

Government of Pakistan
Revenue Division
Federal Board of Revenue

C.No. 1(35)EX/2009

Islamabad, the August 18 , 2009

Circular No. 5 of 2009
(Capital Value Tax)

Subject: **CORRIGENDUM TO CIRCULAR NO. 4 OF 2009 DATED 18.07.2009**

Several representations have been received in the Board wherein it has been pointed out that CVT rates for immovable property given in sub-paragraph (CA)(a), (b) and (c) of paragraph 2 in the subject circular are ambiguous hence not easy to understand.

2. Therefore, in order to clarify the relevant provisions of CVT Law regarding applicability of tax rates, sub-paragraph (CA)(a), (b) and (c) as redrafted, are given as under for convenience.

“(CA) (a) Residential immovable property, (other than flats), situated in urban area, measuring at least 500 square yards or one kanal (whichever is less) and more,-

(i) Where the value of immovable property is recorded
- 4% of the recorded value

Or

(ii) Where the value of immovable property is not recorded - @ Rs. 100 per square yard of the landed area

Higher of the value of (i) & (ii) above has to be adopted.

(iii) Where the immovable property is a constructed property. @ Rs. 10 per square feet of the constructed area in addition to the value worked out above.

(b) Commercial immovable property of any size situated in urban area.

(i) Where the value of Immovable property is recorded
- 4% of the recorded value.

Or

- (ii) Where the value of immovable property is not recorded - @ Rs. 100 per square feet of the landed area.

Higher of the value of (i) & (ii) above has to be adopted.

- (iii) Where the immovable property is a constructed property. @ Rs. 10 per square feet of the constructed area in addition to the value worked out above.

(c) Residential flats.

- (i) Where the value of Immovable property is recorded - 4% of the recorded value.

Or

- (ii) Where the value of immovable property is not recorded - @ Rs.100 per square feet of the covered area

Higher of the value of (i) & (ii) above has to be adopted.

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