

NATIONAL ASSEMBLY SECRETARIAT

No.F.22 (6)/2023-Legis.

Islamabad, the 23rd February, 2023

OFFICE MEMORANDUM

Subject: THE FINANCE (SUPPLEMENTARY) ACT, 2023 (NO. X OF 2023).

The undersigned is directed to forward herewith a copy of the Finance (Supplementary) Act, 2023, which received the assent of the President on 23rd February, 2023 and has been published in the Gazette of Pakistan, Extraordinary, Part-I, dated the 23rd February, 2023 as an Act No. X of 2023.

2. Its receipt may kindly be acknowledged.



(MUHAMMAD MUSHTAQ)
Additional Secretary (Legis.)
Tel. No. 9208213

Copy forwarded to:-

- (1) Section Officer (Council), Ministry of Finance and Revenue, Government of Pakistan, **ISLAMABAD.**
- (2) Section Officer (Council), Ministry of Law and Justice, Government of Pakistan, **ISLAMABAD.**
- (3) Mr. Ashraf Ali Samo, Assistant Secretary [Council (N.A)], Ministry of Parliamentary Affairs, Government of Pakistan, **ISLAMABAD.**
- ✓ (4) Secretary [Council], Federal Board of Revenue, Government of Pakistan, **ISLAMABAD.**

[AS PASSED BY THE MAJLIS-E-SHOORA (PARLIAMENT)]

An

Act

further to amend certain laws relating to taxes and duties

WHEREAS, it is expedient further to amend certain laws relating to taxes and duties for the purposes hereinafter appearing;

It is hereby enacted as follows—

1. Short title and commencement. – (1) This Act shall be called the Finance (Supplementary) Act, 2023.

(2) It shall, unless specified otherwise, come into force at once.

2. Amendments in the Sales Tax Act, 1990. – In the Sales Tax Act, 1990, the following further amendments shall be made, namely:—

(A) in section 3, –

(i) for the word “seventeen”, wherever occurring, the word “eighteen” shall be substituted; and

(ii) in sub-section (2), in clause (a),—

(a) before the existing proviso, the following new proviso shall be inserted, namely: –

“Provided that the Federal Government may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, declare that the tax on goods specified in the Third Schedule shall be collected and paid at such higher rate or rates on the retail price thereof, as may be specified in the said notification:”; and

(b) in the existing proviso, after the word “Provided”, the word “further” shall be inserted;

(B) in the Eighth Schedule, in column (1),—

(i) against serial number 47, in column (4), for the expression “17%”, the expression “18%” shall be substituted; and

(ii) against serial number 56, in column (4), for the expression “17%”, the expression “18%” shall be substituted; and

(C) in the Ninth Schedule, in Table-II, in column (1), against S. No. 1, in column (2), —

(i) against category E, in column (3), for the expression “17%”, the expression “18%” shall be substituted;

(ii) against category F, in column (3), for the expression “17%”, the expression “18%” shall be substituted; and

(iii) against category G, in column (3), for the expression “17%”, the expression “25%” shall be substituted.

3. Amendments in the Income Tax Ordinance, 2001 (XLIX of 2001). — In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely: —

(a) in section 37, after sub-section (5), the following new sub-sections shall be added, namely: —

“(6) The person acquiring a capital asset, being shares of a company, shall deduct advance adjustable tax from the gross amount paid as consideration for the shares at the rate of ten percent of the fair market value of the shares which shall be paid to the Commissioner by way of credit to the Federal Government, within fifteen days of the payment.

(7) Notwithstanding the provisions of section 68, the value of shares, for the purpose of sub-section (6), shall be the fair market value, as prescribed for sub-section (4) of section 101A, without reduction of liabilities.

(8) The Commissioner may, on application made by the person acquiring of the shares, and after making such inquiry as the Commissioner thinks fit, allow to make the payment, without deduction of tax or deduction of tax at a reduced rate.

(9) The provisions of sections 161,162, entry No. 15 of the Table in section 182, clause (c) of sub-section (1) of section 191 and section 205 shall *mutatis mutandis* apply to the tax deductible and payable under this section.

(10) The person disposing of the capital asset, being shares of a company, shall furnish to the Commissioner within thirty days of the transaction of disposal, the prescribed information or documents, in a statement as may be prescribed: