

GOVERNMENT OF PAKISTAN  
REVENUE DIVISION  
CENTRAL BOARD OF REVENUE  
\*\*\*

No.F.4(71)ITP/2002

Islamabad, November 14, 2005

Circular No. 7 of 2005  
(Income Tax)

Subject: SRO.946(I)/2005 DATED SEPTEMBER 12, 2005 – CLARIFICATION REGARDING.

A new clause (25) in Part II of Second Schedule to the Income Tax Ordinance, 2001 has been inserted through SRO.946(I)/2005 dated September 12, 2005 which provides that

“Services of stitching, dying, printing, embroidery and washing rendered or provided to an exporter or an export house shall be treated as export and chargeable to tax at the rate equal to the rate of tax applicable to the exporter on export of goods to which such services relate as specified in Division IV of Part III of the First Schedule.”

2. Queries have been received from different quarters as to who would be the prescribed person for the purposes of withholding tax from the services falling in the ambit of the aforesaid SRO?

3. The matter has been considered in the Board and it is clarified that the exporter to whom such services are rendered or provided would be responsible for the purposes of deduction of tax.

**(Sajjad Ali)**  
Secretary (IT Policy)  
Tel: 9205561