AdTaxify

WITHHOLDING INCOME TAX RATES CARD | TAX YEAR 2027

Applicable from July 01, 2026 to June 30, 2027 vide the Finance Act, 2026

WHAT THIS DOCUMENT AIMS AT?

This document aims to **summarize the tax law on withholding tax and treatment thereof**, taking into account the proposed amendments **vide the Finance Bill, 2026**. If approved, these tax rates & treatments are to be effective **from July 01, 2026**, i.e., for the **Tax Year 2027**. The information summarized herein is general and based on our interpretation of law. This information does not constitute any opinion or advice and may also not be acceptable to taxation authorities in a particular case. Tax laws are subject to change from time to time and we do neither warrant at any time the currency of the above details nor accept any responsibility to update the same.

IMPORTS | *Sec 148 & Part II First Schedule*

Activity	Importer Category	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Goods as per Part I of the Twelfth Schedule	All	1%	2%	**Advance Tax** for *Industrial Undertaking* importing goods other than Edible oil, Packing material, Paper and Paper-board or Plastics
Goods as per Part II of the Twelfth Schedule	Comm. Importers	3.5%	7%	
	Others	2%	4%	
Goods as per Part III of the Twelfth Schedule	Commer. Importers	6%	12%	
	Others	5.5%	11%	
Goods mentioned in SRO 1125(I)/2011	Manu-facturers	1%	2%	
Medicines not manufactured locally as certified by DRAP	All	4%	8%	
CKD Kits for EVs (small cars/ SUVs)/ LCVs with battery up to 50kWh/ 150kWh respectively	All	1%	2 %	**Minimum Tax** for *All Other Cases*

Note: Tax u/s 148 is not applicable where the payment for imported goods has been subjected to Digital Presence Proceeds Levy.

IMPORT OF MOBILE PHONES | *Sec148 & Part II of First Sch.*

C&F Value (USD)	CBU	CKD/ SKD	Nature of Tax
Up to 30, except smartphone	Rs. 70	NIL	**Adv. Tax** for *Industrial Undertaking*
From 31 to 100	Rs. 100	NIL	
From 101 to 200	Rs. 930	NIL	
From 201 to 350	Rs. 970	NIL	**Min. Tax** for *All Other Cases*
From 351 to 500	Rs. 5,000	Rs. 3,000	
Above 500	Rs. 11,500	Rs. 5,200	

Note: Advance tax is to be increased by 100% for non-filers

SALARY | *Sec 149, 149(1A) Div. I Part I First Schedule*

Taxable Salary From	Taxable Salary To	Rate of Tax		
Up to 600,000		0%		
600,001	1,200,000	1% on > Rs.0.6M		
1,200,001	2,200,000	6,000	PLUS	11% on >Rs.1.2M
2,200,001	3,200,000	116,000	PLUS	20% on > Rs.2.2M
3,200,001	4,100,000	316,000	PLUS	25% on > Rs.3.2M
4,100,000	5,600,000	541,000	PLUS	29% on > Rs.4.1M
5,600,001	7,000,000	976,000	PLUS	32% on > Rs.5.6M
Above 7,000,000		1,424,000	PLUS	35% on > Rs.7M
Pension | Where age is below 70 years and amount > Rs. 10M		5%		
Directorship fee		20%		

Activity			Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
DIVIDEND | *Sec 150, Div. I Pt. III 1st Sch. & Cl. 18C Pt. II & Cl. 11B Pt. IV 2nd Sch.*					
Paid by IPPs, when it is a pass-through item to be reimbursed by CPPAG			7.5%	15%	Final Tax
Attributable to income from biomass & bagasse-based power projects					
From companies availing exemption or benefits from carried-forward business losses & tax credits			25%	50%	
From mutual funds (Proportional income basis from avg. annual investments in debt securities & equities)	Debt funds	Received by Company	29%	58%	
		Other Recipients	25%	50%	
	Equity funds		15%	30%	
Received from REITs & other cases			15%	30%	
Dividend in specie			15%	30%	
From SPV	By REIT scheme		0%	0%	
	By others		35%	70%	
Intercorporate dividend/ group taxation			Not Applicable		
Dividend to Transmission Line Projects under Transmission Line Policy, 2015					
PROFIT ON DEBT | *Sec 151, Div. IA Pt. III 1st Sc./ Cl. 5AB Pt. II 2nd Sc.*					
Paid by Banks & Financial Institutions	Received by Companies		20%	40%	Advance Tax
	Received by Individuals/ AOPs	Profit up to Rs. 5M			Final Tax
		Profit above Rs. 5M			Advance Tax
Paid on Government Securities (e.g. National Saving, Post Office, T-Bills, etc.)	Received by Individuals	Profit up to Rs. 5M			Final Tax
		Profit above Rs. 5M			Advance Tax
	Received by AOPs	Profit up to Rs. 5M			Final Tax
		Profit above Rs. 5M			Advance Tax
	Received by Companies		15%	30%	Advance Tax
Paid in other cases	Received by Individuals/ AOPs	Profit up to Rs. 5M			Final Tax
		Profit above Rs. 5M			Advance Tax
Received by Resident Pakistanis on Government securities, purchased via FCVA under SBP's Scheme			10%		Final Tax
INVESTMENTS IN SUKUKS | *Sec 151, Div. IB , Pt. III 1st Sch*					
Returns received by Companies			25%	50%	Advance Tax
Returns rec by AOPs/ Individuals	Up to Rs. 1M		10%	20%	Final Tax
	Above Rs.1M up to 5M		12.5%	25%	
	Above Rs. 5M				Minimum Tax
PREMATURE DISPOSAL OF DEBT SECURITIES | *Sec 151A Div. IIIAA, Pt. III 1st Sch*					
Gain on premature disposal of debt securities (T-Bills, etc.)			20%	40%	Advance Tax
PAYMENTS BY LIFE INSURANCE COMPANIES & TAKAFUL | *Sec 151B, & 7G Div. IC Pt. III, 1st Sch.*					
Payout/ benefit within 1 year from date of policy issuance			15% of Surplus Payout over Aggregate Premia		Final Tax
Payout/ benefit after 1 year but before 7 years from date of policy issuance			10% of Surplus Payout over Aggregate Premia		Final Tax
Payout/ benefit account of death, disability or after 7 years from policy issuance			N/A		N/A
PAYMENTS TO NON-RESIDENTS | *Sec 152, Div. IV Pt. I, Div. II Pt. III 1st Sch. & Cl. 5A, 5AA, 5AC Pt. II 2nd Schedule*					
Royalty/ fees for technical services or Fee of offshore digital services			15%		Final Tax
Money transfer operations, Card network services, Payment gateway services, Interbank financial telecom services			10%		

Activity			Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
IT services and IT enabled services			4%	8%	Minimum Tax
Contracts/ subcontract under a construction, assembly/ installation project (including supply of supervisory activities therefor) and Advertisement services by TV Satellite Channels			7%		Final Tax
Insurance/ re-insurance premium			5%		Final Tax
Advertisement services relaying from outside Pakistan			10%		
Foreign produced commercials for TV channel/ other media			20%		
Capital gain to Foreign Companies on disposal of Debt Inst. & Govt. Securities invested via SCRA	If holding period is 6 months or more		10%		
	If holding period is less than 6 months		20%		
Capital gain to individuals on disposal of Debt Inst. & Govt. Securities invested via FCVA, FCBVA, NRVA & NRBVA			10%		
Profit on FCYAs or COIs under SBP FC Account Scheme			0%		Exempt
Other payments			20%		Advance Tax
PAYMENTS TO PE OF NON-RESIDENTS | *Sec 152, Div. II Pt. III 1st Sch.*					
For Goods supplied	Company		5%	10%	Minimum Tax
	Other than Company		5.5%	11%	
Transport | Freight forwarding | Air cargo | Courier | Manpower outsourcing | Hotel | Security guard | Software development | Tracking | Advertising, other than by print/ electronic media | Share registrar | Engineering | Car rentals | Building maintenance | Inspection, certification & testing | Training | Oilfield services			8%	16%	
IT & IT enabled services			4%	8%	
Contract by sports persons			15%	30%	
Other services					
Contracts other than for goods & services			8%	16%	
SUPPLY OF GOODS INCLUDING TOLL MANUFACTURING | *Sec 153(1)(a), Div. III Pt. III 1st Sch, Cl 24A, 24C, 31, 45A Pt. II 2nd Sch.*					
Sale of rice, cotton seed or edible oil			1.5%	3%	**Advance Tax** for Listed Companies and Companies Engaged in Manu-facturing; **Minimum Tax** for all other cases
Sale of cigarettes by distributors			2.5%	5%	
Sale of pharma products by distributors			1%	2%	
Sale by distributors, dealers, sub-dealers, wholesales & Tier-1 retailers integrated & configured with Board (also appearing on Sales Tax ATL) of the following: FMCG | Fertilizer | Electronics (excluding mobile phones) | Sugar | Cement | Steel | Edible oil			0.25%	0.5%	
Sales, supplies & services by taxpayers in the following sectors: Textile & articles thereof | Carpets | Leather & articles thereof | Artificial leather footwear | Surgical goods | Sports Goods			1%	2%	
Supplies & services to above sectors by Yarn Traders			0.5%	1%	
Other supplies/ sales	By companies	Toll Manufacturing	9%	18%	
		Others	5%	10%	
	By AOPs & Individuals	Toll Manufacturing	11%	22%	
		Others	5.5%	11%	
Sale of gold & silver and articles thereof			1%	2%	**Advance Tax**

Notes: (1) ***No tax to be withheld*** in case of:
(a) where aggregate annual payment is below Rs.75,000
(b) purchase of an asset under lease & buy back agreement by Banks and Non-banking Finance Companies.
(c) Public limited companies, where a Certificate for WHT Exemption has been issued by the Commissioner.
(2) ***Tax to be withheld at reduced rate***, where a Certificate to this effect has been issued by the Commissioner.

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
PAYMENTS FOR SERVICES | *Sec 153(1)(b), 153(2), Div. III & Div. IV Pt. III 1st Schedule*			
Transport | Freight forwarding | Air cargo | Courier | Manpower outsourcing | Hotel | Security guard | Software development | Tracking | Advertising, other than by print/ electronic media | Share registrar | Engineering/ Architectural services | Warehousing | AMCs | Data services | Telecom. infrastructure (tower) services | Car rentals | Building maintenance | PSEL & PMEL | Inspection, certification & testing | Training | Oilfield services | Telecom | Collateral management | Travel & tours | REIT management | NCCPL services	7%	14%	Minimum Tax
IT services and IT enabled services	4%	8%	
Advertising services | electronic/ print	1.5%	3%	
Professionals working independently | e.g. doctors, lawyers, architects, accountants, software engineers/ developers	15%	30%	
Terminal or port services	12%	24%	
Stitching, dying, printing, embroidery, washing, sizing & weaving to Exporters	1.25%	2.5%	
Other services	14%	28%	

Note \| Not applicable if aggregate annual payment is under Rs.30,000

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
EXECUTION OF CONTRACTS | Sec 153(1)(c), Div III Pt III 1st Sch.			
Contracts performed by Listed Companies	7.5%	15%	Advance Tax
Contracts performed by Other Companies			Minimum Tax
Contracts performed Individuals/ AOPs	8%	16%	
Contracts performed by sportspersons	15%	30%	
GOODS & SERVICES ACQUIRED VIA E-COMMERCE | Sec 6A, Div IVA Pt I 1st Sch. & Sec 153 (2A) Div III, Pt III 1st Sch.			
Payment via digital means	1%	2%	(Adjustable for turnover > Rs.200M)
Payment of cash on delivery	2%	4%	Final Tax

Note \| Poses a challenge of taxing one economic activity twice for sale of imported goods.

Activity		Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
EXPORTS | *Sec 154 Div. IV Pt. III 1st Sch, Cl. 47C Pt. IV 2nd Schedule*				
Realization of export proceeds		1.25%		**Minimum Tax @ 1.25%**
Goods sold per inland back-to-back LC				
Export of goods by units in EPZ				
Payments under DTRE Rules & Export Facilitation Scheme, 2021 to indirect exporters by direct exporters				
Cooking oil/ vegetable ghee exported to Afghanistan, if tax u/s 148 is paid		0%		***Not Applicable***
EXPORT OF SERVICES | *Sec 154A IVA Pt. III 1st Schedule*				
Software, IT or IT-enabled services by PSEB registered taxpayers		0.25%		**Final Tax**, subject to specified conditions OR/ Optional **Advance Tax**
Services/ technical services	Rendered abroad	1%		
	Exported from Pakistan			
Royalty/ commission/ franchise fees received by a resident company from a foreign entity for use of intellectual property outside Pakistan				
Construction contracts executed outside Pakistan				
Foreign indenting commission				

Activity		Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
EXPORT OF SERVICES | *Sec 154B IVA Pt. III 1st Schedule*				
Amounts received from social media platforms by Residents borne on ATL from YouTube, Facebook, Instagram, TikTok, etc.		5%	N/A	**Minimum Tax**
Revenues received from social media platforms — Non-resident persons		5%		**Final Tax**
RENT OF IMMOVABLE PROPERTY | *Sec 155, Div. V Pt. III 1st Sch.*				
Company		15%		**Advance Tax** (Rates to be increased by 100% for Non-filers)

	Annual Rent (Rs.) From	Annual Rent (Rs.) To	Tax	Nature of Tax
Individual & AOP	Up to 300,000		NIL	**Advance Tax** (Rates to be increased by 100% for Non-filers)
	300,001	600,000	5% of rent exc. Rs.300K	
	600,001	2,000,000	Rs.15K + 10% of rent > Rs.600K	
	Above 2,000,000		Rs.155K + 25% of rent > Rs.2M	

Activity		Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
PRIZES AND WINNINGS | *Sec 156, Div. VI Pt. III 1st Schedule*				
On a prize bond or crossword puzzle		15%	30%	Final Tax
Raffle, lottery, winning quiz & prizes on sales promotion schemes.		20%	40%	
PETROLEUM PRODUCTS | *Sec 156A, Div. VIA Pt. III 1st Schedule*				
Commission amount / discount allowed to a petrol pump operator		12%	24%	Final Tax
CASH WITHDRAWAL | *Sec 231AB*				
Cash withdrawal exceeding Rs. 50,000		0%	0.8%	Advance Tax
TAX ON MOTOR VEHICLES | *Sec 231B Div. VII Pt. IV 1st Schedule*				
Purchase/ registration		Various	Inc-reased by 200%	Advance Tax
Electric Vehicles (EV) value Rs.5M >		3%		
Transfer of registration/ ownership		Various		
Sale/ transfer of EV valuing Rs.5M >		Rs.20K		
Sale of vehicle on Own-Money		Various		
Leasing to a non-filer		N/A	4%	
TAX ON FOREIGN DOMESTIC WORKERS | *Sec 231C*				
Agency/ Sponsor/ Person to whom visa is issued or renewed for Foreign National		Rs. 200K	Rs. 400K	Advance Tax
BROKERAGE & COMMISSION | *Sec 233, Div. II Pt. IV 1st Schedule*				
Advertising agent		10%	20%	Minimum Tax
Life insurance commission<Rs.0.5M pa		8%	16%	
Others		12%	24%	
TAX ON MOTOR VEHICLES | *Sec 234, Div. VII & III Pt. IV 1st Schedule*				
Goods Transport Vehicle | Based on laden weight		Rs.2.5/ Kg	Increased by 100%	Advance Tax
Goods Transport Vehicle | Laden weight 8,120Kg > after 10 yrs. of registration		Rs.1.2K		
Passenger transport vehicle plying for hire | Based on seating & air-conditioning		Various		
Motor vehicle | Based on engine capacity		Various		

COMMERCIAL, INDUSTRIAL ELECTRICITY CONSUMERS | *Sec 235, Div. IV Pt. IV 1st Sch., Cl. 66 Pt. IV 2nd Schedule*

Gross Monthly Bill From	Gross Monthly Bill To		Tax | *Not applicable to Specified Sectors*
Up to Rs. 500			NIL
Rs. 501	Rs. 20,000		10% of amount
Above Rs. 20,000		Commer-cial Consumer	Rs.1,950 + 12% above Rs.20,000
		Industrial Consumer	Rs.1,950 + 5% over Rs.20,000

For Companies	
Nature of Tax	Advance Tax

Other Taxpayers	
Annual Bill (Rs.)	Nature of Tax
Up to 360K	Minimum Tax
Above 360K	Advance Tax

Activity		Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
DOMESTIC ELECTRICITY CONSUMERS| *S 235, Div. IV, Pt. IV 1st Sch*				
Monthly bill up to Rs. 25,000		0%		Advance Tax
Monthly bill exceeds Rs. 25,000		7.5%		
TELEPHONE USERS | *Sec 236, Div. V Pt. IV 1st Schedule*				
Landline bills exceeding Rs.1,000		10%		Advance Tax
Internet & Mobile subscriptions		15%	75%	
SALE BY AUCTION | *Sec 236A, Div. VIII Pt. IV 1st Schedule*				
Sale by public auction/ tender	Property/ goods	10%	20%	Advance Tax
	Immoveable Property	5%	10%	
Lease of collection rights	Fee or Other levies	10%	20%	
	Toll			Final Tax
SALE/ TRANSFER/ DISPOSAL OF IMMOVABLE PROPERTY | *Sec 236C, Div. X Pt. IV 1st Schedule*				
By NRPs where the property acquired via FCVA or NRVA		3% (In lieu of CGT)		Final Tax
All other cases	Acquired in same year	3%		Minimum Tax
	Gift	N/A		N/A
	Other disposals	2.75%	5.5%	Advance Tax
ON FUNCTIONS AND GATHERINGS | *S236CB, Div. XI Pt. IV 1st Sch.*				
Advance tax on functions and gatherings		**10%**	**20%**	Advance Tax

TAX ON SALES TO DISTRIBUTORS, DEALERS & WHOLESALERS BY MANUFACTURERS & COMMERCIAL IMPORTERS | *Sec 236G, Div. XIV Pt. IV 1st Schedule*

	ATL Status I. Tax	ATL Status S. Tax	Tax Rate		Nature of Tax
Fertilizers	I. Tax	S. Tax	**0.25%**		Advance Tax
	I. Tax	X	**0.7%**		
	X	X	**1.4%**		
Other than Fertilizers			**0.1%**	**2%**	

Activity		Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
TAX ON SALES TO RETAILERS & WHOLESALERS BY MANUFACTURERS, DISTRIBUTORS, DEALERS, WHOLESALERS & COMMERCIAL IMPORTERS | *Sec 236H, Div. XV Pt. IV 1st Schedule*				
All cases		**0.5%**	**2.5%**	Minimum Tax
PURCHASE OF IMMOVABLE PROPERTY | *Sec 236K, Div. XVIII Pt. IV 1st Schedule*				
By Non-Resident via FCVA or NRVA		0%		N/A
All other cases	Inheritance/ Gift	Not Applicable		N/A
	Normal Purchase	1.25%	2.5%	Advance Tax
FOREIGN PAYMENTS VIA DEBIT/ PRE-PAID OR CREDIT CARD | *Sec 236Y, Div. XXVII Pt. IV 1st Schedule*				
On gross amount remitted abroad		0.5%	1%	Advance Tax
BONUS SHARES ISSUED BY COMPANIES | *Sec 236Z*				
Value of the bonus shares issued		10%	20%	Final Tax

GLOSSARY OF KEY TERMS

AMC | Asset Management Company
AOP | Association of Persons
ATL | Active Tax-payer List
COI | Certificate of Investment
CPPAG | Central Power Purchasing Agency
DTRE | Duty & Tax Remission Scheme
EPZ | Export Processing Zone
FCVA | Foreign Currency Value A/c.
FCY | Foreign Currency
FCYA | Foreign Currency Account
I. Tax | Income Tax
IPPs | Independent Power Producers
LC | Letter of Credit
NCCPL | National Clearing Company
NR | Non-resident
NRP | Non-resident Pakistani
NRVA | Non-resident Pakistani Rupee Value A/c.
PE | Permanent Establishment
PMEL | Pakistan Mercantile Exchange Ltd.
PSEL | Pakistan Stock Exchange
REIT | Real Estate Investment Trust
S. Tax | Sales Tax
SBP | State Bank of Pakistan
Sch. | Schedule
SCRA | Special Convertible Rupee A/c.
Sec | Section
SPV | Special Purpose Vehicle

REACH US AT…

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WITHHOLDING INCOME TAX RATES CARD | TAX YEAR 2026

Applicable from July 01, 2025 to June 30, 2026 | As updated vide the Finance Act, 2025

WHAT THIS DOCUMENT AIMS AT?

This document aims to **summarize the tax law on withholding tax and treatment thereof**, taking into account the amendments **vide the Finance Act, 2025**. The information summarized herein is general and based on our interpretation of the Income Tax Ordinance, 2001 and significant amendments thereto vide the Act becoming effective from July 01, 2025 – i.e. for the Tax Year 2026. This information does not constitute any opinion or advice and may also not be acceptable to taxation authorities in a particular case. Tax laws are subject to change from time to time and we do neither warrant at any time the currency of the above details nor accept any responsibility to update the same.

IMPORTS | *Sec 148 & Part II First Schedule*

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Goods mentioned in SRO 1125(I)/2011	Manu-facturers	1%	2%	
Medicines not manufactured locally as certified by DRAP	All	4%	8%	**Minimum Tax** for *All Other Cases*
CKD Kits for electrical vehicles (small cars/ SUVs with up to 50 kWh battery) and LCVs with up to 150 kWh battery	All	1%	2 %	

Note: Tax u/s 148 is not applicable where the payment for imported goods has been subjected to Digital Presence Proceeds Levy.

IMPORT OF MOBILE PHONES | *Sec148 & Part II of First Sch.*

C&F Value (USD)	CBU	CKD/ SKD	Nature of Tax
Up to 30, except smartphone	Rs. 70	NIL	**Adv. Tax** for *Industrial Undertaking* **Min. Tax** for *All Other Cases*
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From 351 to 500	Rs. 5,000	Rs. 3,000	
Above 500	Rs, 11,500	Rs. 5,200	

Note: Advance tax is to be increased by 100% for non-filers

SALARY | *Sec 149, 149(1A) Div. I Part I First Schedule*

Taxable Salary From	Taxable Salary To	Rate of Tax		Surcharge
Up to 600,000		0%		9%, where the income exceeds Rs. 10M
600,001	1,200,000	1% on > Rs.0.6M		
1,200,001	2,200,000	6,000 PLUS	11% on >Rs.1.2M	
2,200,001	3,200,000	116,000 PLUS	23% on > Rs.2.2M	
3,200,001	4,100,000	346,000 PLUS	30% on > Rs.3.2M	
Above 4,100,000		616,000 PLUS	35% on > Rs.4.1M	
Pension (Final Tax)		5% (Where age is below 70 years and amount > Rs. 10M)		
Directorship fee		20%		

DIVIDEND | *Sec 150, Div. I Pt. III 1st Sch. & Cl. 18C Pt. II & Cl. 11B Pt. IV 2nd Sch.*

Activity			Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Paid by IPPs, when it is a pass-through item to be reimbursed by CPPAG			7.5%	15%	Final Tax
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	Equity funds		15%	30%	
Received from REITs & other cases			15%	30%	
Dividend in specie			15%	30%	
From SPV	By REIT scheme		0%	0%	
	By others		35%	70%	
Intercorporate dividend/ group taxation			Not Applicable		
Dividend to Transmission Line Projects under Transmission Line Policy, 2015					

PROFIT ON DEBT | *Sec 151, Div. IA Pt. III 1st Sc./ Cl. 5AB Pt. II 2nd Sc.*

			Filer	Non-Filer	Nature of Tax
Paid by Banks & Financial Institutions	Received by Companies		20%	40%	Advance Tax
	Received by Individuals/ AOPs	Profit up to Rs. 5M			Final Tax
		Profit above Rs. 5M			Advance Tax
Paid on Government Securities (e.g. National Saving, Post Office, T-Bills, etc.)	Received by Individuals	Profit up to Rs. 5M			Final Tax
		Profit above Rs. 5M			Advance Tax
	Received by AOPs	Profit up to Rs. 5M	15%	30%	Final Tax
		Profit above Rs. 5M			Advance Tax
	Received by Companies				Advance Tax
Paid in other cases	Received by Individuals/ AOPs	Profit up to Rs. 5M			Final Tax
		Profit above Rs. 5M			Advance Tax
Received by Resident Pakistanis on Government securities, purchased via FCVA under SBP's Scheme			10%		Final Tax

INVESTMENTS IN SUKUKS | *Sec 151, Div. IB , Pt. III 1st Sch*

		Filer	Non-Filer	Nature of Tax
Returns received by Companies		25%	50%	Advance Tax
Returns rec by AOPs/ Individuals	Up to Rs. 1M	10%	20%	Final Tax
	Above Rs.1M up to 5M	12.5%	25%	
	Above Rs. 5M			Minimum Tax

PREMATURE DISPOSAL OF DEBT SECURITIES | *Sec 151A Div. IIIAA, Pt. III 1st Sch*

	Filer	Non-Filer	Nature of Tax
Gain on premature disposal of debt securities (T-Bills, etc.)	15%	30%	Advance Tax

PAYMENTS TO NON-RESIDENTS | *Sec 152, Div. IV Pt. I, Div. II Pt. III 1st Sch. & Cl. 5A, 5AA, 5AC Pt. II 2nd Schedule*

	Filer	Non-Filer	Nature of Tax
Royalty/ fees for technical services or Fee of offshore digital services	15%		Final Tax
Money transfer operations, Card network services, Payment gateway services, Interbank financial telecom services	10%		
IT services and IT enabled services	4%	8%	Minimum Tax
Contracts/ subcontract under a construction, assembly/ installation project (including supply of supervisory activities therefor) and Advertisement services by TV Satellite Channels	7%		
Insurance/ re-insurance premium	5%		

Activity

Activity		Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Advertisement services relaying from outside Pakistan		10%		
Foreign produced commercials for TV channel/ other media		20%		Final Tax
Capital gain to Foreign Companies on disposal of Debt Instruments & Govt. Securities invested via SCRA	If holding period is 6 months or more	10%		
	If holding period is less than 6 months	20%		
Capital gain to individuals on disposal of debt instruments and Govt. Securities invested via FCVA or NRVA		10%		
Profit on debt from investments exclusively made through a SCRA		10%		Final Tax
Individuals receiving profit on Govt. Securities purchased via a foreign bank account, NRVA or FCYAs				
Profit on FCYAs or COIs under SBP's FC Account Scheme		0%		Exempt
Profit received by NRPs from PKR accounts on funds exclusively remitted from aboard in FCY		0%		
Other payments		20%		Advance Tax

PAYMENTS TO PE OF NON-RESIDENTS | *Sec 152, Div. II Pt. III 1st Sch.*

		Filer	Non-Filer	Nature of Tax
For Goods supplied	Company	5%	10%	Minimum Tax
	Other than Company	5.5%	11%	
Transport | Freight forwarding | Air cargo services | Courier | Manpower outsourcing | Hotel services | Security guard | Software development | Tracking services | Advertising (other than by print/ electronic media) | Share registrar services | Engineering services | Car rentals | Building maintenance | Inspection, certification & testing | Training services | Oilfield services		8%	16%	
IT & IT enabled services		4%	8%	
Contract by sports persons		15%	30%	
Other services				
Contracts other than for goods & services		8%	16%	

SUPPLY OF GOODS INCLUDING TOLL MANUFACTURING | *Sec 153(1)(a), Div. III Pt. III 1st Sch, Cl 24A, 24C, 31, 45A Pt. II 2nd Sch.*

			Filer	Non-Filer	Nature of Tax
Sale of rice, cotton seed or edible oil			1.5%	3%	**Advance Tax** for Listed Companies and Companies Engaged in Manu-facturing **Minimum Tax** for all other cases
Sale of cigarettes by distributors			2.5%	5%	
Sale of pharma products by distributors			1%	2%	
Sale by distributors, sub-dealers, wholesales & Tier-1 retailers integrated & configured with Board (also appearing on Sales Tax ATL) of the following: FMCG | Fertilizer | Electronics (excluding mobile phones) | Sugar | Cement | Steel | Edible oil			0.25%	0.5%	
Sales, supplies & services by taxpayers in the following sectors: Textile & articles thereof | Carpets | Leather & articles thereof | Artificial leather footwear | Surgical goods | Sports Goods			1%	2%	
Supplies & services to above sectors by Yarn Traders			0.5%	1%	
Other supplies/ sales	By companies	Toll Manufacturing	9%	18%	
		Others	5%	10%	
	By AOPs & Individuals	Toll Manufacturing	11%	22%	
		Others	5.5%	11%	
Sale of gold & silver and articles thereof			1%	2%	**Advance Tax**

Notes: (1) ***No tax to be withheld*** in case of:
- (a) where aggregate annual payment is below Rs.75,000
- (b) purchase of an asset under lease & buy back agreement by Banks and Non-banking Finance Companies.
- (c) Public limited companies, where a Certificate for WHT Exemption has been issued by the Commissioner.

(2) ***Tax to be withheld at reduced rate***, where a Certificate to this effect has been issued by the Commissioner.

PAYMENTS FOR SERVICES | *Sec 153(1)(b), 153(2), Div. III & Div. IV Pt. III 1st Schedule*

	Filer	Non-Filer	Nature of Tax
Transport | Freight forwarding | Air cargo services | Courier | Manpower outsourcing | Hotel services | Security guard | Software development | Tracking services | Advertising (other than by print/ electronic media) | Share registrar services | Engineering/ Architectural services | Warehousing | Services rendered by AMCs | Data services | Telecom. infrastructure (tower) services | Car rentals | Building maintenance | Services rendered by PSEL & PMEL | Inspection, certification & testing | Training services | Oilfield services | Telecom | Collateral management | Travel & tours | REIT management | NCCPL services	6%	12%	Minimum Tax
IT services and IT enabled services	4%	8%	
Advertising services | electronic/ print	1.5%	3%	
Other services	15%	30%	
Stitching, dying, printing, embroidery, washing, sizing & weaving to Exporters	1%	2%	

Note | Not applicable if aggregate annual payment is under Rs.30,000

EXECUTION OF CONTRACTS | Sec 153(1)(c), Div III Pt III 1st Sch.

	Filer	Non-Filer	Nature of Tax
Contracts performed by Listed Companies	7.5%	15%	Advance Tax
Contracts performed by Other Companies			Minimum Tax
Contracts performed Individuals/ AOPs	8%	16%	
Contracts performed by sportspersons	15%	30%	

GOODS & SERVICES ACQUIRED VIA E-COMMERCE | Sec 6A, Div IVA Pt I 1st Sch. & Sec 153 (2A) Div III, Pt III 1st Sch.

	Filer	Non-Filer	Nature of Tax
Payment via digital means	1%	2%	Final Tax
Payment of cash on delivery	2%	4%	

Note | Poses a challenge of taxing one economic activity twice for sale of imported goods.

EXPORTS | *Sec 154 Div. IV Pt. III 1st Sch, Cl. 47C Pt. IV 2nd Schedule*

	Rate	Nature of Tax
Realization of export proceeds	1% + 1%	**Minimum Tax @ 1% and 1% Advance Tax**
Goods sold per inland back-to-back LC		
Export of goods by units in EPZ		
Payments under DTRE Rules & Export Facilitation Scheme, 2021 to indirect exporters by direct exporters		
Cooking oil/ vegetable ghee exported to Afghanistan, if tax u/s 148 is paid	0%	***Not Applicable***

EXPORT OF SERVICES | *Sec 154A IVA Pt. III 1st Schedule*

		Rate	Nature of Tax
Software, IT or IT-enabled services by PSEB registered taxpayers		0.25%	**Final Tax**, subject to specified conditions OR/ Optional **Advance Tax**
Services/ technical services	Rendered abroad	1%	
	Exported from Pakistan		
Royalty/ commission/ franchise fees received by a resident company from a foreign entity for use of intellectual property outside Pakistan			
Construction contracts executed outside Pakistan			
Foreign indenting commission			

RENT OF IMMOVABLE PROPERTY | *Sec 155, Div. V Pt. III 1st Sch.*

	Annual Rent (Rs.) From	Annual Rent (Rs.) To	Tax	Nature of Tax
Company			15%	**Advance Tax** (Rates to be increased by 100% for Non-filers)
Individual & AOP	Up to 300,000		NIL	
	300,001	600,000	5% of rent exceeding Rs.300K	
	600,001	2,000,000	Rs.15K + 10% of rent above Rs.600K	
	Above 2,000,000		Rs.155K + 25% of rent above Rs.2M	

PRIZES AND WINNINGS | *Sec 156, Div. VI Pt. III 1st Schedule*

	Filer	Non-Filer	Nature of Tax
On a prize bond or crossword puzzle	15%	30%	Final Tax
Raffle, lottery, winning quiz & prizes on sales promotion schemes.	20%	40%	

PETROLEUM PRODUCTS | *Sec 156A, Div. VIA Pt. III 1st Schedule*

	Filer	Non-Filer	Nature of Tax
Commission amount / discount allowed to a petrol pump operator	12%	24%	Final Tax

CASH WITHDRAWAL | *Sec 231AB*

	Filer	Non-Filer	Nature of Tax
Cash withdrawal exceeding Rs. 50,000	0%	0.8%	Advance Tax

TAX ON MOTOR VEHICLES | *Sec 231B Div. VII Pt. IV 1st Schedule*

	Filer	Non-Filer	Nature of Tax
Purchase/ registration	Various	Inc-reased by 200%	Advance Tax
Electric Vehicles (EV) value Rs.5M >	3%		
Transfer of registration/ ownership	Various		
Sale/ transfer of EV valuing Rs.5M >	Rs.20K		
Sale of vehicle on Own-Money	Various		
Leasing to a non-filer	N/A	4%	

TAX ON FOREIGN DOMESTIC WORKERS | *Sec 231C*

	Filer	Non-Filer	Nature of Tax
Agency/ Sponsor/ Person to whom visa is issued or renewed for Foreign National	Rs. 200K	Rs. 400K	Advance Tax

BROKERAGE & COMMISSION | *Sec 233, Div. II Pt. IV 1st Schedule*

	Filer	Non-Filer	Nature of Tax
Advertising agent	10%	20%	Minimum Tax
Life insurance commission<Rs.0.5M pa	8%	16%	
Others	12%	24%	

TAX ON MOTOR VEHICLES | *Sec 234, Div. VII & III Pt. IV 1st Schedule*

	Filer	Non-Filer	Nature of Tax
Goods Transport Vehicle | Based on laden weight	Rs.2.5/ Kg	Increased by 100%	Advance Tax
Goods Transport Vehicle | Laden weight 8,120Kg > after 10 yrs. of registration	Rs.1.2K		
Passenger transport vehicle plying for hire | Based on seating & air-conditioning	Various		
Motor vehicle | Based on engine capacity	Various		

COMMERCIAL, INDUSTRIAL ELECTRICITY CONSUMERS | *Sec 235, Div. IV Pt. IV 1st Sch., Cl. 66 Pt. IV 2nd Schedule*

Gross Monthly Bill From	Gross Monthly Bill To	Tax | *Not applicable to Specified Sectors*	
Up to Rs. 500		NIL	
Rs. 501	Rs. 20,000	10% of amount	
Above Rs. 20,000		**Commer-cial Consumer**	Rs.1,950 + 12% above Rs.20,000
		Industrial Consumer	Rs.1,950 + 5% over Rs.20,000

For Companies

Nature of Tax	Advance Tax

Other Taxpayers

Annual Bill (Rs.)	Nature of Tax
Up to 360K	Minimum Tax
Above 360K	Advance Tax

DOMESTIC ELECTRICITY CONSUMERS| *S 235, Div. IV, Pt. IV 1st Sch*

	Rate	Nature of Tax
Monthly bill up to Rs. 25,000	0%	Advance Tax
Monthly bill exceeds Rs. 25,000	7.5%	

TELEPHONE USERS | *Sec 236, Div. V Pt. IV 1st Schedule*

	Filer	Non-Filer	Nature of Tax
Landline bills exceeding Rs.1,000	10%		Advance Tax
Internet & Mobile subscriptions	15%	75%	

SALE BY AUCTION | *Sec 236A, Div. VIII Pt. IV 1st Schedule*

		Filer	Non-Filer	Nature of Tax
Sale by public auction/ tender	Property/ goods	10%	20%	Advance Tax
	Immoveable Property	5%	10%	
Lease of collection rights	Fee or Other levies	10%	20%	
	Toll			Final Tax

SALE/ TRANSFER/ DISPOSAL OF IMMOVABLE PROPERTY | *Sec 236C, Div. X Pt. IV 1st Schedule*

		Range	Filer	Late Filer	Non-Filer	Nature of Tax
By NRPs where the property acquired via FCVA or NRVA			3% (In lieu of CGT)			Final Tax
All other cases	Acquired in same year		3%		6%	Minimum Tax
	Inheritance/ Gift		Not Applicable			N/A
	Other cases	Up to 50M	4.5%	7.5%	11.5%	Advance Tax
		From 50M to 100M	5%	8.5%		
		Exceed 100M	5.5%	9.5%		

ON TV PLAYS & ADVERTISEMENT | *S236CA, Div. XA Pt. IV 1st Sch.*

	Filer	Non-Filer	Nature of Tax
Per episode tax on foreign-produced TV drama serial	Rs.1M	Rs.2M	Minimum Tax
Tax on foreign-produced single-episode TV play	Rs.3M	Rs.6M	
Per second tax on advertisement starring foreign actor	Rs. 0.1M	Rs. 0.2M	

ON FUNCTIONS AND GATHERINGS | *S236CB, Div. XI Pt. IV 1st Sch.*

	Filer	Non-Filer	Nature of Tax
Advance tax on functions and gatherings	**10%**	**20%**	Advance Tax

TAX ON SALES TO DISTRIBUTORS, DEALERS & WHOLESALERS BY MANUFACTURERS & COMMERCIAL IMPORTERS | *Sec 236G, Div. XIV Pt. IV 1st Schedule*

	ATL Status		Rate		Nature of Tax
Fertilizers	I. Tax	S. Tax	**0.25%**		Advance Tax
	I. Tax	X	**0.7%**		
	X	X	**1.4%**		
Other than Fertilizers			**0.1%**	**2%**	

TAX ON SALES TO RETAILERS & WHOLESALERS BY MANUFACTURERS, DISTRIBUTORS, DEALERS, WHOLESALERS & COMMERCIAL IMPORTERS | *Sec 236H, Div. XV Pt. IV 1st Schedule*

	Filer	Non-Filer	Nature of Tax
All cases	**0.5%**	**2.5%**	Advance Tax

PURCHASE OF IMMOVABLE PROPERTY | *Sec 236K, Div. XVIII Pt. IV 1st Schedule*

		Range	Filer	Late Filer	Non-Filer	Nature of Tax
By Non-Resident via FCVA or NRVA			0%			Not Applicable
All other cases	Inheritance/ Gift		Not Applicable			
	Normal Purchase	Up to 50M	1.5%	4.5%	10.5%	Advance Tax
		From 50M to 100M	2%	5.5%	14.5%	
		Exceed 100M	2.5%	6.5%	18.5%	

FOREIGN PAYMENTS VIA DEBIT/ PRE-PAID OR CREDIT CARD | *Sec 236Y, Div. XXVII Pt. IV 1st Schedule*

	Filer	Non-Filer	Nature of Tax
On gross amount remitted abroad	5%	10%	Advance Tax

BONUS SHARES ISSUED BY COMPANIES | *Sec 236Z*

	Filer	Non-Filer	Nature of Tax
Value of the bonus shares issued	10%	20%	Final Tax

GLOSSARY OF KEY TERMS

AMC | Asset Management Company
AOP | Association of Persons
ATL | Active Tax-payer List
COI | Certificate of Investment
CPPAG | Central Power Purchasing Agency
DTRE | Duty & Tax Remission Scheme
EPZ | Export Processing Zone
FCVA | Foreign Currency Value A/c.
FCY | Foreign Currency
FCYA | Foreign Currency Account
I. Tax | Income Tax
IPPs | Independent Power Producers
LC | Letter of Credit
NCCPL | National Clearing Company
NR | Non-resident
NRP | Non-resident Pakistani
NRVA | Non-resident Pakistani Rupee Value A/c.
PE | Permanent Establishment
PMEL | Pakistan Mercantile Exchange Ltd.
PSEL | Pakistan Stock Exchange
REIT | Real Estate Investment Trust
S. Tax | Sales Tax
SBP | State Bank of Pakistan
Sch. | Schedule
SCRA | Special Convertible Rupee A/c.
Sec | Section
SPV | Special Purpose Vehicle

REACH US AT…

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WITHHOLDING INCOME TAX RATES CARD | TAX YEAR 2025

Applicable from July 01, 2024 to June 30, 2025 vide the Finance Act, 2024

WHAT THIS DOCUMENT AIMS AT?

This document aims to **summarize the tax law on withholding tax and treatment thereof**, taking into account the proposed amendments **vide the Finance Bill, 2024**. If approved, these tax rates & treatments are to be effective **from July 01, 2024**, i.e., for the **Tax Year 2025**. The information summarized herein is general and based on our interpretation of law. This information does not constitute any opinion or advice and may also not be acceptable to taxation authorities in a particular case. Tax laws are subject to change from time to time and we do neither warrant at any time the currency of the above details nor accept any responsibility to update the same.

IMPORTS | *Sec 148 & Part II First Schedule*

Activity	Importer Category	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Imports of Goods as per Part I of the Twelfth Schedule	All	1%	2%	**Advance Tax** for *Industrial Undertaking* importing goods other than Edible oil, Packing material, Paper and Paper-board or Plastics
Imports of Goods as per Part II of the Twelfth Schedule	Commercial Importers	3.5%	7%	
	Others	2%	4%	
Imports of Goods as per Part III of the Twelfth Schedule	Commercial Importers	6%	12%	
	Others	5.5%	11%	
Imports of Goods mentioned in SRO 1125(I)/2011	Manufacturers	1%	2%	
Imports of medicines not manufactured locally as certified by DRAP	All	4%	8%	**Minimum Tax** for *All Other Cases*
Imports of CKD Kits for electrical vehicles (small cars/ SUVs with up to 50 kWh battery) and LCVs with up to 150 kWh battery	All	1%	2 %	

IMPORT OF MOBILE PHONES | *Sec148 & Part II of First Sch.*

C&F Value (USD)	CBU	CKD/ SKD	Nature of Tax
Up to 30, except smartphone	Rs. 70	NIL	**Adv. Tax** for *Industrial Undertaking*
From 31 to 100	Rs. 100	NIL	
From 101 to 200	Rs. 930	NIL	
From 201 to 350	Rs. 970	NIL	**Min. Tax** for *All Other Cases*
From 351 to 500	Rs. 5,000	Rs. 3,000	
Above 500	Rs, 11,500	Rs. 5,200	

Note: Advance tax is to be increased by 100% for non-filers

SALARY | *Sec 149, Div. I Part I First Schedule*

Taxable Income From	Taxable Income To	Rate of Tax		
Up to 600,000		0%		
600,001	1,200,000	5% on amount exceeding Rs.0.6M		
1,200,001	2,200,000	30,000	PLUS	15% on amount > Rs.1.2M
2,200,001	3,200,000	180,000	PLUS	25% on amount > Rs.2.2M
3,200,001	4,100,000	430,000	PLUS	30% on amount > Rs.3.2M
Above 4,100,000		700,000	PLUS	35% on amount > Rs.4.1M

Rate of advance tax deductible is 20% on directorship fee or fee for attending board meetings

DIVIDEND | *Sec 150, Div. I Pt. III 1st Sch. & Cl. 18C Pt. II & Cl. 11B Pt. IV 2nd Sch.*

Activity		Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Dividend paid by IPPs, when it is a pass-through item to be reimbursed by CPPAG		7.5%	15%	Final Tax
Dividend attributable to income from biomass & baggas based power projects				
Dividend received where company is availing exemption or benefiting from c/f business losses & tax credits		25%	50%	
Mutual funds, REITs & other cases	< than 50% income from profit on debt	15%	30%	
	50% or more income from profit on debt	25%	50%	
Dividend in specie		15%	30%	
Dividend from SPV received:	By REIT scheme	0%	0%	
	By others	35%	70%	
Intercorporate dividend/ group taxation		Not Applicable		

PROFIT ON DEBT | *Sec 151, Div. IA Pt. III 1st Sc./ Cl. 5AB Pt. II 2nd Sc.*

Activity		Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Received by Company		15%	35%	Advance Tax
Received by AOP/ individual	Profit up to Rs. 5M			Final Tax
	Profit above Rs. 5M			Minimum Tax
Received *by Resident Pakistanis* on Government securities, purchased via FCVA under SBP's Scheme		10%		Final Tax

INVESTMENTS IN SUKUKS | *Sec 151, Div. IB Pt. III 1st Schedule*

Activity		Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Returns received by Companies		25%	50%	Adv. Tax
Returns rec. by AOPs/ Individuals	Up to Rs. 1M	10%	20%	Final Tax
	Above Rs.1M upto 5M	12.5%	25%	
	Above Rs. 5M			Min. Tax

PAYMENTS TO NON-RESIDENTS | *Sec 152, Div. IV Pt. I, Div. II Pt. III 1st Sch. & Cl. 5A, 5AA, 5AC Pt. II 2nd Schedule*

Activity	Tax Rate	Nature of Tax
Royalty/ fees for technical services	15%	Final Tax
Fee for offshore digital services, Money transfer operations, Card network services, Payment gateway services, Interbank financial telecom. Services	10%	
Contracts/ subcontract under a construction, assembly/ installation project (including supply of supervisory activities therefor) and Advertisement services by TV Satellite Channels	7%	Minimum Tax
Insurance/ re-insurance premium	5%	
Advertisement services relaying from outside Pakistan	10%	
Foreign produced commercials for TV channel/ other media	20%	
Capital gain to foreign companies on disposal of Debt Instruments & Govt. securities invested via SCRA	10%	Final Tax
Profit on debt from investments exclusively made through a SCRA		
Capital gain to individuals on disposal of debt instruments and Govt. Securities invested via FCVA or NRVA		

Activity		Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Individuals receiving profit on Govt. Securities purchased via a foreign bank account, NRVA or FCYAs		10%		Final Tax
Profit on FCYAs or COIs under SBP's FC Account Scheme		0%		Exempt
Profit received by NRPs from PKR accounts on funds exclusively remitted from aboard in FCY		0%		
Other payments		20%		Adv. Tax

PAYMENTS TO PE OF NON-RESIDENTS | *Sec 152, Div. II Pt. III 1st Sch.*

Activity		Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
For Goods supplied	Company	5%	10%	Minimum Tax
	Other than Company	5.5%	11%	
For services rendered	By PE of NR company	9%	18%	
	Other PEs	11%	22%	
Contract by sports persons		10%	20%	
For other contracts		8%	16%	

SUPPLY OF GOODS INCLUDING TOLL MANUFACTURING | *Sec 153(1)(a), Div. III Pt. III 1st Sch, Cl 24A, 24C, 31, 45A Pt. II 2nd Sch.*

Activity			Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Sale of rice, cotton seed or edible oil			1.5%	3%	**Advance Tax** for companies and Companies Engaged in Manufacturing
Sale of cigarettes by distributors			2.5%	5%	
Sale of pharma products by distributors			1%	2%	
Sale by distributors, dealers, sub-dealers, wholesales & Tier-1 retailers integrated & configured with Board (also appearing on Sales Tax ATL) of the following: FMCG | Fertilizer | Electronics (excluding mobile phones) | Sugar | Cement | Steel | Edible oil			0.25%	0.5%	
Sales, supplies & services by taxpayers in the following sectors: Textile & articles thereof | Carpets | Leather & articles thereof | Artificial leather footwear | Surgical goods | Sports Goods			1%	2%	
Supplies & services to above sectors by Yarn Traders			0.5%	1%	**Minimum Tax** for other cases
Other supplies/ sales	By companies	Toll Manufacturing	9%	18%	
		Others	5%	10%	
	By AOPs & Individuals	Toll Manufacturing	11%	22%	
		Others	5.5%	11%	
Sale of gold & silver and articles thereof			1%	2%	Adv. Tax

Note No tax to be withheld in case of:
(a) where aggregate annual payment is below Rs.75,000
(b) purchase of an asset under lease & buy back agreement by Banks and Non-banking Finance Companies.

PAYMENTS FOR SERVICES | *Sec 153(1)(b), 153(2), Div. III & Div. IV Pt. III 1st Schedule*

Activity		Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Transport | Freight forwarding | Air cargo services | Courier | Manpower outsourcing | Hotel services | Security guard | Software development | IT & IT enabled services | Tracking services | Advertising (other than by print/ electronic media) | Share registrar services | Engineering/ Architectural services | Warehousing | Services rendered by AMCs | Data services | Telecom. infrastructure (tower) services | Car rentals | Building maintenance | Services rendered by PSEL & PMEL | Inspection, certification & testing | Training services | Oilfield services | Telecom | Collateral management | Travel & tours | REIT management | NCCPL services		4%	8%	Minimum Tax
Advertising services | electronic/ print media		1.5%	3%	
Other services	By companies	9%	18%	
	By AOPs & Individuals	11%	22%	
Stitching, dying, printing, embroidery, washing, sizing & weaving to Exporters		1%	2%	

Note: Not applicable if aggregate annual payment is under Rs.30,000

EXECUTION OF CONTRACTS | Sec 153(1)(c), Div III Pt III 1st Sch.

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Executed for Listed Companies	7.5%	15%	Adv. Tax
Executed for Other Companies			Minimum Tax
Performed by sportspersons	10%	20%	
Other cases	8%	16%	

EXPORTS | *Sec 154 Div. IV Pt. III 1st Sch, Cl. 47C Pt. IV 2nd Schedule*

Activity	Tax Rate	Nature of Tax
Realization of export proceeds	1% + 1%	Minimum Tax @ 1% and 1% Advance Tax
Goods sold per inland back-to-back LC		
Export of goods by units in EPZ		
Payments under DTRE Rules & Export Facilitation Scheme, 2021 to indirect exporters by direct exporters		
Cooking oil/ vegetable ghee exported to Afghanistan, if tax u/s 148 is paid	0%	Exempt

EXPORT OF SERVICES | *Sec 154A IVA Pt. III 1st Schedule*

Activity		Tax Rate	Nature of Tax
Software, IT or IT-enabled services by PSEB registered taxpayers		0.25%	Final Tax, subject to specified conditions OR/ Optional Advance Tax
Services/ technical services	Rendered abroad	1%	
	Exported from Pakistan		
Royalty/ commission/ franchise fees received by a resident company from a foreign entity for use of intellectual property outside Pakistan			
Construction contracts executed outside Pakistan			
Foreign indenting commission			

RENT OF IMMOVABLE PROPERTY | *Sec 155, Div. V Pt. III 1st Sch.*

Activity	Annual Rent (Rs.) From	Annual Rent (Rs.) To	Tax	Nature of Tax
Company			15%	Advance Tax
Individual & AOP	Up to 300,000		NIL	
	300,001	600,000	5% of rent exceeding Rs.300K	
	600,001	2,000,000	Rs.15K + 10% of rent above Rs.600K	
	Above 2,000,000		Rs.155K + 25% of rent above Rs.2M	

Note | Rates to be increased by 100% for Non-filers

PRIZES AND WINNINGS | *Sec 156, Div. VI Pt. III 1st Schedule*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
On a prize bond or crossword puzzle	15%	30%	Final Tax
Raffle, lottery, winning quiz & prizes on sales promotion schemes.	20%	40%	

PETROLEUM PRODUCTS | *Sec 156A, Div. VIA Pt. III 1st Schedule*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Commission / discount allowed to a petrol pump operator	12%	24%	Final Tax

CASH WITHDRAWAL | *Sec 231AB*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Cash withdrawal exceeding Rs. 50,000	0%	0.6%	Advance Tax

TAX ON MOTOR VEHICLES | *Sec 231B Div. VII Pt. IV 1st Schedule*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Purchase/ registration	Various	Increased by 200%	Advance Tax
Electric Vehicles (EV) value Rs.5M >	3%		
Transfer of registration/ ownership	Various		
Sale/ transfer of EV valuing Rs.5M >	Rs.20K		
Sale of vehicle on Own-Money	Various		
Leasing to a non-filer	N/A	4%	

TAX ON FOREIGN DOMESTIC WORKERS | *Sec 231C*

Activity	Tax Rate	Nature of Tax
Agency/ Sponsor/ Person to whom visa is issued or renewed for Foreign National	Rs.200,000/-	Advance Tax

BROKERAGE & COMMISSION | *Sec 233, Div. II Pt. IV 1st Schedule*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Advertising agent	10%	20%	Minimum Tax
Life insurance commission<Rs.0.5M pa	8%	16%	
Others	12%	24%	

TAX ON MOTOR VEHICLES | *Sec 234, Div. VII & III Pt. IV 1st Schedule*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Goods Transport Vehicle | Based on laden weight	Rs.2.5/ Kg	Increased by 100%	Advance Tax
Goods Transport Vehicle | Laden weight 8,120Kg > after 10 yrs. of registration	Rs.1.2K		
Passenger transport vehicle plying for hire | Based on seating & air-conditioning	Various		
Motor vehicle | Based on engine capacity	Various		

COMMERCIAL, INDUSTRIAL ELECTRICITY CONSUMERS | *Sec 235, Div. IV Pt. IV 1st Sch., Cl. 66 Pt. IV 2nd Schedule*

Gross Monthly Bill From	Gross Monthly Bill To	Tax | *Not applicable to Specified Sectors*	
Up to Rs. 500		NIL	
Rs. 501	Rs. 20,000	10% of amount	
Above Rs. 20,000		Commercial Consumer	Rs.1,950 + 12% above Rs.20,000
		Industrial Consumer	Rs.1,950 + 5% over Rs.20,000

For Companies

Nature of Tax	Advance Tax

Other Taxpayers

Annual Bill (Rs.)	Nature of Tax
Up to 360K	Minimum Tax
Above 360K	Advance Tax

DOMESTIC ELECTRICITY CONSUMERS | *S 235, Div. IV, Pt. IV 1st Sch*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Monthly bill up to Rs. 25,000	0%		Advance Tax
Monthly bill exceeds Rs. 25,000	7.5%		

TELEPHONE USERS | *Sec 236, Div. V Pt. IV 1st Schedule*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Landline bills exceeding Rs.1,000	10%		Advance Tax
Internet & Mobile subscriptions	15%	75%	

SALE BY AUCTION | *Sec 236A, Div. VIII Pt. IV 1st Schedule*

Activity		Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Sale by public auction/ tender	Property/ goods	10%	20%	Advance Tax
	Immoveable Property	5%	10%	
Lease of collection rights	Fee or Other levies	10%	20%	
	Toll			Final Tax

SALE/ TRANSFER/ DISPOSAL OF IMMOVABLE PROPERTY | *Sec 236C, Div. X Pt. IV 1st Schedule*

Activity			Filer	ATL (Late Filer)	Non-Filer	Nature of Tax
By NRPs where the property acquired via FCVA or NRVA			3%			Final Tax (In lieu of CGT)
All other cases	Acquired in same year		3%		6%	Min. Tax
	Inheritance/ Gift		Not Applicable			N/A
	Other cases	Range	Filer	ATL (Late Filer)	Non-Filer	Adv. Tax
		Upto 50M	3%	6%	10%	
		From 50M to 100M	3.5%	7%		
		Exceed 100M	4%	8%		

ON TV PLAYS & ADVERTISEMENT | *S236CA, Div. XA Pt. IV 1st Sch.*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Per episode tax on foreign-produced TV drama serial	Rs. 1M	Rs. 2M	Minimum Tax
Tax on foreign-produced single-episode TV play	Rs. 3M	Rs. 6M	
Per second tax on advertisement starring foreign actor	Rs. 0.1M	Rs. 0.2M	

TAX ON SALES TO DISTRIBUTORS, DEALERS & WHOLESALERS BY MANUFACTURERS & COMMERCIAL IMPORTERS | *Sec 236G, Div. XIV Pt. IV 1st Schedule*

Activity	ATL Status		Tax Rate		Nature of Tax
Fertilizers	I. Tax	S. Tax	0.25%		Advance Tax
	I. Tax	X	0.7%		
	X	X	1.4%		
Other than Fertilizers			0.1%	2%	

TAX ON SALES TO RETAILERS & WHOLESALERS BY MANUFACTURERS, DISTRIBUTORS, DEALERS, WHOLESALERS & COMMERCIAL IMPORTERS | *Sec 236H, Div. XV Pt. IV 1st Schedule*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
All cases	0.5%	2.5%	Advance Tax

PURCHASE OF IMMOVABLE PROPERTY | *Sec 236K, Div. XVIII Pt. IV 1st Schedule*

Activity			Filer	ATL (Late Filer)	Non-Filer	Nature of Tax
By Non-Resident via FCVA or NRVA			0%			N/A
All other cases	Inheritance/ Gift		Not Applicable			N/A
	Normal Purchase	Range	Filer	ATL (Late Filer)	Non-Filer	Adv. Tax
		Up to 50M	3%	6%	12%	
		From 50M to 100M	3.5%	7%	16%	
		Exceed 100M	4%	8%	20%	

FOREIGN PAYMENTS VIA DEBIT/ PRE-PAID OR CREDIT CARD | *Sec 236Y, Div. XVIII Pt. IV 1st Schedule*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
On gross amount remitted abroad	5%	10%	Adv. Tax

BONUS SHARES ISSUED BY COMPANIES | *Sec 236Z*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Value of the bonus shares issued	10%	20%	Final Tax

GLOSSARY OF KEY TERMS

AMC | Asset Management Company
AOP | Association of Persons
ATL | Active Tax-payer List
COI | Certificate of Investment
CPPAG | Central Power Purchasing Agency
DTRE | Duty & Tax Remission Scheme
EPZ | Export Processing Zone
FCVA | Foreign Currency Value A/c.
FCY | Foreign Currency
FCYA | Foreign Currency Account
I. Tax | Income Tax
IPPs | Independent Power Producers
LC | Letter of Credit
NCCPL | National Clearing Company
NR | Non-resident
NRP | Non-resident Pakistani
NRVA | Non-resident Pakistani Rupee Value A/c.
PE | Permanent Establishment
PMEL | Pakistan Mercantile Exchange Ltd.
PSEL | Pakistan Stock Exchange
REIT | Real Estate Investment Trust
S. Tax | Sales Tax
SBP | State Bank of Pakistan
Sch. | Schedule
SCRA | Special Convertible Rupee A/c.
Sec | Section
SPV | Special Purpose Vehicle

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WITHHOLDING INCOME TAX RATES CARD | TAX YEAR 2024

Applicable from July 01, 2023 to June 30, 2024 vide the Finance Act, 2023

WHAT THIS DOCUMENT AIMS AT?

This document aims to **summarize the law on withholding income tax**, taking into account significant amendments **vide the Finance Act, 2023**. These tax rates & treatments are effective **from July 01, 2023**, i.e., for the **Tax Year 2024**. The information summarized herein is general and based on our interpretation of law. This information does not constitute any opinion or advice and may also not be acceptable to taxation authorities in a particular case. Tax laws are subject to change from time to time and we do neither warrant at any time the currency of the above details nor accept any responsibility to update the same.

IMPORTS | *Sec 148 & Part II First Schedule*

Activity	Importer Category	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Imports of Goods as per Part I of the Twelfth Schedule	All	1%	2%	**Advance Tax** for *Industrial Undertaking* importing goods other than Edible oil, Packing material, Paper and Paper-board or Plastics **Minimum Tax** for *All Other Cases*
Imports of Goods as per Part II of the Twelfth Schedule	Commercial Importers	3.5%	7%	
	Others	2%	4%	
Imports of Goods as per Part III of the Twelfth Schedule	Commercial Importers	6%	12%	
	Others	5.5%	11%	
Imports of Goods mentioned in SRO 1125(I)/2011	Manufacturers	1%	2%	
Imports of medicines not manufactured locally as certified by DRAP	All	4%	8%	
Imports of CKD Kits for electrical vehicles (small cars/ SUVs with up to 50 kWh battery) and LCVs with up to 150 kWh battery	All	1%	2 %	

IMPORT OF MOBILE PHONES | *Sec148 & Part II of First Sch.*

C&F Value (USD)	CBU	CKD/ SKD	Nature of Tax
Up to 30, except smartphone	Rs. 70	NIL	**Adv. Tax** for *Industrial Undertaking* **Min. Tax** for *All Other Cases*
From 31 to 100	Rs. 100	NIL	
From 101 to 200	Rs. 930	NIL	
From 201 to 350	Rs. 970	NIL	
From 351 to 500	Rs. 5,000	Rs. 3,000	
Above 500	Rs, 11,500	Rs. 5,200	

Note: Advance tax is to be increased by 100% for Non-filers

SALARY | *Sec 149, Div. I Part I First Schedule*

Taxable Income From	Taxable Income To	Rate of Tax	
Up to 600,000		0%	
600,001	1,200,000	2.5% on amount exceeding Rs.0.6M	
1,200,001	2,400,000	15,000 PLUS	12.5% on amount > Rs.1.2M
2,400,001	3,600,000	165,000 PLUS	22.5% on amount > Rs.2.4M
3,600,001	6,000,000	435,000 PLUS	27.5% on amount > Rs.3.6M
Above 6,000,000		1,095,000 PLUS	35% on amount > Rs.6M

Rate of advance tax deductible is 20% on directorship fee or fee for attending board meetings

DIVIDEND | *Sec 150, Div. I Pt. III 1st Sch. & Cl. 18C Pt. II & Cl. 11B Pt. IV 2nd Sch.*

Activity		Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Dividend paid by IPPs, when it is a pass-through item to be reimbursed by CPPAG		7.5%	15%	Final Tax
Dividend attributable to income from biomass & baggas based power projects		7.5%	15%	
Dividend received where company is availing exemption or benefiting from c/f business losses & tax credits		25%	50%	
Mutual funds, REITs & other cases		15%	30%	
Dividend in specie		15%	30%	
Dividend from SPV received:	By REIT scheme	0%	0%	
	By others	35%	70%	
Intercorporate dividend/ group taxation		Not Applicable		

PROFIT ON DEBT | *Sec 151, Div. IA Pt. III 1st Sc./ Cl. 5AB Pt. II 2nd Sc.*

Activity		Filer	Non-Filer	Nature of Tax
Received by Company		15%	30%	Advance Tax
Received by AOP/ individual	Profit up to Rs. 5M	15%	30%	Final Tax
	Profit above Rs. 5M	15%	30%	Minimum Tax
Received *by Resident Pakistanis* on Government securities, purchased via FCVA under SBP's Scheme		10%		Final Tax

INVESTMENTS IN SUKUKS | *Sec 151, Div. IB Pt. III 1st Schedule*

Activity		Filer	Non-Filer	Nature of Tax
Returns received by Companies		25%	50%	Adv. Tax
Returns rec. by AOPs/ Individuals	Up to Rs. 1M	10%	20%	Final Tax
	Above Rs.1M upto 5M	12.5%	25%	Final Tax
	Above Rs. 5M	12.5%	25%	Min. Tax

PAYMENTS TO NON-RESIDENTS | *Sec 152, Div. IV Pt. I, Div. II Pt. III 1st Sch. & Cl. 5A, 5AA, 5AC Pt. II 2nd Schedule*

Activity	Tax Rate	Nature of Tax
Royalty/ fees for technical services	15%	Final Tax
Fee for offshore digital services, Money transfer operations, Card network services, Payment gateway services, Interbank financial telecom. Services	10%	Final Tax
Contracts/ subcontract under a construction, assembly/ installation project (including supply of supervisory activities therefor) and Advertisement services by TV Satellite Channels	7%	Minimum Tax
Insurance/ re-insurance premium	5%	Minimum Tax
Advertisement services relaying from outside Pakistan	10%	Minimum Tax
Foreign produced commercials for TV channel/ other media	20%	Minimum Tax
Capital gain to foreign companies on disposal of Debt Instruments & Govt. securities invested via SCRA	10%	Final Tax
Profit on debt from investments exclusively made through a SCRA	10%	Final Tax
Capital gain to individuals on disposal of debt instruments and Govt. Securities invested via FCVA or NRVA	10%	Final Tax

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Individuals receiving profit on Govt. Securities purchased via a foreign bank account, NRVA or FCYAs	10%		Final Tax
Profit on FCYAs or COIs under SBP's FC Account Scheme	0%		Exempt
Profit received by NRPs from PKR accounts on funds exclusively remitted from aboard in FCY	0%		Exempt
Other payments	20%		Adv. Tax

PAYMENTS TO PE OF NON-RESIDENTS | *Sec 152, Div. II Pt. III 1st Sch.*

Activity		Filer	Non-Filer	Nature of Tax
For Goods supplied	Company	5%	10%	Minimum Tax
	Other than Company	5.5%	11%	
For services rendered	By PE of NR company	9%	18%	
	Other PEs	11%	22%	
Contract by sports persons		10%	20%	
For other contracts		8%	16%	

SUPPLY OF GOODS INCLUDING TOLL MANUFACTURING | *Sec 153(1)(a), Div. III Pt. III 1st Sch, Cl 24A, 24C, 31, 45A Pt. II 2nd Sch.*

Activity		Filer	Non-Filer	Nature of Tax
Sale of rice, cotton seed or edible oil		1.5%	3%	**Advance Tax** for companies and Companies Engaged in Manufacturing **Minimum Tax** for other cases
Sale of cigarettes & pharma products by distributors		1%	2%	
Sale by distributors, dealers, sub-dealers, wholesales & Tier-1 retailers integrated & configured with Board (also appearing on Sales Tax ATL) of the following: FMCG | Fertilizer | Electronics (excluding mobile phones) | Sugar | Cement | Steel | Edible oil		0.25%	0.5%	
Sales, supplies & services by taxpayers in the following sectors: Textile & articles thereof | Carpets | Leather & articles thereof | Artificial leather footwear | Surgical goods | Sports Goods		1%	2%	
Supplies & services to above sectors by Yarn Traders		0.5%	1%	
Other supplies/ sales (incld. Toll Manufacturing)	By companies	5%	10%	
	By AOPs & Individuals	5.5%	11%	
Sale of gold & silver and articles thereof		1%	2%	Adv. Tax

Note | No tax to be withheld in case of:
(a) where aggregate annual payment is below Rs.75,000
(b) purchase of an asset under lease & buy back agreement by Banks and Non-banking Finance Companies.

PAYMENTS FOR SERVICES | *Sec 153(1)(b), 153(2), Div. III & Div. IV Pt. III 1st Schedule*

Activity		Filer	Non-Filer	Nature of Tax
Transport | Freight forwarding | Air cargo services | Courier | Manpower outsourcing | Hotel services | Security guard | Software development | IT & IT enabled services | Tracking services | Advertising (other than by print/ electronic media) | Share registrar services | Engineering/ Architectural services | Warehousing | Services rendered by AMCs | Data services | Telecom. infrastructure (tower) services | Car rentals | Building maintenance | Services rendered by PSEL & PMEL | Inspection, certification & testing | Training services | Oilfield services | Telecom | Collateral management | Travel & tours | REIT management | NCCPL services		4%	8%	Minimum Tax
Advertising services | electronic/ print media		1.5%	3%	
Other services	By companies	9%	18%	
	By AOPs & Individuals	11%	22%	
Stitching, dying, printing, embroidery, washing, sizing & weaving to Exporters		1%	2%	

Note | Not applicable if aggregate annual payment is under Rs.30,000

EXECUTION OF CONTRACTS | Sec 153(1)(c), Div III Pt III 1st Sch.

Activity	Filer	Non-Filer	Nature of Tax
Executed for Listed Companies	7.5%	15%	Adv. Tax
Executed for Other Companies	7.5%	15%	Minimum Tax
Performed by sportspersons	10%	20%	
Other cases	8%	16%	

EXPORTS | *Sec 154 Div. IV Pt. III 1st Sch, Cl. 47C Pt. IV 2nd Schedule*

Activity	Tax Rate	Nature of Tax
Realization of export proceeds	1%	Final Tax
Goods sold per inland back-to-back LC	1%	
Export of goods by units in EPZ	1%	
Payments under DTRE Rules & Export Facilitation Scheme, 2021 to indirect exporters by direct exporters	1%	
Cooking oil/ vegetable ghee exported to Afghanistan, if tax u/s 148 is paid	0%	Exempt

EXPORT OF SERVICES | *Sec 154A IVA Pt. III 1st Schedule*

Activity		Tax Rate	Nature of Tax
Software, IT or IT-enabled services by PSEB registered taxpayers		0.25%	Final Tax, subject to specified conditions OR/ Optional Advance Tax
Services/ technical services	Rendered abroad	1%	
	Exported from Pakistan	1%	
Royalty/ commission/ franchise fees received by a resident company from a foreign entity for use of intellectual property outside Pakistan		1%	
Construction contracts executed outside Pakistan		1%	
Foreign indenting commission		1%	

RENT OF IMMOVABLE PROPERTY | *Sec 155, Div. V Pt. III 1st Sch.*

Category	Annual Rent (Rs.) From	Annual Rent (Rs.) To	Tax	Nature of Tax
Company			15%	Advance Tax
Individual & AOP	Up to 300,000		NIL	
	300,001	600,000	5% of rent exceeding Rs.300K	
	600,001	2,000,000	Rs.15K + 10% of rent above Rs.600K	
	Above 2,000,000		Rs.155K + 25% of rent above Rs.2M	

Note | Rates to be increased by 100% for Non-filers

PRIZES AND WINNINGS | *Sec 156, Div. VI Pt. III 1st Schedule*

Activity	Filer	Non-Filer	Nature of Tax
On a prize bond or crossword puzzle	15%	30%	Final Tax
Raffle, lottery, winning quiz & prizes on sales promotion schemes.	20%	40%	

PETROLEUM PRODUCTS | *Sec 156A, Div. VIA Pt. III 1st Schedule*

Activity	Filer	Non-Filer	Nature of Tax
Commission amount / discount allowed to a petrol pump operator	12%	24%	Final Tax

CASH WITHDRAWAL | *Sec 231AB*

Activity	Filer	Non-Filer	Nature of Tax
Cash withdrawal exceeding Rs. 50,000	0%	0.6%	Advance Tax

TAX ON MOTOR VEHICLES | *Sec 231B Div. VII Pt. IV 1st Schedule*

Activity	Filer	Non-Filer	Nature of Tax
Purchase/ registration	Various	Increased by 200%	Advance Tax
Electric Vehicles (EV) value Rs.5M >	3%		
Transfer of registration/ ownership	Various		
Sale/ transfer of EV valuing Rs.5M >	Rs.20K		
Sale of vehicle on Own-Money	Various		
Leasing to a non-filer	N/A	4%	

TAX ON FOREIGN DOMESTIC WORKERS | *Sec 231C*

Activity	Tax	Nature of Tax
Agency/ Sponsor/ Person to whom visa is issued or renewed for Foreign National	Rs.200,000/-	Advance Tax

BROKERAGE & COMMISSION | *Sec 233, Div. II Pt. IV 1st Schedule*

Activity	Filer	Non-Filer	Nature of Tax
Advertising agent	10%	20%	Minimum Tax
Life insurance commission<Rs.0.5M pa	8%	16%	
Others	12%	24%	

TAX ON MOTOR VEHICLES | *Sec 234, Div. VII & III Pt. IV 1st Schedule*

Activity	Filer	Non-Filer	Nature of Tax
Goods Transport Vehicle | Based on laden weight	Rs.2.5/ Kg	Increased by 100%	Advance Tax
Goods Transport Vehicle | Laden weight 8,120Kg > after 10 yrs. of registration	Rs.1.2K		
Passenger transport vehicle plying for hire | Based on seating & air-conditioning	Various		
Motor vehicle | Based on engine capacity	Various		

COMMERCIAL, INDUSTRIAL ELECTRICITY CONSUMERS | *Sec 235, Div. IV Pt. IV 1st Sch., Cl. 66 Pt. IV 2nd Schedule*

Gross Monthly Bill From	Gross Monthly Bill To	Tax | *Not applicable to Specified Sectors*	
Up to Rs. 500		NIL	
Rs. 501	Rs. 20,000	10% of amount	
Above Rs. 20,000		Commercial Consumer	Rs.1,950 + 12% above Rs.20,000
		Industrial Consumer	Rs.1,950 + 5% over Rs.20,000

For Companies

Nature of Tax	Advance Tax

Other Taxpayers

Annual Bill (Rs.)	Nature of Tax
Up to 360K	Minimum Tax
Above 360K	Advance Tax

DOMESTIC ELECTRICITY CONSUMERS | *S 235, Div. IV, Pt. IV 1st Sch*

Activity	Tax Rate	Nature of Tax
Monthly bill up to Rs. 25,000	0%	Advance Tax
Monthly bill exceeds Rs. 25,000	7.5%	

TELEPHONE USERS | *Sec 236, Div. V Pt. IV 1st Schedule*

Activity	Tax Rate	Nature of Tax
Landline bills exceeding Rs.1,000	10%	Advance Tax
Internet & Mobile subscriptions	15%	

SALE BY AUCTION | *Sec 236A, Div. VIII Pt. IV 1st Schedule*

Activity		Filer	Non-Filer	Nature of Tax
Sale by public auction/ tender	Property/ goods	10%	20%	Advance Tax
	Immoveable Property	5%	10%	
Lease of collection rights	Fee or Other levies	10%	20%	
	Toll	10%	20%	Final Tax

SALE/ TRANSFER/ DISPOSAL OF IMMOVABLE PROPERTY | *Sec 236C, Div. X Pt. IV 1st Schedule*

Activity		Filer	Non-Filer	Nature of Tax
By NRPs where the property acquired via FCVA or NRVA		3%		Final Tax (In lieu of CGT)
All other cases	Acquired in same year	3%	6%	Min. Tax
	Inheritance/ Gift	Not Applicable		N/A
	Other cases	3%	6%	Adv. Tax

ON TV PLAYS & ADVERTISEMENT | *S236CA, Div. XA Pt. IV 1st Sch.*

Activity	Filer	Non-Filer	Nature of Tax
Per episode tax on foreign-produced TV drama serial	Rs. 1M	Rs. 2M	Minimum Tax
Tax on foreign-produced single-episode TV play	Rs. 3M	Rs. 6M	
Per second tax on advertisement starring foreign actor	Rs. 0.1M	Rs. 0.2M	

TAX ON SALES TO DISTRIBUTORS, DEALERS & WHOLESALERS BY MANUFACTURERS & COMMERCIAL IMPORTERS | *Sec 236G, Div. XIV Pt. IV 1st Schedule*

Activity	ATL Status		Filer	Non-Filer	Nature of Tax
Fertilizers	I. Tax	S. Tax	0.25%		Advance Tax
	I. Tax	X	0.7%		
	X	X	1.4%		
Pharmaceuticals | Poultry & animal feed | Edible oil & ghee | Auto-parts | Tyres | Varnishes | Chemicals | Cosmetics | IT equipment | Electronics | Sugar | Cement | Iron & steel products | Motorcycles | Pesticides | Cigarettes | Glass | Textile | Beverages| Paint | Foam			0.1%	0.2%	

TAX ON SALES TO RETAILERS & WHOLESALERS BY MANUFACTURERS, DISTRIBUTORS, DEALERS, WHOLESALERS & COMMERCIAL IMPORTERS | *Sec 236H, Div. XV Pt. IV 1st Schedule*

Activity	Filer	Non-Filer	Nature of Tax
Pharmaceuticals | Poultry & animal feed | Edible oil & ghee | Auto-parts | Tyres | Varnishes | Chemicals | Cosmetics | IT equipment | Electronics | Sugar | Cement | Iron & steel products | Motorcycles | Pesticides | Cigarettes | Glass | Textile | Beverages| Paint | Foam	0.5%	1%	Advance Tax

PURCHASE OF IMMOVABLE PROPERTY | *Sec 236K, Div. XVIII Pt. IV 1st Schedule*

Activity		Filer	Non-Filer	Nature of Tax
By Non-Resident via FCVA or NRVA		0%		N/A
All other cases	Inheritance/ Gift	Not Applicable		N/A
	Normal Purchase	3%	10.5%	Adv. Tax

FOREIGN PAYMENTS VIA DEBIT/ PRE-PAID OR CREDIT CARD | *Sec 236Y, Div. XVIII Pt. IV 1st Schedule*

Activity	Filer	Non-Filer	Nature of Tax
On gross amount remitted abroad	5%	10%	Adv. Tax

BONUS SHARES ISSUED BY COMPANIES | *Sec 236Z*

Activity	Filer	Non-Filer	Nature of Tax
Value of the bonus shares issued	10%	20%	Final Tax

GLOSSARY OF KEY TERMS

AMC | Asset Management Company
AOP | Association of Persons
ATL | Active Tax-payer List
COI | Certificate of Investment
CPPAG | Central Power Purchasing Agency
DTRE | Duty & Tax Remission Scheme
EPZ | Export Processing Zone
FCVA | Foreign Currency Value A/c.
FCY | Foreign Currency
FCYA | Foreign Currency Account
I. Tax | Income Tax
IPPs | Independent Power Producers
LC | Letter of Credit
NCCPL | National Clearing Company
NR | Non-resident
NRP | Non-resident Pakistani
NRVA | Non-resident Pakistani Rupee Value A/c.
PE | Permanent Establishment
PMEL | Pakistan Mercantile Exchange Ltd.
PSEL | Pakistan Stock Exchange
REIT | Real Estate Investment Trust
S. Tax | Sales Tax
SBP | State Bank of Pakistan
Sch. | Schedule
SCRA | Special Convertible Rupee A/c.
Sec | Section
SPV | Special Purpose Vehicle

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WITHHOLDING INCOME TAX RATES CARD | TAX YEAR 2023

Applicable from July 01, 2022 to June 30, 2023 vide the Finance Act, 2022

WHAT THIS DOCUMENT AIMS AT?

The purpose of this document is to **summarize the tax law on withholding tax and treatment thereof**, taking into account significant amendments **vide the Finance Act, 2022 and Tax Laws (Second Amendment) Ord. dt. Aug 22, 2022**. These tax rates and treatments are effective **from July 01, 2022** – i.e., for the **Tax Year 2023**. The information summarized herein is general and based on our interpretation of law. This information does not constitute any opinion or advice and may also not be acceptable to taxation authorities in a particular case. Tax laws are subject to change from time to time and we do neither warrant at any time the currency of the above details nor accept any responsibility to update the same.

IMPORTS | *Sec 148 & Part II First Schedule*

Activity	Importer Category	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
Imports of Goods as per Part I of the Twelfth Schedule	All	1%	2%	**Advance Tax** for *Industrial Undertaking* importing goods other than Edible oil, Packing material, Paper and Paper-board or Plastics
Imports of Goods as per Part II of the Twelfth Schedule	Commercial Importers	3.5%	7%	
	Others	2%	4%	
Imports of Goods as per Part III of the Twelfth Schedule	All	5.5%	11%	
Imports of Goods mentioned in SRO 1125(I)/2011	Manufacturers	1%	2%	
Imports of medicines not manufactured locally as certified by DRAP	All	4%	8%	**Minimum Tax** for *All Other Cases*
Imports of CKD Kits for electrical vehicles (small cars/ SUVs with up to 50 kWh battery) and LCVs with up to 150 kWh battery	All	1%	2 %	

IMPORT OF MOBILE PHONES | *Sec148 & Part II of First Sch.*

C&F Value (USD)	CBU	CKD/ SKD	Nature of Tax
Up to 30, except smartphone	Rs. 70	NIL	**Adv. Tax** for *Industrial Undertaking*
From 31 to 100	Rs. 100	NIL	
From 101 to 200	Rs. 930	NIL	
From 201 to 350	Rs. 970	NIL	**Min. Tax** for *All Other Cases*
From 351 to 500	Rs. 5,000	Rs. 3,000	
Above 500	Rs, 11,500	Rs. 5,200	

Note: Advance tax is to be increased by 100% for Non-filers

SALARY | *Sec 149, Div. I Part I First Schedule*

Taxable Income From	Taxable Income To	Rate of Tax		
Up to 600,000		0%		
600,001	1,200,000	2.5% on amount exceeding Rs.0.6M		
1,200,001	2,400,000	15,000	PLUS	12.5% on amount > Rs.1.2M
2,400,001	3,600,000	165,000	PLUS	20% on amount > Rs.2.4M
3,600,001	6,000,000	405,000	PLUS	25% on amount > Rs.3.6M
6,000,001	12,000,000	1,005,000	PLUS	32.5% on amount > Rs.6M
Above 12,000,000		2,955,000	PLUS	35% on amount > Rs.12M

Rate of advance tax deductible is 20% on directorship fee or fee for attending board meetings | **For more detailed information on salary taxation** please visit: https://www.tagm.co/pdf/Update-Salary(TY-2023).pdf

DIVIDEND | *Sec 150, Div. I Pt. III 1st Sch. & Cl. 11B Pt. IV 2nd Sch.*

Activity	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
Dividend paid by IPPs, when it is a pass-through item to be reimbursed by CPPAG	7.5%	15%	**Final Tax**
Dividend attributable to income from biomass & baggas based power projects			
Dividend received where company is availing exemption or benefiting from c/f business losses & tax credits	25%	50%	
Mutual funds, REITs & other cases	15%	30%	
Dividend in specie	15%	30%	
Dividend from SPV received: By REIT scheme	0%	0%	
Dividend from SPV received: By others	35%	70%	
Intercorporate dividend/ group taxation	Not Applicable		

PROFIT ON DEBT | *Sec 151, Div. IA Pt. III 1st Sc./ Cl. 5AB Pt. II 2nd Sc.*

Activity	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
Received by Company	15%	30%	**Advance Tax**
Received by AOP/ individual: Profit up to Rs. 5M			**Final Tax**
Received by AOP/ individual: Profit above Rs. 5M			**Minimum Tax**
Received *by Resident Pakistanis* on Government securities, purchased via FCVA under SBP's Scheme	10%		**Final Tax**

INVESTMENTS IN SUKUKS | *Sec 151, Div. IB Pt. III 1st Schedule*

Activity	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
Returns received by Companies	25%	50%	**Adv. Tax**
Returns rec. by AOPs/ Individuals: Up to Rs. 1M	10%	20%	**Final Tax**
Returns rec. by AOPs/ Individuals: Above Rs.1M upto 5M	12.5%	25%	
Returns rec. by AOPs/ Individuals: Above Rs. 5M			**Min. Tax**

PAYMENTS TO NON-RESIDENTS | *Sec 152, Div. IV Pt. I, Div. II Pt. III 1st Sch. & Cl. 5A, 5AA, 5AC Pt. II 2nd Schedule*

Activity	Tax Rate	Nature of Tax
Royalty/ fees for technical services	15%	**Final Tax**
Fee for offshore digital services, Money transfer operations, Card network services, Payment gateway services, Interbank financial telecom. Services	10%	
Contracts/ subcontract under a construction, assembly/ installation project (including supply of supervisory activities therefor) and Advertisement services by TV Satellite Channels	7%	**Minimum Tax**
Insurance/ re-insurance premium	5%	
Advertisement services relaying from outside Pakistan	10%	
Foreign produced commercials for TV channel/ other media	20%	
Capital gain to foreign companies on disposal of Debt Instruments & Govt. securities invested via SCRA	10%	**Final Tax**
Profit on debt from investments exclusively made through a SCRA		
Capital gain to individuals on disposal of debt instruments and Govt. Securities invested via FCVA or NRVA		

Activity	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
Individuals receiving profit on Govt. Securities purchased via a foreign bank account, NRVA or FCYAs	10%		**Final Tax**
Profit on FCYAs or COIs under SBP's FC Account Scheme	0%		**Exempt**
Profit received by NRPs from PKR accounts on funds exclusively remitted from aboard in FCY	0%		
Other payments	20%		**Adv. Tax**

PAYMENTS TO PE OF NON-RESIDENTS | *Sec 152, Div. II Pt. III 1st Sch.*

Activity	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
For services rendered: By PE of NR company	8%	16%	**Minimum Tax**
For services rendered: Other PEs	10%	20%	
Contract by sports persons	10%	20%	
For other contracts	7%	14%	

SUPPLY OF GOODS INCLUDING TOLL MANUFACTURING | *Sec 153(1)(a), Div. III Pt. III 1st Sch, Cl 24A, 24C, 31, 45A Pt. II 2nd Sch.*

Activity	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
Sale of rice, cotton seed or edible oil	1.5%	3%	**Advance Tax** for companies and Companies Engaged in Manu-facturing **Minimum Tax** for other cases
Sale of cigarettes & pharma products by distributors	1%	2%	
Sale by distributors, dealers, sub-dealers, wholesales & Tier-1 retailers integrated & configured with Board (also appearing on Sales Tax ATL) of the following: FMCG | Fertilizer | Electronics (excluding mobile phones) | Sugar | Cement | Steel | Edible oil	0.25%	0.5%	
Sales, supplies & services by taxpayers in the following sectors: Textile & articles thereof | Carpets | Leather & articles thereof | Artificial leather footwear | Surgical goods | Sports Goods	1%	2%	
Supplies & services to above sectors by Yarn Traders	0.5%	1%	
Other supplies/ sales (incld. Toll Manufacturing): By companies	4%	8%	
Other supplies/ sales (incld. Toll Manufacturing): By AOPs & Individuals	4.5%	9%	
Sale of gold & silver and articles thereof	1%	2%	**Adv. Tax**

Note | No tax to be withheld in case of:
- (a) where aggregate annual payment is below Rs.75,000
- (b) purchase of an asset under lease & buy back agreement by Banks and Non-banking Finance Companies.

PAYMENTS FOR SERVICES | *Sec 153(1)(b), 153(2), Div. III & Div. IV Pt. III 1st Schedule*

Activity	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
Transport | Freight forwarding | Air cargo services | Courier | Manpower outsourcing | Hotel services | Security guard | Software development | IT & IT enabled services | Tracking services | Advertising (other than by print/ electronic media) | Share registrar services | Engineering/ Architectural services | Warehousing | Services rendered by AMCs | Data services | Telecom. infrastructure (tower) services | Car rentals | Building maintenance | Services rendered by PSEL & PMEL | Inspection, certification & testing | Training services | Oilfield services | Telecom | Collateral management | Travel & tours | REIT management | NCCPL services	3%	6%	**Minimum Tax**
Advertising services | electronic/ print media	1.5%	3%	
Other services: By companies	8%	16%	
Other services: By AOPs & Individuals	10%	20%	
Stitching, dying, printing, embroidery, washing, sizing & weaving to Exporters	1%	2%	

Note | Not applicable if aggregate annual payment is under Rs.30,000

EXECUTION OF CONTRACTS | Sec 153(1)(c), Div III Pt III 1st Sch.

Activity	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
Executed for Listed Companies	6.5%	13%	**Adv. Tax**
Executed for Other Companies			**Minimum Tax**
Performed by sportspersons	10%	20%	
Other cases	7%	14%	

EXPORTS | *Sec 154 Div. IV Pt. III 1st Sch, Cl. 47C Pt. IV 2nd Schedule*

Activity	Tax Rate	Nature of Tax
Realization of export proceeds	1%	**Final Tax**
Goods sold per inland back-to-back LC		
Export of goods by units in EPZ		
Payments under DTRE Rules to indirect exporters by direct exporters		
Cooking oil/ vegetable ghee exported to Afghanistan, if tax u/s 148 is paid	0%	**Exempt**

EXPORT OF SERVICES | *Sec 154A IVA Pt. III 1st Schedule*

Activity	Tax Rate	Nature of Tax
Software, IT or IT-enabled services by PSEB registered taxpayers	0.25%	**Final Tax**, subject to specified conditions OR/ Optional **Advance Tax**
Services/ technical services: Rendered abroad	1%	
Services/ technical services: Exported from Pakistan		
Royalty/ commission/ franchise fees received by a resident company from a foreign entity for use of intellectual property outside Pakistan		
Construction contracts executed outside Pakistan		
Foreign indenting commission		

RENT OF IMMOVABLE PROPERTY | *Sec 155, Div. V Pt. III 1st Sch.*

	Annual Rent (Rs.) From	Annual Rent (Rs.) To	Tax	Nature of Tax
Company			15%	**Advance Tax**
Individual & AOP	Up to 300,000		NIL	
	300,001	600,000	5% of rent exceeding Rs.300K	
	600,001	2,000,000	Rs.15K + 10% of rent above Rs.600K	
	Above 2,000,000		Rs.155K + 25% of rent above Rs.2M	

Note | Rates to be increased by 100% for Non-filers

PRIZES AND WINNINGS | *Sec 156, Div. VI Pt. III 1st Schedule*

Activity	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
On a prize bond or crossword puzzle	15%	30%	**Final Tax**
Raffle, lottery, winning quiz & prizes on sales promotion schemes.	20%	40%	

PETROLEUM PRODUCTS | *Sec 156A, Div. VIA Pt. III 1st Schedule*

Activity	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
Commission amount / discount allowed to a petrol pump operator	12%	24%	**Final Tax**

TAX ON MOTOR VEHICLES | *Sec 231B Div. VII Pt. IV 1st Schedule*

Activity	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
Purchase/ registration	Various	Increased by 200%	**Advance Tax**
Electric Vehicles (EV) value Rs.5M >	3%		
Transfer of registration/ ownership	Various		
Sale/ transfer of EV valuing Rs.5M >	Rs.20K		
Sale of vehicle on Own-Money	Various		
Leasing to a non-filer	N/A	4%	

BROKERAGE & COMMISSION | *Sec 233, Div. II Pt. IV 1st Schedule*

Activity	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
Advertising agent	10%	20%	**Minimum Tax**
Life insurance commission<Rs.0.5M pa	8%	16%	
Others	12%	24%	

TAX ON MOTOR VEHICLES | *Sec 234, Div. VII & III Pt. IV 1st Schedule*

Activity	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
Goods Transport Vehicle | Based on laden weight	Rs.2.5/ Kg	Increased by 100%	**Advance Tax**
Goods Transport Vehicle | Laden weight 8,120Kg > after 10 yrs. of registration	Rs.1.2K		
Passenger transport vehicle plying for hire | Based on seating & air- conditioning	Various		
Motor vehicle | Based on engine capacity	Various		

COMMERCIAL, INDUSTRIAL ELECTRICITY CONSUMERS | *Sec 235, Div. IV Pt. IV 1st Sch., Cl. 66 Pt. IV 2nd Schedule*

Gross Monthly Bill From	Gross Monthly Bill To	Tax | *Not applicable to Specified Sectors*	
Up to Rs. 500		NIL	
Rs. 501	Rs. 20,000	10% of amount	
Above Rs. 20,000		Commercial Consumer	Rs.1,950 + 12% above Rs.20,000
		Industrial Consumer	Rs.1,950 + 5% over Rs.20,000

For Companies

Nature of Tax	Advance Tax

Other Taxpayers

Annual Bill (Rs.)	Nature of Tax
Up to 360K	Minimum Tax
Above 360K	Advance Tax

DOMESTIC ELECTRICITY CONSUMERS| *S235, Div. IV, Pt. IV 1st Sch*

Activity	Tax Rate	Nature of Tax
Monthly bill up to Rs. 25,000	0%	**Advance Tax**
Monthly bill exceeds Rs. 25,000	7.5%	

TELEPHONE USERS | *Sec 236, Div. V Pt. IV 1st Schedule*

Activity	Tax Rate	Nature of Tax
Landline bills exceeding Rs.1,000	10%	**Advance Tax**
Internet & Mobile subscriptions	15%	

SALE BY AUCTION | *Sec 236A, Div. VIII Pt. IV 1st Schedule*

Activity		Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
Sale by public auction/ tender	Property/ goods	10%	20%	**Advance Tax**
	Immoveable Property	5%	10%	
Lease of collection rights	Fee or Other levies	10%	20%	
	Toll			**Final Tax**

SALE/ TRANSFER/ DISPOSAL OF IMMOVABLE PROPERTY | *Sec 236C, Div. X Pt. IV 1st Schedule*

Activity		Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
By NRPs where the property acquired via FCVA or NRVA		2%		**Final Tax** (In lieu of CGT)
All other cases	Acquired in same year	2%	4%	**Min. Tax**
	Inheritance/ Gift	Not Applicable		N/A
	Other cases	2%	4%	**Adv. Tax**

ON TV PLAYS & ADVERTISEMENT | *S236CA, Div. XA Pt. IV 1st Sch.*

Activity	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
Per episode tax on foreign-produced TV drama serial	Rs. 1M	Rs. 2M	**Minimum Tax**
Tax on foreign-produced single-episode TV play	Rs. 3M	Rs. 6M	
Per second tax on advertisement starring foreign actor	Rs. 0.1M	Rs. 0.2M	

TAX ON SALES TO DISTRIBUTORS, DEALERS & WHOLESALERS BY MANUFACTURERS & COMMERCIAL IMPORTERS | *Sec 236G, Div. XIV Pt. IV 1st Schedule*

Activity	ATL Status		Tax Rate		Nature of Tax
Fertilizers	I. Tax	S. Tax	0.25%		**Advance Tax**
	I. Tax	X	0.7%		
	X	X	1.4%		
Pharmaceuticals | Poultry & animal feed | Edible oil & ghee | Auto-parts | Tyres | Varnishes | Chemicals | Cosmetics | IT equipment | Electronics | Sugar | Cement | Iron & steel products | Motorcycles | Pesticides | Cigarettes | Glass | Textile | Beverages| Paint | Foam			0.1%	0.2%	

TAX ON SALES TO RETAILERS & WHOLESALERS BY MANUFACTURERS, DISTRIBUTORS, DEALERS, WHOLESALERS & COMMERCIAL IMPORTERS | *Sec 236H, Div. XV Pt. IV 1st Schedule*

Activity	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
Pharmaceuticals | Poultry & animal feed | Edible oil & ghee | Auto-parts | Tyres | Varnishes | Chemicals | Cosmetics | IT equipment | Electronics | Sugar | Cement | Iron & steel products | Motorcycles | Pesticides | Cigarettes | Glass | Textile | Beverages| Paint | Foam	0.5%	1%	**Advance Tax**

PURCHASE OF IMMOVABLE PROPERTY | *Sec 236K, Div. XVIII Pt. IV 1st Schedule*

Activity		Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
By NRPs for property acquired via FCVA or NRVA		2%		**Final Tax**
All other cases	Inheritance/ Gift	Not Applicable		N/A
	Normal Purchase	2%	7%	**Adv. Tax**

FOREIGN PAYMENTS VIA DEBIT/ PRE-PAID OR CREDIT CARD | *Sec 236Y, Div. XVIII Pt. IV 1st Schedule*

Activity	Tax Rate: Filer	Tax Rate: Non-Filer	Nature of Tax
On gross amount remitted abroad	1%	2%	**Adv. Tax**

GLOSSARY OF KEY TERMS

- **AMC** | Asset Management Company
- **AOP** | Association of Persons
- **ATL** | Active Tax-payer List
- **COI** | Certificate of Investment
- **CPPAG** | Central Power Purchasing Agency
- **DTRE** | Duty & Tax Remission Scheme
- **EPZ** | Export Processing Zone
- **FCVA** | Foreign Currency Value A/c.
- **FCY** | Foreign Currency
- **FCYA** | Foreign Currency Account
- **I. Tax** | Income Tax
- **IPPs** | Independent Power Producers
- **LC** | Letter of Credit
- **NCCPL** | National Clearing Company
- **NR** | Non-resident
- **NRP** | Non-resident Pakistani
- **NRVA** | Non-resident Pakistani Rupee Value A/c.
- **PE** | Permanent Establishment
- **PMEL** | Pakistan Mercantile Exchange Ltd.
- **PSEL** | Pakistan Stock Exchange
- **REIT** | Real Estate Investment Trust
- **S. Tax** | Sales Tax
- **SBP** | State Bank of Pakistan
- **Sch.** | Schedule
- **SCRA** | Special Convertible Rupee A/c.
- **Sec** | Section
- **SPV** | Special Purpose Vehicle

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WITHHOLDING INCOME TAX RATES CARD | TAX YEAR 2022

Applicable from July 01, 2021 to June 30, 2022 vide the Finance Act, 2021

WHAT THIS DOCUMENT AIMS AT?

The purpose of this document is to **summarize activity-wise rates and treatment of withholding income tax**, taking into account the **proposed amendments vide the Finance Bill, 2021**. The information summarized herein is general and based on our interpretation and significant proposed amendments, which, when enacted would become **effective from July 01, 2021** – i.e., for the **Tax Year 2022**. This information does not constitute any opinion or advice and may also not be acceptable to taxation authorities in any particular case. Tax laws are subject to change from time to time and we do neither warrant at any time the currency of the above details nor accept any responsibility to update the same.

SALARY | *Sec 149, Div. I Part I 1st Schedule*

Taxable Income From	Taxable Income To	Rate of Tax		
Up to 600,000		0%		
600,001	1,200,000	5% on amount exceeding Rs.600,000		
1,200,001	1,800,000	30,000	PLUS	10% on amount > Rs.1.2M
1,800,001	2,500,000	90,000	PLUS	15% on amount > Rs.1.8M
2,500,001	3,500,000	195,000	PLUS	17.5% on amount > Rs.2.5M
3,500,001	5,000,000	370,000	PLUS	20% on amount > Rs.3.5M
5,000,001	8,000,000	670,000	PLUS	22.5% on amount > Rs.5M
8,000,001	12,000,000	1,345,000	PLUS	25% on amount > Rs.8M
12,000,001	30,000,000	2,345,000	PLUS	27.5% on amount > Rs.12M
30,000,001	50,000,000	7,295,000	PLUS	30% on amount > Rs.30M
50,000,001	75,000,000	13,295,000	PLUS	32.5% on amount > Rs.50M
Above 75,000,000		21,420,000	PLUS	35% on amount > Rs.75M

IMPORT OF MOBILE PHONES | *Sec148 & Part II of First Sch.*

C & F Value	CBU	CKD/ SKD	
Bar phones up to USD 30	Rs. 70	NIL	Advance Tax | Industrial undertaking importing items at 1% or 2% for its own use Minimum Tax | All other cases
Bar phones exceeding USD 30 and up to USD 100	Rs. 100	NIL	
Smart phones up to USD 100	Rs. 100	NIL	
Mobile phones exceeding USD 100 and up to USD 200	Rs. 930	NIL	
Mobile phones exceeding USD 200 and up to USD 350	Rs. 970	NIL	
Mobile phones exceeding USD 350 and up to USD 500	Rs. 3,000*	Rs. 5,000*	
Mobile phones exceeding USD 500	Rs. 5,200*	Rs. 11,500*	

Note: *Rates to be increased by 100% for Non-Filers

IMPORTS | *Sec 148 & Part II First Schedule*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Persons importing items (Materials & machinery) goods classified in Part I of the Twelfth Schedule	1%	2%	Advance Tax: | Industrial under-taking importing items at 1% or 2% for its own use Minimum Tax | All other cases
Persons importing items (Parts & components) classified in Part II of the Twelfth Schedule	2%	4%	
Persons importing goods (all others) classified in Part III of the Twelfth Schedule	5.5%	11%	
Manufacturers covered rescinded under SRO. 1125(I)/2011 importing items covered under SRO. 1125(I)/2011	1%	2%	
Persons importing finished pharma products, not manufactured locally as certified by the DRAP	4%	8%	
Import of CKD Kits of electrical vehicles for small cars or SUVs upto 50 kwh battery and LCVs upto 150 kwh battery	1%	2 %	

Note: No tax to be collected on the import of items covered in Clauses (12F) to (12M) of Part IV Second Schedule

DIVIDEND | *S 150, Div. I Pt III 1st Sch. & Cl. 11B Part IV 2nd Sch.*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Dividend from Independent Power Purchasers, being a pass-through item under Implementation/ Power/ Energy Purch. Agreement, required to be reimbursed by CPPA-G	7.5%	15%	Final Tax
Dividend from company covered under clause 132C Part I 2nd Schedule			
Dividend if no tax is payable by the Co. due to exemption, c/f loss, tax credits	25%	50%	
Other cases, including mutual funds & repatriation of after-tax profits by branches of foreign companies	15%	30%	
Dividend in specie	15%	30%	
Inter-company dividend under group taxation	Not Applicable		

PROFIT ON DEBT | *Sec 151, Div. IA Part III 1st Sch.*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Received by Company	15%	30%	Final Tax
Received by AOP or individual			

RETURN ON SUKUKS | *Sec 151, Div. IB Pt III 1st Sch.*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Received by Company	25%	50%	Final Tax
Received by individuals or AOPs and the profit is above Rs. 1M	12.5%	25%	
Received by individuals or AOPs and the profit is up to Rs. 1M	10%	20%	

PAYMENTS TO NON-RESIDENTS | *Sec 152, Div. IV Pt. I, Div. II Pt. III 1st Sch. & Cl. 5AA Part II 2nd Sch.*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Royalty/ fee for technical services	15%	30%	Final Tax
Advertisement services	20%	40%	
Foreign produced commercials	20%	40%	
Fee for offshore digital services	5%	10%	
Contracts or related services	7%	14%	Minimum Tax
Insurance/ re-insurance premium	5%	10%	
Other payments	20%	40%	Adv. Tax

Note: Tax on Sukuks same as that for residents

PAYMENTS TO PE OF NON-RESIDENTS | *Sec 152, Div. II Pt III 1st Sch.*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
For supplies by PE of N/R Companies being Manufacturer	4%	4%	Advance Tax
For supplies by PE of N/R Companies	4%	4%	Minimum Tax
For supplies by PE of other N/R	4.5%	4.5%	
For services by PE of N/R Companies	8%	8%	
For services by PE of other N/R	10%	10%	
Transport, freight forwarding, air cargo, courier, manpower outsourcing, hotel, security guard, software development, IT & IT enabled services IT and IT enabled services [as defined u/s (65F)], Tracking services, Advertising (other than by print or electronic media), Share registrar services, Car rental, Building maintenance, Inspection, Certification, Testing, Training services,	3%	3%	
Execution of contract by sports persons	10%	20%	
For other contracts	7%	14%	

SUPPLY OF GOODS INCLUDING TOLL MANUFACTURING| *Sec 153(1)(a), Div. III P III 1st Sch, Cl 24A, 24C, 45A P II 2nd Sch*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Sale of rice, cottonseed & edible oil	1.5%	3%	Advance Tax for Listed companies and Companies Engaged in Manu-facturing. Minimum Tax for other cases.
Sale of cigarettes & pharma products	1%	2%	
Sale of FMCG, fertilizer, electronics excluding mobile phones, sugar, cement, & edible oil by distributors, dealers, sub-dealers, wholesales & retailers	0.25%	0.5%	
Sale of other goods by companies including toll manufacturers	4%	8%	
Sale of other goods by AOPs & Ind. including toll manufacturers	4.5%	9%	
Local sales, supplies and services made by export-oriented sector	1%	2%	
Local supplies by yarn traders to export-oriented sector	0.5%	1%	

Note: No tax to be withheld in case of (a) where **aggregate annual payment** is below Rs 75,000/-. AND (c) **purchase of asset under lease & buy back agreement** by modarabas, leasing/ banking companies or financial institutions.

PAYMENTS FOR SERVICES | *Sec 153(1)(b), 153(2), Div. III & Div IV P III 1st Sch.*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Advertising services (elec. & print media)	1.5%	3%	Minimum Tax
Transport, Freight forwarding, Air cargo services, Courier, Manpower outsourcing, Hotel, Security guard, Software development, IT and IT enabled services [as defined u/s 65F], Tracking services, Advertising (other than by print or electronic media), Share registrar services, Car rental, Building maintenance, Services of PSX & PMEL, Inspection, Certification, Testing & Training, Oilfield, Telecommunication, Collateral management, travel and tour services.	3%	6%	
Companies providing other services	8%	16%	
AOPs & Ind. providing other services	10%	20%	
Stitching, dying, printing, embroidery, washing, sizing & weaving for Exporters	1%	2%	

Note: **No tax to be withheld for payments** in case where payments made against services rendered is less than Rs. 30,000/- in aggregate, during a financial year.

EXECUTION OF CONTRACTS | *Sec 153(1)(c), Div III Pt III 1st Sch*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Received by Listed Companies	7%	14%	Adv. Tax
Received by Other Companies			Minimum Tax
Received by sportspersons	10%	20%	
Received by others	7.5%	15%	

EXPORTS | *Sec 154 & 154A Div IV & IVA Pt III 1st Sch, Cl. 47C Pt IV 2nd Sch*

Activity	Tax Rate	Nature of Tax
Realization of export proceeds [Exemption to cooking oil or vegetable ghee exported to Afghanistan if tax u/s 148 is paid]	1%	Final Tax
Inland back-to-back LC by exporter on sale of goods under an arrangement prescribed by FBR		
Export of goods by EPZ units		
Payment for a firm contract by direct exporters reg. under DTRE Rules, 2001, to indirect exporters		
Realization of proceeds on account of commission to indenting agent	5%	
Export of services including computer software or IT services or IT enabled services (where no tax credit available u/s 65F), Technical services, Royalty fees or Commission, construction contracts and other services notified by FBR.	1%	

PROPERTY INCOME/ RENTALS | *Sec 155, Div V Pt III 1st Sch*

Activity	Annual Rent (Rs.) From	Annual Rent (Rs.) To	Tax	Nature of Tax
For companies			15%	Advance Tax
Other cases	Up to 300,000		NIL	
	300,001	600,000	5% of amount above Rs.300,000	
	600,001	2,000,000	15,000 + 10% of amount above Rs. 600,000	
	Above 2,000,000		155,000 + 25% of amount above Rs.2M	

PRIZES AND WINNINGS | *Sec 156, Div VI Pt III 1st Sch*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
On prize bonds & crossword puzzle	15%	30%	Final Tax
Raffle, lottery, winning quiz & prizes on sales promotion schemes	20%	40%	

PETROLEUM PRODUCTS | *Sec 156A, Div VIA Pt III 1st Sch*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Commission/ discount to petrol pump operators on petroleum prod.	12%	24%	Final Tax

TAX ON MOTOR VEHICLES | *Sec 231B&234, Div VII & III Pt IV 1st Sch*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Purchase/ transfer of motor vehicles	Based on Engine Capacity		Advance Tax
Leasing on Vehicle | Based on value	N/A	4%	
Goods Transport Vehicles | Based on laden weight	Rs.2.5/ Kg	Rs.5/ Kg	
Goods Transport Vehicle Laden wt. 8120Kg or more (after 10 years of Reg.)	Rs. 1,200	Rs. 2,400	
Passenger transport vehicle	Various Rates	Various Rates	
Private motor vehicle	Various Rates	Various Rates	

BROKERAGE & COMMISSION | *Sec 233, Div II Pt IV 1st Sch*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Advertising commission	10%	20%	Minimum Tax
Life Insurance Commission up to Rs. 0.5M p.a.	8%	16%	
Others	12%	24%	

COMMERCIAL & INDUSTRIAL ELECTRICITY CONSUMERS | *S235, Div. IV P IV 1st Sch., Cl 66 P IV 2nd Sch.*

Gross Bill Amount From	Gross Bill Amount To	Tax
Up to 500		NIL
500	20,000	10% of amount
Above 20,000		Comm Cons. | Rs. 1,950 + 12% above 20,000 Ind. Cons. | Rs. 1,950 + 5% above 20,000

DOMESTIC ELECTRICITY CONSUMP. | *Sec235, Div. IV, P IV 1st Sch.*

Activity	Tax Rate	Nature of Tax
Monthly bill up to Rs. 25,000	0 %	Advance Tax
Monthly bill exceeds Rs. 25,000	7.5%	

TELEPHONE USERS| *Sec 236, Div. V Pt.IV 1st Sch.*

Activity	Tax Rate	Nature of Tax
Landline bills exceeding Rs. 1,000	10%	Advance Tax
Mobile phone bills & prepaid cards	10%	
Postpaid internet $ prepaid net cards		

SALE BY AUCTION | *Sec 236A, Div VIII Pt IV 1st Sch*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Sale of property, goods or lease of right by public auction or tender	10%	20%	Advance Tax
Sale of lease of right to collect tolls			Final Tax
Sale-immovable property by auction	5%	10%	

SALE/ TRANSFER OF IMMOVABLE PROPERTY | *S236C, DvX PIV 1st Sch*

Activity		Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Holding Period	Up to 1 Year	1%	2%	Mini. Tax
	Up to 4 Years	1%	2%	Adv. Tax
	Above 4 Years	Not Applicable		

TAX ON SALES TO DISTRIBUTORS, DEALERS & WHOLESALERS BY MANUFACTURERS & COMMERCIAL IMPORTERS | *Sec 236G, Div XIV Pt IV 1st Sch*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Fertilizers	0.7%	1.4%	Advance Tax
Fertilizers (if appearing on ATL under ITO 2001 & ST Act 1990)	0.25%	0.5%	
Electronics | Sugar | Cement | Iron & steel products | Motorcycles | Pesticides | Cigarettes | Glass | Textile | Beverages | Paint or foam | Pharmaceuticals | Poultry & animal feed | Edible oil & ghee | Battery | Tyres | Varnishes | Chemicals | Cosmetics | IT equipment	0.1%	0.2%	

TAX ON SALES TO RETAILERS & WHOLESALERS BY MANUFACTURERS, DISTRIBUTORS, DEALERS, WHOLESALERS & COMMERCIAL IMPORTERS | *Sec 236H, Div XV Pt IV 1st Sch*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
Electronics | Sugar | Cement | Iron & steel products | Motorcycles | Pesticides | Cigarettes | Glass | Textile | Beverages | Paint or foam | Pharmaceuticals | Poultry & animal feed | Edible oil & ghee | Battery | Tyres | Varnishes | Chemicals | Cosmetics | IT equipment	0.5%	1%	Advance Tax

COLLECTION OF TAX BY EDUCATIONAL INSTITUTIONS WHERE FEE EXCEEDS RS. 200,000/- | *Sec 236I, Div XVI Pt IV 1st Sch*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
From residents	N/A	5%	Adv. Tax
From non-residents	Not Applicable		

PURCHASE OF IMMOVABLE PROPERTY | *S236K, DivXVIII Pt IV 1st Sch*

Activity	Tax Rate Filer	Tax Rate Non-Filer	Nature of Tax
On fair market value	1%	2%	Adv. Tax

RENT OR PAYMENT FOR RIGHT TO USE MACHINERY & EQUIPMENT | *Sec 236Q, Div XXIII Pt IV 1st Sch*

Activity	Tax Rate	Nature of Tax
To be collected for industrial, commercial and scientific equipment & machinery	10%	Minimum Tax

Note: WHT deduction shall not be applicable in the following cases:
a. Agricultural machinery; and
b. Machinery owned and leased by leasing companies, investment banks, modarabas, scheduled banks or DFIs

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