Government of Pakistan
Revenue Division
Federal Board of Revenue
***

Islamabad, the 16/K July, 2026

NOTIFICATION
(Income Tax)

S.R.O. 1129(I)/2026. – In exercise of the powers conferred under section 183 of the Income Tax Ordinance, 2001 (XLIX of 2001), and in supersession of its Notification No. S.R.O. 799(I)/2026 dated 4th May 2026, and in pursuance of Cabinet decision in Case No. 411/Rule-19/2026-497 dated 15.06.2026, the Federal Government is pleased to exempt amount of default surcharge and penalties, payable against the current income tax liabilities, mentioned in column (3), of the Pakistan International Airlines Corporation Limited (PIACL), detailed as under:

S. No.	Tax Period	Amount
(1)	(2)	(3)
1	Withholding Tax (Other than Salary) – April to Dec. 2024	263,821,746
2	Advance Income Tax (May 2024 to June 2025)	4,028,821,290
TOTAL		4,292,643,036

The above current tax liabilities are subject to the final determination, in order to successfully conclude the process for divestment of PIACL to the successful bidder, and to ensure timely execution of the bid documents and satisfaction of terms contained therein.

This exemption shall be subject to the condition that the current income tax liabilities of the PIACL as mentioned above, shall be paid to the Federal Board of Revenue within a period of four years, following a grace period of one year in equal annual installments, after First Completion as defined in the Share Purchase and Subscription Agreement between Government of Pakistan and successful bidders.

[No. 1(5)R&S/2026]

(Sajjad Taslim Azam)
Member (Inland Revenue Policy) /
Additional Secretary