

**(TO BE PUBLISHED IN THE GAZETTE OF PAKISTAN EXTRAORDINARY  
PART.I)**

**GOVERNMENT OF PAKISTAN  
REVENUE DIVISION**

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Islamabad, the 14<sup>th</sup> July, 2017

**NOTIFICATION**  
(Income Tax)

**S.R.O.697(I)/2017.-** WHEREAS the Islamic Republic of Pakistan became a signatory to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters as amended by the 2010 Protocol on September 14, 2016, as set out in the Annexure to this Notification (The Convention);

AND WHEREAS the aforementioned Convention has been ratified by Pakistan and the Instrument of Ratification has been deposited in the OECD on December 16, 2016;

AND WHEREAS, in terms of its Article 28, the Convention shall enter into force on the first day of the month following the expiration of a period of three months after the date of deposit of the instrument of ratification with one of the Depositaries;

NOW, THEREFORE, in exercise of the powers conferred by sub-section (1) of section 107 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Government is pleased to direct that the provisions of the said Convention shall come into force from 1<sup>st</sup> April, 2017 and shall have effect in accordance with paragraphs 6 and 7 of Article 28 of the said Convention.

**CONVENTION  
ON MUTUAL ADMINISTRATIVE ASSISTANCE  
IN TAX MATTERS**

Text amended by the provisions of the Protocol amending the  
Convention on Mutual Administrative Assistance in Tax Matters,  
which entered into force on 1st June 2011

**CONVENTION  
CONCERNANT L'ASSISTANCE ADMINISTRATIVE  
EN MATIÈRE FISCALE**

Texte amendé conformément aux dispositions du Protocole  
d'amendement à la Convention concernant l'assistance administrative  
mutuelle en matière fiscale, entré en vigueur le 1<sup>er</sup> juin 2011.

**Preamble**

The member States of the Council of Europe and the member countries of the Organisation for Economic Co-operation and Development (OECD), signatories of this Convention,

Considering that the development of international movement of persons, capital, goods and services – although highly beneficial in itself – has increased the possibilities of tax avoidance and evasion and therefore requires increasing co-operation among tax authorities;

Welcoming the various efforts made in recent years to combat tax avoidance and tax evasion on an international level, whether bilaterally or multilaterally;

Considering that a co-ordinated effort between States is necessary in order to foster all forms of administrative assistance in matters concerning taxes of any kind whilst at the same time ensuring adequate protection of the rights of taxpayers;

Recognising that international co-operation can play an important part in facilitating the proper determination of tax liabilities and in helping the taxpayer to secure his rights;

Considering that fundamental principles entitling every person to have his rights and obligations determined in accordance with a proper legal procedure should be recognised as applying to tax matters in all States and that States should endeavour to protect the legitimate interests of taxpayers, including appropriate protection against discrimination and double taxation;

Convinced therefore that States should carry out measures or supply information, having regard to the necessity of protecting the confidentiality of information, and taking account of international instruments for the protection of privacy and flows of personal data;

Considering that a new co-operative environment has emerged and that it is desirable that a multilateral instrument is made available to allow the widest number of States to obtain the benefits of the new co-operative environment and at the same time implement the highest international standards of co-operation in the tax field;

Desiring to conclude a convention on mutual administrative assistance in tax matters,

Have agreed as follows:

## Chapter I – Scope of the Convention

### Article 1 – Object of the Convention and persons covered

- 1 The Parties shall, subject to the provisions of Chapter IV, provide administrative assistance to each other in tax matters. Such assistance may involve, where appropriate, measures taken by judicial bodies.
- 2 Such administrative assistance shall comprise:
  - a exchange of information, including simultaneous tax examinations and participation in tax examinations abroad;
  - b assistance in recovery, including measures of conservancy; and
  - c service of documents.
- 3 A Party shall provide administrative assistance whether the person affected is a resident or national of a Party or of any other State.

### Article 2 – Taxes covered

- 1 This Convention shall apply:
  - a to the following taxes:
    - i taxes on income or profits,
    - ii taxes on capital gains which are imposed separately from the tax on income or profits,
    - iii taxes on net wealth, imposed on behalf of a Party; and
  - b to the following taxes:
    - i taxes on income, profits, capital gains or net wealth which are imposed on behalf of political subdivisions or local authorities of a Party,
    - ii compulsory social security contributions payable to general government or to social security institutions established under public law, and
    - iii taxes in other categories, except customs duties, imposed on behalf of a Party, namely:
      - A. estate, inheritance or gift taxes,
      - B. taxes on immovable property,
      - C. general consumption taxes, such as value added or sales taxes,
      - D. specific taxes on goods and services such as excise taxes,
      - E. taxes on the use or ownership of motor vehicles,
      - F. taxes on the use or ownership of movable property other than motor vehicles,
      - G. any other taxes;
    - iv taxes in categories referred to in sub-paragraph iii. above which are imposed on behalf of political subdivisions or local authorities of a Party.
- 2 The existing taxes to which the Convention shall apply are listed in Annex A in the categories referred to in paragraph 1.

