

Government of Pakistan  
Revenue Division  
Federal Board of Revenue

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C.No.4(54)ITP/2009

Islamabad, the October 8, 2009

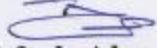
To : All Directors General,  
Large Taxpayer's Units (LTU)  
Karachi/Lahore/Islamabad.

All Directors General,  
Regional Tax Office (RTO)  
Peshawar/Abbotabad/Rawalpindi/Islamabad/Gujranwala/Lahore/  
Faisalabad/Silakot/Multan/Sukkar/Hyderabad/Karachi/Quetta.

Subject: **Clarification regarding advance tax collection at the time of sale by auction – Section 236A of the Income Tax Ordinance, 2001.**

In order to alleviate the chances of misinterpretation of the applicability of the provisions of newly introduced section 236A of the Income Tax Ordinance, 2001, it is clarified that section 236A added through Finance Act, 2009, provides for collection of advance tax at the time of sale of property and goods through auction. This section requires the person making sale by public auction to collect advance tax @ 5% based on the gross sale price of the auctioned property. This tax is to be charged from the person to whom such properties or goods are being sold.

2. Provisions of newly introduced section are exhaustive and require deduction of advance tax also on sale of confiscated property or goods, through public auction and are also applicable to transactions involving awarding of lease, lease of the right to collect tolls, fees or other levies.

  
(Aftab Ahmad)  
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