

Chapter / Part	Division	Clause	THE FIRST SCHEDULE Gazette Finance Act 2021 New / inserted Omitted and deleted <u>Substituted</u>
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DIVISION III
Rate of Dividend Tax

The rate of tax imposed under section 5 on dividend received from a company shall be-

- (a) 7.5% in the case of dividends paid by Independent Power Producers where such dividend is a pass through item under an Implementation Agreement or Power Purchase Agreement or Energy Purchase Agreement and is required to be re-imbursed by Central Power Purchasing (CPPA-G) or its predecessor or successor entity.
- (b) 15% in mutual funds, Real Estate Investment Trust and cases other than those mentioned in clauses (a) and (c).
- (c) 25% in case of a person receiving dividend from a company where no tax payable by such company, due to exemption of income or carry forward of business losses under Part VIII of Chapter III or claim of tax credits under Part X of Chapter III.

I	VIII		CAPITAL GAINS ON DISPOSAL OF IMMOVABLE PROPERTY
			The rate of tax to be paid under sub-section (1A) of section 37 shall be ¹ five percent as follows:-
S.No	Period	Rate of Tax	
(1)	(2)	(3)	
1	Where the gain does not exceed Rs. 5 million	3.5% 2.5%	
2	Where the gain exceeds Rs. 5 million but does not exceed Rs. 10 million	7.5% 5%	
3	Where the gain exceeds Rs. 10 million but does not exceed Rs. 15 million	10% 7.5%	
4	Where the gain exceeds Rs. 15 million	15% 10%; and	

¹ Table restore omitted in Finance bill 2021-22 and increase in tax rate

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III			DEDUCTION OF TAX AT SOURCE (See Division III of Part V of Chapter X)
	I		Advance Tax on Dividend
			The rate of tax to be deducted under section 150 and 236S shall be— (b) 15% in mutual funds, <u>Real Estate Investment Trusts</u> and cases other than those mentioned in clauses (a) and (ba); and
	II		Payments to non-residents
		(3A)	The rate of tax to be deducted under sub-section (1D) <u>and (1DA)</u> of section 152 shall be 10% of the amount of capital gain.
		(5)	The rate of tax to be deducted from a payment referred to in clause (b) of sub-section (2A) of section 152 shall be— (i) 3% of the gross amount payable, in the cases of transport services, freight forwarding services, air cargo services, courier services, manpower outsourcing services, hotel services, security guard services, software development services, IT services and IT enabled services as defined in <u>clause(133) of Part I of the Second Schedule section 2</u> , tracking services, advertising services (other than by print or electronic media), share registrar services, engineering services, car rental services, building maintenance services, services rendered of Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited inspection and certification, testing and training services <u>oilfields services</u> ;

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III	III		Payments for Goods or Services
		(1)	<p>The rate of tax to be deducted from a payment referred to in clause (a) of sub-section (1) of section 153 shall be -</p> <p>(a) in the case of the sale of rice, cotton seed or edible oils, 1.5% of the gross amount payable; or:</p> <p>Explanation.— For removal of doubt, it is clarified that "cotton seed and edible oils" means cotton seed oil and edible oils;</p> <p><u>(ab) in the case of supplies made by the distributor of fast moving consumer goods,—</u> <u>(i) in case of a company, 2% of the gross amount payable; and</u> <u>(ii) in any other case, 2.5% of the gross amount payable.</u></p> <p>(b) in the case of sale of goods 6[including toll manufacturing,— (i) in case of a company, 4% of the gross amount payable,; and (ii) in any other case, 4.5% of the gross amount payable,</p>
		(2)	<p>The rate of tax to be deducted from a payment referred to in clause (b) of sub-section (1) of section 153 shall be</p> <p>(i) 3% of the gross amount payable, in the cases of transport services, freight forwarding services, air cargo services, courier services, manpower outsourcing services, hotel services, security guard services, software development services, IT services and IT enabled services as defined in <u>clause (133) of Part I of the Second Schedule</u>, <u>section 2 65F</u> tracking services, advertising services (other than by print or electronic media), share registrar services, engineering services including architectural services, warehousing services, services rendered by asset management companies, data services provided under licence issued by the Pakistan Telecommunication Authority, telecommunication infrastructure (tower) services, car rental services, building maintenance services, services rendered by Pakistan Stock Exchange Limited and Pakistan Mercantile Exchange Limited inspection, certification, testing and training services , <u>oilfield services, telecommunication services, warehousing services</u>, collateral management services, travel and tour services;</p> <p>Explanation:-- The tax rate under this sub-paragraph shall be applicable only to a service provider whose services are subjected to withholding tax on gross receipts and the service provider has not agitated taxation of gross receipts before any court of law.;</p>

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		(3)	<p>The rate of tax to be deducted from a payment referred to in clause (c) of sub-section (1) of section 153 shall be</p> <p>(i) 10% of the gross amount payable in case of sportspersons;</p> <p>(ii) in case of a company, 7% 6.5% of the gross amount payable ; and</p> <p>(iii) in any other case, 7.5% 7% of the gross amount payable.</p>
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