GOVERNMENT OF PAKISTAN
Revenue Division
Federal Board of Revenue

Islamabad, 7th January, 2010

NOTIFICATION
(Income Tax)

S. R. O. 16 (I)/2010.- The following draft of certain further amendments in the Income Tax Rules, 2002, which the Federal Board of Revenue proposes to make in exercise of the powers conferred by section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), is hereby published for the information of all persons likely to be affected thereby, as required by sub-section(3) of the said section, and notice is hereby given that the draft will be taken into consideration after seven days of its publication in the official Gazette.

Any objection or suggestion which may be received from any person, in respect of the said draft before the expiry of the aforesaid period, shall be considered by the Federal Board of Revenue.

DRAFT AMENDMENTS

In the aforesaid rules, the following shall be added namely,-

231. Computation of export profits attributable to export sales.- (1) Where a taxpayer exports any goods manufactured in Pakistan, the taxpayer's profits attributable to export sales of such goods shall be computed in the manner specified hereunder:-

(a) where a taxpayer maintains separate accounts of the business of export of goods manufactured in Pakistan, the profits of the export business shall be taken to be such amount as may be determined by the Commissioner in accordance with the provisions of Ordinance on the basis of such accounts; or

(b) in other cases, the profits of such business shall be taken to be an amount which bears to the total profits of the business of the taxpayer from the sale of goods, the same proportion as the export sales of goods manufactured in Pakistan bear to the total sales of goods.

(2) In this rule, unless there is anything repugnant in the subject or context:-

(a) "export sales" means the fob price of the goods exported;

(b) "total sales" means:-

i. the aggregate of export sales as determined under clause (a); and

ii. the ex-factory price of goods sold in Pakistan, where the goods exported out of Pakistan were manufactured by the exporter; or

iii. the ex-godown price of goods sold in Pakistan, in other cases.

3(9)ITR/08-pt

(ASRAR RAOUF)
Member (Direct Tax Policy)/
Additional Secretary