

Most Immediate
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GOVERNMENT OF PAKISTAN
FEDERAL BOARD OF REVENUE
(REVENUE DIVISION)
(INLAND REVENUE WING POLICY)

C.No. 5/92-STB/2018/66639-A

Islamabad, the 24th May, 2018.

The Chief Commissioner-IR,
Large Taxpayers Unit,
Karachi/Karachi-II/Lahore/Islamabad

The Chief Commissioner-IR,
Regional Tax Office,
**Corporate RTO, Karachi/Lahore, RTO, Karachi-II, Karachi-III/Lahore-II/
Islamabad/ Peshawar/ Rawalpindi/ Gujranwala/ Sialkot/ Multan/
Abbottabad/ Sargodha/ Faisalabad/ Sahiwal/ Bahawalpur/ Sukkur/ Quetta/
Hyderabad**

SUBJECT: **FINANCE ACT, 2018 – INSTRUCTIONS REGARDING**

The undersigned is directed to refer to the subject cited above and to say that vide SRO 562(I)/2018, dated 30.04.2018, rates of federal excise duty on different categories/tiers of locally produced cigarettes under S. Nos. 9, 10 and 10a of Table-1 of First Schedule to the Federal Excise Act, 2005 were revised upwards. Through clause 9(11)(A) of the Finance Act, 2018 and the rates of FED on locally produced cigarettes have been further enhanced. Rates of FED on locally produced cigarettes notified through SRO 562(I)/2018, dated 30.04.2018 and prescribed through Finance Act, 2018 are as under:

S. No.	Description of Goods	Rate of FED through SRO 561(I)/2018, dated 30.04.2018	Rate of FED through Finance Act, 2018
1.	Locally produced cigarettes if their on-pack printed retail price exceeds four thousand five hundred rupees per thousand cigarettes.	Rs. 3,964/1000 cigarettes	Rs. 3,970/1000 cigarettes
2.	Locally produced cigarettes if their on-pack printed retail price exceeds two thousand nine hundred and twenty-five rupees per thousand cigarettes but does not exceed four thousand five hundred rupees per thousand cigarettes.	Rs. 1,770/1000 cigarettes	Rs. 1,776/1000 cigarettes
3.	Locally produced cigarettes if their on-pack printed retail price does not exceed two thousand nine hundred and twenty-five rupees per thousand cigarettes.	Rs. 848/1000 cigarettes	Rs. 854/1000 cigarettes

02. It may be further noted that rate of federal excise duty on cement under Nos. 13 of Table-1 of First Schedule to the Federal Excise Act, 2005 have been enhanced from Rs. 1.25 per kilogram to Rs. 1.50 per kilogram also through clause 9(11)(A) of the Finance Act, 2018. Under the provisions of sub-clause (3) of clause 1 of the Finance Act, 2018, clause 9(11)(A) shall have effect on the next day of assent given to the Finance Act, 2018 by the President, Islamic Republic of Pakistan.


03. The President, Islamic Republic of Pakistan has been pleased to give assent to the Finance Act, 2018 on 22nd May, 2018 and therefore, revised rates of federal excise duty on cigarettes and cement under clause 9(11)(A) shall come into force with effect from 23rd May, 2018.

04. You are requested to ensure payment of federal excise duty on locally produced cigarettes and cement at the revised rates.


(Muhammad Zaheer Qureshi)
Secretary (ST&FE-Budget)

Copy to:

1. Chief (IR-Operations-II), FBR with the request to make necessary changes in sales tax-cum-federal excise duty return.
2. Chief (FATE), FBR with the request to place the instructions on the official website.
3. Secretary (Customs Budget), FBR with the request to make necessary entries in the WeBOC regarding new rates of federal excise duty on cement.


(Muhammad Zaheer Qureshi)
Secretary (ST&FE-Budget)