

WHAT THIS DOCUMENT AIMS AT?

This document aims to summarize the tax law on withholding tax and treatment thereof, taking into account the amendments vide the Finance Act, 2024. These tax rates & treatments are effective from July 01, 2024, i.e., for the Tax Year 2025. The information summarized herein is general and based on our interpretation of law. This information does not constitute any opinion or advice and may also not be acceptable to taxation authorities in a particular case. Tax laws are subject to change from time to time, and we do neither warrant at any time the currency of the above details nor accept any responsibility to update the same.

IMPORTS | Sec 148 & Part II First Schedule

Activity	Importer Category	Tax Rate		Nature of Tax
		Filer	Non-Filer	
Imports of Goods as per Part I of the Twelfth Schedule	All	1%	2%	Advance Tax for Industrial Undertaking
Imports of Goods as per Part II of the Twelfth Schedule	Commercial Importers	3.5%	7%	importing goods other than Edible oil, Packing material, Paper and Paper-board or Plastics
Imports of Goods as per Part III of the Twelfth Schedule	Commercial Importers	6%	12%	Edible oil
Imports of Goods mentioned in SRO 1125(I)/2011	Manufacturers	5.5%	11%	Paper and Paper-board or Plastics
Imports of medicines not manufactured locally as certified by DRAP	All	4%	8%	Minimum Tax for All Other Cases
Imports of CKD Kits for electrical vehicles (small cars/ SUVs with up to 50 kWh battery) and LCVs with up to 150 kWh battery	All	1%	2%	Minimum Tax for All Other Cases

IMPORT OF MOBILE PHONES | Sec 148 & Part II of First Sch.

C&F Value (USD)	CBU	CKD/ SKD	Nature of Tax
Up to 30, except smartphone	Rs. 70	NIL	Adv. Tax for Industrial Undertaking
From 31 to 100	Rs. 100	NIL	
From 101 to 200	Rs. 930	NIL	
From 201 to 350	Rs. 970	NIL	Min. Tax for All Other Cases
From 351 to 500	Rs. 5,000	Rs. 3,000	
Above 500	Rs. 11,500	Rs. 5,200	

Note: Advance tax is to be increased by 100% for non-filers

SALARY | Sec 149, Div. I Part I First Schedule

From	To	Rate of Tax
Up to 600,000		0%
600,001	1,200,000	5% on amount exceeding Rs.0.6M
1,200,001	2,200,000	15% on amount > Rs.1.2M
2,200,001	3,200,000	25% on amount > Rs.2.2M
3,200,001	4,100,000	30% on amount > Rs.3.2M
Above 4,100,000	700,000	35% on amount > Rs.4.1M

Rate of advance tax deductible is 20% on directorship fee or fee for attending board meetings

Activity		Tax Rate	Nature of Tax
		Filer	Non-Filer

DIVIDEND Sec 150, Div. I Pt. III 1 st Sch. & Cl. 18C Pt. II & Cl. 11B Pt. IV 2 nd Sch.			
Dividend paid by IPPs, when it is a pass-through item to be reimbursed by CPPAG		7.5%	15%
Dividend attributable to income from biomass & baggas based power projects			
Dividend received where company is availing exemption or benefiting from c/f business losses & tax credits	25%	50%	Final Tax
Mutual funds, REITs & other cases	< than 50% income from profit on debt	15%	30%
	50% or more income from profit on debt	25%	50%
Dividend in specie		15%	30%
Dividend from SPV received:	By REIT scheme	0%	0%
	By others	35%	70%
Intercorporate dividend/ group taxation		Not Applicable	

PROFIT ON DEBT | Sec 151, Div. IA Pt. III 1st Sch./ Cl. 5AB Pt. II 2nd Sch.

Received by Company		15%	35%	Advance Tax
Received by AOP/ individual	Profit up to Rs. 5M			Final Tax
	Profit above Rs. 5M			Minimum Tax

Received by Resident Pakistanis on Government securities, purchased via FCVA under SBP's Scheme		10%	Final Tax
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INVESTMENTS IN SUKUKS | Sec 151, Div. IB Pt. III 1st Schedule

Returns received by Companies	25%	50%	Adv. Tax
Returns rec. by AOPs/ Individuals	Up to Rs. 1M	10%	20%
	Above Rs.1M upto 5M	12.5%	25%
	Above Rs. 5M		Min. Tax

PAYMENTS TO NON-RESIDENTS | Sec 152, Div. IV Pt. I, Div. II Pt. III 1st Sch. & Cl. 5A, 5AA, 5AC Pt. II 2nd Schedule

Royalty/ fees for technical services		15%	
Fee for offshore digital services, Money transfer operations, Card network services, Payment gateway services, Interbank financial telecom. Services		10%	Final Tax
Contracts/ subcontract under a construction, assembly/ installation project (including supply of supervisory activities therefor) and Advertisement services by TV Satellite Channels		7%	Minimum Tax
Insurance/ re-insurance premium		5%	
Advertisement services relaying from outside Pakistan		10%	
Foreign produced commercials for TV channel/ other media		20%	
Capital gain to foreign companies on disposal of Debt Instruments & Govt. securities invested via SCRA			
Profit on debt from investments exclusively made through a SCRA			
Capital gain to individuals on disposal of debt instruments and Govt. Securities invested via FCVA or NRVA		10%	Final Tax

Activity	Tax Rate		Nature of Tax
	Filer	Non-Filer	
Individuals receiving profit on Govt. Securities purchased via a foreign bank account, NRVA or FCYAs	10%		Final Tax
Profit on FCYAs or COs under SBP's FC Account Scheme		0%	Exempt
Profit received by NRPs from PKR accounts on funds exclusively remitted from abroad in FCY		0%	
Other payments		20%	Adv. Tax

Activity	Tax Rate		Nature of Tax
	Filer	Non-Filer	
TAX ON MOTOR VEHICLES Sec 231B Div. VII Pt. IV 1st Schedule			
Purchase/ registration	Various		
Electric Vehicles (EV) value Rs.5M >	3%		
Transfer of registration/ ownership	Various		
Sale/ transfer of EV valuing Rs.5M >	Rs.20K		
Sale of vehicle on Own-Money	Various		
Leasing to a non-filer	N/A	4%	

Activity	Tax Rate		Nature of Tax
	Filer	Non-Filer	
TAX ON FOREIGN DOMESTIC WORKERS Sec 231C			
Agency/ Sponsor/ Person to whom visa is issued or renewed for Foreign National	Rs.200,000/-		Advance Tax

Activity	Tax Rate		Nature of Tax
	Filer	Non-Filer	
BROKERAGE & COMMISSION Sec 233, Div. II Pt. IV 1st Schedule			
Advertising agent	10%	20%	Minimum Tax
Life insurance commission <Rs.0.5M pa	8%	16%	
Others	12%	24%	

Activity	Tax Rate		Nature of Tax
	Filer	Non-Filer	
TAX ON MOTOR VEHICLES Sec 234, Div. VII & III Pt. IV 1st Schedule			
Goods Transport Vehicle Based on laden weight	Rs.2.5/ Kg		
Goods Transport Vehicle Laden weight 8,120Kg > after 10 yrs. of registration	Rs.1.2K		
Passenger transport vehicle plying for hire Based on seating & air-conditioning	Various		
Motor vehicle Based on engine capacity	Various		

Activity	Tax Rate		Nature of Tax
	Filer	Non-Filer	
COMMERCIAL, INDUSTRIAL ELECTRICITY CONSUMERS Sec 235, Div. IV Pt. IV 1st Schedule			
Gross Monthly Bill	Not applicable to Specified Sectors		
From	To		
Up to Rs. 500		NIL	
Rs. 501	Rs. 20,000	10% of amount	
Commercial Consumer	Rs.1,950 + 12% above Rs.20,000		
Industrial Consumer	Rs.1,950 + 5% over Rs.20,000		

Activity	Tax Rate		Nature of Tax
	Filer	Non-Filer	
DOMESTIC ELECTRICITY CONSUMERS S 235, Div. IV Pt. IV 1st Sch.			
Monthly bill up to Rs. 25,000	0%		Advance Tax
Monthly bill exceeds Rs. 25,000	7.5%		

Activity	Tax Rate		Nature of Tax
	Filer	Non-Filer	
TELEPHONE USERS Sec 236, Div. V Pt. IV 1st Schedule			
Landline bills exceeding Rs.1,000	10%		Advance Tax
Internet & Mobile subscriptions	15%	75%	

Activity	Tax Rate		Nature of Tax
	Filer	Non-Filer	
SALE BY AUCTION Sec 236A, Div. VIII Pt. IV 1st Schedule			
Sale by public auction/ tender	Property/ goods	10% 20%	Advance Tax
	Immoveable Property	5% 10%	
Lease of collection rights	Fee or Other levies	10% 20%	Final Tax

Activity	Tax Rate		Nature of Tax
Filer	Non-Filer		

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