Government of Pakistan
Revenue Division
Federal Board of Revenue
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Islamabad, the 2nd February, 2010

NOTIFICATION
(Income Tax)

S.R.O58 (1)/2010.- In exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance, 2001(XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Income Tax Rules, 2002, the same having previously published as required by sub-section (3) of the said section, namely:-

In the aforesaid Rules, after rule 230, the following new rule shall be inserted, 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 following manner, namely:-

(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) For the purpose of sub-rule,-

(a) the expression "export sales" means the f.o.b. price of the goods exported; and

(b) the expression "total sales" means,-

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

[C.No.3(9)ITR/08-Pt]

(ASRAR RAOUF)
Member Policy (DT)/
Additional Secretary