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Part-I, dated the 11<sup>th</sup> July, 2015]

ORDINANCE NO. X OF 2015

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ORDINANCE

*further to amend the Income Tax Ordinance, 2001*

WHEREAS it is expedient further to amend the Income Tax Ordinance, 2001 (XLIX of 2001), for the purpose hereinafter appearing;

AND WHEREAS the Senate and the National Assembly are not in session and the President is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of Article 89 of the Constitution of the Islamic Republic of Pakistan, the President is pleased to make and promulgate the following Ordinance:—

1. **Short title and commencement.**—(1) This Ordinance may be called the Income Tax (Amendment) Ordinance, 2015.

(2) It shall come into force at once.

2. **Amendment of First Schedule, Ordinance XLIX of 2001.**—In the Income Tax Ordinance, 2001 (XLIX of 2001), in the First Schedule, in Part IV, in Division-XXI, for the full stop at the end a colon shall be substituted and thereafter the following proviso shall be added, namely:—

“Provided that the rate specified in this Division shall be 0.3 per cent for the period commencing from the 11th day of July, 2015 and ending on the 30th day of September, 2015 (both days inclusive) or till the date as the Federal Government may, by notification in the official Gazette on recommendation of the Economic Coordination Committee of the Cabinet, extend.”

## STATEMENT OF OBJECTS AND REASONS

In order to bring non-compliant taxpayers into tax net and to document transactions of untaxed amounts through banking channels, a new section 236P was introduced in the Income Tax Ordinance, 2001 through Finance Act, 2015, whereby an adjustable advance income tax at the rate of 0.6% of the amount of transaction was levied which is to be collected by banking companies on all banking instruments and other modes of transfer of funds through banks in the case of persons who do not file Income Tax returns.

2. To provide an opportunity to non-filers to document their business and other income generating activities, the rate of 0.6% is being reduced to 0.3% upto 30<sup>th</sup> September, 2015, so that the persons and traders not filing their returns may file the same by the said date and document their income generating activities. The objective is being pursued in such a way so as to promote documentation, broadening of tax base and encourage non-filers to file returns.

The Ordinance seeks to amend Income Tax Ordinance, 2001.

**Senator Mohammad Ishaq Dar**  
**Minister for Finance, Economic Affairs,**  
**Revenue, Statistics and Privatization**