

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

Islamabad, the September 5, 2008.

NOTIFICATION
(Income Tax)

S.R.O. **947(I)/2008**.- In exercise of the powers conferred by sub-section (2) of section 148 read with clause (b) of sub-section (3) of section 159 of the Income Tax Ordinance, 2001 (XLIX of 2001), hereinafter referred to as “the Ordinance” and in supersession of its Notification No. SRO.593(I)/91, dated the 30th June, 1991, the Federal Board of Revenue is pleased to specify the following to be classes of persons to whom the provisions of sub-section (1) of section 148 shall not apply, namely:-

- (i) the Federal Government;
- (ii) a Provincial Government;
- (iii) a Local Government;
- (iv) a foreign company and its associations whose majority share capital is held by a foreign government;
- (v) a person who imports plant, machinery, fixtures, fittings or its allied equipments for the purposes of setting up an industrial undertaking (including hotels) owned by such person, or for installation of an existing industrial

undertaking (including hotels) owned by the person and a certificate to that effect from the Commissioner of income tax, in respect of such plant, machinery, fixtures, fittings or equipments is produced. The Commissioner, however, shall issue exemption certificate subject to the following conditions, namely:-


- (a) in the case of new industrial undertaking, the taxpayer is not likely to pay any tax on his income from business under the Ordinance, in the tax year in which import is made;
 - (b) in the case of existing industrial undertaking, the taxpayer is not likely to pay any tax on income from business under the Ordinance, due to brought forward assessed losses or depreciation allowance in the tax year in which the import is made; and
 - (c) in the case of an industrial undertaking or a person whose entire income is subject to final taxation being covered under sub-section (8) of section 148 or sub-section (6) of section 153 or sub-section (4) of section 154 of the Ordinance and the taxpayer is not likely to pay any further tax under the Ordinance, in the tax year in which the import is made;
- (vi) a person who imports plant and machinery for execution of a contract with the Federal Government or a provincial

government or a local government and produces a certificate from that government;

- (vii) companies importing high speed diesel oil, light diesel oil, high octane blending component or kerosene oil, crude oil for refining and chemical used in refining thereof in respect of such imports; and
- (viii) Petroleum (E&P) companies covered under the Customs and Sales Tax Notification No. S.R.O.678 (I)/2004, dated the 7th August, 2004, except motor vehicles imported by such companies.

2. The Federal Board of Revenue is pleased to empower Commissioner of Income Tax concerned in accordance with the provisions of clause (b) of sub-section (3) of section 159 of the Ordinance to issue system based exemption certificate only (through computer) in the cases mentioned at clause (v) above, on case to case basis.

[No.1(23)WHT/2005-Pt]


(Irfan Nadeem)
Member (Direct Taxes)/
Additional Secretary