

(As amended up to 1st July, 2015)

The
**ISLAMABAD CAPITAL TERRITORY
(TAX ON SERVICES)
ORDINANCE,
2001**

(ORDINANCE NO. XLII OF 2001)

Updated By

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(Amendments by the Finance Act, 2015 have been shown in
BLUE)

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The
ISLAMABAD CAPITAL TERRITORY
(TAX ON SERVICES)
ORDINANCE,
2001

¹[Notification No. F. 2(1)/2001-Punj., dated 18th August, 2001.—The following Ordinance promulgated by the President is hereby published for general information:--

ORDINANCE NO. XLII OF 2001

AN
ORDINANCE

to provide for levy of sales tax on services rendered or provided in the Islamabad Capital Territory

WHEREAS it is expedient to provide for levy of sales tax on the services rendered or provided in the Islamabad Capital Territory and for matters ancillary thereto or connected therewith;

AND WHEREAS the President is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in pursuance of proclamation of Emergency of the fourteenth day of October, 1999, and the Provisional Constitution Order No. 1 of 1999, read with the Provisional Constitution (Amendment) Order No. 9 of 1999, and in exercise of all powers enabling him in that behalf, the President of the Islamic Republic of Pakistan is pleased to make and promulgate the following Ordinance:-

1. Short title, extent and commencement.-- (1) This Ordinance may be called the Islamabad Capital Territory (Tax on Services) Ordinance, 2001.

¹ Issued by the Ministry of Law and Justice, under the signature of Mr. Justice Faqir Muhammad Khokhar, Secretary, vide Ex. Ord. Gaz. of Pak., 2001, Pt. I, P.923.

- (2) It extends to whole of Islamabad Capital Territory.
- (3) It shall come into force at once.

2. Interpretation.-- In this Ordinance, unless there is anything repugnant in the subject or context, the words and expression used but not defined shall have the same meaning as in the Sales Tax Act, 1990.

3. Scope of tax.-- (1) Subject to the provisions of this Ordinance, there shall be charged, levied and paid a tax know as sales tax at ²[rates specified in column (4) of the Schedule to this Ordinance] of the value of the taxable services rendered or provided in the Islamabad Capital Territory.

(2) The tax shall be charged and levied on the services specified in ³[column (2) of] the Schedule to this Ordinance in the same manner and at the same time, as if it were a sales tax leviable under sections 3, 3A or 3AA, as the case may be, of the Sales Tax Act, 1990.

(3) All the provisions of the Sales tax Act, 1990, and rules made and notifications, orders and instructions issued thereunder shall, *mutatis mutandis*, apply to the collection and payment of tax under this Ordinance in so far as they relate to –

- (a) manner, time and mode of payment;
- (b) registration and de-registration;
- (c) keeping of records and audit;
- (d) enforcement and adjudication;
- (e) penalties and prosecution; and
- (f) all other allied and ancillary matters.

² Substituted for the words “the rate of sixteen percent” by the Finance Act, 2015

³ The words brackets and figure “column (2) of” shall be inserted by the Finance Act, 2015

⁴[THE SCHEDULE

[See section 3(2)]

S. No.	Description	PCT Heading, if applicable	Rate of Tax
(1)	(2)	(3)	(4)
1	Services provided or rendered by hotels, motels, guest houses, marriage halls and lawns (by whatever name called) including “pandal” and “shamiana” services, clubs including race clubs, and caterers.	9801.1000 9801.3000 9801.4000 9801.5000 9801.6000	Sixteen per cent
2	Advertisement on television and radio, excluding advertisements— (a) sponsored by an agency of the Federal or Provincial Government for health education; (b) sponsored by the Population Welfare Division relating to educational promotion	9802.1000 and 9802.2000	Sixteen per cent

⁴ Substituted by the Finance Act, 2015. Earlier, the Schedule at the time of substitution was as under:

“THE SCHEDULE

[See section 3(2)]

1. Services provided or rendered by hotels, clubs and caterers:-
 - (a) Services provided or rendered by hotels;
 - (b) *Omitted.*
 - (c) Services provided or rendered by clubs, and
 - (d) Services provided or rendered by caterers.
2. Advertisements on T.V. and Radio excluding advertisement:-
 - (i) if sponsored by a Government Agency for health education;
 - (ii) if sponsored by Population Welfare Division relating to educational promotion campaign; and
 - (iii) public service messages if telecast on television by World Wildlife Funds for Nature or UNICEF.
3. Services provided or rendered by persons authorized to transact business on behalf of others:-
 - (a) customs agents.
 - (b) ship chandlers.
 - (c) stevedores.
4. Courier services.
5. *Omitted.*
6. *Omitted.”*

	<p>campaign;</p> <p>(c) financed out of funds provided by a Government under grant-in-aid agreement; and</p> <p>(d) conveying public service messages, if telecast on television by the World Wide Fund for Nature (WWF) or United Nations Children’s Fund (UNICEF)</p>		
3	<p>Services provided by persons authorized to transact business on behalf of others–</p> <p>(a) stevedore;</p> <p>(b) customs agents; and</p> <p>(c) ship chandlers.</p>	<p>9805.2000</p> <p>9805.4000 and</p> <p>9805.8000</p>	Sixteen per cent
4	<p>Courier services and cargo services by road provided by courier companies;</p>	<p>9808.0000</p> <p>9804.9000</p>	Sixteen per cent
5	<p>Construction services, excluding:</p> <p>(i) construction projects (industrial and commercial) of the value (excluding actual and documented cost of land) not exceeding Rs. 50 million per annum.</p> <p>(ii) the cases where sales tax is otherwise paid as property developers or promoters.</p> <p>(iii) Government civil works including Cantonment Boards.</p> <p>(iv) construction of industrial zones, consular buildings and other organizations exempt from income tax.</p> <p>(v) construction work under international tenders against foreign grants-in-aid.</p> <p>(vi) Residential construction projects where the covered area does not exceed 10,000 square feet for houses and 20,000 square feet for apartments</p>	<p>9824.0000</p> <p>and</p> <p>9814.2000</p>	Sixteen per cent

6	Services provided by property developers and promoters (including allied services) excluding the actual purchase value or documented cost of land.	9807.0000 and respective sub-headings of heading 98.14	Rs.100 per square yard for land development, and Rs.50 per square feet for building construction
7	Services provided by persons engaged in contractual execution of work, excluding: (i) annual total value of the contractual works or supplies does not exceed Rs.50 million; (ii) the contract involving printing or supplies of books.	9809.0000	Sixteen per cent
8	Services provided for personal care by beauty parlours, clinics and slimming clinics, body massage centres, pedicure centres; including cosmetic and plastic surgery by such parlours/clinics, but excluding: (i) annual turnover does not exceed Rs.3.6 million; or (ii) the facility of air-conditioning is not installed or available in the premises.	9810.0000 9821.4000 and 9821.5000	Sixteen per cent
9	Management consultancy services	9815.4000, 9819.9300	Sixteen per cent
10	Services provided by freight forwarding agents, and packers and movers.	9805.3000, 9819.1400	Sixteen per cent or Rs. 400 per bill of lading, whichever is higher

11	Services provided by software or IT-based system development consultants.	9815.6000	Sixteen per cent
12	Services provided by technical, scientific and engineering consultants	9815.5000	Sixteen per cent
13	Services provided by other consultants including but not limited to human resource and personnel development services; market research services and credit rating services.	9815.9000 9818.3000 9818.2000	Sixteen per cent
14	Services provided by tour operators and travel agents including all their allied services or facilities (other than Hajj and Umrah)	9805.5100 9805.5000 9803.9000	Sixteen per cent
15	Manpower recruitment agents including labour and manpower supplies.	9805.6000	Sixteen per cent
16	Services provided by security agencies.	9818.1000	Sixteen per cent
17	Services provided by advertising agents	9805.7000	Sixteen per cent
18	Share transfer or depository agents including services provided through manual or electronic book-entry system used to record and maintain securities and to register the transfer of shares, securities and derivatives.	9805.9000	Sixteen per cent
19	Business support services.	9805.9200	Sixteen per cent
20	Services provided by fashion designers, whether relating to textile, leather, jewellery or other product regimes, including allied services, marketing, packing, delivery and display, etc.	9819.6000	Sixteen per cent
21	Services provided by architects, town planners and interior decorators.	9814.1000 9814.9000	Sixteen per cent
22	Services provided in respect of rent-a-car.	9819.3000	Sixteen per cent
23	Services provided by specialized workshops or undertakings (auto-workshops; workshops for	98.20	Sixteen per cent

	industrial machinery, construction and earth-moving machinery or other special purpose machinery etc; workshops for electric or electronic equipments or appliances etc. including computer hardware; car washing or similar service stations and other workshops).		
24	Services provided for specified purposes including fumigation services, maintenance and repair (including building and equipment maintenance and repair including after sale services) or cleaning services, janitorial services, dredging or de-silting services and other similar services etc.	98.22	Sixteen per cent
25	Services provided by underwriter, indenters, commission agents including brokers (other than stock) and auctioneers	9819.1100, 9819.1200, 9819.1300 and 9819.9100	Sixteen per cent
26	Services provided by laboratories other than services relating to pathological or diagnostic tests for patients.	98.17	Sixteen per cent
27	Services provided by health clubs, gyms, physical fitness centres, indoor sports and games centres and body or sauna massage centres	9821.1000 and 9821.2000 9821.4000	Sixteen per cent
28	Services provided by laundries and dry cleaners.	9811.0000	Sixteen per cent
29	Services provided by cable TV operators.	9819.9000	Sixteen per cent
	Technical analysis and testing services	9819.9400	Sixteen per cent
30	Services provided by TV or radio program producers or production houses.	--	Sixteen per cent
31	Transportation through pipeline and conduit	--	Sixteen per cent

	services.		
32	Fund and asset (including investment) management services.	--	Sixteen per cent
33	Services provided by inland port operators (including airports and dry ports) and allied services provided at ports and services provided by terminal operators including services in respect of public bonded warehouses, excluding the amounts received by way of fee under any law or by-law.	--	Sixteen per cent
34	Technical inspection and certification services and quality control (standards' certification) services	--	Sixteen per cent
35	Erection, commissioning and installation services.	--	Sixteen per cent
36	Event management services	--	Sixteen per cent
37	Valuation services (including competency and eligibility testing services),	--	Sixteen per cent
38	Exhibition or convention services	--	Sixteen per cent
39	Services provided in respect of mining of minerals, oil & gas including related surveys and allied activities	--	Sixteen per cent
40	Services provided by property dealers and realtors.	--	Sixteen per cent
41	Call centres.	--	Eighteen and a half per cent
42	Services provided by car/automobile dealers.	--	Sixteen per cent]]
