Government of Pakistan  
Central Directorate of National Savings,  
Islamabad.

July 8, 2019

Subject: - **REVISED RATES OF WITHHOLDING TAX ON PROFIT OF NATIONAL SAVINGS SCHEMES EFFECTIVE FROM 01.07.2019**

In pursuance of amendment in Division IA of Income Tax Ordinance, 2001 vide Finance Act, 2019, new rates of Withholding Tax on Profit of National Savings Schemes under Section 151 shall be as under w.e.f. 1st July, 2019;

<table>
<thead>
<tr>
<th>Profit or Yield</th>
<th>Rate of Withholding Tax under Section 151 read with Division IA of Finance Act 2019.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Where profit or yield paid is up to rupees five hundred thousand or less.</td>
<td>10%</td>
</tr>
<tr>
<td>Above five hundred thousand rupees.</td>
<td>15%</td>
</tr>
</tbody>
</table>

Relevant amendment in Finance Act, 2019 are Annexed.

2. All the controlling officers are hereby advised to comply the above said amendments in letter and spirit in the field offices under their administrative control.

3. The issue with the approval of Additional Director General, National Savings.

**Distribution:-**

1. The Director, Directorate of Audit, National Savings, Islamabad.
2. All Zonal Heads/ Regional Directorates, Regional Directorate of National Savings with request to distribute among the field offices.
3. The Director, Accounts Department, SBP BSC, Karachi.
4. The Director General, Pakistan Post Office, Islamabad.
5. The Director (Accounts), Pakistan Post Office, Lahore.
6. The Principal, TINS, Islamabad/ Karachi.
7. All Zonal Inspection and Accounts Offices, National Savings.
8. All Regional Accounts Offices, National Savings.
9. Assistant Director (Product Marketing), CDNS for necessary action.
10. P.A to Director General, National Savings, Islamabad.
11. Directors (HR), (PD & M), (Legal), (Services), (F & A), (Project), CDNS, Islamabad for information.
12. The Director (Operations) CDNS for information with the request to incorporate the subject revision in software application.
13. All Sections of CDNS.
14. The webmaster, MITC, CDNS, Islamabad with the request that the website may be updated accordingly.
15. Office Copy.

(Muhammad Imran)  
Assistant Director (PD)  
051-9515751
(i) for paragraph (a), the following shall be substituted, namely:—

(a) 7.5% in case of dividend paid by Independent Power Purchasers where such dividend is a pass through item under an Implementation Agreement or Power Purchase Agreement or Energy Purchase Agreement and is required to be re-imbursed by Central Power Purchasing Agency (CPPA-G) or its predecessor or successor entity.;

(ii) in paragraph (b), the words “for filers” shall be omitted;

(iii) paragraph (c) and provisos thereafter shall be omitted;

(b) in Division IA,—

(i) for the figure “10”, the figure “15” shall be substituted;

(ii) the expression “for filers and “17.5%” of the yield or profit paid, for non-filers” shall be omitted; and

(iii) for the proviso, the following shall be substituted, namely:—

“Provided that the rate shall be 10% in cases where yield or profit paid is rupees five hundred thousand rupees or less.”;

(c) in Division IB, paragraph (d) shall be omitted;

(d) in Division II,—

(i) in clause (1), the expression “in case a person is a filer and 13% in case the person is a non-filer” shall be omitted;

(ii) in clause (4),—
Government of Pakistan  
Central Directorate of National Savings,  
Islamabad.


July 8, 2019

Subject:- **REVISED RATES OF WITHHOLDING TAX ON PROFIT OF NATIONAL SAVINGS SCHEMES EFFECTIVE FROM 01.07.2019**

In continuation to this Directorate Memo of even number dated 08.07.2019 on the subject cited above, and to enclose herewith the **Tenth Schedule** of the Finance Act, 2019 regarding rules for deduction of Withholding Tax **from persons not appearing in the Active Taxpayers' List**, for strict compliance. In this regard, the FBR has uploaded **Facilitation Guide for the Taxpayers, Tax Collectors & Withholding/Collecting Agents** on its web link [https://www.fbr.gov.pk/withholding-tax-rates/51147/81155](https://www.fbr.gov.pk/withholding-tax-rates/51147/81155); relevant extract is enclosed herewith.

3. The issues with the approval of Additional Director General, National Savings.

Encl: As above.

(Muhammad Imran)  
Assistant Director (PD)  
051-9515751

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"THE TENTH SCHEDULE

(See section 100BA)

RULES FOR PERSONS NOT APPEARING IN THE ACTIVE TAXPAYERS' LIST

1. Rate of deduction or collection of tax.—Where tax is required to be deducted or collected under any provision of this Ordinance from persons not appearing in the active taxpayers' list, the rate of tax required to be deducted or collected, as the case may be, shall be increased by hundred percent of the rate specified in the First Schedule to this Ordinance.

2. Persons not required to file return or statement.—(1) Where the withholding agent or the person from whom tax is required to be collected or deducted is satisfied that a person not appearing in the active taxpayers' list was not required to file a return of income under section 114, or a statement under sub-section (4) of section 115, as the case may be, he shall before collecting or deducting tax under this Ordinance, furnish to the Commissioner a notice in writing electronically setting out—

(a) the name, CNIC or NTN and address of the person not appearing in the active taxpayers' list;

(b) the nature and amount of the transaction on which tax is required to be collected or deducted; and

(c) reason on the basis of which it is considered that the person was not required to file return or statement, as the case may be.

(2) The Commissioner, on receipt of a notice under sub-rule (1), shall within thirty days pass an order accepting the contention or making the order under sub-rule (3).

(3) Where the withholding agent or the person from whom tax is required to be collected or deducted has notified the Commissioner under sub-rule (1) and the Commissioner has reasonable grounds to believe that the person not appearing in the active taxpayers' list was required to file return or statement, as the case may be, the Commissioner may, by an order in writing, direct the withholding agent to deduct or collect tax under rule 1:

Provided that in case the Commissioner does not pass any order within thirty days of receipt of notice under sub-rule (1), the Commissioner shall be deemed to have accepted the contention under sub-rule (2) and approval shall be treated to have been granted.
### Withholding Income Tax Regime (WHT Rates Card)

*Guideline for the Taxpayers, Tax Collectors & Withholding Tax Agents - as per Finance Act, 2019 – updated up to June 30, 2019*

<table>
<thead>
<tr>
<th>Section</th>
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<th>Tax Rate</th>
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<th>From whom</th>
<th>When</th>
<th>Time of deposit</th>
<th>Taxation Status</th>
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</table>
| 150 Dividend Income | Tax shall be deducted on the gross amount of dividend paid:  
(a) In the case of dividend paid by Independent Power Purchasers (IPPs) whereas such dividend is a pass through item under an Implementation Agreement or Power Purchase Agreement or Energy Purchase Agreement and is required to be reimbursed by Central Power Purchasing Agency (CPPA-G) or its predecessor or successor entity:  
(b) In cases other than mentioned at (a) above | 7.5% | Every Person Paying Dividend | Recipients of dividend | At the time the dividend is actually paid | In case of Federal / provincial Government on the day the tax is deducted. Rule 43(a). In other than Federal / Provincial Government cases, within 7 days from the end of each week ending on every Sunday. Rule 43(b) | Final Section 5 read with section 8. |
| Persons not appearing in the Active Taxpayers’ List: | The applicable tax rate is to be increased by 100% (Rule-1 of Tenth Schedule to the Ordinance), i.e. 15% | 15% | |

**Disclaimer:** This Withholding Tax Rates Card is just an effort to have a ready reference and to facilitate all the Stakeholders of Withholding Tax Regime. The original Statute (Income Tax Ordinance, 2001, as amended) shall always prevail in case of any contradiction/error herein. This card shall never be produced as a legal document before any Court of law / legal forum nor can be used for any statutory proceedings.
## Withholding Income Tax Regime (WHT Rates Card)

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</tr>
</thead>
<tbody>
<tr>
<td>150A</td>
<td>On Payment of return on investment in Sukus:</td>
<td>15%</td>
<td>Special Purpose Vehicle, Company</td>
<td>From Sukuk holders on payment of gross amount of return on investment</td>
<td>At the time of actual payment</td>
<td>(Within 7 days from the end of each week ending on every Sunday. Rule 43(b))</td>
<td>Final Section 5AA read with Section 8.</td>
</tr>
</tbody>
</table>
| 151     | A person paying profit / yield has to deduct tax from the gross amount of yield / profit. | Every Person Making payment of profit / yield | Recipient of (Profit on debt) is credited to the account of | In case of Federal / provincial Government on the day the tax is deducted. Rule 43(a). | Minimum Tax on the profits on debt arising to a taxpayer, except Where- | **Disclaimer:-** This Withholding Tax Rates Card is just an effort to have a ready reference and to facilitate all the Stakeholders of Withholding Tax Regime. The original Status (Income Tax Ordinance, 2001, as amended) shall always prevail in case of any contradiction/error herein. This card shall never be produced as a legal document before any Court of law / legal forum nor can be used for any statutory proceedings.
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<tr>
<td>account.</td>
<td>Up to Rs. 5 Lac Exceeding Rs. 5 Lac</td>
<td>10% of the gross yield/profit paid 15% of the gross yield /profit paid <strong>Persons not appearing in the Active Taxpayers’ List:</strong> The applicable tax rate is to be increased by 100% (Rule-1 of Tenth Schedule to the Ordinance), i.e.</td>
<td>the recipient or is actually paid, whichever is earlier</td>
<td>Provincial Government cases, within 7 days from the end of each week ending on every Sunday. Rule 43(b)</td>
<td>company; or (b) Profit on debt is taxable u/s 7B.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>151(1)(b)</td>
<td>Profit on debt paid by Banking company or financial institution on account or deposit maintained.</td>
<td>10% of the gross yield/profit paid 15% of the gross yield /profit paid <strong>Persons not appearing in the Active Taxpayers’ List:</strong> The applicable tax rate is to be increased by 100% (Rule-1 of Tenth Schedule to the Ordinance), i.e.</td>
<td>Banking Company or Financial Institution</td>
<td>Recipient of (Profit on debt)</td>
<td>At the time the profit on debt is credited to the account of the recipient or is actually paid, whichever is earlier</td>
<td>In case of Federal / provincial Government on the day the tax is deducted. Rule 43(a). In other than Federal / Provincial Government cases, within 7 days from the end of each week ending on every Sunday. Rule 43(b)</td>
<td>Minimum Tax on the profits on debt arising to a taxpayer, except Where- (a) Taxpayer is a company; or (b) Profit on debt is taxable u/s 7B.</td>
</tr>
<tr>
<td>151(1)(c)</td>
<td>Profit on securities, other than those mentioned in s. 151(1)(a), issued by federal / provincial government or a local government</td>
<td>10% of the gross yield/profit paid 15% of the gross yield /profit paid</td>
<td>Federal / Provincial Govt/ Local authority</td>
<td>Recipient of (Profit on debt)</td>
<td>At the time the <strong>profit on debt</strong> is credited to the account of the recipient or</td>
<td>In the case of Government as Withholding Agent on the day of deduction Rule 43(a) In other than Federal / Provincial</td>
<td>Minimum Tax on the profits on debt arising to a taxpayer, except Where- (a) Taxpayer is a company; or</td>
</tr>
</tbody>
</table>

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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Persons not appearing in the Active Taxpayers' List: The applicable tax rate is to be increased by 100% (Rule-1 of Tenth Schedule to the Ordinance), i.e. on 20% of the gross yield/profit paid</td>
<td>is actually paid, whichever is earlier</td>
<td>Government cases, within 7 days from the end of each week ending on every Sunday. Rule 43(b)</td>
<td>(b) Profit on debt is taxable u/s 7B.</td>
<td></td>
</tr>
<tr>
<td>Up to Rs. 5 Lacs</td>
<td></td>
<td></td>
<td>Exceeding Rs. 5 Lacs</td>
<td>20% of the gross yield/profit paid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>151(1)(d)</td>
<td>Profit on bonds, certificates, debentures, securities or instruments of any kind (other than loan agreements between borrowers and banking companies or development financial institutions)</td>
<td>Banking company, a financial institution, a company or finance society</td>
<td>recipient of Profit on debt</td>
<td>At the time the profit on debt is credited to the account of the recipient or is actually paid, whichever is earlier</td>
<td>In case of Federal / provincial Government on the day the tax is deducted. Rule 43(a). In other than Federal / Provincial Government cases, within 7 days from the end of each week ending on every Sunday. Rule 43(b)</td>
<td>Minimum Tax on the profits on debt arising to a taxpayer, except Where- (a) Taxpayer is a company; or (b) Profit on debt is taxable u/s 7B.</td>
<td></td>
</tr>
<tr>
<td>Up to Rs. 5 Lacs</td>
<td></td>
<td></td>
<td>Exceeding Rs. 5 Lacs</td>
<td>10% of the gross yield/profit paid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Persons not appearing in the Active Taxpayers' List: The applicable tax rate is to be increased by 100% (Rule-1 of Tenth Schedule to the Ordinance), i.e.</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15% of the gross yield/profit paid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20% of the gross yield/profit paid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30% of the gross yield/profit paid</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Most Immediate/ By Fax/UMS

Government of Pakistan
Central Directorate of National Savings,
Islamabad.


July 9, 2019

Subject: - REVISED RATES OF WITHHOLDING TAX ON PRIZE MONEY ON PRIZE BONDS EFFECTIVE FROM 01.07.2019

The undersigned is directed to refer to the amendments made in Clause 1 of Division VI of Part-III of 1st Schedule of Income Tax Ordinance 2001 and to state that new rates of Withholding Tax on Prize Money on Prize Bonds deductible under Section 156 (1) w.e.f.01.07.2019 will be as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate of Withholding Tax On Prize Money under Section 156 (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons appearing in Active Tax Payer List (ATL)</td>
<td>15%</td>
</tr>
<tr>
<td>Persons not appearing in Active Tax Payer List (ATL)</td>
<td>30%</td>
</tr>
</tbody>
</table>

2. These rates will be applicable on the payment of Prize Money irrespective of date of Prize Bonds draw.

3. The issues with the approval of Additional Director General, National Savings.

(Muhammad Imran)
Assistant Director (PD)

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