Pre- shave, shaving or after-shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorisers, whether or not perfumed or having disinfectant properties, sold in retail packing	33.07

72.	Toilet or facial tissue stock, towel or napkin stock and similar paper of a kind used for household or sanitary purposes, cellulose wadding and webs of cellulose fibres, whether or not creped, crinkled, embossed, perforated, surface- coloured, surface-decorated or printed, in rolls or sheets, put up for retail sale.	4803.0000, 48.18
73.	Jams, fruit jellies, marmalades, fruit or nut puree and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter, other fruit and vegetable preparations, sold in retail packing	20.07, 20.08
74.	Household utensils, including Stainless steel, aluminum, melamine and other utensils and tableware.	Respective headings
75.	Ceramic Products including wash basins, commodes, tiles and allied ceramic sanitary products, put up for retail sale.	69.10";

Note: Where the Federal Government has notified that the sales tax shall be charged, levied and paid at a rate higher than eighteen percent, the same rate shall continue to be charged, levied and paid after their inclusion under the Third Schedule.

(19) in the Sixth Schedule,

(a) in Table-1, in column (1),–

(i) for Serial No. 32 and entries relating thereto in columns (2) and (3), the following shall be substituted, namely:–

"32	Newsprint, books, and magazines but excluding brochures, leaflets and directories.	4902.1000, and 4902.9000"

(ii) against serial number 157, in corresponding column (2), for the expression "2026", the expression "2027" shall be substituted;

(iii) for serial number 181, and corresponding entries relating thereto in columns (2) and (3), the following shall be substituted, namely:–

"181.	Import or lease of aircrafts and parts thereof by Pakistan International Airlines Corporation Limited (PIACL) Provided that the custom authorities shall ensure that the quantities of things imported are limited to the requirements of materials and articles to be used in operations and maintenance of the aircrafts operated by the airline:	8802.1200, 8802.3000, 8802.4000, 8801.0000, 8802.2000, 8804.0000, 8805.2900, 8807.3000, 9104.0010, 8544.2000, 7007.1900, and 9931."

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	Provided further that the ground handling equipment, service and operation vehicles, catering equipment and fuel trucks, not manufactured locally, and imported shall be used within airport premises as aforesaid.	

(iv) after Serial No 181, the following new Serial Nos. and entries relating thereto in columns (2) and (3) shall be added, namely:-

"182	Contraceptives	3926.9020 and 4014.1000
183	Female Sanitary Pads / Tampons	9619.0030
184	Import of:	
	– Tankers,	8901.2000
	– Dredgers,	8905.1000
	– Floating or submersible drilling, or production platforms,	8905.2000
	– Others floating structures and vessels.	8905.9000
	– Other vessels for the transportation of goods Excluding Cruise ships, excursion boats and similar vessels principally designed for the transport of persons; ferry- boats of all kinds Provided that the quantity of imported goods under this entry shall be approved by Ministry of Maritime Affairs	8901.9000
185	Import of bullet proof vehicles by the: (i) Federal Government for logistic arrangements for Shanghai Cooperation Organization (SCO) summit subject to the prior approval from the Ministry of Foreign Affairs and the Ministry of Interior and Narcotics Control (ii) By the Federal Government or Provincial Government for threat of terrorism against a public functionary as determined by the Ministry of Interior and Narcotics Control, subject to approval by the Federal Government.	Respective heading."

(b) in Table-3, in Annexure, in column (1), after Serial No 22, the following new Serial Nos. and entries relating thereto in columns (2), (3) and (4) shall be added, namely:-

"23	Import of following machinery/ equipment for upgradation of existing refineries: 1. Reactors,	8419.8990, 8419.5000, 8419.8990,	The goods shall be imported directly by the refinery after approval by the division concerned.
	2. Shell and Tube Exchangers,	8418.6990,	
	3.Vessels (Strippers/ Separators/ K.O. Drums),	8419.8990,	
	4. Trim Coolers,	8417. 8000	
	5. Air Coolers (Condensers),	8413.7090	
	6. Fired Heaters,	8413.5000	
	7. Centrifugal Pumps,	8414.8090	
	8. Reciprocating Pumps,	8414.8090	
	9. Centrifugal Compressors,	8417.8000,	
	10. Reciprocating Compressors,	8421.3990	
	11. Steam Reformer Furnaces,		
	12 Filters, Provided that all such imports shall be essentially made for expansion of balancing, modernization, and rehabilitation of existing refineries and the quantity imported by each refinery shall be approved by Ministry of Petroleum and Natural Resources.		
24	Import of machinery, equipment, raw materials, components and other capital goods, by Karachi Shipyard and Engineering Works Limited	Respective headings as approved by the concerned Division.	The Division dealing with the subject matter shall certify in the prescribed manner and format as per Annex-B that the imported goods are bona fide requirement.

			The authorized officer of the Ministry shall furnish all relevant information online to Pakistan Customs Computerized System against a specific user ID and password obtained under section 155D of the Customs Act, 1969.";

(20) in the Eighth Schedule, in Table:-

(a) against serial No. 71, in column (2), for the words "30th June, 2026", the words "30th June, 2027" shall be substituted; and

(b) for serial No. 80 in column (1), and corresponding entries relating thereto in columns (2), (3) and (4), the following shall be substituted, namely:–

"80.	EV transport buses of 25 seats or more **and electric trucks** in CBU condition	8702.4090, 8704.6030	1%"

(21) in the Eleventh Schedule, in the Table, in column (1),–

(a) against serial No. 4, in column (2), after the word "companies", a comma shall be added, and thereafter the words "association of persons and individuals" shall be added; and

(b) after S. No. 13, the following new S. No. and entries relating thereto in columns (2), (3) and (4) shall be added, namely:–

"14.	Registered persons engaged in toll manufacturing	Person other than registered person	four times of the tax charged on conversion charges.";

(22) in the Twelfth Schedule, after the Table, under the heading, "Procedure and Conditions", in clause (2), after sub-clause (i), a colon shall be added and thereafter the following provisos shall be inserted, namely:-

"Provided that the manufacturer shall be liable to pay 3% value addition tax on ad valorem basis, along with default surcharge in case the imported goods are supplied in the same state whether in the same packing, repacked, or in bulk:

Provided further that where-

(i) benefit of waiver of 3% value addition tax is availed, declaring that the goods are imported for in-house consumption in manufacturing process;

(ii) such imported goods are not used for in-house consumption;

(iii) imported goods are supplied in the same state whether in the same packing, repacked, or in bulk; and

(iv) such supply exceeds 50% of total imports in a financial year;

such person will be liable to prosecution.”.

6. Amendments in the Income Tax Ordinance, 2001 (XLIX of 2001).- In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:-

(1) in section 2,–

(a) after clause (1A), the following new clause shall be inserted, namely:-

“(1AA) “algorithmic settlement mechanism” means algorithmic settlement mechanism provided under section 134B of this Ordinance;”;

(b) in clause (5), for the words “and amended assessment”, the expression “, amended assessment and faceless assessment” shall be substituted;

(c) after clause (6), the following new clause shall be inserted, namely:-

“(6A) “authorised shipping agent” means a person in Pakistan who is authorised, expressly or impliedly, by a non-resident ship owner, charterer or operator to act on its behalf in respect of a vessel, and who in relation to such vessel or voyage-

(a) is responsible for the receipt, collection, control or accounting of total freight and any related amounts, and undertakes or is responsible for documentation, manifest filing, or reporting of cargo or total freight, including having, directly or indirectly, the control, custody or disposal of any freight or related receipts attributable to such vessel or voyage; and

(b) furnishes the return under section 143 of this Ordinance, in respect of such vessel or voyage and such person shall, for the purposes of this Ordinance-

(i) be treated as the representative of the non-resident under section 172;

(ii) be jointly and severally liable for payment of tax and all obligations, proceedings, assessments and recovery in respect of such vessel or voyage; and

(iii) be treated as such, and the provisions of sub-section (3) of section 172 shall apply accordingly;”;

(d) after clause (19D), the following new clause shall be inserted, namely:-

"(19DA) "electronically readable format" means any digital format in which data is structured so that it can be automatically read, extracted, validated and processed by computer systems without human intervention, including spreadsheet formats (such as CSV or XLSX), XML, XBRL, JSON, and other structured or semi-structured data formats but excluding formats primarily designed for human readability, such as PDF, scanned images or photographs;";

(e) clause (22A), shall be omitted;

(f) in clause (30A), for the expression "Board through approved fiscal electronic device and software", the expression "Board's computerized system through a licensed integrator" shall be substituted;

(g) after clause (30C), the following new clause shall be inserted, namely:–

"(30D) "Licensed integrator" shall have the same meaning as defined under clause (15A) of section 2 of the Sales Tax Act, 1990 (VII of 1990);

(h) after clause (35A) the following new clause shall be inserted, namely:-

"(35)(1A) "National faceless center" means National faceless center as defined in section 227D of this Ordinance;";

(i) after clause (42A), the following new clause shall be inserted, namely:-

"(42AA) "PRAL" means Pakistan Revenue Automation (Pvt) Limited, a State Owned Enterprise which has been assigned functions related to software development and maintenance of the Board's IT infrastructure;"; and

(j) clause (60) shall be omitted;

(2) in section (4AB),-

(a) in the heading, for expression "(4AB), the expression "4AB" shall be substituted; and

(b) in the proviso, for the words "a surcharge shall be payable at the rate of nine percent of the income tax imposed under Division I of Part I of the First Schedule where the income exceeds rupees ten million in a tax year", the expression "no surcharge shall be payable."; shall be substituted;

(3) in section 6A, after sub-section (2), the following new sub-section shall be added, namely:-

"(3) Notwithstanding the provisions of section 8, the tax imposed under this section on a person, whose turnover in a tax year exceeds two hundred million rupees shall be adjustable.";

(4) section 7E shall be omitted;

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(5) after section 7F, the following new section shall be inserted, namely:-

"**7G. Tax on certain payments by life insurance business**.- (1) For tax year, 2026 and onwards, a tax shall be imposed, at the rate specified in Division IC of Part III of the First Schedule on every individual who receives any payout, benefit, surrender value, maturity proceeds or similar payment (hereinafter referred to as payout) from a life insurance business on account of insurance policy, family takaful certificate, plan or any similar arrangement.

(2) For the purposes of sub-section (1), the amount liable to tax shall be the gross amount of payout reduced by aggregate amount of premiums or contributions paid by the policy holder or participant.";

(3) The provisions of sub-section (1) shall not apply where the payout or benefit is made-

(a) on account of death of the insured or participant;

(b) on account of disability of the insured or participant; or

(c) after completion of seven years from the date of issuance of the policy, certificate or plan.

(4) Tax deducted under this section shall be treated as final tax on the income arising from such payout or benefit.";

(6) in section 8,-

(a) in the heading, for the expression "7E", the expression "7G" shall be substituted; and

(b) in sub-section (1), for the expression "7E", wherever occurring, the expression "7G" shall be substituted;

(7) in section 21, for clause (r), the following shall be substituted, namely:-

"(r) up to five percent of the expenditure claimed by any person, who fails to install electronic resource or to act as an integrated enterprise as required by law, subject to the method, manner, and procedure as may be prescribed;";

(8) after section 53, the following new section shall be inserted, namely:-

"**53A. Rationalization of rates of withholding taxes in the nature of minimum tax**.- (1) The Federal Government may reduce the rate of any of the withholding taxes in the nature of minimum tax as given in First Schedule of this Ordinance, other than minimum tax chargeable under section 113 of this Ordinance, up to 1% on the basis of economic viability in cases of persons or class of persons, subject to such restrictions and limitations as the Federal Government may specify.

(2) The Federal Government shall place before the National Assembly all amendments made in rates of withholding taxes in the First Schedule, in a financial year under this section.";

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(9) for section 64D, the following shall be substituted, namely:-

"**64D. Tax credit for integration**.- (1) Any person required, under this Ordinance, the Sales Tax Act, 1990 or the Federal Excise Act, 2005, to integrate with the computerized system of the Board for real-time production monitoring, or for the recording or reporting of sales or receipts, shall be entitled to a tax credit in respect of expenditure incurred exclusively on the purchase, acquisition, installation or implementation of such equipment, hardware, software or other electronic components as are directly and exclusively utilized for the purposes of such integration:

Provided that the Board may prescribe limitations, conditions, and restrictions for availing the tax credit under this section.

(2) The amount of tax credit allowed under sub-section (1) for a tax year in which electronic resource is installed, integrated and configured with the Board's computerized system shall be ten percent of the amount actually invested in the electronic resource.

(3) Such tax credit shall not be allowable against operation and maintenance expenses related to such electronic resource.

(4) This tax credit shall be available only against normal tax payable under Division I or Division II of Part I of the First Schedule.";

(10) in section 76, after sub-section (8), a new sub-section (8A) shall be added:

"(8A) Where an immovable property is acquired by an individual through inheritance, the cost of such property in the hands of that individual shall be the fair market value of the property as provided under sub-section (5) of section 68 of this Ordinance on the day of the death of the original owner.";

(11) In section 79, in sub-section (1), in clause (b), the following explanation shall be inserted, namely:-

"***Explanation***: For the removal of doubt it is clarified that transmission of an asset, in the nature of immovable property, to a beneficiary on the death of a person shall also include the transmission of assets by reason of family settlement amongst the family members consequent upon death of the person.";

(12) in section 80, in sub-section (2), in clause (a), after the word "person", the expression ", limited liability partnership" shall be inserted;

(13) in section 92,-

(a) in sub-section (1), the explanation shall be omitted; and

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

"(4A) Where the income of a limited liability partnership is exempt from tax, the amount received by a member of a limited liability partnership in the capacity as a member of such partnership shall be taxable in the hands of the member of such partnership.";

(14) in section 99B, for the expression "and payment of tax, filing of return", the expression", rate and payment of tax including fixed tax, filing of return, audit" shall be substituted;

(15) in section 100B,–

(a) in sub-section (2),-

(i) in clause (b), the expression ", a non-banking finance company," shall be omitted and after the semicolon at the end, the word "and" shall be added; and

(ii) clauses (c) and (d) shall be omitted;

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

"(3) NCCPL, in case of banking company, insurance company and mutual funds shall compute and determine the capital gain as per the mechanism prescribed under section 37A, however, these entities shall continue to deposit tax on amount of capital gain as per the applicable provisions of this Ordinance.";

(16) in section 114,-

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

"(2A) A return of income shall be filed electronically on IRIS as may be prescribed by the Board for the purpose of sub-section (1) and sub-section (1A) of this section and the Board may, by notification in the official Gazette, make rules for such filing and determine the process of verification, digital signatures and other matters relating to electronic filing of returns, statements or documents, etc.:

Provided that in case of companies for tax year, 2026 and onwards the financial statements accompanying the return shall only be filed in electronically readable file format.";

(b) in sub-section (6), after the word "therein", the expression, "or avails a settlement offered by algorithmic settlement mechanism" shall be inserted

(c) after sub-section (6A), the following new sub-section shall be inserted, namely:-

"(6B) Notwithstanding anything contained in sub-sections (6) and (6A) of this section, if a taxpayer avails a settlement offered by the algorithmic settlement mechanism, he may file a revised return, and the-

(a) approval of Commissioner shall not be required to file the revised return;

(b) taxpayer shall pay the amount of tax determined by the mechanism and no separate penalty or default surcharge shall be payable; and

(c) return so filed shall be accompanied by such documents as required under sub-section (6) and shall be treated as revised return under this section.";

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(17) after section 122D, the following new section shall be inserted, namely:–

"**122E. Faceless audit and assessment**.– (1) Notwithstanding anything to the contrary contained in any other provision of this Ordinance, any audit under sections 177 or 214C, any order made under section 111, any assessment under this Part and rectification under section 221, with respect to the cases referred to in sub-section (2), may be made in a faceless manner as may be prescribed by the Board.

(2) The faceless assessment under sub-section (1) shall be made in respect of such persons or class of persons, or incomes or class of incomes, or cases or class of cases, as may be specified by the Board.

(3) The provisions of section 177 shall apply to the audit conducted in faceless manner under this section:

Provided that where opportunity of being heard is to be provided to the taxpayer during the course of this audit or a statement under oath is required to be obtained from a taxpayer or any other person under section 176 of this Ordinance, the same shall be done through E-hearing under section 227E of this Ordinance:

Provided further that the identity of the officer, including facial and voice identity, conducting such E-hearing shall be kept confidential.";

(18) after section 129, the following new section shall be inserted, namely,–

"**129A. Faceless appeals**.– (1) Notwithstanding anything contained in this Ordinance, any appeal filed under section 127 may be processed through the National faceless center as may be prescribed by the Board.

(2) The provisions of sections 127, 128, and 129 of this Ordinance, shall apply to faceless appeals accordingly.";

(19) after section 133, the following new section shall be inserted, namely:–

"**133A. Independent case scrutiny committee**.– (1) A reference under section 133 of this Ordinance before the High Court, or an appeal or review before the Federal Constitutional Court or the Supreme Court of Pakistan shall only be filed by the Commissioner Inland Revenue after the same has been approved by an independent case scrutiny committee as constituted by the Board.

(2) The Board may constitute one or more such committees and assign them cases or classes of cases decided by the Appellate Tribunal Inland Revenue or the High Court, as the case may be.

(3) The Committee shall comprise of the following Members as nominated by the Board–

(a) a retired judge of the Supreme Court of Pakistan, the Federal Constitutional Court, or any of the High Courts of Pakistan who shall also act as Chairman of the Committee;

(b) an Advocate having not less than fifteen years of experience in tax and commercial litigation before the High Court or Supreme Court of Pakistan, to be nominated from a panel notified by the Board from time to time; and

(c) a senior serving or retired officer of the FBR (BS 20 or above).

(4) The powers, functions, and procedure of the committee along with remuneration of its Members shall be governed as may be prescribed by the Board.

(5) Recommendations of the committee shall be binding upon the Commissioner Inland Revenue having jurisdiction over the case.

(6) Notwithstanding anything contained in any other law for the time being in force, no suit, prosecution, or other legal proceedings shall lie against the Members of the committee and the Commissioner Inland Revenue having jurisdiction over the case, in relation to the decisions made under this section.

(7) The Committee constituted under this sub-section shall exercise its powers and functions with effect from the date of its constitution as notified by the Board.";

(20) in section 134A,-

(a) after sub-section (10), the following new sub-section shall be inserted, namely:-

"(10A) Notwithstanding the dissolution of the committee, the committee may, by an order in writing, rectify any mistake apparent from the record on its own motion or any mistake brought to its notice by the taxpayer or the Commissioner, within thirty days of the receipt of decision of the committee by the taxpayer or the Commissioner, as the case may be."; and

(b) in sub-section (11), in the proviso for the full stop at the end, a colon shall be substituted and thereafter the following new proviso shall be added, namely:–

"Provided further that where, at any stage of the proceedings, any member of the committee becomes unavailable or is unable to perform his functions for any reason whatsoever, the Chairman of the Board shall, within fifteen days of the occurrence of such vacancy, appoint another person in accordance with the provisions of sub-section (3) of this section to fill such vacancy, and the committee so reconstituted shall continue to function subject to the same terms, conditions and limitations as were applicable to the original committee:

Provided also that upon such reconstitution, the committee shall be allowed a further period of sixty days to conclude the proceedings and perform its functions under this section:

Provided also that the total period available to the committee, including the period already consumed prior to such reconstitution, shall in no case be less than ninety days from the date of its original constitution.";

(21) after section 134A, as amended above, the following new section shall be inserted, namely:-

"**134B. Algorithmic settlement mechanism**.- (1) Notwithstanding anything contained in this Ordinance, the Board may establish digitally operated algorithmic settlement mechanism (hereinafter referred to as "the mechanism") for settlement of tax proceedings at any stage before any assessment or amendment of assessment order under sections 121, 122 or 122E of this Ordinance through revision of return under sub-section (6) of section 114 in certain cases.

(2) In case, the mechanism calculates and presents to the taxpayer a settlement offer for voluntary revision of return as per the criteria provided under sub-section (3), the taxpayer may avail the offer as provided in sub-section (4).

(3) The system generated settlement offer shall be calculated on the basis including but not limited to –

(a) the stage of proceedings at which settlement is offered;

(b) the taxpayer's compliance history, as maintained in FBR's data;

(c) the nature and character of the discrepancy, including whether it involves a valuation or legal interpretation dispute, unexplained income or assets, or concealment; and

(d) any other basis the Board may consider relevant to ensure revenue adequacy and equitable treatment of taxpayers.

(4) A taxpayer who opts to avail this mechanism shall within ten days from the date of settlement offer to-

(a) accept the settlement offer on IRIS;

(b) deposit the settlement offer amount along with revised return; and

(c) revise the relevant return of income to incorporate the settled amount.

(5) The issues confronted to the taxpayer through notice of selection of audit, a notice under section 111, an audit report under sub-section (6) of section 177, a notice under sub-section (9) of section 122, as the case may be, shall stand abated, if the taxpayer revises the return by accepting the offer as provided in sub-section (4).

(6) Revision of return consequent upon acceptance of offer under sub-section (4) of this section shall not preclude proceedings in respect of any other issue or discrepancy not covered by the settlement offer, nor shall it affect proceedings for any other tax year.";

(22) in section 143,-

(a) in sub-section (1), after the word "ship", occurring for the second time, the expression ", or the authorised shipping agent as defined in clause (6A) of section 2," shall be inserted;

(b) after sub-section (1), amended as aforesaid, the following new sub-sections shall be inserted, namely:–

"(1A) Notwithstanding anything contained in this Ordinance, only one return shall be furnished for each vessel or voyage, and such return shall cover the total freight and all related amounts attributable to the ship.

(1B) The master of ship or the authorised shipping agent responsible for manifest filing and freight handling in respect of a vessel shall furnish the return under this section, and no other person shall furnish such return for that vessel or voyage.";

(c) in sub-section (2),-

(i) after the word "ship", occurring for the first time, the expression "or authorised shipping agent" shall be inserted; and

(ii) after the word "master", the words "or authorised shipping agent" shall be inserted;

(d) in sub-section (3), for the words "shall be", the words "or authorized shipping agent shall be jointly and severally" shall be substituted;

(e) in sub-section (4), after the word "ship" occurring for the second time, the words "or authorised shipping agent" shall be inserted and after the word "charterer", occurring for the second time, the expression "or authorised shipping agent" shall be inserted;

(f) in sub-section (5), after the word "Commissioner", occurring at the end, the words "and electronic confirmation of filing of return and payment of tax under this section has been received in the prescribed manner" shall be inserted; and

(g) in sub-section (6), after the word "ship", occurring for the second time, the words "or authorised shipping agent" shall be inserted;

(23) in section 147, sub-section (6C) shall be omitted;

(24) after section 151A, the following new section shall be inserted, namely:-

"**151B. Certain payments by life insurance companies and takaful operators**.- (1) Every life insurance company, including a family takaful operator or a window takaful operator, making any payout, benefit, surrender value, maturity proceeds or similar payment to an individual under a life insurance policy, family takaful certificate, plan or arrangement shall, at the time of making such payment, deduct tax at the rate specified in Division IC of Part III of the First Schedule.

(2) For the purposes of sub-section (1), the amount liable to tax deduction shall be the gross amount of payout or benefit reduced by the aggregate amount of premiums or contributions paid by the policyholder or participant.

(3) The provisions of sub-section (1) shall not apply where the payout or benefit-

(a) is made on account of death of the insured or participant;

(b) is made on account of disability of the insured or participant; or

(c) is made after completion of seven years from the date of issuance of the policy, certificate or plan.

(4) Tax deducted under this section shall be treated as final tax on the income arising from such payout or benefit.";

(25) in section 152, for sub-section (1DA), the following shall be substituted, namely:-

"(1DA) Every banking company maintaining a Foreign Currency Value Account (FCVA), Foreign Currency Business Value Account (FCBVA), Non-Resident Rupee Value Account (NRVA), or Non-Resident Rupee Business Value Account (NRBVA) shall deduct tax from capital gain arising on the disposal of debt instruments and Government securities and certificates (including Shariah compliant variant) invested through aforesaid accounts at the rate specified in Division II of Part III of the First Schedule.";

(26) after section 154A, the following new section shall be inserted, namely:–

"**154B. Withholding tax on revenues Received from social media platforms**.- (1) Every banking and non-banking financial institution shall, at the time of credit or receipt of any amount in an account of a person, deduct tax at the rate specified in Division IIIAB of Part III of the First Schedule, where such amount represents revenues received from social media platforms.

(2) For the purposes of this section-

(a) "digital content creator" or "social media influencer" means any individual or entity deriving income from creation, publication, or monetization of content on digital platforms including but not limited to YouTube, Facebook, Instagram, Tik Tok or such others similar platforms; and

(b) "payment" includes any inward remittance, transfer, or credit received through banking channels, including through intermediaries such as online payment service providers or digital financial platforms.

(3) The tax deducted under this section shall be-

(a) minimum in the case of a resident person; and

(b) final tax in the case of a non-resident person not having a permanent establishment in Pakistan.

(4) The Board may, by notification in the official Gazette, prescribe rules for implementation, including identification and reporting mechanisms.";

(27) in section 159, after sub-section (1B), the following new sub-section shall be inserted, namely:-

"(1C) Where a person has distributed ninety percent or more of its accounting income amongst the unit or certificate holders or shareholders, as the case may be, in accordance with the provisions of clause (99) of Part I of the Second Schedule for the last three years, the person shall be eligible for issuance of exemption certificate under sub-section (1) and the certificate shall be issued for the subsequent whole tax year.

(1D) Where a person has been issued approval under the provision of sub-clause (c) of clause (36) of section 2 of this Ordinance for a tax year, the person shall be eligible for issuance of exemption certificate under sub-section (1) and the certificate shall be issued for the said whole tax year.";

(28) after section 165A, amended as aforesaid, the following new section shall be inserted, namely:–

"**165AB. Reporting of financial transaction data by banking companies and financial institutions**.- (1) Notwithstanding anything contained in the Banking Companies Ordinance, 1962 (LVII of 1962), the State Bank of Pakistan Act, 1956 (XXXIII of 1956), the Protection of Economic Reforms Act, 1992 (XII of 1992), or any other law for the time being in force, every banking company and Electronic Money Institutions (EMIs) shall electronically upload the information, as mentioned in sub-section (2), to the Central Data Hub, for algorithmic cross-matching of tax and bank information.

(2) Information in respect of an account holders having deposits or withdrawals exceeding one hundred million Rupees during a reporting period in any or all of the bank accounts maintained by the account holder, specifying particulars of deposits or withdrawals, including opening and closing balances, peak credits, and total credits during the reporting period.

(3) This information as shared above shall be digitally processed and shall not be visible to any of the Income Tax Authorities during this cross-matching process.

(4) In case of gross mismatch in the information in respect of an account holder, the digital system of the Board shall feed the information so required into the Compliance Risk Management (CRM) system of the Board and further proceedings shall be conducted by the National faceless centre as provided in this Ordinance.

(5) missing in the Bill

(6) The Board shall ensure that such information, shared by the banks, remains strictly confidential and in no case is disclosed or misused in a manner to disregard the confidentiality measures provided in the statutes and rules governing commercial banking, save as provided in this section.

(7) In this section-

(a) "reporting period" means, in respect of a Financial Year, a period of six months, starting from:

(i) 1st day of July and ending on 31st day of December; and

(ii) 1st day of January and ending on 30th day of June,;

(b) "specified date" means the–

(i) 31st day of January in case of reporting period ending on 31st day of December; and

(ii) 31st day of July in case of reporting period ending on 30th day of June;

(c) "accounts" means bank accounts maintained by a person including current deposits, call deposits, saving deposits, fix deposits, term deposits, or any other such deposits by whatever name called;

(d) "peak credits" means the highest credit balance in all the bank accounts of the account holder on any given date during the reporting period;

(e) "Central Data Hub" means a virtual repository of data and information maintained by the Board through PRAL; and

(f) "compliance risk management (CRM)" means a computer programme for identification and communication of compliance risks, including understatement of sales, overstatement of expenses, non-reporting or under-reporting of incomes, assets, and transactions.";

(29) in section 169, in sub-section (1), in clause (b), after the expression "154A", the expression ", clause (b) of sub-section (3) of section 154B," shall be inserted;

(30) in section 174, for sub-section (5), the following shall be substituted, namely:–

"(5) The Board may require any person or class of persons to install and use an electronic resource of such type and description as may be prescribed, or to act as an integrated enterprise through a notification in the official Gazette for the purpose of receiving, storing, matching and accessing information regarding any transaction that has a bearing on the tax liability of such person.";

(31) in section 175AA, in sub-section (1),-

(a) in clause (a),-

(i) after the word "with", occurring for the first time, the words "the State Bank of Pakistan and" shall be inserted; and

(ii) after the word "the", occurring for the fourth time, the expression "State Bank's Central Data Repository (by any name) and" shall be inserted and the word "and" occurring at the end shall be omitted;

(b) in clause (b), after the word "the", occurring for the first time, the words "State Bank of Pakistan, Microfinance banks, and Electronic Money Institutions (EMIs) and" shall be inserted and for the full stop occuring at the end, the expression "; and" shall be substituted; and

(c) after clause (b), amended as aforesaid, the following new clause shall be added, namely:–

"(c) the State Bank of Pakistan may establish, operate and maintain a secure centralized virtual repository of banking data, comprising such information, records, and financial transactions of persons maintained by Scheduled banks on the basis of unique identifiers, as may be prescribed by the Board and collect and provide data and results as per clauses (a) and (b) of this sub-section.";

(32) in section 177, after sub-section (6A), the following new sub-sections shall be added, namely,-

"(6B) If, at any stage of the proceedings before him, if the Commissioner is of the opinion that having regard to,-

(a) the nature and complexity of the accounts; or

(b) volume of the accounts; or

(c) doubts about the correctness of the accounts; or

(d) multiplicity of transactions in the accounts; or

(e) specialised nature of business activity of the taxpayer; and interests of the revenue, is of the opinion that it is necessary so to do, he may, after giving the taxpayer a reasonable opportunity of being heard, and with the previous approval of the Chief Commissioner, direct the taxpayer to get either or all of the following to get the-

(i) accounts re-audited by an accountant, and to furnish a report of such audit duly signed and verified by such accountant including answers to the specific queries as the Commissioner may require;

(ii) inventory re-valued by a cost accountant, and to furnish a report of such inventory valuation duly signed and verified by such cost accountant including answers to the specific queries as the Commissioner may require; and

(iii) actuarial values in the accounts determined by an actuary and to furnish a report of such valuation duly signed and verified by such actuary including answers to the specific queries as the Commissioner may require;

Explanation: The accountant, the cost accountant, or actuary as referred to in sub-section (6B) shall be nominated by the Commissioner for the purposes of this sub-section from amongst the panel of such accountants, valuers, or actuaries nominated by the Board.";

(33) in section 182, in sub-section (1), in the Table,-

(a) against S. No. 1, in column (3), for the Explanation, the following shall be substituted, namely:–

"***Explanation***.- For the purposes of this entry, it is declared that the expression "tax payable" means the higher of-

(i) tax chargeable on the taxable income on the basis of assessment made or treated to have been made under sections 120, 121, 122, 122D, or 122E; or

(ii) the highest tax payable by the person in any of the three immediately preceding tax years for which returns of income were duly filed.";

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(b) after S. No. 2, the following new S. Nos. and entries relating thereto in columns (2), (3) and (4) shall be inserted, namely:-

"2A	Where any person, having been required by the Board under sub-section (5) of section 174 to install and use an electronic resource of the type and description prescribed for the purpose of storing and accessing information regarding any transaction that has a bearing on the tax liability of such person, fails to install such electronic resource within the time specified, or having installed it, fails to use, maintain, or operate it in the prescribed manner, or tampers with, disables, or circumvents such electronic resource.	One million rupees for the first default, and two million rupees for each subsequent default.	174(5)
2B	Where any agency, authority, institution, or organisation that is an integrated organisation within the meaning of section 175A, or has been notified as such by the Board, fails without reasonable cause to- (a) integrate its IT platform such data interface as notified by the Board within the time specified; or	A penalty of five hundred thousand rupees for the first default and one million rupees for each subsequent default shall be imposed on the principal officer of the integrated organisation.	175A;
	(b) share data of the categories and in the manner required under section 175A or the rules made thereunder; or (c) provide complete, accurate, and timely data as required; or (d) designate a focal person as required; or (e) remedy a deficiency or non-compliance within thirty days of a written notice by the Board identifying the deficiency.	"principal officer" for this purpose, means the person who, at the time of the default or during the period of continuing default, holds overall executive responsibility for the administration and functioning of the integrated organisation, by whatever title or designation that person may be referred to under this ordinance, rules,	

		or instrument constituting or governing that organisation, including but not limited to the Governor, Chairman, Chief Executive Officer, Director General, Managing Director, Secretary, or Principal Accounting Officer, as the case may be; where executive responsibility is shared between two or more persons by virtue of a collegiate body or board structure, the "principal officer" shall be the person who, within that body, holds specific responsibility for regulatory compliance, data governance, or information technology; and the absence of a formal designation, or a vacancy in the office, shall not relieve the person actually exercising the functions of the principal officer from liability under this section.	

(c) against S. No. 8,-

(i) in sub-entry (a), in column (3), for the expression "twenty-five", the words "one hundred" shall be substituted;

(ii) in sub-entry (b), in column (3), for the word "fifty", the words "two hundred " shall be substituted; and

(iii) in sub-entry (c), in column (3), for the word "one", the word "three" shall be substituted;

(d) against S. No. 10, in column (3), for the word "twenty five ", the words "five hundred" shall be substituted and for the expression "50%", the expression "100%" shall be substituted;

(e) against S. No. 12, in column (3), for the words “hundred thousand”, the word “million” shall be substituted;

(f) against S. No. 15, in column (3), for the word "forty", the expression "five hundred" shall be substituted and for the full stop occurring at the end a colon shall be substituted and thereafter the following new proviso shall be added, namely:–

“Provided that where the defaulter in such case is a company, its Principal Officer shall be personally liable to pay an additional penalty of five hundred thousand rupees for such offense.”;

(g) against S. No. 35, in column (2),-

(i) for the word "company", the expression "person, including a company" shall be substituted; and

(ii) after paragraph (c), the following Explanation shall be inserted, namely:-

"***Explanation***.- For the purposes of this entry, audited financial statements furnished in the form of image files, scanned documents, or password-protected files that are illegible or otherwise inaccessible to the concerned Inland Revenue authority shall be deemed to have been furnished as blank or incomplete documents."; and

(h) after S. No. 35, amended as aforesaid, the following new S. Nos. and entries relating thereto in columns (2), (3) and (4) shall be added, namely:-

“36	Where a person claims a credit in respect of tax withheld at source under any provision of this Ordinance in excess of the amount verifiably deducted and deposited by the withholding agent, as confirmed through the Board's computerized system or otherwise.	Such person shall pay a penalty equal to the amount of excess credit claimed	168”;

(34) in section 182A, in sub-section (1), in clause (a), in the proviso,–

(a) in paragraph (i), for the word "twenty", the words "one hundred" shall be substituted;

(b) in paragraph (ii), for the word "ten", the word "fifty" shall be substituted; and

(c) in paragraph (iii), for the word "one", the word "twenty-five" shall be substituted;

(35) section 209A shall be omitted;

(36) after section 209A, omitted as aforesaid, the following new sections shall be inserted, namely:–

"**209B. Faceless jurisdiction of income-tax authorities**.– (1) Notwithstanding anything contained in this Ordinance, the Inland Revenue tax authorities appointed in National faceless center shall perform all or such functions, and exercise all or such powers under this Ordinance as may be assigned to them in respect of such persons, or classes of persons, for such tax years of a person through algorithms developed by the Board.

(2) The jurisdiction so assigned under this Ordinance may be exclusive or concurrent. In case of concurrent jurisdiction, the powers and functions not assigned to the National faceless centre shall remain with the Commissioner having jurisdiction under section 209 of this Ordinance.

(3) The Board may transfer jurisdictions in respect of persons or classes of persons, for a specific tax year, for which the jurisdiction has already been assigned under this section, from National faceless center to the Commissioner having jurisdiction under section 209 of this Ordinance, on recommendation of the Chief Commissioner or on its own accord.

(4) The Chief Commissioner appointed in the National faceless center may request the Board to direct the Commissioner having jurisdiction under section 209 or any other Income Tax Authority, as it may deem fit to conduct physical verification including nature and size of the business, assets, investments, expenditures, and any other information or verification required by the Chief Commissioner for conducting any proceedings assigned to the National faceless centre:

Provided that the Board may exercise its power of allocation of verification through an algorithm-based system.

(5) Notwithstanding anything contained in any law for the time being in force, the identity of the authority exercising jurisdiction in the National faceless centre shall be kept confidential from the taxpayer, the authorized representative of the taxpayer, and any unauthorized person.

(6) No notice, order, demand, or assessment passed by an authority appointed at the National faceless centre shall be called in question or set aside merely on the ground that such authority did not have jurisdiction over the taxpayer under section 209 of this Ordinance, or lack of notified delegation of power under section 210 of this Ordinance, or because of the fact that identity of the authority has been kept confidential from the taxpayer as per sub-section (5).";

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(37) in section 216, in sub-section (3),-

(a) for clause (ba), the following shall be substituted, namely:-

"(ba) to an auditor, audit mentors and sectoral experts appointed on contractual basis or engaged through a third party including a payroll firm in the Federal Board of Revenue, after a non-disclosure agreement is made with such auditor as may be prescribed, to assist any authority mentioned in clauses (b) to (g) of sub-section (1) of section 207;"; and

(b) in clause (ke), for the words "and international", the expression ", international research institutions and international" shall be substituted;

(38) in section 222, in sub-section (2), after the word "auditors", occurring for the first time, the expression ", audit mentors and sectoral experts" shall be inserted;

(39) for section 227D, the following shall be substituted, namely:-

"**227D. National faceless centre**.– (1) Notwithstanding anything to the contrary contained in any of the provisions of this Ordinance, the Board may, for the purposes of proceedings under this Ordinance in faceless manner, establish a National faceless center (hereinafter referred to as "the centre") and specify its jurisdiction, powers and functions.

(2) The centre shall comprise a Director General and as many Chief Commissioners, Commissioners, Additional Commissioners, Deputy Commissioners, Assistant Commissioners, and any of the Income Tax Authorities mentioned in section 207 along with support staff, as the Board may deem fit for the purposes of this section.

(3) The Board may design algorithms for assigning any function or jurisdiction under this section to any of the authorities mentioned in sub-section (2).

(4) The Centre shall comprise as many wings and units as may be prescribed by the Board.

(5) The functions of audit, assessment, and quality control in a specific case for a specific tax year shall be performed by separate officers.

(6) All communications, among the units, or with the taxpayer, or an authorized representative of the taxpayer, or with any other person with respect to the information or documents or evidence or any other details, as may be necessary, shall be through electronic means.";

(40) after section 228, the following new section shall be inserted, namely:–

"**228A. Directorate General (Field Compliance), Inland Revenue**.- (1) The Directorate General (Field Compliance) Inland Revenue shall consist of a Director General and as many Directors, Additional Directors, Deputy Directors and Assistant Directors and such other officers as the Board, may by notification in the official Gazette, appoint.

(2) The Board may, by notification in the official Gazette,-

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(a) specify the functions and jurisdiction of the Directorate General and its officers; and

(b) confer the powers of authorities specified in section 207 upon the Directorate General and its officers.";

(41) in section 231B, in sub-section (6),-

(i) in clause (b), after the semi colon, occurring at the end, the word "and" shall be added, and

(ii) clause (c) shall be omitted;

(42) section 236CA shall be omitted;

(43) after section 237B, the following new section shall be inserted, namely:-

"**237C. Uniform**. - The Board may by notification in the official Gazette, prescribe rules for wearing of uniform by officers and staff of Inland Revenue Service of Pakistan.";

(44) in the First Schedule,–

(a) in Part I,-

(i) in Division I, in clause (2), for the Table, the following shall be substituted, namely:-

"TABLE

S. No.	**Taxable Income**	**Rate of Tax**
(1)	**(2)**	**(3)**
1.	Where taxable income does not exceed Rs.600,000/-	0%
2.	Where taxable income exceeds Rs.600,000/- but does not exceed Rs.1,200,000/-	1% of the amount exceeding Rs.600,000/-
3.	Where taxable income exceeds Rs.1,200,000/- but does not exceed Rs.2,200,000/-	Rs.6,000/- + 11% of the amount exceeding Rs.1,200,000/-
4.	Where taxable income exceeds Rs.2,200,000/- but does not exceed Rs.3,200,000/-	Rs.116,000/- + 20% of the amount exceeding Rs.2,200,000
5.	Where taxable income exceeds Rs.3,200,000/- but does not exceed Rs.4,100,000/-	Rs.316,000 + 25% of the amount exceeding Rs.3,200,000
6.	Where taxable income exceeds Rs.4,100,000/- but does not exceed Rs.5,600,000	Rs.541,000 + 29% of the amount exceeding Rs.4,100,000/-:
7.	Where taxable income exceeds Rs.5,600,000/- but does not exceed Rs.7,000,000	Rs.976,000 + 32% of the amount exceeding Rs.5,600,000/-

8.	Where taxable income exceeds Rs.7,000,000/-	Rs.1,424,000 + 35% of the amount exceeding Rs.7,000,000/-:";

(ii) in Division IIB, for the Table, the following shall be substituted, namely:–

S. No.	Income under section 4C and person	Rate of Tax
1	Income of a banking company exceeding Rs.150 million	10% of the income
2	Income of a person, whose income is computed as per Part I of the Fifth Schedule, exceeding Rs.150 million, so far as it does not exceed the limit specified in rule 4 of that Part	10% of the income
3	Income of a person, engaged in deriving income from sale of any kind of fertilizer, exceeding Rs.150 million.	10% of the income
4	Income of a person other than those mentioned in S. No. 1, 2 and 3, exceeding Rs.500 million	8% of the income

(iii) in Division IVA, for the word "delivered", the word "ordered" shall be substituted;

(iv) in Division VII, in the third Proviso, after the word "shall", the words "charge and" shall be inserted;

(v) Division VIIIC shall be omitted; and

(vi) in Division IX, in the Table, in column (1), against S. No. 3 in column (2), entry (a) shall be omitted;

(b) in Part III,-

(i) after omitted Division IB, the following new Division shall be inserted, namely:-

"Division IC

Certain payments by life insurance companies and takaful operators

S. No.	Description	Rate of Tax
(1)	(2)	(3)
1	Where payout or benefit is made within one year from the date of issuance of the life insurance policy, family takaful certificate or plan	15%
2	Where payout or benefit is made after one year but before completion of seven years from the date of issuance of the life insurance policy, family takaful certificate or plan.	10%";

(ii) in Division III,-

(A) in paragraph (2),-

(1) in sub-paragraph (i), for the expression "6%", the expression "7%" shall be substituted;

(2) for sub-paragraph (ii), the following new sub-paragraph shall be substituted; namely:-

"(ii) 15% in the case of independent professional services such as doctors, lawyers, architects, accountants, software engineers or developers, working independently;"; and

(3) after sub-paragraph (ii), substituted as aforesaid, the following new sub-paragraphs shall be added, namely:-

"(iii) 1.5% of the gross amount payable to electronic and print media in case of advertising services; and

(iv) 14% of the gross amount in the case of services other than those covered in sub-paragraphs (i), (ii) and (iii).";

(iii) in Division IIIAA, for the expression "15%", the expression "20%" shall be substituted;

(iv) after Division IIIAA, the following new Division shall be inserted, namely:-

"**Division IIIAB**

Withholding Tax on Revenues Received from Social Media Platforms

The rate of tax to be deducted under section 151B shall–

(a) 5% in case of resident persons whose name appearing in the Active Taxpayers' List; and

(b) 5% in case of non-resident person:

Provided that tax collected under clause (b) shall be final tax.";

(v) in Division IV,-

(A) in paragraph (1), for the expression "1%", the expression "1.25%" shall be substituted; and

(B) in paragraph (3), for the expression "1%", the expression "1.25%" shall be substituted.; and

(vi) in Division IVA, in the Table, in column (1), in S. No. (1), in the entry in column (3), for the figure "2026", the figure "2029" shall be substituted; and

(b) in Part IV,-

(i) for Division X, the following shall be substituted, namely:-

"**Division X**

Advance tax on sale or transfer of immovable property

The rate of tax to be collected under section 236C shall be 2.75% of the gross amount of the consideration received.";

(ii) for Division XVIII, the following shall be substituted, namely:-

"**Division XVIII**

Advance tax on purchase of immovable property

The rate of tax to be collected under section 236K shall be 1.25% of the fair market value of the immovable property.";

(iii) in Division XXVII, for the expression "5%", the expression "0.5%" shall be substituted; and

(iv) Division XA shall be omitted;

*(52) in the Second Schedule,–

(a) in Part I,–

(i) in clause (57), in sub-clause (4), in the Table, in column (1),-

(A) against Sr. No. (xiii), in column (2), for the expression "National Endowment Scholarship for Talent (NEST)", the words "Pakistan Education Endowment Fund" shall be substituted; and

(B) after Sr. No. (lii), the following new Sr. Nos. and entries relating thereto in column (2), shall be added, namely:-

"liii	Pakistan Red Crescent Society
liv	Shaheen Foundation established by Pakistan Air Force
lv	Dawat-e-Hadiya
lvi	Bahria Foundation established by Pakistan Navy
lvii	Sindh Institute of Urology and Transplantation.";

(ii) in clause (78), for the words "Foreign Currency Account Scheme", the expression "any foreign currency account scheme(s)" shall be substituted; and

(iii) in clause (79), for the expression "non-resident individual holding a Pakistan Origin Card (POC) or National ID Card for Overseas Pakistanis (NICOP) or Computerized National ID Card (CNIC)", the expression "a person maintaining a Non-Resident Pakistani Rupee Value Account "NRVA" or Non-Resident Business Value Account "NRBVA" under the scheme introduced by the State Bank of Pakistan" shall be substituted;

(b) in Part II,-

(i) in clause (5AA), for the word "individual", the word "person" shall be substituted and for the expression "or a foreign currency account", the expression "Foreign Currency Value Account (FCVA), Foreign Currency Business Value Account (FCBVA), Non-Resident Rupee Value Account (NRVA), or Non-Resident Rupee Business Value Account (NRBVA)" shall be substituted;

*it should be (45)

(ii) after clause (24CB), the following new clause shall be inserted, namely:-

"(24CC) The rate of tax under clause (b) of sub-section (1) of section 153 to be deducted from a person rendering terminal or port service shall be twelve percent of the gross amount of payment."; and

(iii) for clause (24D), the following shall be substituted, namely:-

"(24D) The rate of minimum tax under sub-section (1) of section 113 in the case of distributors, dealers, sub-dealers, wholesalers of packaged food, fertilizer, locally manufactured mobile phones, sugar and electronics shall be 0.5%, subject to the conditions that beneficiaries of reduced rate are appearing on the active taxpayers' lists issued under the provisions of the Sales Tax Act, 1990 and the Income Tax Ordinance, 2001 (XLIX of 2001).";

(c) in Part IV,-

(i) in clause (12A), for the word "to", occurring for the second time, the word "by" shall be substituted;

(ii) in clause (47B), after the expression "151,", the expression "151A," shall be inserted;

(iii) clause (46A) shall be omitted;

(iv) clause (57) shall be omitted;

(v) in clause (111AB), for the expression "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)", the expression "Foreign Currency Value Account (FCVA), Foreign Currency Business Value Account (FCBVA), Non-Resident Rupee Value Account (NRVA), or Non-Resident Rupee Business Value Account (NRBVA)" shall be substituted;

(vi) for clause (114A), the following shall be substituted, namely:-

"(114A) The provisions of clause (ae) of sub-section (1) of section 114 and section 181 shall not apply to a person maintaining a Foreign Currency Value Account (FCVA), Foreign Currency Business Value Account (FCBVA), Non-Resident Rupee Value Account (NRVA), or Non-Resident Rupee Business Value Account (NRBVA) with authorized banks in Pakistan under the foreign exchange regulations issued by the State Bank of Pakistan:

Provided that this clause shall not apply if the person referred in this clause has Pakistan-source taxable income other than the following; namely:-

(a) profit on debt on FCVA, FCBVA, NRVA, or NRBVA;

(b) profit on debt earned on Government of Pakistan (GOP) securities either conventional or Shariah Compliant where investment has been made from proceeds of FCVA, FCBVA, NRVA, or NRBVA;

(c) capital gain on disposal of immovable property acquired from proceeds of FCVA or NRVA;

(d) capital gain on disposal of securities traded on Pakistan Stock Exchange and units of mutual funds that are acquired from proceeds of FCVA, FCBVA, NRVA, or NRBVA; or

(e) dividend income from securities traded on Pakistan Stock Exchange and mutual funds that are acquired from proceeds of FCVA, FCBVA, NRVA, or NRBVA."; and

(vii) in clause (115), for the word "one", the word "two" shall be substituted;

(53) in the Eighth Schedule, rule 5 shall be omitted; and

(54) in the Tenth Schedule,-

(a) rule 1A shall be omitted; and

(b) in rule 10, clause (y) shall be omitted;

7. Amendments in the Federal Excise Act, 2005.- In the Federal Excise Act, 2005, the following further amendments shall be made, namely:-

(1) in section 2,–

(a) after clause (2), the following new clause shall be inserted, namely:-

"(2A) "algorithmic settlement mechanism" means algorithmic settlement mechanism provided under section 26AAA of the Sales Tax Act, 1990;";

(b) after clause (9a), the following new clause shall be inserted, namely:–

"(9b) "electronic invoicing system" means such electronic system or mechanism as may be prescribed or approved by the Board for issuance and recording of sales tax invoices in electronic form;";

(c) after clause (16), the following new clause shall be inserted, namely:-

"(16A1) "National faceless centre" means the National faceless centre as defined in section 32C of the Sales Tax Act, 1990 (VII of 1990); and

(d) after clause (19a), the following new clause shall be inserted, namely:-

"(19b) "production monitoring system" means any system or technology, used for the purposes of monitoring production and sale of goods, whether in real-time or otherwise, including such systems or technologies as may be prescribed by the Board from time to time;";

(2) in section 3, after sub-section (3A), the following new sub-section shall be inserted, namely:-

"(3B) Notwithstanding anything contained in this section, there shall be levied and collected a Special Excise Duty in addition to duty imposed under sub-section (1), on such goods as listed in Table-IA of the First Schedule to this Act at the rates specified therein:

Provided that the Board may prescribe time, mechanism, procedure, mode and manner of collection for such duty.";

(3) after section 7, the following new section shall be inserted, namely:-

"(7A) **National faceless centre and application of the provisions of the Sales Tax Act, 1990**.- (1) Notwithstanding anything contained in this Act, the audit and assessment proceedings under the Act may be conducted in the faceless manner by the National faceless centre.

(2) The provisions of the Sales Tax Act, 1990 (VII of 1990) relating to the establishment, assignment of jurisdiction, conduct of audit, assessment and appeals shall apply mutatis mutandis.

(3) Notwithstanding anything contained in this Act, the Board may establish digitally operated algorithmic settlement mechanism for settlement of proceedings at any stage before any order under this Act is passed and the provisions relating to algorithmic settlement mechanism of the Sales Tax Act, 1990 (VII of 1990) shall apply mutatis mutandis.

(4) in section 18, for sub-section (1), the following shall be substituted, namely:–

"(1) A person registered under this Act shall issue for each transaction an invoice including an advance receipt invoice, bearing a verifiable and unique FBR invoice number at the time of clearance or sale of goods including goods chargeable to duty at the rate of zero per cent or providing or rendering services containing the following particulars in Urdu or English language, namely:-

(a) name, address and registration number of the seller;

(b) name, address and registration number of the buyer;

(c) date of issue of the invoice;

(d) description and quantity of goods or as the case may be, description of services;

(e) value exclusive of excise duty;

(f) amount of excise duty; and

(g) value inclusive of excise duty:

Provided that the Board may notify any person or class of persons who may be allowed to issue an advance receipt invoice under the notified system:

Provided further that the condition of verifiable and unique FBR invoice number shall be applicable from a time as notified by the Board.";

(5) in section 19,–

(a) in clause (a), in sub-section (2), for the words "Federal Excise officer", the words "Officer of Inland Revenue" shall be substituted; and

(b) for sub-section (4), the following shall be substituted, namely:-

"(4) Any person who, without the approval of the Commissioner, directly or otherwise destroys, damages, erases or otherwise manipulates data stored in or used in connection with a computer, equipment or system used for the electronic monitoring of production, manufacture, sales, clearance, stocks or any other related activity implemented under this Act and the rules made thereunder, including any production monitoring system, video analytics system or otherwise uses a computer, the purpose or effect of which is to reduce, avoid or evade any liability to duty of excise which would otherwise have been imposed by this Act, or to defeat any provisions of this Act and rules made there under shall be guilty of an offence and shall be liable to fine which may extend to seventy five thousand rupees or ten times of the duty involved whichever is higher and punishment with imprisonment which may extend to five years or both.";

(6) in section 26, for sub-section (1), the following shall be substituted, namely:-

"(1) The counterfeited cigarettes or beverages which have been manufactured or produced unlawfully and other dutiable goods on which duty of excise has not been paid in the manner as required under this Act and the rules made thereunder or such goods without affixing or affixing counterfeit tax stamps, bar codes, banderols, stickers, labels or bar codes, as required under section 45A of this Act, or goods which are required to be monitored through a production monitoring system under this Act and the rules made thereunder but are manufactured, produced, transported, removed or otherwise dealt with without such monitoring in the prescribed manner, shall be liable to seizure along with the conveyance, which has been used for the movement, carriage or transportation of such goods.";

(7) in section 27, for sub-section (1), the following shall be substituted, namely:–

"(1) The cigarettes or beverages seized for the reasons of counterfeiting or such goods without affixing or affixing counterfeited tax stamps, banderoles, stickers, labels or barcodes, as required under section 45A of this Act ,or goods which are required to be monitored through a production monitoring system under this Act and the rules made thereunder but are manufactured, produced, transported, removed or otherwise dealt with without such monitoring in the prescribed manner, shall be liable to outright confiscation and shall be destroyed in the manner prescribed in sub-section (10) of section 19.";

(8) in section 33, in sub-section (1), for the words "Federal Excise officer", the words "officer of Inland Revenue" shall be substituted;

(9) after section 34A the following new section shall be inserted, namely:–

"**34AA. Independent case scrutiny committee**.– (1) A reference under section 34A of the Act before the High Court, or an appeal or review before the Federal Constitutional Court or the Supreme Court of Pakistan shall only be filed by the Commissioner Inland Revenue after the same has been approved by an independent case scrutiny committee as constituted by the Board.

(2) The Board may constitute one or more such committees and assigned them cases or classes of cases decided by the Appellate Tribunal Inland Revenue or the High Court, as the case may be.

(3) The Committee shall comprise of the following Members as nominated by the Board–

(a) a retired judge of the Supreme Court of Pakistan, the Federal Constitutional Court, or any of High Court who shall also act as Chairman of the Committee;

(b) an Advocate having not less than fifteen years of experience in duty and commercial litigation before the High Court or Supreme Court of Pakistan, to be nominated from a panel notified by the Board from time to time; and

(c) a senior serving or retired officer of the FBR (BS 20 or above).

(4) The powers, functions, and procedure of the Committee along with remuneration of its Members shall be governed as may be prescribed.

(5) Recommendations of the committee shall be binding upon the Commissioner Inland Revenue having jurisdiction over the case.

(6) Notwithstanding anything contained in any other law for the time being in force, no suit, prosecution, or other legal proceedings shall lie against the Members of the committee and the Commissioner Inland Revenue having jurisdiction over the case, in relation to the decisions made under this section.

(7) The committee constituted under this sub-section shall exercise its powers and functions with effect from the date of its constitution as notified by the Board.";

(10) in section 43A, for the words "federal excise", the words "of Inland Revenue" shall be substituted;

(11) in section 44, in sub-section (3), for the words "Federal Excise Officer", the words "Officer of Inland Revenue" shall be substituted;

(12) for section 45A, the following shall be substituted, namely:–

"(45A) **Monitoring or tracking by electronic or other means**.– (1) Subject to such conditions, restriction and procedures as it may deem fit to impose or specify, the Board may, by notification in the official Gazette, specify any registered person or class of registered persons or any goods or services or class of goods or services in respect of which monitoring or tracking of production, sales, clearance, stocks or any other related activity may be implemented through electronic or other means as may be prescribed.

(2) From such date as may be prescribed by the Board, no excisable goods shall be removed or sold by the manufacturer or any other person without affixing tax stamp, band role stickers, labels, bar code production monitoring system, video analytics, etc, in any such form, style and manner as may be prescribed by the Board in this behalf.

(3) Such tax stamps, banderols, stickers, labels, barcodes, production monitoring equipment etc., shall be acquired by the registered person referred to in sub-section (2) from a licensee appointed by the Board.";

(13) in section 46,–

(a) for sub-sections (1), (2) and (2A), the following shall be substituted, namely:–

"(1) The officer of Inland Revenue authorized by the Board or the Commissioner may, after giving advance notice in writing, conduct audit of the records and documents of any person registered under this Act.

(2) In case the Commissioner has information or sufficient evidence showing that such registered person is involved in fraud or evasion of duty, he may authorize an officer of Inland Revenue not below the rank of Assistant Commissioner, to conduct audit at any time in a year.

(2A) After completion of the audit under this section of any other provisions of this Act, the officer of Inland Revenue shall, after obtaining the registered person's explanation on all the issues raised in the audit, issue an audit report containing audit observations and finding.

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

(2C) After issuing the audit report under this section or any other provision of law, the officer of Inland Revenue may, if required pass an order under sub-section (2) of section 14, after providing an opportunity of being heard to the registered person under sub section (1) of section 14, imposing the amount of duty as per law, charging default surcharge, imposing penalty and recovery of any amount erroneously refunded.";

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

"Provided that if a registered person deposits the amount of duty not paid, short paid or amount of duty evaded along with default surcharge during or after the audit but before the, issuance of show cause notice under sub-section (1) of section 14, he may deposit such amount along with twenty five percent of the amount of penalty prescribed under this Act or the rules made there under:

Provided further that if a registered person deposits the amount of duty not paid, short paid or amount of duty evaded along with default surcharge, after issuance of show cause notice under sub-section (1) of section 14, he may deposit such amount along with fifty percent of the amount of penalty prescribed under this Act or the rules made there under and in such case, further proceedings in the case shall abate.";

(c) after sub-section (3) amended as aforesaid, the following new sub-section shall be inserted, namely:-

"(3A) If, at any stage of the proceedings before him, if the Commissioner is of the opinion that having regard to,-

(a) the nature and complexity of the accounts; or

(b) volume of the accounts; or

(c) doubts about the correctness of the accounts; or

(d) multiplicity of transactions in the accounts; or

(e) specialized nature of business activity of the registered person, and interests of the revenue, is of the opinion that it is necessary so to do, he may, after giving the registered person a reasonable opportunity of being heard, and with the previous approval of the Chief Commissioner, direct the registered person to get either any or all of the following to get the–

(i) accounts re-audited by an accountant, and to furnish a report of such audit duly signed and verified by such accountant including answers to the specific queries as the Commissioner may require; and

(ii) inventory re-valued by a cost accountant, and to furnish a report of such inventory valuation duly signed and verified by such cost accountant including answers to the specific queries as the Officer of Inland Revenue may require;

Explanation.- The accountant or the cost accountant, as referred to in this sub-section shall be nominated by the Commissioner for the purposes of the said sub-section from amongst the panel of such accountants or cost accountants nominated by the Board.";

(14) in the First Schedule,–

(1) in Table-1, in column (1),–

(a) against S. No. 7a, in column (4), for the words "forty four", the word "ten" shall be substituted;

(b) against S. No. 8a, in column (4), for existing entries, the following shall be substituted, namely:–

"Rupees sixteen thousand five hundred per kg"

(c) against S. No. 55 and 55B, in column (2), for the expression "2026", the expression "2027" shall be substituted;

(d) after S. No. 55, the following new S. No. and entries relating thereto in columns (2), (3) and (4) shall be inserted, namely:-

"55A	Electric cars, electric SUVs, and electric pickup vehicles, imported for personal use in CBU condition, of import value including Custom Duty:-	Respective Heading	
	(a) Not exceeding PKR 20 million		0%
	(b) exceeding PKR 20 million and upto PKR 30 million		30%
	(c) exceeding PKR 30 million		40%"

(e) against S. No. 59, in column (2), for the words "excluding mineral and aerated waters", the expression "excluding mineral waters, aerated waters, hydration drinks or electrolyte beverages specifically formulated to support hydration, electrolytes replenishment not containing sugar exceeding 5g/100 ml or artificial sweetener" shall be substituted;

(f) for entry 63, and entries relating thereto in columns (2), (3) and (4), following shall be substituted, namely:-

"63	Lubricating oil and base lubricating oils	2710.1951 2710.1952 2710.1953 2710.1993	Five percent ad valorem.";

(g) after S. No. 64 and entries relating thereto in columns (2), (3) and (4), the following new S. No. and entries relating thereto shall be added, namely:–

"65	(i) Petroleum top Naphtha	2710.1942	(i) Rs.80 per liter
	ii) White Spirit/Mineral Turpentine Oil (MTT)	2710.1240	(ii) Rs.80 per liter
	(iii) Solvent Oil	2710.1250	(iii) Rs.80 per liter.";

(h) in Table-1, for Restriction-2, the following shall be substituted, namely:–

"**(2) Restriction-2 – Brand variants at different price points**.– No manufacturer or importer of cigarette can introduce or sell a new variant of the existing brand at a price lower than the lowest actual price of the existing brand. For the purposes of this restriction, current minimum price of existing brand means the lowest price of an existing brand on the day of announcement of Budget of the current financial year.

Explanation.– For the purpose of this restriction, brand variant means any cigarette brand with identical name, trademark, design, pattern or any unique distinguishing mark associated with an existing brand.";

(2) after Table-1 amended as aforesaid, the following new Table shall be inserted, namely:–

"Table IA

S. No.	Description of goods	Heading/sub-heading Number	Rate of duty
(1)	(2)	(3)	(4)
1.	Imported motor cars, SUVs and other motor vehicles, excluding auto rickshaws, principally designed for the transport of persons (other than those of headings 87.02), and till the 30th day of June, 2027 electric vehicles (4 wheelers) including station wagons, double cabin (4x4) pickup vehicles and racing cars:	87.03, 8704.2190, 8704.3190	

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	(a) of cylinder capacity exceeding 2000cc but not exceeding 3000cc		40% ad val
	(b) of cylinder capacity exceeding 3000cc		41% ad val.”;

(3) in Table-II, in column (1), against S. No. 3, in column (2), for sub-clause (ii) of clause (b) and entries relating thereto in column (4), the following shall be substituted, namely:–

“(ii) Club, business and first class air tickets issued on or after the 1st day of July, 2026:		
(a) IATA Traffic Conference Area 1 (North, Central, South America and Environs)		(a) Fifty thousand rupees
(b) IATA Traffic Conference Area 2 (I) Middle East and Africa II) Europe		(b)(I) Twenty-five thousand rupees (b)(II) Forty thousand rupees
(c) IATA Traffic Conference Area 3 (Far East, Australia, New Zealand and Pacific Islands)		(c) Forty thousand rupees”;

(15) in the Second Schedule, after the omitted S. No. 4, in column (1) and entries relating thereto in columns (2) and (3), the following new S. No. shall be inserted, namely:–

“5.	Imported and locally produced:	
	(i) Petroleum top Naphtha	2710.1942
	(ii) White Spirit/Mineral Turpentine Oil (MTT)	2710.1240
	(iii) Solvent Oil	2710.1250”; and

(16) in the Third Schedule, in Table-I, after S. No. 27, in column (1) and entries relating thereto in columns (2) and (3), the following new S. No. shall be inserted, namely:–

“28.	Import of bullet proof vehicles by the: i) Federal Government for logistic arrangements for Shanghai Cooperation Organization (SCO) summit subject to the prior approval from the Ministry of Foreign Affairs and the Ministry of Interior and Narcotics Control ii) By the Federal Government or Provincial Government for threat of terrorism against a public functionary as determined by the Ministry of Interior and Narcotics Control, subject to approval by the Federal Government”.	Respective heading.”.

8. Amendments of the Finance Act, 2022 (XIII of 2022).- In the Finance Act, 2022 (XIII of 2022), in section 8,-

(1) in sub-section (2),-

(a) in clause (ab), the word "and" at the end shall be omitted;

(b) in clause (ac), after the semicolon occurring at the end, the word "and" shall be added; and

(c) clause (b) shall be omitted;

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

(a) in clause (b), in the proviso, after the semicolon occurring at the end, the word "and" shall be added; and

(b) clause (c) shall be omitted;

(3) in sub-section (4), in clause (g), for the expression "(ab), (ac) and (b)", the expression, "(ab) and (ac) shall be substituted;

(4) in sub-section (13), clause (c) shall be omitted; and

(5) in the First Schedule, in the Table, in column (1), S. No. (4) and entries relating thereto in columns (2) and (3) shall be omitted.

STATEMENT OF OBJECTS AND REASONS

The purpose of this bill is to make financial provisions for the year beginning on the first day of July, 2026 and it shall come into force on the first day of July, 2026

(Senator Muhammad Aurangzeb)
Minister for Finance & Revenue

STATEMENT OF ESTIMATED TAX EXPENDITURE

Section 8 of Public Finance Management Act, 2019 provides that The Federal Government shall, in respect of every financial year cause to be laid down before the National Assembly, Finance Bill consistent with Article 73 of the Constitution including a statement of estimated tax expenditure of the Federal Government.

2. A Tax Expenditure Report 2026 providing the details of tax expenditure in FY 2024-25, which involves tax expenditure in Sales Tax of Rs. 1,273.98 Billion, a tax expenditure in respect of Customs Duty of Rs. 499.14 Billion and tax expenditure in respect of Income Tax of Rs. 579.70 Billion, arriving at a total estimated tax expenditure of Rs. 2,352.81 Billion is being laid before the Parliament.

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[2026 ITB 2]

Budget 2026-27
Notes on Clauses of the Finance Bill 2026
(Relevant Extracts)

"CUSTOMS ACT, 1969 (IV OF 1969)

Clause 4(1)	Seeks to add a new clause 2 (ssssa) to define State Warehouse for legal clarity.
Clause 4(2)	Seeks to amend sub-section 5 of section 19 to give continuity to the notifications issued under section 19 during the Financial year.
Clause 4(3)(a)	Seeks to amend sub-section (3) of section 32 to remove a legal lacuna whereby no mis-declaration case can be framed in multiple declarations up to twenty thousand.
Clause 4(3)(b)	Seeks to amend sub-section (3A) of section 32 to remove a legal lacuna whereby no mis-declaration case can be framed in multiple declarations up to one hundred thousand.
Clause 4(4)	Seeks to amend section 80 to provide legal cover to non-intrusive examination i.e. scanning.
Clause 4(5)(a)	Seeks to amend section 82 to streamline the imposition of penalty on late filing of GD and late removal of goods from ports after clearance.
Clause 4(5)(b)	Seeks to add proviso to section 82 to provide legal cover to outsource customs auctions.
Clause 4(6)(a)	Seeks to amend S.No.7A to section 156(1) to enhance the quantum of penalty on Terminal Operators from five hundred thousand rupees to ten million rupees for not entertaining delay and detention certificate issued by Customs.
Clause 4(6)(b)	Seeks to add a new S.No.62A in section 156(1) to penalize illegal removal of goods from state warehouses.
Clause 4(6)(c)	Seeks to amend the S.No.83 of Section 156(1) to include any officer of an authority bound to deposit the impugned goods under section 170 to customs.
Clause 4(7)	Seeks to amend section 157(2) to add Explanation of the word "removal" that it includes all types of illegal movement of smuggled goods.
Clause 4(8)	Seeks to amend section 170 to require any authority to hand over the goods liable for confiscation to Customs, without waiting for conclusion of the proceedings of case.
Clause 4(9)	Seeks to insert new sub-section (6) to section 179 to introduce Faceless Adjudication and virtual proceedings to enhance transparency, efficiency and quick disposal of cases.

Clause 4(10)	Seeks to add a new sub-section (6) to section 185A for empowering Special Judge to freeze the property of accused during trial if it is believed that the accused is involved in illegal transfer of money into or out of Pakistan.
Clause 4(11)	Seeks to add a new section 196JJ to provide legal cover to independent case scrutiny committee for filing or otherwise of appeal before the Courts.
Clause 4(12)	Seeks to amend section 215 to provide legal cover to also publish legal Notices/Orders in newspapers where respondent is not traceable
Clause 4(13)	Seeks to amend the First Schedule to the Customs Act, 1969
Clause 4(14)	Seeks to substitute the Fifth Schedule to the Customs Act, 1969

"SALES TAX ACT, 1990

Clause 5(1)(a)	Seeks to insert new clauses (1AA) and (1AAA) after clause (1A) of section 2
Clause 5(1)(b)	Seeks to insert new clause (9AB) after omitted clause (9AA) of section 2
Clause 5(1)(c)	Seeks to insert new clause (17A) after clause (17) of section 2
Clause 5(1)(d)	Seeks to insert new clause (22)(1A) after clause (22) of section 2
Clause 5(1)(e)(i)	Seeks to insert the expression "having turnover more than two hundred million" after the expression, "wholesaler-cum-retailer" in sub-clause (d) in clause (43A) of section 2
Clause 5(1)(e)(ii)	Seeks to omit sub-clauses (f) and (g) of clause (43A) of section 2
Clause 5(1)(e)(iii)	Seeks to insert new sub-clause (gb) after omitted sub-clause (ga) of clause (43A) of section 2
Clause 5(1)(e)(iv)	Seeks to substitute a colon, for full stop and thereafter to add new proviso in sub-clause (h) of clause (43A) of section 2
Clause 5(1)(f)	Seeks to add Explanation after sub-clause (a) of clause (44) of section 2
Clause 5(1)(g)	Seeks to substitute the full stop, for the colon and thereafter to add the following expression in sub-clause (j) of clause (46) of section 2:
Clause 5(2)	Seeks to substitute a colon, for the full stop at the end and thereafter to add new proviso, after the first proviso in sub-section (2) of section 6
Clause 5(3)	Seeks to substitute a colon, for the full stop at the end and thereafter to add new proviso, in second proviso in sub-section (1) of section 8B
Clause 5(4)	Seeks to substitute a colon, for the full stop at the end and thereafter to add new proviso in section 9
Clause 5(5)	Seeks to inert new section11H after section 11G
Clause 5(6)	Seeks to insert the expression, ", has committed non-compliance of sub-section (5) and sub-section (6) of section 23 or section 40C" after the words "invoices" in sub-section (2) of section 21

Clause 5(7)(i)	Seeks to substitute the expression "as well as exempt supply shall issue a tax invoice including an advance receipt invoice, bearing a verifiable and unique FBR invoice number" for the words "supply shall issue a serially numbered tax invoice" in sub-section (1) of section 23
Clause 5(7)(ii)	Seeks to substitute for the existing provisos, after the Explanation in clause (b) of sub-section (1) of section 23
Clause 5(8)(i)	Seeks to insert new sub-sections (8A) and (8B) after sub-section (8) of section 25
Clause 5(8)(ii)	Seeks to substitute the words "issuing the audit report" for the words "completion of the audit" in sub-section (9) of section 25
Clause 5(8)(iii)(a)	Seeks to substitute the word "deposits" for the words "wishes to deposit" in sub-section (11) of section 25
Clause 5(8)(iii)(b)	Seeks to substitute the words "fifty percent" for the words "full amount" in the second proviso in sub-section (11) of section 25
Clause 5(9)	Seeks to insert new 30AA after section 30A
Clause 5(10)	Seeks to insert new section 30DDDB after section 30DDDA
Clause 5(11)	Seeks to insert new section 32C after section 32B
Clause 5(12)(a)(i)	Seeks to substitute the expression "fifty" for the expression "ten" in column (2) against S. No. 1 of section 33
Clause 5(12)(a)(ii)	Seeks to substitute the expression "thousand" for the expression "hundred" in the proviso in column (2) against S. No. 1 of section 33
Clause 5(12)(b)	Seeks to substitute the expression "twenty-five thousand rupees or five per cent" for the expression "five thousand rupees or three per cent" in column (2) against S. No. 2 of section 33
Clause 5(12)(c)(i)	Seeks to substitute the expression "fifty" for the expression "ten" in column (2) against S. No. 3 of section 33
Clause 5(12)(c)(ii)	Seeks to substitute the expression "ten" for the expression "five" in column (2) against S. No. 3 of section 33
Clause 5(12)(d)(i)	Seeks to substitute the expression "fifty thousand rupees or five per cent of the amount of the tax involved, whichever is higher" for the expression "ten thousand rupees or five per cent of the amount of the tax involved, whichever is higher" appearing for the first time in column (2) against S. No. 5 of section 33
Clause 5(12)(d)(ii)	Seeks to substitute the expression "thousand" for the expression "hundred" in the first proviso, in column (2) against S. No. 5 of section 33
Clause 5(12)(e)	Seeks to substitute the expression "fifty" for the expression "ten" in column (2) against S. No. 7 of section 33

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Clause 5(12)(f)	Seeks to substitute the expression "fifty" for the expression "ten" in column (2) against S. No. 8 of section 33
Clause 5(12)(g)	Seeks to substitute S. No. 25 of section 33
Clause 5(12)(h)	Seeks to add S. Nos. 29, 30 and 31 and entries relating thereto in columns (1), (2) and (3) after S. No. 28 of section 33
Clause 5(13)(a)	Seeks to substitute sub-sections (2) and (3) of section 40C
Clause 5(13)(b)	Seeks to add new sub-section (6) after the omitted sub-section (5) of section 40C
Clause 5(14)	Seeks to insert new section 40F after section 40E
Clause 5(15)	Seeks to insert new section 45C after section 45B
Clause 5(16)(a) & (b)	Seeks to insert new sections 47AA and 47AAA after section 47A
Clause 5(17)	Seeks to add new sub-section (3) after sub-section (2) of section 56B
Clause 5(18)	Seeks to add new S. Nos. 56 to 76 and entries relating thereto in columns (2) and (3) after S. No. 55 in the Table of Third Schedule
Clause 5(19)(a)(i)	Seeks to substitute S. No. 32 and entries relating thereto in columns (2) and (3) in Table-1 of the Sixth Schedule
Clause 5(19)(a)(ii)	Seeks to substitute expression "2027" for the expression "2026" in column (2) against S.No. 157 of Table-1 of Sixth Schedule
Clause 5(19)(a)(iii)	Seeks to substitute S. No. 181 and entries relating thereto in columns (2) and (3) of Table-1 of the Sixth Schedule
Clause 5(19)(a)(iv)	Seeks to add new S. Nos. 182, 183, 184 and 185 and entries relating thereto in columns (2) and (3) after S. No. 181 of Table-1 of the Sixth Schedule
Clause 5(19)(b)	Seeks to add new S. Nos. 23 ad 24 and entries relating thereto in columns (2), (3) and (4) after S. No. 22 in Table-3 of the Sixth Schedule
Clause 5(20)(a)	Seeks to substitute expression "30th June, 2027" for the expression "30th June, 2026" in column (2) against S. No. 71 of Table-1 of Eighth Schedule
Clause 5(20)(b)	Seeks to substitute S. No. 80 and corresponding entries relating thereto in columns (2), (3) and (4) of Table-1 of Eighth Schedule

Clause 5(21)(a)	Seeks to add a comma after the word "companies" and thereafter to add the words "association of persons and individuals" in column (2) against S. No. 4 in the Table of Eleventh Schedule
Clause 5(21)(b)	Seeks to add a new S. No. 14 and entries relating thereto in columns (2), (3) and (4) after S. No. 13 in the Table of Eleventh Schedule
Clause 5(22)	Seeks to add provisos after clause (i), in clause (2), under the heading "Procedure and Conditions, after the Table, in the Twelfth Schedule

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"INCOME TAX ORDINANCE, XLIX OF 2001

Clause 6(1)(a)(b)(c)(d)(e)(f)(g)(h)(I)&(J)	Seeks to insert, omit, and rationalize various definitions, including Algorithmic Settlement Mechanism, Authorised Shipping Agent, electronically readable format, National Faceless Centre, and PRAL, and to omit obsolete definitions.
Clause 6(2)	Seeks to make consequential amendments, including omission of the proviso relating to surcharge provisions.
Clause 6(3)	Seeks to provide that tax on digital transactions shall be adjustable for persons exceeding the specified turnover threshold.
Clause 6(4)	Seeks to omit provisions relating to deemed income on capital assets.
Clause 6(5)	Seeks to introduce a tax regime on certain life insurance and family takaful payouts.
Clause 6(6)(a)&(b)	Seeks to make consequential amendments arising from the insertion of section 7G and omission of section 7E.
Clause 6(7)	Seeks to provide for disallowance in cases of failure to install prescribed electronic resources and integration systems.
Clause 6(8)	Seeks to empower the Federal Government to rationalize specified withholding tax rates having the character of minimum tax.
Clause 6(9)	Seeks to substitute the tax credit regime relating to integration.
Clause 6(10)	Seeks to provide the cost basis for inherited immovable property.
Clause 6(11)	Seeks to clarify the treatment of transmission through family settlement after death.
Clause 6(12)	Seeks to include limited liability partnerships within the definitional framework.
Clause 6(13)(a)&(b)	Seeks to amend provisions relating to the taxation of associations of persons.
Clause 6(14)	Seeks to amend the provisions of section 99B.
Clause 6(15)(a)&(b)	Seeks to insert a new provision relating to the NCCPL capital gains tax mechanism.
Clause 6(16)(a)&(b)	Seeks to provide for electronic filing of financial statements in electronically readable format.
Clause 6(16)(c)	Seeks to allow voluntary revision of returns for settlement of tax proceedings.
Clause 6(17)	Seeks to insert a new section establishing the framework for faceless assessment, audit, and rectification.

Clause 6(18)	Seeks to insert a new section establishing faceless appellate proceedings before the Commissioner (Appeals).
Clause 6(19)	Seeks to insert a new section establishing an Independent Case Scrutiny Committee for higher court litigation.
Clause 6(20)(a)&(b)	Seeks to provide for reconstitution of the ADR Committee in specified cases.
Clause 6(21)	Seeks to establish the statutory framework for the Algorithmic Settlement Mechanism.
Clause 6(22) (a)(b)(c) (d)(e)(f)&(g)	Seeks to introduce the authorised shipping agent regime and related compliance obligations.
Clause 6(23)	Seeks to omit sub-section (6C) of section 147.
Clause 6(24)	Seeks to insert a new section relating to certain payments made by life insurance companies and takaful operators.
Clause 6(25)	Seeks to substitute sub-section (1DA) of section 152.
Clause 6(26)	Seeks to introduce withholding tax on social media and influencer revenues.
Clause 6(27)	Seeks to insert two new provisions in section 159.
Clause 6(28)	Seeks to insert a new section for reporting of financial transaction data by banking companies and financial institutions.
Clause 6(29)	Seeks to make consequential amendments relating to final tax provisions.
Clause 6(30)	Seeks to strengthen the framework for electronic integration and invoicing systems.
Clause 6(31)(a)(b)&(c)	Seeks to expand the framework for banking data exchange and the centralized repository.
Clause 6(32)	Seeks to provide for re-audit, inventory valuation, and actuarial valuation powers.
Clause 6(33)(a)(b)(c)(d)(e)(f)(g)&(h)	Seeks to rationalize and enhance penalties.
Clause 6(34) (a)(b)&(c)	Seeks to reduce the tax liability threshold for ATL status.
Clause 6(35)	Seeks to transfer uniform provisions to the newly inserted section 237C.
Clause 6(36)	Seeks to insert a new section regarding faceless jurisdiction of income tax authorities.
Clause 6(37)(a)&(b)	Seeks to amend provisions relating to disclosure of anonymized taxpayer data to researchers and specialists.

Clause 6(38)	Seeks to replace auditors with audit mentors and sectoral experts.
Clause 6(39)	Seeks to establish the framework for the National Faceless Centre.
Clause 6(40)	Seeks to establish the Directorate General (Enforcement), Inland Revenue.
Clause 6(41)(i)&(ii)	Seeks to amend clause (b) of sub-section (6) of section 231B.
Clause 6(42)	Seeks to consolidate uniform provisions under section 237C.
Clause 6(43)	Seeks to omit section 236CA.
Clause 6(44)(a)(b)&(c)	Seeks to make amendments relating to insurance payouts, social media income, exporters, minimum tax, omission of deemed income tax rates, revision of super tax rates, and changes in tax slabs for salaried persons; and amendments in Divisions X and XVIII relating to immovable property.
Clause 6(45)(a)(b) &(c)	Seeks to insert new provisions and make consequential amendments, including reduced-rate and exemption provisions in Parts I, II, and IV.
Clause 6(46)	Seeks to omit rule 5 of the Eighth Schedule.
Clause 6(47)(a)&(b)	Seeks to omit rule 1A and clause (y) of rule 10 of the Tenth Schedule.

"FEDERAL EXCISE ACT, 2005

Clause 7(1)(a)	Seeks to insert new clause (2A) after clause (2) of section 2
Clause 7(1)(b)	Seeks to insert new clause (9b) after clause (9a) of section 2
Clause 7(1)(c)	Seeks to insert new clause (16A1) after clause (16) of section 2
Clause 7(1)(d)	Seeks to insert new clause (19b) after clause (19a) of section 2
Clause 7(2)	Seeks to insert new sub-section (3B) after sub-section (3A) of section 3
Clause 7(3)	Seeks to insert new section 7A after section 7
Clause 7(4)	Seeks to substitute sub-section (1) of section 18
Clause 7(5)(a)	Seeks to substitute the words "Officer of Inland Revenue" for the words "Federal Excise officer" in clause (a) of sub-section (2) of section 19
Clause 7(5)(b)	Seeks to substitute sub-section (4) of section 19
Clause 7(6)	Seeks to substitute sub-section (1) of section 26
Clause 7(7)	Seeks to substitute sub-section (1) of section 27
Clause 7(8)	Seeks to substitute the words "officer of Inland Revenue" for the words "Federal Excise officer" in sub-section (1) of section 33
Clause 7(9)	Seeks to insert new section 34AA after section 34A
Clause 7(10)	Seeks to substitute the words "of Inland Revenue" for the words "federal excise" in section 43A
Clause 7(11)	Seeks to substitute the words the words "Officer of Inland Revenue" for the words "Federal Excise Officer" in sub-section (3) of section 44
Clause 7(12)	Seeks to substitute section 45A
Clause 7(13)(a)	Seeks to substitute sub-sections (1), (2) an (2A) of section 46
Clause 7(13)(b)	Seeks to substitute provisos in sub-section (3) of section 46
Clause 7(13)(c)	Seeks to insert new sub-section (3A) amended as aforesaid after sub-section (3) of section 46
Clause 7(14)(I)(a)	Seeks to substitute the word "ten" for the words "forty four" against S.No. 7a of Table-1 of First Schedule
Clause 7(14)(I)(b)	Seeks to substitute in order to increase FED on e-liquid at Rupees sixteen thousand five hundred per kg" from rupees ten thousand per kg or sixty five percent of the retail whichever is higher against S. No. 8a of Table-1 of the First Schedule

Clause 7(14)(I)(c)	Seeks to substitute the expression "2027" for expression "2026" in column (2) against S. Nos. 55 and 55B of Table-1 of First Schedule
Clause 7(14)(I)(d)	Seeks to insert new S. No. 55A after S. No. 55 in Table-1 of First Schedule
Clause 7(14)(I)(e)	Seeks to substitute the expression "excluding mineral waters, aerated waters, hydration drinks/ electrolyte beverages specifically formulated to support hydration, electrolytes replenishment not containing sugar exceeding 5g/ 100 ml or artificial sweetener." for the expression "excluding mineral and aerated waters" in column (2) against S. No. 59 of Table-1 of the First Schedule
Clause 7(14)(I)(f)	Seeks to substitute S. No. 63 of Table-1 of the First Schedule
Clause 7(14)(I)(g)	Seeks to add new S. No. 65 and entries relating thereto in columns (2), (3) and (4) after S. No. 64 of Table-1 of First Schedule
Clause 7(14)(I)(h)	Seeks to substitute Restriction-2 in Table-1 of First Schedule
Clause 7(14)(2)	Seeks to insert new Table 1A and entries relating thereto in columns (2), (3) and (4) after Table-1 of First Schedule
Clause 7(14)(3)	Seeks to substitute S. No. 3 in column (2), for sub-clause (ii) of clause (b) and entries relating thereto in column (4) in Table-II of First Schedule
Clause 7(15)	Seeks to add new S. No. 5 and entries relating thereto in columns (2) and (3) after omitted S. No. 4 of Second Schedule
Clause 7(16)	Seeks to insert new S. No. 28 and entries relating thereto in columns (2) and (3) after S. No. 27 in Table-I, in the Third Schedule

[2026 ITB 3]

Salient Features
Budget 2026-2027

"CUSTOMS ACT 1969

1. <u>GUIDING PRINCIPLES:</u>

- Strategic tariff rationalization via the National Tariff Policy (NTP) 2025-30.
- Simplification, trade facilitation, and enhancement of system efficiency.
- Targeted public health relief and economic stimulus for key sectors.

2. <u>TARIFF RATIONALIZATION (NTP 2025-30):</u>

- Reduction of the existing Customs Duty (CD) from 20% to 15% and 10%, existing 15% and 10% to 10% and 5%, and existing 5% to 0% respectively for input goods of different industrial sectors on 92 tariff lines.

3. <u>REDUCTION IN ADDITIONAL CUSTOMS DUTY (ACD) RATES:</u>

- Reduction of ACD from 6% to 4% on 449 Tariff Lines.
- Reduction of ACD from 4% to 2% on 2,107 Tariff Lines.
- Elimination of ACD from 2% to 0% on 569 Tariff Lines.

4. <u>REVIEW OF REGULATORY DUTY (RD) REGIME:</u>

- RD greater than 20% are brought down and capped at 20% for 359 Tariff Lines.
- 20% reduction on all RD rates between 2.5% and 20% across 1,347 Tariff Lines.
- RD rates of 2.5%, 2% and 1% are reduced by 20% or completely eliminated –208 Tariff Lines

5. <u>REVIEW OF EXEMPTION REGIME (FIFTH SCHEDULE):</u>

- Deletion of entries from the Fifth Schedule where concessionary CD equals or exceeds the First Schedule general tariff.
- Exemption of CD on critical cancer-related Active Pharmaceutical Ingredients (APIs) under the Fifth Schedule.
- Reduction of Customs Duty from 20% to 10% on specialized construction-related vehicles for construction sector.
- Exemption of CD on import on Defence Imports.

6. Exemption of CD, ACD and RD on import of Agricultural Machinery.
7. Exemption of CD on import of bullet proof vehicles for Shanghai Cooperation Organization Summit and for the import of bullet proof vehicles by Federal or Provincial government, for the on-going war against terrorism.

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8. 15 new PCT Codes created and description of 2 PCT Codes amended for trade facilitation and statistical purposes.
9. State warehouses authorized by Collector of Customs have been defined to bring legal clarity in the type of warehouses.
10. To remove a legal lacuna, it has been clarified that the threshold of exemption for framing of misdeclaration case shall be irrespective of the number of Goods declaration involved and shall only be limited by the amount of revenue involved; by removing the words "in a case".
11. Scanning of cargo has been given legal cover to facilitate non-intrusive process of "Scanning" under the Act.
12. The Board is authorized to rationalize the penalties and prescribe appeal mechanism and exempt specified class of goods or Customs stations from such penalty through Rules; for delayed GD filing/clearance of goods at ports, and also authorized Collectors to reduce such penalties.
13. The Board may authorize any person, as defined under the Customs Act, to conduct auctions of auctionable goods in the prescribed manner, thereby improving efficiency and transparency.
14. The maximum penalty on terminal operators for failure to honor Delay Detention Certificates issued by Customs has been increased from Rs. 500,000 to Rs.10 million.
15. A new penal clause added to prescribe specific penalty for unauthorized removal and misappropriation of goods from customs state warehouses.
16. An explanation is introduced for legal clarity of the word, "removal" which shall include carrying, transporting, depositing, harboring, keeping, concealing, retailing, or any other act facilitating the movement or possession of smuggled goods.
17. Any authority is now required to hand over seized goods liable to confiscation to the Customs authorities for proceedings under the Customs Act, irrespective of any pending proceedings under any other law for the time being in force with corresponding change in its penal clause.
18. Faceless Adjudication introduced to avoid face to face interaction between adjudicating officer and the respondents through virtual proceedings to enhance transparency, efficiency and quick disposal of cases.
19. Special Judges is being empowered to freeze assets of accused persons involved in illegal transfer of funds into or out of Pakistan to prevent dissipation of their assets during trial.
20. Independent Case Scrutiny Committees being introduced to examine and decide matters relating to filing of appeals before courts to avoid frivolous litigation.
21. Provision has been introduced allowing service of summons through newspaper publication where the accused person is not traceable.

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SALIENT FEATURES

BUDGET 2026-27

"SALES TAX ACT 1990

The proposed budgetary measures pertaining to Sales Tax for FY 2026-27 are:

1. RELIEF MEASURES

i. Grant of exemption from sales tax to magazines

ii. Extension in exemption on import of CKD for electric vehicles till 30.06.2027

iii. Enhancement in scope of exemption on parts of aircrafts for import and lease by M/s PIACL

iv. Withdrawal of exemption of sales tax on family planning devices

v. Abolition of tampon tax

vi. Exemption of sales tax to boost strategic investment in shipping

vii. Exemption to strategic imports for SCO summit and counter terrorism

viii. Exemption of sales tax on import of capital goods for upgradation and overhaul of existing refineries.

ix. Addition of new S. No. in the Sixth Schedule

x. Extension in date of sunset for electric vehicles till 30.06.2027

2. REVENUE MEASURES

i. Expansion of Third Schedule to ensure payment of sales tax at consumer price by the manufacturers at manufacturing stage

ii. Withholding of sales tax by the toll manufacturers from unregistered buyers iii. Enhancement in scope of withholding sales tax by AOPs and individuals from unregistered persons

iv. Imposition/recovery of 3% VAT from the manufacturers if the imported raw material is sold in same state

v. Rationalization of amount of penalty on certain offences and inclusion of three more offences in section 33 for imposition of penalty

3. STREAMLINING MEASURES

i. Insertion definition of advance receipt invoice, algorithmic settlement mechanism, electronic invoicing system, national faceless centre and production monitoring system

ii. Streamlining of definition tier-1 retailers. Inclusion of retailer having two hundred million or more annual turnover, in the category of tier-1 retailer

iii. Insertion of explanation to clarify the time of delivery of goods to the recipient

iv. Grant of power to Board to outsource the function of valuation of goods

v. Addition of new proviso in section 6 to impose tax on steel sector on the basis of monthly electricity units consumed

vi. Addition of new proviso in section 8B to enhance or decrease limit of input tax adjustment

vii. Insertion of proviso in section 9 for adjustment through issuance of debit and credit notes electronically.

viii. Insertion of new section 11H for faceless audit and assessment.

ix. Substitution of sub-section (2) of section 21 to discourage fake/flying invoices and fraudulent activities

x. Substitution of sub-section (1) of section 23 for issuance of invoice against exempt supplies also.

xi. Insertion of new sub-section (8A) in section 25 for audit by the Chartered Accountant or Cost and Management Accountant

xii. Insertion of section 30AA – faceless jurisdiction

xiii. Insertion of section 30DDDB for establishment of Directorate General (Field Compliance) by Inland Revenue

xiv. Insertion of new section 32C for creation of National Faceless centre

xv. Substitution of section (2) and (3) of 40C for production monitoring system and video analytic

xvi. Addition of new sub-section (6) in section 40C for seizure and confiscation of goods without affixing tax stamps, stickers etc.

xvii. Insertion of new section 40F for auction of confiscation goods

xviii. Insertion of section 45C – faceless appeal procedure

xix. Insertion of section 47AA – Algorithmic Settlement Mechanism

xx. Insertion of section 47AAA – Independent case scrutiny committee

xxi. Addition of new sub-section (3) of section 56B for maintaining centralized directory

xxii. Addition of proviso under Twelfth Schedule to restrict sale of imported same state goods.

SALIENT FEATURES
BUDGET 2026-27
INCOME TAX ORDINANCE 2001

1. RELIEF MEASURES:

i. **Reduction in tax rates for salaried individuals**: Income tax rates for salaried taxpayers have been reduced through restructuring of tax slabs. Additional intermediate slabs have been introduced and the threshold for the maximum tax rate of 35% has been increased from Rs. 4.1 million to Rs. 7 million.

ii. **Abolition of tax on deemed income from immovable property**: Section 7E, relating to taxation of deemed income from capital assets situated in Pakistan, has been omitted.

iii. **Rationalization of Super Tax**: Super Tax has been abolished for persons having income of up to Rs. 500 million. The rate has been reduced from 10% to 8% for persons having income of more than Rs. 500 million. However, these concessions do not apply to banking, ENP and fertilizer sectors.

iv. **Reduction in advance tax on sale and purchase of immovable property**: Advance tax rates under sections 236C (4.5 to 5.5 percent) and 236K (1.5 to 2.5 percent) have been reduced and converted into lower flat rates of 2.75% and 1.5% to encourage documentation and facilitate transactions in the real estate sector.

v. **Rationalization of tax collection from exporters**: Tax collection on export proceeds (1% withholding tax and 1% advance tax) has been reduced from 2 % to 1.25% in order to encourage exports.

vi. **Extension of concessionary tax rate for IT and IT-enabled services exports**: The reduced tax rate of 0.25% for exporters of IT and IT-enabled services has been extended from 2026 up to Tax Year 2029.

vii. **Reduction in tax on foreign payments through cards**: Advance tax on foreign remittances made through debit, credit and prepaid cards has been reduced from 5% to 0.5%.

viii. **Adjustability of tax on e-commerce transactions**: Tax deducted on e-commerce transactions shall be adjustable for sellers having turnover exceeding Rs.200 million.

ix. **Tax credit for integration with FBR systems**: A tax credit equal to 10% of the investment made in electronic resources for integration with FBR's computerized systems has been introduced to facilitate documentation and digital compliance.

x. **Withdrawal of advance tax on foreign TV plays and advertisements**: Advance tax on payments for foreign television plays and advertisements has been withdrawn.

xi. **Exemptions for welfare and charitable entities**: Income tax exemption has been extended to specified charitable and welfare organizations including Pakistan Red Crescent Society, Shaheen Foundation, Bahria Foundation, SIUT and Dawat-e-Hadiya. These entities already had approval u/s 2(36) of the Ordinance and two exemption as available in Clause 66 of Part I of the First Schedule. This exemption facilitates the entities as they are not required to obtain exemption from the Commissioner every year.

xii. **Exemption for Special Purpose Vehicles under asset-backed securitization**: Income of qualifying Special Purpose Vehicles established for asset-backed securitization has been exempted to facilitate capital market development.

xiii. **Facilitation for Resident Pakistanis on ownership of foreign moveable and immovable assets**: Currently Capital Value Tax is being charged on foreign movable and immovable assets of resident Pakistanis. The same is proposed to be abolished.

xiv. **Enhanced turnover threshold for withholding exemption of small traders**: The turnover threshold for exemption from withholding tax for small traders has been increased from Rs. 100 million to Rs. 200 million.

xv. **Automatic issuance of exemption certificates for whole year**: Funds and eligible non-profit organizations meeting prescribed conditions shall be entitled to issuance of exemption certificates for the whole financial year.

xvi. **Determination of cost of inherited immovable property and family settlements**: The law has been clarified regarding determination of cost basis of inherited immovable property and tax treatment of family settlements after death.

2. <u>REVENUE MEASURES:</u>

i. **Tax on sham life insurance policies**: In order to discourage misuse of life insurance policies and to reduce arbitrage through sham life insurance policies, a tax has been proposed on such schemes.

ii. **Withholding tax on income from social media platforms**: A withholding tax regime has been introduced on revenues received by digital content creators and social media influencers from platforms such as YouTube, Facebook, Instagram and TikTok. Banking and financial institutions shall deduct tax on such receipts.

iii. **Rationalization of withholding tax rates on services**: The withholding tax structure on services has been revised. The rate for specified services has been enhanced, independent professionals have been separately categorized and rates for certain other services have been rationalized.

iv. **Revision of minimum tax rate for distributors and wholesalers**: The reduced minimum tax rate for distributors, dealers, sub-dealers and wholesalers of specified sectors has been increased from 0.25% to 0.5%, subject to prescribed documentation requirements.

v. **Algorithmic cross-matching of banking and tax information**: Banking companies and Electronic Money Institutions shall electronically provide information relating to high-value deposits and withdrawals for algorithmic comparison with tax declarations to identify significant mismatches and broaden the tax base.

vi. **Strengthening of electronic integration of businesses**: The Board has been empowered to require specified persons to install electronic resources and integrate business systems for real-time reporting of transactions. Failure to comply may result in disallowance of expenditure.

vii. **Rationalization of penalty regime**: Penalties for non-compliance, including failure to furnish statements, integration failures, late inclusion in ATL and incorrect withholding tax claims, have been enhanced to improve deterrence and adjust inflation.

viii. **Application of Tenth Schedule to capital gains on listed securities**: The exclusion available from enhanced tax rates applicable to non-ATL persons on capital gains from listed securities has been withdrawn to encourage tax compliance and return filing.

3. <u>STREAMLINING MEASURES:</u>

i. **Establishment of National Faceless Centre**: A National Faceless Centre is being established to conduct faceless audits, assessments and appeals through technology-driven processes, reducing taxpayer interface and enhancing transparency.

ii. **Introduction of Algorithmic Settlement Mechanism**: A new automated settlement mechanism has been introduced to allow taxpayers to settle identified discrepancies through a technology-based process without separate penalty or default surcharge.

iii. **Independent Case Scrutiny Committee**: An independent mechanism has been introduced for scrutiny of departmental litigation to improve quality and consistency of tax litigation management.

iv. **Streamlining of Alternative Dispute Resolution (ADR)**: The ADR framework has been revised to improve efficiency and facilitate quicker resolution of tax disputes.

v. **Streamlining taxation of shipping income of non-residents**: Comprehensive provisions have been introduced to define Authorized Shipping Agents and strengthen taxation and compliance relating to non-resident shipping operations.

vi. **Streamlining computation of capital gains on listed securities**: The role of NCCPL in computation and determination of capital gains on listed securities has been expanded and clarified.

vii. **Mandatory electronic filing and machine-readable financial statements**: Companies shall be required to submit financial statements in electronically readable formats to facilitate automated processing and analysis.

viii. **Special audit through accountants, cost accountants and actuaries**: The Commissioner has been empowered to require re-audit, inventory valuation or actuarial valuation by independent experts in appropriate cases.

ix. **Engagement of audit experts and rationalization of disclosure provisions**: The Board has been enabled to engage specialists and strengthen disclosure mechanisms to improve audit effectiveness and compliance.

x. **Establishment of Directorate General (Field Compliance), Inland Revenue**: A dedicated Directorate General (Field Compliance) has been created to strengthen compliance functions.

xi. **Broadening of special procedure for small traders and shopkeepers**: The scope of special procedures for small traders and shopkeepers has been expanded through amendments in section 99B.

xii. **Technical, consequential and administrative amendments**: Various streamlining, administrative and consequential amendments have been made to improve clarity, implementation and administration of the Income Tax Ordinance, 2001.

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SALIENT FEATURES
BUDGET 2026-27
FEDERAL EXCISE ACT 2005

The proposed budgetary measures pertaining to Federal Excise for FY 2026-27 are:

1. RELIEF MEASURES

i. Reduction in Federal Excise Duty on foreign travel

ii. Reduction in FED on import of acetate tow Rs. 44000 to Rs. 10000

iii. Removing Federal Excise Duty on WHO standard compliant sports/ electrolytes replenishing beverages

iv. Exemption to strategic imports of vehicle for SCO summit and counter-terrorism

v. Extension of Exemption on Import of CKD kits for electric vehicles for one year extended to 30.06.2027

2. REVENUE MEASURES:

i. Imposition of FED at Rs. 16500 from Rs. 10000 per kg e-liquid for electronic cigarettes. This measure also remove the highest possible tariff of 65% of the retail price imposed under the previous regime.

ii. Imposition of FED on Naphtha, solvent oil and turpentine etc.

iii. Imposition of FED on luxury EVs and other Luxury Vehicles

iv. Imposition of FED on base oil, base lubricating oil in addition to lubricating oil

v. Insertion of New Table 1A of the First Schedule to the Federal Excise Act, 2005 for imposition of FED on luxury imported vehicles

3. STREAMLINING MEASURES

i. Insertion definition of advance receipt invoice, algorithmic settlement mechanism, electronic invoicing system, national faceless centre and production monitoring system

ii. Addition of New Section 7A, for adoption of Faceless Audit and Assessment

iii. Substitution of Sub-Section (1) of Section 18 for issuance of invoice for dutiable and zero-rated supply of goods

iv. Substitution of Sub-Section (4) of Section 19 – penalty for destruction of goods without approval of the Commissioner.

v. Substitution of Sub-Section (1) of Section 26 – seizure of counterfeited cigarette and beverages and other goods without tax stamp, barcodes etc.

vi. Substitution of Sub-Section (1) of Section 27 – seizure and destruction of counterfeited cigarettes and beverages

vii. Insertion of Section 34AA – establishment of Independent Case Scrutiny Committee

viii. Substitution of Section 45A of The Federal Excise Act, 2005 – monitoring or tracking by electronic or other means of excisable goods

ix. Insertion of New Sub-Section (3A) In Section 46, hiring of auditors or accountant for conducting for specialized where the Commissioner deem necessary on account of complexity of financial transaction

x. Addition of new entry in Second Schedule to make FED levied on above mentioned petroleum products in VAT mode

بجٹ تقریر 27-2026

قومی اسمبلی 12 جون 2026

☆☆☆

بِسۡمِ اللّٰہِ الرَّحۡمٰنِ الرَّحِیۡم

☆☆☆

حصہ اول

جناب اسپیکر!

1۔ یہ میرے لیے بڑے اعزاز کی بات ہے کہ میں اس معزز ایوان کے سامنے ہماری حکومت کا تیسرا بجٹ برائے مالی سال 27-2026 پیش کررہا ہوں۔ میں اتحادی جماعتوں کی قیادت خصوصاً میاں محمد نواز شریف صاحب، بلاول بھٹو زرداری صاحب، خالد مقبول صدیقی صاحب، چوہدری شجاعت حسین صاحب، عبدالعلیم خان صاحب اور جناب خالد حسین مگسی صاحب کی رہنمائی کے لیے دل کی اتھاہ گہرائیوں سے شکریہ ادا کرنا چاہتا ہوں۔

جناب اسپیکر!

2۔ یہ بجٹ ایک ایسے موقع پر پیش کیا جارہا ہے جب پاکستان اپنے عوام اور دُنیا کی نظر میں ایک ایسے ملک کی حیثیت حاصل کر چکا ہے جس کی آواز سنی جاتی ہے اور جس کی دوستی کی خواہش کی جاتی ہے۔

حصہ دوم

جناب اسپیکر!

58۔ میں نے اس معزز ایوان کے سامنے حکومت کے اخراجات کی ترجیحات بیان کی ہیں۔ اب میں ٹیکس اقدامات کا ذکر کروں گا۔میں ٹیکس تجاویز تین حصوں میں پیش کروں گا۔پہلے حصے میں ریلیف اقدامات، پھر Tax Rationalization اقدامات اور بعد میں ایف بی آر کے اہم ترین اقدام New Operating Model کا ذکر ہو گا۔

انکم ٹیکس ریلیف کے اقدامات

جناب اسپیکر!

تنخواہ دار طبقہ کے لئے ریلیف

59۔ وزیراعظم شہباز شریف کی حکومت سرکاری اورنجی تنخواہ دار طبقے کی مشکلات سے آگاہ ہے۔ وزیراعظم پاکستان کی ہدایت پر آج مجھے یہ اعلان کرتے ہوئے خوشی محسوس ہورہی ہے کہ ہماری حکومت نے آمدنی کی چار slabs کے تنخواہ دار افراد کو ریلیف فراہم کا فیصلہ کیا ہے۔اس سلسلے میں جوتنخواہ دار بائیس (22) سے بتیس (32) لاکھ روپے کے درمیان سالانہ کماتے ہیں،ان کے ٹیکس کی شرح تئیس (23) فیصد سے کم کر کے بیس (20) فیصد کرنے کی تجویز ہے۔بتیس (32) سے اکتالیس (41) لاکھ روپے کے درمیان آمدن والے تنخواہ داروں کے لئے ٹیکس کی شرح 30 فیصد سے کم کرکے 25 فیصد کرنے کی تجویز ہے۔

اکتالیس(41) سے چھپن (56)لاکھ روپے آمدن والوں کے لئے انکم ٹیکس کی شرح 35 فیصد سے کم کرکے 29 فیصد کی تجویز ہے۔اسی طرح چھپن(56) لاکھ سے ستر(70) لاکھ روپے تک تنخواہ حاصل کرنے والوں کے لئے ٹیکس کی شرح 35 فیصد سے کم کرکے 32فیصد کرنے کی تجویز ہے۔

جناب اسپیکر!

60۔ تنخواہ پر عائد ٹیکس کی شرحوں میں کمی کے علاوہ ہم نے ایک اور اہم ریلیف قدم اٹھاتے ہوئے تنخواہ دار طبقے پر عائد سرچارج کو بھی ختم کرنے کا فیصلہ کیاہے۔یہ ایک دیرینہ مطالبہ تھا اور حکومت کو بھی اس امر کا احساس تھا۔اس لیے ہم نے پچھلے بجٹ میں اس سرچارج کی شرح کو دس فیصد سے نو فیصد کیا اور اب اس سرچارج کومکمل طور پرختم کرنے کی تجویز ہے۔ ان اقدامات سے وزیراعظم شہباز شریف کی حکومت نے تنخواہ دار طبقے پر بوجھ کم کرنے کا اپنا وعدہ پورا کیا ہے۔

سپر ٹیکس کی شرح میں کمی

جناب اسپیکر!

61۔ مجھے یہ اعلان کرتے ہوئے خوشی محسوس ہورہی ہے کہ ہماری حکومت نے کاروبار سے پندرہ کروڑ روپے سے پچاس کروڑ روپے تک کی آمدنی کی چھ Slabs پر عائدسپر ٹیکس جو ایک فیصد سے لیکر ساڑھے سات فیصد کی سطح تک تھا، کومکمل طور پرختم کرنے کا فیصلہ کیا ہے۔اسی طرح پچاس کروڑ روپے سے زیادہ آمدنی پرسپر ٹیکس کی شرح دس فیصد سے کم کرکے آٹھ

فیصد کرنے کی تجویز ہے۔اس اقدام کا مقصد چھوٹے کاروبار اور صنعتوں کو فروغ دینے کے علاوہ کاروبار میں آسانیاں پیدا کرنا ہے۔ تاہم بنکوں، تیل اور گیس تلاش کرنے والی کمپنیوں اور فرٹیلائزر کمپنیوں پر موجودہ سرچارج برقرار رہے گا۔

تعمیراتی شعبے کی بحالی

جناب اسپیکر!

62۔ پاکستان کی معیشت میں روزگار کے مواقع پیدا اور صنعتی ترقی کا پہیہ تیز کرنے میں کنسٹرکشن سے بڑھ کر کوئی شعبہ نہیں ہے جب کنسٹرکشن کا شعبہ ترقی کرتا ہے تو سیمنٹ ، لوہا ، شیشہ ، ٹمبر، پینٹس، ٹائلز، ہارڈویئر اور چالیس سے زائد صنعتیں نشوونما پاتی ہیں۔جائیداد کی منتقلی پر عائد ودہولڈنگ ٹیکس کو معقول بناتے ہوئے فائلرز کے لئے خریداری پر ٹیکس 2.5 فیصد سے 1.25 فیصد اور فروخت پر 5.5 فیصد سے کم کرکے 2.75 فیصد کرنے کی تجویز ہے۔ہمیں امید ہے کہ اس اقدام سے کنسٹرکشن کی سرگرمیاں زور پکڑیں گی اور تعمیرات کا شعبہ نشوونما پائے گا۔

برآمدی شعبہ کے لئے ریلیف

جناب اسپیکر!

63۔ ڈیجیٹل معیشت پاکستان کا سب سے تیزی سے بڑھتا ہوا برآمدی شعبہ ہے۔ پاکستان کا IT اور IT سے متعلقہ خدمات کا شعبہ اور ہمارے فری لانسرز، سافٹ ویئر ہاؤسز اور ڈیجیٹل exporters ہمارا اثاثہ ہیں۔ IT برآمدات کی آمدنی پر صفر اعشاریہ دو پانچ (0.25) فیصد

FTR کی رعایت 30 جون 2026 کو ختم ہونے والی تھی ۔ وزیراعظم کی اس شعبے کی ترقی میں دلچسپی اور حکومت کی محنت سے پیدا کردہ مالی گنجائش کی بدولت اس رعایتی نظام کو مزید تین سال کے لئے یعنی 30 جون 2029 تک جاری رکھنے کی تجویز ہے۔اس اقدام سے ہماری آئی ٹی برآمدات بڑھیں گی اور نوجوانوں کو اس شعبے کی جانب راغب ہونے کی تحریک ملے گی۔

جناب اسپیکر!

64۔ ایکسپورٹ سیکٹر ہماری معیشت کی گروتھ کی ضمانت بننے والے زرمبادلہ کے حصول کا ایک بڑا ذریعہ ہے ۔اس وقت ایکسپورٹس پر ایڈوانس انکم ٹیکس اور minimum ٹیکس کی مد میں مجموعی طور پر دو فیصد ٹیکس عائد ہے جسے کم کر کے 1.25 فیصد کرنے کی تجویز ہے جو کہ minimum ٹیکس کی مد میں ہو گا۔

کریڈٹ /ڈیبٹ کارڈ کی بین الاقوامی ٹرانزیکشنز پر عائد ودہولڈنگ ٹیکس میں کمی

جناب اسپیکر!

65۔ اس وقت ملک میں بنکوں کے جاری کردہ کریڈٹ یا ڈیبٹ کارڈ کے بیرون ملک استعمال پر ہر transaction پر 5 فیصد ودہولڈنگ ٹیکس دینا پڑتا ہے۔اس ٹیکس کی وجہ سے رقم کی منتقلی کے لئے غیر روایتی ذرائع کے استعمال کا رجحان بڑھ رہا ہے جس کی حوصلہ شکنی کے لیے ودہولڈنگ ٹیکس کی اس شرح کو صفر اعشاریہ پانچ فیصد (0.5) فیصد کرنے کی تجویز ہے تاکہ اسے معمول کی financial transaction کی سطح پر لایا جاسکے اور معیشت کو دستاویزی بنانے کی حکومتی کوششوں کو تقویت مل سکے۔

غیرملکی اثاثوں پر Capital Value Tax کا خاتمہ

جناب اسپیکر!

66۔ غیرملکی اثاثے رکھنے پر Capital Value Tax ختم کرنے کی تجویز ہے۔ یہ ٹیکس غیرملکی اثاثے ظاہر کرنے کی حوصلہ شکنی کا باعث بن رہا تھا جو اس ٹیکس کے بنیادی مقصد کے منافی تھا۔ ظاہر کیا جانے والا اثاثہ ایک دستاویزی اثاثہ ہوتا ہے جس پر ٹیکس عائد ہوتا ہے ۔ اس ٹیکس کو ختم کرنے سے پاکستانیوں کو اپنے غیرملکی مالیاتی حیثیت ریکارڈ پر لانے کی حوصلہ افزائی ہوگی۔ جس سے کمپلائنس، documentation اور اضافی ریونیو کا حصول ممکن ہو گا۔

خواتین کی صحت کے لئے ضروری اشیاء پر ٹیکس کا خاتمہ

جناب اسپیکر!

67۔ خواتین کی صحت کے لئے ضروری اشیاء مثلاً Sanitary Pads اور متعلقہ اشیاء روزمرہ زندگی کی ضروریات ہیں جو خواتین کی صحت، وقار اور معاشرتی سرگرمیوں میں بھرپور شرکت کے لئے لازم ہیں۔اس لیے Sanitary Pads اور متعلقہ اشیاء پر ٹیکس کے خاتمہ کی تجویز ہے۔

خاندانی منصوبہ بندی کے اقدامات

جناب اسپیکر!

68۔ اس سے متعلق دوسرا اقدام contraceptives پر ٹیکس کے خاتمہ کے حوالے سے

ہے۔ پاکستان آبادی کے اعتبار سے دنیا کا پانچواں بڑا ملک ہے۔ آبادی میں اضافہ کی رفتار تشویشناک ہے اور خاندانی منصوبہ بندی حکومت کی اولین ترجیح ہے اس لیے ہم contraceptives پر عائد ٹیکس مکمل طور پر ختم کر رہے ہیں۔

انکم ٹیکس کے ریونیو اقدامات

جناب اسپیکر!

69۔ اب میں اس بجٹ میں اٹھائے جانے والے ریونیواقدامات کا ذکر کروں گا۔

ٹیکس کے دائرہ کار میں وسعت - چھوٹے دکانداروں کے لئے فکسڈ ٹیکس

جناب اسپیکر!

70۔ ہم کئی دہائیوں سے پاکستان کے retailers کو دستاویزی معیشت کا حصہ بنانے کی کوشش کرتے آ رہے ہیں۔ چھوٹے دوکاندار اپنے اردگرد کے لوگوں کو ملازمت فراہم کرتے ہیں اور کراچی سے لے کر چترال تک ہر گلی کوچے اور بازار کی تجارتی سرگرمیوں کا اہم حصہ ہیں۔چھوٹے دکانداروں کی اکثریت ابھی تک ٹیکس نظام سے باہر ہے۔

جناب اسپیکر!

71۔ اس سال ہم نے اپنی حکمت عملی کو تبدیل کیا، پاکستان بھر میں چھوٹے دکانداروں اور ان کے نمائندوں کے ساتھ مشاورت کی،ان کے ساتھ مل بیٹھے، ان کی باتیں سنیں اور اس بھرپور مشاورت کے بعد دوکاندار طبقے کے مطالبہ پر ہم نے ایک ایسا منصوبہ تیار کیا ہے جس

میں انتظامی سہولتوں کی بجائے دکانداروں کے حقیقی خدشات کو مقدم رکھا گیا ہے۔

جناب اسپیکر!

72۔ انکم ٹیکس آرڈیننس کے سیکشن 99B کے تحت چھوٹے دکانداروں کے لئے Fixed Tax System متعارف کرانے کی تجویز ہے۔ اس سسٹم میں وہ دکاندار آسکتے ہیں جن کی سالانہ فروخت بیس کروڑ روپے یا اس سے کم ہے۔وہ اِس نظام کے تحت اپنی سالانہ سیلز کا ایک فیصد ٹیکس ادا کریں گے۔اس ٹیکس میں وہ اپنا ود ہولڈنگ ٹیکس ایڈجسٹ کرا سکیں گے مگر گوشوارہ جمع کراتے وقت انہیں کم از کم 25ہزار روپے جمع کرانا ہو گا۔ روٹین میں کوئی آڈٹ نہیں ہوگا۔ خریداری پر ودہولڈنگ کی کوئی ذمہ داری نہیں ہوگی اور انہیں POS مشین رکھنے سے استثنا ہو گا۔ جو دکاندار فکسڈ ٹیکس سسٹم کا انتخاب کرے گا اس کو سبز رنگ کی ایک تختی دی جائے گی جس پر ایک تصدیقی QR Code چسپاں ہوگا جو ان دکانوں پر آویزاں ہو گی۔اس تختی کی موجودگی میں ایف بی آر اہل کاروں کو پوچھ گچھ کے لیے دکان میں داخل ہونے کی اجازت نہیں ہو گی۔اس سکیم کے تحت ایک سادہ اور ایک صفحے کا ٹیکس گوشوارہ ہو گا جو اردو کے علاوہ تمام بڑی مقامی زبانوں میں دستیاب ہو گا۔

جناب اسپیکر!

73۔ اسی طرح گزشتہ سات سال سے جامد جرمانوں کی رقم کو inflation کے مطابق Adjust کیا جا رہا ہے اور digital integration کی خلاف ورزی پر بھی جرمانوں کی تجویز ہے۔

جناب اسپیکر!

74۔ میں یہ واضح کر دینا چاہتا ہوں کہ ان اقدامات کا مقصد ریونیو بڑھانا نہیں بلکہ ان کا اصل ہدف احتساب ہے۔ یہ اقدامات اس بات کو یقینی بنائیں گے کہ اب ٹیکس چوری آسان نہ رہے۔

سیلز ٹیکس کے تھرڈ شیڈول کے دائرہ کار میں توسیع

جناب اسپیکر!

75۔ سیلز ٹیکس ایکٹ میں، تھرڈ شیڈول کے دائرہ کار کو وسعت دی جارہی ہے اور اس میں Fast-moving consumer goods کی category کو شامل کیا جا رہا ہے۔ملتی جلتی یا ایک جیسی اشیاء کو ان کی درجہ بندی کی بنیاد پر مختلف شرح سے ٹیکس لگایا جاتا رہا ہے۔ جس کی وجہ سے under invoicing اور اشیاء کی غلط درجہ بندی کا رجحان بڑھا۔ان خرابیوں کو دور کرنے کے لیے اس درجہ بندی میں اشیاء کے ٹیکس ریٹس کو معقول کرنے کی تجویز ہے۔

غیر رجسٹرڈ افراد سے خریداری پر ودہولڈنگ ٹیکس کے دائرہ کار میں وسعت

جناب اسپیکر!

76۔ موجودہ قانون کے تحت اگر کوئی کمپنی کسی غیر رجسٹرڈ سپلائیر سے سامان خریدتی ہے تو رقم کی ادائیگی کے وقت سپلائر سے ودہولڈنگ ٹیکس وصول کیا جاتا ہے، تجویز ہے کہ اب Individuals اور AOPs بھی اگر کسی غیر رجسٹرڈ سپلائیر سے سامان خریدیں گے تو رقم کی ادائیگی کے وقت ودہولڈنگ ٹیکس ادا کیا جائے گا تاکہ تمام غیر رجسٹرڈ سپلائرز خود کو سیلز ٹیکس کے قانون میں رجسٹرڈ

کرانے کو ترجیح دیں ۔

جناب اسپیکر!

77۔ اب میں ایف بی آر کے نئے Tax Operating Model کی تفصیلات اس معزز ایوان کے سامنے رکھنا چاہتا ہوں۔

The National Faceless Centre and Assessment System

جناب اسپیکر!

78۔ ہم اس ماڈل کے تحت ایک National Faceless Centre بنانے جارہے ہیں جو صوابدیدی اور غیر صوابدیدی افعال کو ایک دوسرے سے الگ کر دے گا۔ اس مرکز میں موجود فیس لیس ونگ کے پاس صوابدیدی اختیارات جیسا کہ آڈٹ، اسیسمنٹ اور کوالٹی کنٹرول ہوں گے۔ جبکہ field operation wing ، ویریفیکیشن، رجسٹریشن اور ریکوری کا ذمہ دار ہو گا اور کوئی discretionary powers نہیں رکھے گا۔ ان دونوں دفاتر کے درمیان بنیادی فرق سٹرکچر اور قانونی نوعیت کا ہو گا، یہ فرق انتظامی امور یا عارضی اقدامات سے ختم نہیں کیا جا سکے گا۔

جناب اسپیکر!

79۔ مرکزی ونگ میں تمام آڈٹ اور assessment کی کاروائی کے دوران ٹیکس پیئر اور ٹیکس آفیسر کے درمیان کوئی رابطہ نہیں ہو گا۔ سنگل بلائنڈ موڈ(Single Blind Mode) میں آفیسر کی شناخت ٹیکس پیئر سے خفیہ رکھی جائے گی ۔ ڈبل بلائنڈ موڈ(Double Blind Mode) میں بعد

ازاں ٹیکس پیئر کی شناخت بھی آفیسر سے خفیہ رکھی جائے گی۔ تمام پیغام رسانی ایف بی آر کے IRIS Portal کے ذریعے ہو گی۔ٹیکس پیئر اور ٹیکس آفیسر کے مابین کسی قسم کا رابطہ نہیں ہو گا۔ اور اس کی ایک اور خوبی یہ ہے کہ آفیسر خود کوئی کیس منتخب نہیں کر سکے گا۔ خودکار طریقہ کار کے تحت سسٹم، رسک سکور کی بنیاد پر کوئی کیس آفیسر کو تفویض کرے گا۔ آڈٹ صرف ڈیٹا کی بنیاد پر ہوگا۔ اسی طرح کا فیس لیس نظام پچھلے ڈیڑھ سال سے ایف بی آر کے کسٹم ونگ میں آزمایا جا چکا ہے جس کے نتیجے میں نہ صرف امپورٹرز کو سہولت میسر ہوئی ہے بلکہ کسٹم حکام سے منسوب کرپشن میں بھی نمایاں کمی آئی ہے۔میں امید کرتا ہوں کہ انکم ٹیکس اور سیلز ٹیکس میں بھی اس اقدام سے کرپشن میں خاطر خواہ کمی ہو گی۔

جناب اسپیکر!

80۔ سب سے اہم تبدیلی صرف پہچان خفیہ رکھنا نہیں بلکہ طریقہ کار میں بھی اختیارات کو الگ کرنا ہے۔ سسٹم کیس خود منتخب کرے گا۔ ایک علیحدہ آڈٹ یونٹ اس کا معائنہ کرے گا۔ کوالٹی کنٹرول یونٹ جو آڈیٹر سے بالکل الگ ہو گا، ہر آرڈر کے ایشو ہونے سے پہلے اس کا معائنہ کرے گا۔ٹیکس ڈیمانڈ بالکل مختلف اسیسمنٹ فنکشن کی ذمہ داری ہو گی۔ ریکوری کے معاملات ایک اور حصہ دیکھے گا۔ اس پوری chain میں کوئی ایک افسر کسی کیس پر شروع سے آخر تک گرفت نہیں رکھ سکے گا۔ یہ صرف انتظامی تبدیلی نہیں ہے بلکہ کرپشن کو ختم کرنے میں اہم سنگ میل ثابت ہو گی اور یہی تبدیلی پاکستان کے ٹیکس کے معاملات کو مزید شفاف اور سہل بنائے گی ۔

Algorithmic Settlement Mechanism and Central Data Hub

جناب اسپیکر!

81۔ ہم ایک خودکار میکانزم متعارف کروا رہے ہیں، جس میں ٹیکس پیئر کے اندراج کردہ ڈیٹا اور ایف بی آر کے پاس مختلف ذرائع سے موجود ڈیٹا میں سقم کی نشاندہی کی جائے گی ۔ اس اقدام سے روایتی آڈٹ کے طریقہ کار میں ہونے والے اخراجات، تاخیر اور پریشانی کوختم کر دیا جائے گا۔ جیسے ہی سسٹم کو کوئی سقم نظر آئے گا، ٹیکس پیئر کی گذشتہ ہسٹری کی بنیاد پر، سقم کی نوعیت کے لحاظ سے اور کاروائی کے مرحلہ کے اعتبار سے، سسٹم settlement آفر طے کرے گا اور ٹیکس پیئر کو IRISپورٹل کے ذریعے مطلع کیا جائے گا، جو ٹیکس پیئر اس آفر کو قبول کرے گا، اپنا گوشوارہ درست کر لے گا اور سیٹلمنٹ کی رقم جمع کرا دے گا، اس کی کاروائی مکمل تصور ہو گی۔ اس کے علاوہ کوئی اضافی جرمانہ عائد نہیں کیا جائے گا۔ کوئی انسانی مداخلت نہیں ہو گی اور یہ طریقہ کار ٹیکس پیئر اور ریونیو دونوں کے لیے بہتر ثابت ہوگا۔

Third-Party Data and Taxpayer Outreach

جناب اسپیکر!

82۔ اس کے ساتھ ساتھ تھرڈ پارٹیز، ایف بی آر کے سنٹرل ڈیٹا کے ساتھ ٹرانزیکشنز کا ڈیٹا شیئر کرتی رہیں گی یہ ڈیٹا افسران کی نگرانی میں مکمل طور پر ڈیجیٹل سسٹمز میں پراسس ہوگا۔ جائیداد کی رجسٹری کا ڈیٹا ، گاڑیوں کی رجسٹریشن کا ڈیٹا، بنک ڈیٹا اور یوٹیلیٹی ریکارڈ کو یکجا کرکے ٹیکس پیئرز رسک پروفائل تیار کرنے کا آغاز ہوچکا ہے اس کا مطلب یہ ہے کہ ایف بی آر کو یہ اندازہ لگانے کی ضرورت نہیں کہ کون اپنا گوشوارہ درست جمع نہیں کرا رہا ہے۔ اسے کسی خفیہ معلومات یا شکایت یا

موقعہ پر معائنہ کرنے کی بھی ضرورت نہیں۔ اسے صرف یہ دیکھنا ہوگا کہ کیا Declare کیا گیا ہے اور ڈیٹا میں کیا ظاہر ہو رہا ہے۔

پروڈکشن مانیٹرنگ اور ڈیجیٹل انوائسنگ کا دائرہ کار بڑھانا

جناب اسپیکر!

83۔ اس وقت بہت سے صنعتی شعبوں میں Real-time Production monitoring programفعال ہے اور اس کے اچھے نتائج سامنے آرہے ہیں۔ ہر اُس شعبہ کو پروڈکشن مانیٹرنگ کے تحت لایا گیا ہے جس کی Revenue Potential کو صحیح طور پر جانچا جاسکتا ہو اور جس کی غلط بیانی کی نشاندہی کرنا اور اسے ٹھیک کرنا ممکن ہو۔ Digital Invoicing Network بھی پوری سپلائی چین میں ایسی شفافیت کا باعث بن رہا ہے جو اس سے پہلے ٹیکس سسٹم میں نہیں دیکھی گئی تھی۔ آئندہ سال میں ان دونوں پروگراموں کا دائرہ کار مزید شعبوں تک وسیع کیا جائے گا۔ یہ اقدامات بنیادی اہمیت کے حامل اور کارآمد ہیں جن پر ریونیو میں پائیدار اضافے کا انحصار ہے ۔

☆ **سیلز ٹیکس ۔۔ اصلاحی اقدامات**

جناب اسپیکر!

84۔ سیلز ٹیکس کے اصلاحی اقدامات کے پس منظر میں وہی اصول کارفرما ہیں جو انکم ٹیکس اصلاحات میں اپنائے گئے ہیں

فیڈرل ایکسائز ڈیوٹی۔۔ اقدامات

جناب اسپیکر!

85۔ اب میں فیڈرل ایکسائز ڈیوٹی اقدامات کا ذکر کرنا چاہوں گا ۔

جناب اسپیکر!

86۔ پہلا اقدام جعل سازی کے خلاف ہے۔ ہم Petroleum Based Solvents جن میں سفید سپرٹ، Petroleum Naphtha اور منرل تارپین آئل شامل ہیں پر اسی (80) روپے فی لیٹر فیڈرل ایکسائز ڈیوٹی عائد کر رہے ہیں۔ یہ اشیاء پٹرولیم ڈیولپمنٹ لیوی کے دائرہ سے باہر آتی ہیں لیکن انہیں تیل میں ملاوٹ کے لئے استعمال کیا جا تاہے۔ اس ملاوٹ کی وجہ سے ہر سال لاکھوں صارفین کی گاڑیاں اور مشینری خراب ہوتی ہیں۔ اس کی وجہ سے تیل کی مصنوعی فروخت کرنے والے دیانت دار تاجروں کو ایسے بددیانت تاجروں سے مقابلہ کرنا پڑتاہے جو ملاوٹ شدہ تیل فروخت کرتے ہیں۔

87۔ ہمارا دوسرا اقدام معاشی بوجھ کی تقسیم سے متعلق ہے۔ہم درآمد کی جانے والی کاروں اور 2000cc سے بڑی اور 3000cc تک کی SUVs فیڈرل ایکسائز ڈیوٹی عائد کر رہے ہیں۔ 3000cc سے بڑی گاڑیوں پر بھی ڈیوٹی بڑھا رہے ہیں۔اس ٹیکس کا اطلاق دو (2) کروڑ سے مہنگی لگژری EV پر بھی ہوگا۔

جناب اسپیکر!

88۔ اس ضمن میں ایک اور ریلیف measure کے تحت بزنس کلاس میں غیرملکی سفر پر عائد فیڈرل ایکسائز ڈیوٹی کو ختم کرنے کی تجویز ہے۔ یہ مراعات یافتہ طبقہ کے لئے کوئی رعایت نہیں بلکہ اس حقیقت کا اعتراف ہے کہ پاکستان اپنا معیشت کو درکار سرمایہ کاری اور شراکت داری کے لئے ایک پرکشش ملک بن سکے۔ جو ہماری اقتصادی پالیسی کی ترقی کے

لئے ضروری ہے۔

کسٹمز

جناب اسپیکر!

89۔ آٹو سیکٹر ہماری معیشت کے اہم شعبوں میں شمار ہوتا ہے۔اس اہم شعبے کی ترقی کے لیے گذشتہ ایک دہائی میں ترقیاتی پالیسیاں متعارف کرائی گئیں جن سے اس صنعت کو فروغ ملااور ملک میں Assemblers /OEMs کی تعداد بڑھ کر ایک سو اٹھا رہ (118) ہوگئی۔ ان میں ٹریکٹر، موٹر سائیکل، مسافر گاڑیوں اور کمرشل گاڑیوں کے مینوفیکچرز شامل ہیں۔ نئے مینوفیکچرنگ پلانٹس اور جدید ٹیکنالوجیز میں نمایاں سرمایہ کاری ہوئی ہے جس سے اس شعبے میں مسابقت بڑھی ہے اور شعبے میں modernization ہوئی ہے۔اس وقت ایک نئی آٹوسیکٹر پالیسی وزیر اعظم کی تشکیل کردہ کمیٹی کے زیرغور ہے جس کی تفصیلات وزیراعظم اور وفاقی کابینہ کی منظوری کے بعد پارلیمنٹ کے سامنے پیش کی جائیں گی۔البتہ میں اس چیز کا اعلان کرنا ضروری سمجھتا ہوں کہ الیکٹرک موٹر سائیکلز، رکشوں، گاڑیوں اور بسوں پر موجودہ رعایتی نظام اگلے سال بھی برقرار رہے گا۔اس سلسلے میں درآمد کیے جانے والے الیکٹرک ٹرکوں پر بھی ایک فیصد سیلز ٹیکس کی سہولت فراہم کرنے کی تجویز ہے۔ تاہم حکومت کی کوشش ہے کہ ان سہولیات سے انتہائی مہنگی الیکٹرک گاڑیاں فائدہ نہ اٹھاسکیں۔

90۔ صحت کی سہولیات کی منصفانہ فراہمی اورعوامی فلاح وبہبود کے لئے ہماری وابستگی غیرمتزلزل ہے۔ کینسر جیسے موذی امراض کی وجہ سے پاکستانی خاندانوں پر پڑنے والے شدید مالی اور جذباتی

بوجھ کو مدنظر رکھتے ہوئے ہم نیشنل ٹیرف پالیسی2025-30 کے تحت ایک نپی تلی اور مؤثر علاج کی سہولت متعارف کرارہے ہیں۔ مجھے یہ اعلان کرتے ہوئے خوشی محسوس ہورہی ہے کہ ہماری حکومت کینسر اور دیگر بیماریوں کی ادویات کی مقامی تیاری میں استعمال ہونے ایک سو سے زائد اقسام کے خام مال پر کسٹمز ڈیوٹی مکمل طور پر ختم کررہی ہے۔ اس اقدام کا مقصد ملک بھر کے تمام شہریوں کے لئے جدید اور خصوصی علاج زیادہ سہل اور قابل رسائی ممکن بنانا ہے۔

جناب اسپیکر!

91۔ ہماری حکومت نے ملک کی صنعتوں کو گلوبل ویلیوچینز Global Value Chains میں شامل کرنے اور کاروبار کرنے کی لاگت کم کرنے کے لئے پچھلے سال ایک جامع نیشنل ٹیرف پالیسی کے پہلے مرحلہ کا آغاز کیا تھا۔ ٹیرف پالیسی بورڈ نے ٹیرف کے ڈھانچے کو سادہ بنانے اور تدریجی ٹیرف سسٹم کی طرف منتقلی کے حکومتی عزم کے تسلسل میں تمام اسٹیک ہولڈرز (Stakeholders) کے ساتھ وسیع تر مشاورت کے بعد خام مال اور متعلقہ اشیاء کی ایک بڑی تعداد پر کسٹمز ڈیوٹی ، اضافی کسٹمز ڈیوٹی اور ریگولیٹری ڈیوٹی میں نمایاں کمی کی ہے۔ ڈیوٹیز میں اس کمی کی وجہ سے برآمدی شعبے ، کیمیکل سیکٹر اور خاص طور پر چھوٹے کاروبار (SMEs) کو ان پٹ (Input) کی لاگت میں براہ راست یا بالواسطہ کمی کی صورت میں ریلیف ملے گا۔

جناب اسپیکر!

92۔ یہ حکمت عملی پاکستان کی اس وسیع تر پالیسی کا تسلسل ہے جس کا مقصد برآمدات کو فروغ دینا ہے تاکہ ملک کی پیداواری صلاحیت میں اضافہ ہو، روزگار کے نئے مواقع پیدا ہوسکیں اور سرمایہ کاری میں اضافہ کے ذریعے پاکستان پائیدار ترقی کی راہ پر مستقل بنیادوں پر گامزن ہوسکے۔

حصہ سوم

ریلیف اقدامات

جناب اسپیکر!

93۔ مہنگائی کی وجہ سے تنخواہ دار طبقے کی مشکلات میں اضافہ ہوا ہے۔ان مشکلات کا ادراک کرتے ہوئے سرکاری ملازمین کی تنخواہوں میں سات (07) فیصد اضافہ کیا جارہا ہے۔ ریٹائرڈ ملازمین کی پنشن میں بھی سات (07) فیصد اضافہ کرنے کی تجویز ہے۔ اسی طرح کم سے کم ماہانہ تنخواہ (minimum wage) میں دس (10) فیصداضافہ کرنے کی تجویز ہے۔

اختتامی کلمات

جناب اسپیکر!

94۔ میں اپنی تقریر کے اختتام پر اس معزز ایوان کے سامنے یہ عرض کرنا چاہوں گا کہ اس بجٹ میں اعلان کردہ تجاویز خصوصاً ٹیکس ریلیف اقدامات، انرجی کی قیمتوں میں کمی اور دیگر اقدامات معیشت کے کلیدی شعبوں جیسے زراعت، معدنیات و کان کنی،انفارمیشن ٹیکنالوجی، AI اور tech-driven صنعتوں کو فروغ دیں گے جس سے معاشی ترقی کا پہیہ چلے گا اور ملازمتوں کے مواقع پیدا ہوں گے ۔ہم نے اس ترقی کے حصول کے لیے بنیادی لوازمات مہیا کر دیے ہیں۔ہماری معیشت پھر سے اپنے پیروں پر کھڑی ہو چکی ہے، ہمارے زر مبادلہ کے ذخائر اور ایکسچینج ریٹ مستحکم ہیں، ہماری منڈیاں رواں ہیں اور دنیا ہمارے ساتھ سرمایہ کاری اور شراکت کے رشتے استوار کر رہی ہے۔ یہ کوئی معمولی سفر نہیں تھا۔یہ ایک مشکل اور کٹھن سفر تھا جسے ہم نے قومی جذبے اور ہماری قیادت کی قوت ارادی اور دور اندیشی سے طے کیا۔جناب اسپیکر، میں یہ بھی واضح کرنا چاہتا ہوں کہ استحکام ہماری منزل نہیں تھی، ہمارے سفر کا آغاز تھا۔ ہمارا یہ سفرنئے یقین اور ولولے کے ساتھ جاری ہے۔مجھے یقین ہے کہ آج کے بجٹ اقدامات سے اس سفر کو مزید تقویت ملے گی۔

جناب اسپیکر!

95۔ ترقی کا مطلب صرف اعداد و شمار کا بڑھنا نہیں، ترقی کا اصل مطلب وہ ہے جو ہر گھرانے کے دسترخوان تک، ہر کسان کے کھیت تک، ہر کاروبار کے کاؤنٹر تک اور ہر نوجوان کے روزگار تک پہنچے۔ اسی لیے، اس حکومت کا عزم صرف ترقی نہیں، بلکہ ایک وسیع البنیاد، پائیدار اور منصفانہ ترقی کا حصول ہے جس کے ثمرات ملک کے ہر علاقے اور ہر طبقے تک یکساں طور پر پہنچیں۔ یہ بجٹ اسی

جامع ترقی کے حصول کی جانب ایک سنجیدہ قدم ہے۔

جناب اسپیکر!

96۔ میں آخر میں اس ایوان کے فلور سے وزیراعظم میاں محمد شہباز شریف صاحب کی قیادت کو سراہنا چاہتا ہوں، جن کی سرپرستی، ذاتی لگن اور رہنمائی میں ہم نے معاشی استحکام کا سفر طے کیا، میں ہماری عسکری قیادت بالخصوص فیلڈ مارشل سید عاصم منیر صاحب کا بھی شکریہ ادا کرتا ہوں جن کی قیادت نے دفاع وطن کو ناقابل تسخیر بنایا۔ میں اپنے coalition partners کا بھی ممنون ہوں جن کی حمایت ہمیں ہر مشکل موقع پر حاصل رہی۔میں اپوزیشن کے معزز اراکین کا بھی شکر گذار ہوں جن کی مخلصانہ تنقید نے ہمیں مزید محنت کا جذبہ عطا کیا۔ یہاں میں تمام صوبائی حکومتوں کے جذبہ تعاون اور ایثار کو بھی سراہوں گا کہ جن کی بدولت ہم اپنے ملک کے اسٹریٹیجک اہداف کی تکمیل کی جانب بڑھیں گے۔ہماری اس تمام تر کاوش اور محنت کا مقصد یہی ہے کہ ہم پاکستان کے عوام کے معیار زندگی کو بہتر بنائیں اور انہیں وہ تمام سہولتیں اور آسانیاں فراہم کرسکیں جن کے وہ مستحق ہیں۔

جناب اسپیکر!

97۔ میں اپنی تقریر کا اختتام علامہ اقبال کے اِس شعر پر کرنا چاہتا ہوں جو اس قوم کی روح کا ابدی اظہار ہے۔

نہیں ہے نا اُمید اقبال اپنی کِشتِ ویراں سے
ذرا نم ہو تو یہ مٹی بہت زرخیز ہے ساقی

پاکستان زندہ باد

☆☆☆

[2026 ITB 5]

Federal Budget 2026-27

Explanatory Memorandum to Federal Receipts

(Relevant Extracts)

"Chapter 2

REVENUE RECEIPTS

2.1 Revenue receipts constitute major component of total Federal resources. Revenue receipts are mainly categorized as Tax revenue receipts and Non-Tax revenue receipts, which are largely derived from the following sources:-

i. Collection of Federal Taxes by FBR

ii. Surplus Profit of Regulatory Authories*/Bodies

iii. Mark up on loans advanced by the Federal Government

iv. Dividend

v. Fees, penalties and other Miscellaneous receipts realized by administrative Ministries and Divisions of the Federal Government

vi. Surcharges, Cess, Levy and Royalty on Petroleum

2.2 TAX REVENUE RECEIPTS

2.2.1 Tax Revenue receipts are administered by the Federal Board of Revenue (FBR). These receipts constitute inland revenue and can be categorized as direct taxes and indirect taxes. Direct taxes include income tax, capital value tax, ordinary collection (workers welfare fund) and contribution under companies profits (workers profit participation fund), while sales tax, federal excise duty, and customs duty constitute indirect taxes.

2.3 NON TAX REVENUE RECEIPTS

2.3.1 Non-Tax Revenue means revenues received by the Government in terms of Article 78(1) of the Constitution and the recurring income of the Government from investments and provision of services but does not include those mentioned under Article 160(3) of the Constitution. Non-Tax Revenue of the Federal Government is administered by various Ministries / Divisions/ Departments under the following broad categories:

i. Levies and Fees

ii. Income from Property and Enterprise

iii. Receipts from Civil Administration etc

iv. Surplus Profit of Regulatory Authories*/Bodies

v. Dividend

vi. Miscellaneous Reciepts*

Summary of Revenue Receipts with Budget Estimates and Revised Estimates for Fiscal Year 2025-26 and Budget Estimates for Fiscal Year 2026-27 is given as under:

*It should be Authorities & Receipts

Table 2

SUMMARY OF REVENUE RECEIPTS

(Rs. in Million)

Object Code	Description	2025-25 Budget	2025-26 Revised	2026-27 Budget
	I. Tax Revenue	**14,131,000.00**	**12,983,000.0**	**15,264,000.00**
	FBR Taxes (1+2)	**14,131,000.0**	**12,983,000.0**	**15,264,000.00**
B01	**(1) Direct Taxes**	**6,902,000.00**	**6,431,754.00**	**7,613,000.00**
B011	Taxes on Income	6,811,243.00	6,331,484.00	7,480,521.00
B01501	Ordinary Collection (WWF)	25,740.00	8,453.00	22,318.00
B01502	Contribution under Companies Profit (WPPF)	47,825.000	72,211.000	83,580.000
B017-18	Capital Value Tax	17,192.000	19,606.000	26,581.000
B02	**(2) Indirect taxes**	**7,229,000.00**	**6,551,246.00**	**7,651,000.00**
B020-22	Customs Duty	1,588,000.00	1,366,047.00	1,651,000.00
B023	Sales Tax	4,753,000.00	4,333,908.00	4,927,000.00
B024-25	Federal Excise Duty	888,000.000	851,291.000	1,073,000.00
	II. NON TAX REVENUE (1+2+3+4)	**5,147,089.506**	**5,093,364.394**	**5,335,598.000**
B03	**(1) Levies and Fees**	**29,789.750**	**37,000.000**	**41,589.000**
B03087	Mobile Handset Levy	12,000.000	13,000.000	14,000.000
B013,14, 16,26-30	Receipts of ICT Administration	17,736.750	23,928.000	27,517.000
B03064 CAA	Airport Fee (PAA)	53.000	72.000	72.000
C01	**(2) Income from Property and Enterprise**	**519,331.652**	**480,791.795**	**435,760.004**
C01008	PTA (4G/5G Licenses)	22,049.000	24,973.240	27,684.500
C01012	PTA (Surplus)	1,100.000	1,640.000	1,300.000
C01012	Surplus Profit of other Regulatory Authorities	6,239.000	3,386.760	4,735.500
C012	Mark up (Provinces)	95,809.652	93,791.795	100,802.004
C013-18	Mark up (PSEs & others)	188,000.000	156,000.000	170,851.000
C019	Dividends	206,134.000	201,000.000	130,387.000
C02	**(3) Receipts from Civil Admn. and Other Functions**	**2,450,391.998**	**2,467,763.974**	**1,480,182.863**
C021-24	General Admin	5,841.257	5,179.633	5,887.283
C02211	Surplus Profit of State Bank of Pakistan	2,400,000.000	2,428,364.394	1,435,750.000
C025	Defence Services Receipts	35,442.364	28,000.000	31,473.000
C026	Law and Order Receipts	5,624.680	3,350.403	4,091.047
C027	Community Services Receipts	1,903.739	1,315.421	1,338.671

C028	Social Services Receipts	479.958	454.123	492.862
C029	Social Services Receipts (Misc)	1,100.000	1,100.000	1,150.000
C03	**(4) Miscellaneous Receipts**	**2,147,576.106**	**2,107,808.625**	**3,378,066.133**
C031-35	Economic Services Receipts	34,785.050	65,167.666	72,727.100
C03601	Foreign Grants	2,000.000	6,000.000	2,000.000
C03725	Extraordinary Receipts (UNO)	31,200.000	24,700.000	25,600.000
C037	Extraordinary Receipts (Others)	6,400.488	4,914.024	5,902.968
C037	Grants/Receipts from Provinces under Article-164	-	-	1,035,000.00
C03897	Citizenship, Naturalization & Passport Fees	75,004.500	65,000.000	73,060.000
C038	Other Receipts of Attached Depatts	109,008.568	151,730.935	165,883.065
C03901	Petroleum Develop. Levy	1,468,395.00	1,498,000.0	1,676,509.00
C03902	Natural Gas Development Surcharge	49,437.000	63,000.000	70,814.000
C03905	Royalty on Oil	69,000.000	40,000.000	45,504.000
C03906	Royalty on Gas	138,000.000	85,000.000	95,000.000
C03910	Discount Retained on Local Crude Oil	30,000.000	19,488.000	20,500.000
C03915	Windfall Levy against Crude Oil	20,000.000	16,106.000	17,000.000
C03916	Gas Infrastructure Development Cess	2,400.000	2,000.000	2,248.000
C03917	Petroleum Levy on LPG	5,000.000	3,463.000	3,455.000
C03919	Windfall Levy on Gas	450.000	1,239.000	1,127.000
C03920	Off the Grid (Captive Power Plants) Levy	105,000.000	14,000.000	15,736.000
C03924	Climate Support Levy	-	48,000.000	50,000.000
	Total Revenue (other than FBR)	**5,147,089.506**	**5,093,364.394**	**5,335,598.000**
	Total Revenue (including FBR)	**19,278,089.506**	**18,076,364.394**	**20,599,598.000**
	Less Prov share in Federal Taxes	8,205,723.051	7,591,797.020	8,848,492.864
	Net Federal Revenue Receipts	**11,072,366.455**	**10,484,567.374**	**11,751,105.136**

Chapter 3
Tax Revenue Receipts

3.1 FBR TAXES

3.1.1 FBR FBR collect Federal Revenues under two board categories i.e. Inland Revenues and Customs Duty. Inland Revenues has two main categories namely:

(a) Direct Taxes, namely Income Tax, Workers Welfare Fund (WWF), Workers Profit Participation Fund (WPPF) and Capital Value Tax (CVT),

(b) Indirect Taxes, namely Sales Tax (ST) and Federal Excise Duty (FED).

The Sales Tax is sub-divided into Sales Tax (Goods) and Sales Tax (Services, ICT only). Customs Duty is by definition an Indirect Tax/Indirect Federal Receipt. The following Table-3 shows the budget and revise revenue estimates for FY 2025-26 and budget estimates for FY 2026-27.

Table 3

Estimates of FBR Taxes

(Rs. in Million)

Object Code	Description	2025-26 Budget	2025-26 Revised	2026-27 Budget
B01	Direct Taxes	6,902,000.00	6,431,754.00	7,613,000.00
B023	Sales Tax	4,753,000.00	4,333,908.00	4,927,000.00
B024-25	Federal Excise	888,000.000	851,291.000	1,073,000.00
B020-22	Customs Duties	1,588,000.000	1,366,047.000	1,651,000.000
Total		**14,131,000.000**	**12,983,000.000**	**15,264,000.000**

3.1.2 Detailed analysis of individual taxes/duties are highlighted below:

3.1.3 DIRECT TAXES

3.1.3.1 The revenue collection of Direct Taxes for July-March 2025-26 stood at Rs.4,637.76 billion with growth of 12.4%. The revised target of Direct Taxes for FY 2025-26 has been estimated at Rs. 6,431.754 billion. The target for FY 2026-27 has been estimated at Rs. 8,037.962 billion.

3.1.3.2 The Workers Welfare Fund (WWF) and Workers Profit Participation Fund (WPPF) are also collected by field formations of Inland Revenue. The revised budget estimates for WWF and WPPF for FY 2025-26 is Rs.8.453 billion and Rs.72.211 billion, respectively, while for CVT it is Rs.19.606 billion. The target of WWF, WPPF and CVT for the FY 2026-27 has been estimated as Rs. 23.564 billion, Rs.88.245 billion and Rs.28.065 billion, respectively.

3.1.3.3 The Budget Estimates and Revised Estimates FY 2025-26 and Budget Estimates for 2026-27, on account of Direct Taxes are tabulated hereunder in Table 4:

Table 4

DIRECT TAXES

(Rs. in Million)

Object Code	Description	2025-26 Budget	2025-26 Revised	2026-27 Budget
B011	Income Tax	6,811,243.000	6,331,484.000	7,480,521.000
B01501	Ordinary Collection (WWF)	25,740.000	8,453.000	22,318.000
B01502	Contribution under Companies Profit (WPPF)	47,825.000	72,211.000	83,580.000
B017-18	Capital Value Tax (CVT)	17,192.000	19,606.000	26,581.000
TOTAL		**6,902,000.000**	**6,431,754.000**	**7,613,000.000**

3.1.4 Sales Tax

3.1.4.1 The revenue collection of Sales Tax for July-March FY 2025-26 stood at Rs. 3,104.51 billion as against Rs. 2,860.74 billion in the corresponding period of the last financial year showing an increase of 8.5%. The revised target for FY 2025-26 is estimated at Rs. 4,333.908 billion. The target for FY 2026-27 has been estimated at Rs. 4,927.0 billion. Details are given in table 5:

Table 5

Sales Tax

(Rs. in Million)

Object Code	Description	2025-26 Budget	2025-26 Revised	2026-27 Budget
B023	Sales Tax (Goods)	4,737,688.000	4,316,625.000	4,908,935.000
	Services Tax on Services (ICT)	15,312.000	17,283.000	18,065.000
Total		**4,753,000.000**	**4,333,908.000**	**4,927,000.000**

3.1.5 Federal Excise Duty

3.1.5.1 The revenue collection of FED for July-March FY 2025-26 remained at Rs. 608.52 billion as against Rs. 537.03 billion in the corresting period of the last financial year showing a growth of 13.3%. The revised budget estimates for FY 2025-26 is projected at Rs. 851.291 billion. The target for FY 2026-27 has been estimated at Rs.1,073.0 billion. Details are given in table 6:

Table 6

Federal Excise Duty

(Rs. in Million)

Object Code	Description	2025-26 Budget	2025-26 Revised	2026-27 Budget
B024	Beverage & Beverage Concentrate	166,134.000	83,005.000	103,967.000
	Cement	194,365.000	163,648.000	204,977.000
	Cigarettes & Tobacco	169,600.000	136,498.000	170,971.000
	Natural Gas	10,618.000	6,383.000	6,315.000
	POL products	14,217.000	18,271.000	22,886.000
	Imported Goods	110,105.000	157,931.000	197,817.000
	Total Services	163,661.000	234,750.000	294,036.000
	Sub-Total	**828,700.000**	**800,486.000**	**1,000,969.000**
	Other Items	59,300.000	50,805.000	72,031.000
B024	**Gross-Total**	**888,000.000**	**851,291.000**	**1,073,000.000**

3.1.6 Customs Duty

3.1.6.1 The revenue collection of Customs Duty for July-March FY 2025-26,stood at Rs.956.07 billion showing an increase of 3.1% as compared to the corresponding period of FY 2024-25.The revised budget estimates for FY 2025-26 is projected at Rs. 1,366.047 billion. The target for FY 2026-27 has been estimated at Rs. 1,651.0 billion.

3.1.6.2 A summary of projection of Customs Duty target including the projection of collection from major revenue spinners during FY 2025-26 and FY 2026-27 is given at Table 7:

Federal Budget 2026-27

At A Glance

Table-1 presents position of overall Resources and Expenditure for FY 2026-27

Table

(Rs. in Billion)

RESOURCES		EXPENDITURE	
Tax Revenue (FBR) – Federal Consolidated Fund	15,264	**A. Current**	17,495
Non-Tax Revenue	5,336	Interest Payments	8,054
a) Gross Revenue Receipts	20,600	Pension	1,169
b) Less Provincial Share	8,848	Defence Affairs & Services	3,000
I. Net Revenue Receipts (a-b)	11,751	Grants and Transfers to Provinces & Others	2,680
II. Non-Bank Borrowing (NSSs & Others) - Public Account	2,034	Subsidies	1,091
III. Net External Receipts - Fed. Consolidated Fund	813	Running of Civil Govt.	1,071
IV. Bank Borrowing (T-Bills, PIBs, Sukuk) - Fed. Consolidated Fund	4,012	Provision for Emergency and others	430
V. Privatization Proceeds - Fed. Consolidated Fund	161	**B. Development & Net Lending**	**1,276**
Total (II + III + IV + V)	**7,020**	Federal PSDP	1,000
		Net Lending	276
TOTAL RESOURCES (I to V)	**18,771**	**TOTAL EXPENDITURE (A+B)**	**18,771**

[2026 ITB 6]

Economic Survey
Budget Highlights 2025-26
(relevant extracts)

"Executive Summary of Chapters

Global Economic Situation:

Global economic growth is estimated at 3.4 percent in 2025 and is projected to moderate to 3.1 percent in 2026.

Global inflation is recorded at 4.1 percent in 2025 and is expected to rise to 4.4 percent in 2026, owing to higher expected energy and food prices.

According to the IMF, the global trade volume of goods and services expanded by 5.1 percent in 2025 but is projected to slow to 2.8 percent in 2026, reflecting an expected decline in both goods and services exports.

Middle East conflict increased energy market uncertainty and weakend the global outlook in early 2026.

Growth and Investment:

Pakistan's Real GDP recorded a growth of 3.70 percent in FY 2026, reflecting continued macroeconomic stabilization and recovery across key sectors of the economy.

Inflation remained contained during FY 2026. Average CPI inflation during July–April FY 2026 stood at 6.19 percent compared to 4.73 percent in the corresponding period last year. On year-on-year basis, CPI inflation was recorded at 10.89 percent in April 2026 compared to 0.28 percent in April 2025.

GDP at current market prices increased to Rs 126,870 billion in FY 2026 from Rs 114,039 billion in FY 2025, registering an increase of around 11.25 percent.

Per capita income increased to US $ 1,901 in FY 2026 from US $ 1,751 in FY 2025, reflecting improved economic activity and income growth.

The investment-to-GDP ratio was recorded at 14.38 percent in FY 2026 compared to 14.42 percent in FY 2025.

The national saving-to-GDP ratio stood at 14.13 percent in FY 2026 compared to 14.87 percent in FY 2025, while domestic saving was recorded at 7.03 percent of GDP.

The agriculture sector grew by 2.89 percent in FY 2026, primarily driven by growth in livestock and supported by positive contributions from crops.

The industrial sector recorded growth of 3.51 percent in FY 2026, reflecting improved performance in manufacturing, construction, and mining & quarrying activities.

The services sector expanded by 4.09 percent in FY 2026, maintaining its position as the largest contributor to overall GDP growth.

03 of 2026 20-06-2026

Agriculture:

Pakistan's agriculture sector grew by 2.89 percent in 2025-26, driven mainly by improved crop production and stronger livestock performance.

Despite the growth momentum, agriculture's share in GDP slightly declined to 23.44 percent in 2025-26, compared to 23.62 percent in 2024-25.

Important crops grew by 0.65 percent due to positive growth in production of sugarcane (6.2 %), wheat (4.3 %) and rice (2.8 %) more than offset the decline in production of cotton (-0.5 %) and maize (-2.7 %)

Wheat production was recorded at 29.61 million tonnes, sugarcane 89.45 million tonnes, rice at 9.99 million tonnes, cotton 7.05 million bales, and maize 8.79 million tonne.

Other crops recorded a growth of 2.43 percent, supported by substantial increases in production of pulses (31.4 %), vegetables (12.6 %) and fruits (2.8 %).

Cotton ginning & miscellaneous component has registered a modest growth of 0.07 percent because of low cotton production.

The livestock sector, contributing 62.45 percent to agriculture and 14.64 percent to Pakistan's GDP, grew by 3.75 percent in 2025-26, up from 2.95 percent the previous year.

The forestry sector recorded a growth of 2.02 percent, maintaining a steady contribution of 2.26 percent to agriculture and 0.53 percent to GDP.

The fisheries sector grew by 1.66 percent, improving from 1.43 percent last year, with a sectoral share of 1.29 percent in agriculture and 0.30 percent in GDP.

Manufacturing and Mining:

The manufacturing sector exhibited strong performance in FY 2026, posting growth of 6.6 percent compared to 2.0 percent last year. This improvement was primarily driven by a rebound in LSM, which grew by 6.1 percent with Small-Scale Manufacturing at 8.5 percent, and slaughtering at 6.2 percent.

Based on QIM, LSM grew by 6.5 percent during July-March FY 2026 against a contraction of 1.9 percent same period last year. On YoY basis, LSM posted a growth of 11.1 percent in March 2026, against the contraction of 2.4 percent in March 2025.

This revival was supported by favourable macro-economic conditions, stable exchange rate, contained inflationary pressures, improved input situation and relatively easing monetary policy.

Out of 22 sectors, 16 recorded a positive growth including Food, Textiles, Wearing Apparel, Coke & Petroleum Products, Non Metallic Mineral Products, Automobiles, Beverages and Electrical Equipment.

The Mining and Quarrying sector marginally grew by 0.4 percent in FY 2026, after four consecutive years of contraction.

Significant growth was recorded in the extraction of magnesite (164.8 percent), rock salt (109.9 percent), gypsum (67.0 percent), iron ore (41.5 percent), ocher (31.7 percent), limestone (25.1 percent) and coal (6.5 percent) during July-March FY 2026.

On the other hand, production of sulphur declined by 68.0 percent, followed by chromite (51.3 percent), soap stone (24.7 percent), barytes (20.7 percent), natural gas (3.7 percent) and crude oil (0.6 percent).

Fiscal Development:

Fiscal consolidation remained firmly on track during FY 2026, supported by improved revenue mobilization, higher non-tax receipts, prudent expenditure management and lower markup payments.

During July-March FY 2026, the fiscal deficit narrowed significantly to Rs. 856.4 billion, or 0.7 percent of GDP, compared with Rs. 2,970.0 billion, or 2.6 percent of GDP, during the same period last year. The primary surplus increased to Rs. 4,091.5 billion, or 3.2 percent of GDP, compared with Rs. 3,468.7 billion, or 3.0 percent of GDP, in the corresponding period of FY 2025.

Total expenditure declined by 4.2 percent to Rs. 15,655.6 billion, reflecting expenditure control and lower markup payments. Current expenditure decreased by 2.2 percent to Rs. 14,267.4 billion, while markup payments declined by 23.2 percent to Rs. 4,947.9 billion, due to lower domestic interest rates and improved debt management. Development expenditure and net lending increased by 18.7 percent to Rs. 1,831.8 billion, while PSDP spending rose by 26.8 percent to Rs. 1,947.1 billion, indicating continued support for development priorities.

Total revenues increased by 10.7 percent to Rs. 14,799.3 billion. Tax revenues grew by 11.3 percent to Rs. 10,166.6 billion, while non-tax revenues increased by 9.5 percent to Rs. 4,632.7 billion. FBR tax collection rose by 10.1 percent to Rs. 9,305.9 billion, while provincial tax revenues increased by 25.8 percent to Rs. 860.7 billion.

Overall, fiscal performance remains encouraging, supported by expenditure control, revenue mobilization, provincial surpluses, and ongoing fiscal reforms aimed at strengthening sustainability and creating fiscal space for inclusive growth.

Money and Credit:

A prudent and calibrated monetary policy remained instrumental in sustaining economic recovery, anchoring inflation expectations, and supporting financial and external sector stability during FY 2026.

During July-March FY 2026, Broad Money (M2) shows growth of 6.8 percent (Rs 2,740.6 billion) as compared growth of 4.5 percent (Rs 1,604.1 billion) in last year.

During July-March FY 2026, Net Foreign Assets (NFA) of the banking system increased by Rs 816.7 billion as compared an increase of Rs 1,162.7 billion in last year.

During July-March FY2026, Net Domestic Assets (NDA) of the banking system increased by Rs 1,924.0 billion as compared Rs 441.4 billion in last year.

During July-March FY2026, government borrowing for budgetary support stood at Rs 850.6 billion as compared to an increase of Rs 1,320.9 billion in last year.

During July-March FY 2026, Private Sector has borrowed Rs 934.1 billion as compared borrowing of Rs 767.6 billion in last year.

Capital Markets and Corporate Sector:

Between July and March FY 2026, Pakistan's stock market, along with major global markets such as the US, France, and China, demonstrated positive performance. However, India's Bombay Sensex 30 index registered a decline.

The KSE-100 index recorded significant growth of 18.4 percent, climbing from 125,627 to 148,743 points.

Market capitalization of PSX stood at Rs 15,237 billion on June 30, 2025, and closed at Rs 16,534 billion on March 31, 2026, reflecting a 8.5 percent increase (around Rs 1,297.5 billion).

As of March 31, 2026, the number of registered companies at PSX stood at 536. During July-March FY 2026, 06 new companies were registered at PSX.

The National Savings Schemes, including, recorded an inflow of Rs 226.69 billion during July-March FY 2026, compared to an inflow of Rs 171.3 billion during July-March FY 2025.

During July-March FY 2026, 31,986 companies were incorporated with a capitalization of Rs 67 billion. Most companies were registered in the Information Technology (5,062), Trading (4,685), and Services (3,963) sectors.

During the period PMEX trading activity reached over 11.8 million lots, compared to more than 5.8 million lots in the corresponding period of FY 2025. The total traded value stood at Rs. 9,238 billion, up from Rs. 6,538 billion in the same period last year, representing increases of 103 percent in trading volume and 41 percent in traded value.

Inflation:

The sharp rise in international crude oil prices led to an increase in domestic petroleum prices, contributing to inflation reaching 10.9 percent in April 2026 compared to 0.3 percent in the same month last year.

The headline CPI national inflation, averaged at 6.2 percent during July-April, FY 2026 against 4.7 percent in the comparable period last year.

The Urban food inflation during July-April, FY 2026, is recorded at 3.6 percent and non-food 8.0 percent as against 1.1 percent and 9.1 percent in the corresponding period last year.

The Rural food inflation during July-April, FY 2026, is recorded at 4.7 percent and non-food increase by 7.4 percent as against -1.5 percent and 8.3 percent in the corresponding period last year.

Urban and Rural Core inflation during July-April, FY 2026, stood at 7.2 percent and 8.2 percent respectively against 8.8 percent and 11.6 percent last year.

WPI during July-April, FY 2026 has recorded an increase of 2.3 percent against the 2.2 percent last year.

SPI stood at 4.1 percent during July-April, FY 2026 against the 4.9 percent last year.

Government has adopted a coordinated policy approach comprising prudent monetary and fiscal measures, strengthened market monitoring, improved supply of essential commodities, rationalized import duties, and exchange rate stabilization efforts to contain inflationary pressures and reduce the impact of external shocks.

Trade and Payments:

The Current Account posted a surplus of US $ 72 million during July–March FY 2026, compared to a surplus of US $ 1.7 billion in the same period last year.

The trade balance in goods stood at a deficit of US $ 27.9 billion against US $ 22.7 billion last year, driven by a 6.9 percent rise in imports as domestic economic activity picked up.

The services trade account deficit narrowed to US $ 2.1 billion from US $ 2.3 billion last year, driven by higher export growth, mainly a 19.8 percent increase in IT exports.

The primary income account deficit declined by US $ 364 million to US $ 6.4 billion, on account of lower interest payments.

Remittances showed sustained growth of 8.2 percent, reaching a high of U$ $ 30.3 billion.

The Financial Account recorded a net inflow of US $ 194 million, reversing from a net outflow of US $ 1.0 billion last year, due to higher official loan disbursement.

Foreign exchange reserves rose to US $ 22.6 billion by 15th May 2026, with SBP reserves at US $ 17.1 billion and commercial banks' reserves at US $ 5.5. billion.

The exchange rate remained broadly stable (average exchange rate for July-March FY 2026: Rs 281.1/US $), contributing to external-sector confidence.

Public Debt:

Total public debt stood at Rs 83,285 billion by end-March 2026, with domestic debt at Rs 57,566 billion and external debt at Rs 25,720 billion.

During July–March FY 2026, interest expense on public debt totaled Rs 4,947 billion, comprising Rs 4,287 billion on domestic debt and Rs 660 billion on external debt.

Fiscal deficit financing was fully met through domestic borrowing sources, with the government primarily relying on medium- to long-term instruments such as PIBs and Government Ijarah Sukuk.

Under strategic Liability Management Operations, the government conducted buybacks of approximately Rs 2.1 trillion worth of government debt securities to rationalize debt servicing cost.

To cater to institutional investor demand, the government introduced a 15-year zero-coupon Pakistan Investment Bond, successfully raising Rs 263 billion on realized value basis.

The government expanded Shariah-compliant financing options through the introduction of a 10-year zero-coupon fixed-rate Sukuk instrument.

During July–March FY 2026, the government raised approximately Rs 2.25 trillion through Shariah-compliant Sukuk issuances.

External budgetary disbursements were recorded at US $ 6.1 billion, including US $ 2.7 billion from multilateral sources, US $ 1.1 billion from bilateral development partners, US $ 2.0 billion from Naya Pakistan Certificates, and US $ 0.2 billion from commercial banks.

The government received US $ 1.2 billion under the IMF's Extended Fund Facility during July–March FY 2026.

Education:

The 2025 Population and Housing Census recorded Pakistan's literacy rate at 63.0 percent, with male demonstrating higher literacy at 73.0 percent than females at 54.0 percent.

Area-wise analysis suggests that the literacy rate in urban areas is significantly higher recorded at 74.0 percent compared to 55.0 percent in rural areas. Among the provinces, Punjab has registered the highest literacy rate (68.0%), followed by Sindh (58.0%), Khyber Pakhtunkhwa (58.0%) and Balochistan (49.0%).

Out of School Children (OOSC) in Pakistan have declined from 38 percent in 2023 (Male: 35%, Female: 42%) to 28 percent in 2025 (Male: 25%, Female: 31%), demonstrating significant progress across all provinces particularly in Balochistan where the number decreased from 69 percent to 45 percent, followed by Sindh (47% to 39%), Punjab (32% to 21%), and Khyber Pakhtunkhwa (30% to 28%).

During FY 2025, the Government has allocated Rs. 34.905 billion to Higher Education Commission for implementation of 147 development projects (129 on-going, 12 new, 06 previous PSDP) of Public Sector universities and HEC.

As of April 2026, thePM's laptop scheme has provided 74,427 devices to 407,713 students across 156 higher education institutions in Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, Federal Territory, Azad Jammu and Kashmir, and Gilgit-Baltistan, with 54 percent female participation

Education expenditures by the federal and provincial governments stood at Rs 962.0 billion during FY 2025, representing 0.8 percent of GDP.

Health and Nutrition:

The government is committed to Universal Health coverage and aims to achieve the Agenda 2030 of SDG. The total public health expenditure during FY 2025 amounted to Rs 942.2 billion (0.8% of GDP) against Rs 924.9 billion last year. A total of Rs19,375.8 million was allocated to the health sector projects in PSDP for FY 2026.

The M/oNHSR&C, draft National Health and Population policy (2026-35) provides a unified national framework to guide health and population at federal and provincial level.

The government has strengthened its efforts to combat malnutrition through the National Multisectoral Nutrition Programme, Benazir Nashonuma Programme, and Pak-Korea Nutrition Center by expanding nutrition services, and digital monitoring systems.

Pakistan Atomic Energy Commission (PAEC) has carried out over 1.0 million procedures annually in radiotherapy, radiology and nuclear medicine departments and over 2.0 million in pathology department of AECHs.

As per drug seizure data for July-March FY2026, a total of 1,489 FIRs were registered and 1,729 accused were arrested under conviction rate of 78%. Moreover, seven Model Addiction Treatment and Rehabilitation Centers (MATRC) treated 2,024 patients in the above period.

NDMA strengthened its gender-responsive and inclusive disaster preparedness through health, education, social protection, and climate change. These included Minimum Initial Service Package (MISP) and Gender-Based Violence in Emergencies (GBViE). Whereas 2,645 girls guide were trained under Disaster Risk Reduction (DRR) badge initiative till March 2026.

Population, Labour Force and Employment:

According to the National Institute of Population Studies, Training & Research, the estimated population of Pakistan in 2025 is 252.09 million, with a 2.07 percent population growth rate.

In 2025, male population is129.64 million while female population is 122.45 million.

The population of Punjab stands at 133.36 million, followed by Sindh with 58.27 million, Khyber Pakhtunkhwa with 42.68 million, and Balochistan with 15.22 million.

According to the latest Labour Force Survey (LFS) 2024-25, the total Labourforce is 83.14 million out of which 77.2 million employed and 5.90 million unemployed.

Under Prime Minter Youth Skill Development Programme a total of 90,550 trainings have been delivered across multiple sectors in FY 2026.

Under Prime Minister's Youth Business and Agriculture Loan Scheme (PMYB&ALS) loans amounting to Rs. 58 billion were disbursed into 114,815 beneficiaries during July-February FY 2026.

Under Prime Minister's Youth Laptop Scheme, A total of 72,000 laptops were distributed on merit from July-March FY 2026.

During 2025, the Bureau of Emigration and the Overseas Employment (BE&OE) registered 762,499 workers for overseas employment.

The Ministry of Overseas Pakistanis & Human Resources Development issued 75 new licenses to Overseas Employment Promoters (OEPs), bringing the total number of operational license holders to 2,697 in July-March FY 2026.

Transport and Communication:

Under PSDP FY 2026, an allocation of Rs. 226.98 billion has been made for 71 NHA projects, including Rs. 224.83 billion for ongoing schemes and Rs. 2.15 billion for new projects. The NHA network currently comprises 48 national highways, motorways, and strategic roads spanning 14,480 km.

Pakistan Railways operates a network of 444 locomotives over a route length of 7,791 km and generated gross earnings of Rs. 63.56 billion during July–March FY 2026, compared to Rs. 65.17 billion in the corresponding period last year.

Pakistan International Airlines (PIA) recorded net revenue of Rs. 211.7 billion during CY2025, while operating expenditures increased by 1.8 percent to Rs. 198.3 billion.

Pakistan National Shipping Corporation (PNSC), with a fleet of 13 vessels and cargo carrying capacity of 996,683 DWT, reported a profit before tax of Rs. 7.99 billion during July–March FY 2026.

Port activity showed positive momentum during the period under review. Karachi Port handled 42.03 million tonnes of cargo and container traffic during July–March FY 2026, while Port Qasim recorded an 8 percent increase in cargo throughput.

Pakistan's electronic media network comprises 142 satellite television channels and 28 foreign channels operating under landing rights. During July–March FY 2026, PEMRA contributed Rs. 1.1 billion to the national exchequer.

For FY 2026, Rs. 6.27 billion was allocated to PBC for operational expenditures, of which approximately Rs. 4.6 billion had been released by end-March 2026.

Energy:

Pakistan's total installed electricity capacity is 49,651 MW, comprising hydel (23.4%), thermal (49.2%), nuclear (7.1%), and renewables (20.3%).

During July-March FY 2026, electricity generation totaled 92,835 GWh: hydel (30.1%), thermal (46.9%), nuclear (18.5%), and renewables (4.5%).

Electricity consumption stood at 83,143 GWh, with households using 47.4 percent, industrial 31.5 percent, agriculture 3.1 percent, and commercial 8.4 percent.

Six nuclear power plants, with 3,530 MW capacity, supplied 17,137 million units during July-March FY 2026.

Petroleum product demand rose 3.5 percent during July-March FY 2026, with the transport sector consuming 82.5 percent of total demand.

Petroleum imports increased to 13,641.7 thousand tonnes during July-March FY 2026, from 13,174.7 thousand tonnes in the same period last year.

Natural Gas and RLNG consumption was 2,316 MMCFD and 613 MMCFD, respectively, during July-March FY 2026, compared to 2,345 MMCFD and 798 MMCFD during the same period last year.

Coal consumption during July-March FY 2026 increased to 21.41 million tonnes, from 16.17 million tonnes in the same period last year.

Information Technology and Telecommunication:

The Information and Communication Technology (ICT) industry has achieved a trade surplus of US $ 2.9 billion (2,911 million), representing 86 percent of total ICT export remittances during July-March FY 2026.

Information and Communication Technology (ICT) export remittances surged 19.7 percent, reaching US $ 3.38 billion (3,388 million) during July-March FY 2026, compared to US $ 2.8 billion (2,829 million) achieved during the corresponding period last year.

Tech Freelancer exports, included in the ICT services remittances inflow, surged to US $ 856.3 million during July-March FY 2026 compared to US $ 567.5 million during the corresponding period last year, an increase of 51 percent.

During July-March FY 2026, overall number of trainings that DigiSkills.pk has conducted is more than 5.14 million, comprising 70 percent males and 30 percent females.

PTA conducted its 5G spectrum auction on 10th March 2026, generating approximately US $509.6 million (approximately Rs 142.6 Billion) in revenue from the sale of radio frequency spectrum licenses to telecom operators.

During July – March FY 2026, telecom sector showed resilience, expanding its services and generating telecom revenues of Rs. 837 billion.

In March 2026, the total telecom subscriptions (Mobile and Fixed) reached 207.22 million and total teledensity in the country reached 82.6 percent.

Telecom sector also contributed substantial Rs 285 billion to the national exchequer in terms of taxes and duties during July –March FY 2026.

Social Protection:

Poverty & Inequality

Pakistan's poverty declined over the long term, from 50.4 percent in 2005-06 to 21.9 percent in 2018-19, before rising to 28.9 percent in 2024-25.

Rural poverty stood at 36.2 percent, while urban poverty was 17.4 percent.

The national Gini coefficient rose from 28.4 to 32.7, indicating increased inequality between 2018-19 and 2024-25.

Despite higher consumption-based poverty, several social indicators improved between 2018-19 and 2024-25, including school attendance, literacy, internet access, immunization, sanitation, and clean fuel use.

Pro-Poor Expenditures

Pro-poor expenditure reached Rs 4.66 trillion during July-March FY 2026, compared to Rs 4.25 trillion last year.

Social Security and Welfare increased to Rs 822.21 billion, while disaster-related spending rose sharply to Rs 224.92 billion.

BISP

BISP allocation stood at Rs 722.49 billion in FY 2026. During July-March FY 2026, amount released/ disbursement stood at Rs 540.27 billion.

Social Protection Wallets advanced digital payments, with 7.3 million SIMs distributed and 6.5 million MSISDNs shared.

Other Social Protection

PPAF disbursed Rs 2.75 billion and extended 101,188 interest-free loans worth Rs 5.96 billion.

PBM disbursed Rs 6.56 billion, while Zakat releases stood at Rs 11.77 billion.

EOBI collected Rs 63.15 billion and disbursed Rs 54.29 billion in pensions.

WWF supported marriage grants, death grants, Hajj, and scholarships worth Rs 6.83 billion.

Micro-credit stood at Rs 739.08 billion, with 7.54 million active borrowers.

Note: Poverty and inequality figures are based on HIES 2024-25. Most programme figures cover July-March FY 2026

Climate Change:

2025 ranked as Pakistan's second warmest year in the past 65 years, with a national annual mean temperature of 23.9 °C and rainfall 3 percent below the average.

IMF Resilience and Sustainability Facility (RSF) progress with completion of four key reforms: Introduction of carbon levy, Adaptation electric vehicle policy framework, Issuance of climate-related financial risk management guidelines and Operationalization of green taxonomy & ESG disclosure guidelines.

Pakistan Climate Prosperity Plan (CPP), a flagship investment-led framework launched to transform climate challenges into opportunities for sustainable economic growth, resilience and prosperity.

Pakistan Green Taxonomy (PGT) being implemented starting voluntarily reporting of climate related risks, opportunities and taxonomy-aligned activity data until June 2029 before a three-phase mandatory rollout.

Pakistan's Monsoon 2026 Strategic Plan approved, constitutes a time bound, anticipatory climate adaptation framework aimed at reducing recurrent flood-related losses using risk-informed approach.

Green Climate Fund Regional Programme Glaciers to Farms (G2F) has been approved, with allocation of US $ 27.5 million.

Climate and Disaster Resilience Enhancement Programme (CDREP)–Subprogram II, with allocation of US $ 500 million is currently under implementation.
