

Government of Pakistan
Revenue Division
Federal Board of Revenue

C.No.1(12)WHT/2010

Islamabad, June 30, 2010.

CIRCULAR NO.05/2010
INCOME TAX

Subject: ***FINANCE ACT 2010 – EXPLANATORY CIRCULAR ON RATE OF ADVANCE TAX DEDUCTIBLE ON IMPORT OF GOODS UNDER SECTION 148 OF THE INCOME TAX ORDINANCE 2001***

Through an amendment in the Income Tax Ordinance, 2001 brought about by the Finance Act, 2010, rate of Advance Tax under section 148 of the Income Tax Ordinance 2001 has been enhanced to **5%**, as against previous rate of 4% for the imports of goods by commercial importers.

2. The *manufacturer / industrial undertakings* importing raw materials for their self-use shall remain covered under *clause (9) of Part-II of Second Schedule* to the Ordinance, and rate of deduction of advance tax deductible in their case, will remain **3%**.

3. Exemptions from deduction of the advance tax as available under the existing provisions of Income Tax Ordinance, 2001, shall apply accordingly.

4. The amendments brought in through Finance Act, 2010 shall be effective from 1st July 2010 onwards.

(MOHAMMED IMTIAZ)
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