

Government of Pakistan
(Revenue Division)
Federal Board of Revenue

C.No.4(4)ITP/2010 /11096 R

Islamabad January 20, 2010


Circular No. 01 of 2010
Income Tax

Subject: **FISCAL RELIEF TO REHABILITATE THE ECONOMIC LIFE IN NWFP, FATA AND PATA – SCHEME IN RESPECT OF ARREARS, WITHHOLDING TAXES AND WAIVER OF DEFAULT SURCHARGE AND PENALTY.**

In pursuant to the provisions of sub-section (1) of section 146B of the Income Tax Ordinance, 2001, the following scheme is notified:-

- (i) The scheme shall be known as “Scheme for Fiscal Relief to Rehabilitate the economic life in the areas most affected and moderately affected from war on terror in NWFP, FATA and PATA” under the Prime Minister’s Special Economic/Incentive package for the NWFP, FATA and PATA.
- (ii) This scheme shall be applicable to the following most affected and moderately affected areas:-
 - (a) Most affected areas: Malakand Agency and Districts of Swat, Buner, Shangla, Upper Dir, Lower Dir, Hangu, Bannu, Tank, Kohat and Chitral.
 - (b) Moderately affected areas: Districts of Charsadda, Peshawar, D.I. Khan, Batagram, Lakki Marwat, Swabi and Mardan.
- (iii) Under this scheme waiver of the entire amount of penalty and default surcharge leviable in cases pertaining to the areas/districts, as mentioned in sub-paragraph (ii) (a) & (b) above, shall be available in cases where the principal amount of income tax is paid by 30th June, 2010.

- (iv) Under this scheme recovery of the outstanding arrears of income tax in cases pertaining to the areas/districts as mentioned in sub-paragraph (ii) (a) & (b) above shall be allowed through easy installments over a period of 3 years (upto 30th June, 2012) on case to case basis and on the agreeable terms and conditions.
2. Also the cases of commercial as well as industrial consumers located in the areas as mentioned in sub-paragraph (ii) (a) & (b) of paragraph 1 above shall be exempt from recovery/payment of withholding taxes alongwith monthly electricity bills. This exemption shall be available upto 30th June, 2011.
3. Cases of exports originating from the most affected and moderately affected areas as mentioned in sub-paragraph (ii) (a) & (b) of paragraph 1 above shall be exempt from withholding income tax leviable on exports, upto 30th June, 2011.
4. No such waiver/exemption as mentioned in paragraphs 1, 2 & 3 above shall be available in the cases of manufacturers and suppliers of cement, sugar, beverage and cigarettes.
5. This scheme shall be applicable with immediate effect.


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