

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

Islamabad, the 15th September, 2014.

NOTIFICATION
(Income Tax)

S.R.O. 817 (I)/2014.- In exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is please direct that the following further amendments shall be made in the Income Tax Rules, 2002, the same having been previously published vide Notification No. S.R.O. 698(I)/2014, dated the 24th July, 2014, as required by sub-section (3) of the said section, namely:-

In the aforesaid Rules, in Part II, after Division III, the following new Division shall be inserted, namely:-

“Division IIIA
ADVANCE TAX ON AIR TICKETS

43A.Advance tax on air tickets.-(1) This rule shall apply for the purposes of section 236B and 236L.

(2) Airlines issuing tickets directly to passengers, either manually or electronically, shall charge and collect advance tax, at the rates applicable for sections 236B and 236L, directly from the passengers and shall be paid within the time as prescribed in sub-rule (4).

Explanation: For the purpose of this rule, airline means airline issuing tickets for uplifting passengers of any airline, whether having its head office or registered office or an agent in Pakistan or not, if the journey originates in Pakistan. The obligation to charge, collect and deposit tax is in respect of the airline uplifting the passengers in respect of the journey originating in Pakistan.

(3) Where the tickets are issued by persons, other than the Airlines, and the persons issuing tickets on behalf of the Airlines, are charging and collecting advance tax from the passengers and making payment of tax to the Airlines directly, or through IATA, or through any other entity

authorized in that behalf, the tax so collected by the airlines from such persons shall be paid as per sub-rule (4).

(4) Tax collected by the airlines under sub-rule (3), shall be paid by the 15th day of the following second month in respect of tickets issued up to the last working day of each calendar month:

Provided that for the month of May and June, the tax shall be paid by 15th day of June on the basis of average tax paid in respect of July to April. Any short or excess tax paid, in respect of tickets issued during May and June, shall be adjusted in the tax required to be paid by the 15th day of July.

(5) Every Airline issuing international air tickets shall make adequate arrangements for collection of tax under this rule from the persons issuing tickets on its behalf or through electronic means, and in case of default, the said tax shall be collected from the airline, without prejudice to any other liability which it may incur under the Ordinance.

(6) Notwithstanding anything contained in Second Schedule to the Income Tax Rules, 2002, monthly and annual statements of tax collected under section 236B and 236L, shall be submitted by every airline to the respective Commissioner Inland Revenue, in the form and verified in the manner as indicated in sub-rule (8).

(7) Monthly statement for the tax deposited by 15th of each month, under sub-rule (4), shall be filed by 21st of that month:

Provided that the monthly statement for the month of September, 2014 shall be furnished along with the monthly statement of October, 2014.

(8) The forms and manner in which the monthly and annual statements are to be filed, are as below:

FORMS

“Monthly statement of tax collected under section(236B/236L)____ of the Income Tax Ordinance, 2001, during the month of _____, 20_____

Airline/Uplifting Airline:						
SN	Name of Airline for which tickets issued.	Gross Fare	Tax @ 5% or 4%	Date of collection	Date of Deposit	CPR No.

I certify that the above statement contains complete information of tax collectible under section 236B of the Income Tax ordinance, 2001, during the month/year ending on the _____, 20_____

Name and Signature of person responsible _____

Signature _____

Date _____

Seal _____”

“Annual statement of tax collected under section(236B/236L)____of the Income Tax Ordinance, 2001, for the year ending on the _____, 20_____

Airline/Uplifting Airline:										
SN	Name of Airline for which tickets issued.	Document or Ticket No	Passenger Name	NIC/Pass port No.	Route / Sector	Gross Fare	Tax @ 5%	Date of collection	Date of Deposit	CPR No.

I certify that the above statement contains complete information of tax collectible under section 236B of the Income Tax ordinance, 2001, during the month/year ending on the _____, 20_____

Name and Signature of person responsible _____

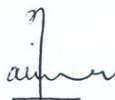
Signature _____

Date _____

Seal _____”

(9) Provisions of section 236G and 236L shall not be applicable in the case of a foreign diplomat or a diplomatic mission in Pakistan.

[F.No.4(61)ITP/2014]


(Rabia Yaser Durrani)
Secretary (Income Tax Policy)