

AD (PD)
10/2/20

Most Immediate/ By Fax/UMS

Government of Pakistan
Central Directorate of National Savings,
Islamabad.

F.No. 13(1) (Rules)Sch-3/2004 Vol-II

July 2, 2020

Subject:- AMENDMENT IN DIVISION 1A OF PART III OF THE INCOME TAX ORDINANCE 2001

I am directed to refer to the subject and to state that amendments have been made in the subject Section of Income Tax Ordinance, 2001 vide Finance Act 2020. The amended clause is reproduced as under (copy of relevant page is annexed

“In Division 1A, in the proviso, after the word “where”, the expression “the taxpayer furnishes a certificate to the payer of profit that during the tax year” shall be inserted:

2. In view of above, all Regional Directors are advised to take necessary action to ensure the compliance of the subject amendment.
3. The issues with the approval of Director General, National Savings.

Encl: As above.

(Asad Bilal)

Assistant Director (PD)

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. P.A to Addl: Director General, National Savings, Islamabad.
12. All Directors, CDNS, Islamabad.
13. The Director (IT) CDNS with the request to incorporate the subject revision in Software Application.
14. All Sections of CDNS.
15. The webmaster, MITC, CDNS, Islamabad with the request that the website may be updated, accordingly.
16. Office Copy.

ISSUED
03 JUL 2020

(a) in Division I, after clause (b), the following new clause shall be added, namely:—

“(ba) 25% in case of a person receiving dividend from a company where no tax is payable by such company, due to exemption of income or carry forward of business losses under Part VIII of Chapter III or claim of tax credits under Part X of Chapter III.”;

(b) in Division IA, in the proviso, after the word “where”, the expression “the taxpayer furnishes a certificate to the payer of profit that during the tax year” shall be inserted;

(c) in Division IB, in clause (a), for the figures “15” the figures “25” shall be substituted;

(d) in Division II,—

(i) in paragraph (5),—

a. for sub-paragraph (i), the following shall be substituted, namely:-

“(i) 3% of the gross amount payable, in the cases of transport services, freight forwarding services, air cargo services, courier services, manpower outsourcing services, hotel services, security guard services, software development services, IT services and IT enabled services as defined in clause (133) of Part I of the Second