

F.No.2(1)/2001—Pub.— The following Ordinance promulgated by the President is hereby published for general information:—

AN

ORDINANCE

To consolidate and amend the law relating to income tax

WHEREAS it is expedient to consolidate and amend the law relating to income tax and to provide for matters ancillary thereto or connected therewith;

WHEREAS the President is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in pursuance of the Proclamation of Emergency of the fourteenth day of October, 1999, and the Provisional Constitution Order No. 1 of 1999, read with Provisional Constitutional Amendment Order No. 9 of 1999, and in exercise of all powers enabling him in that behalf, the President of the Islamic Republic of Pakistan is pleased to make and promulgate the following Ordinance:—

CHAPTER I PRELIMINARY

1. Short title, extent and commencement.—(1) This Ordinance may be called the Income Tax Ordinance, 2001.

(2) It extends to the whole of Pakistan.

(3) It shall come into force on such date as the Federal Government may, by notification in official Gazette, appoint*.

2. Definitions. — In this Ordinance, unless there is anything repugnant in the subject or context —

(1) "accumulated profits" in relation to ¹[distribution or payment of] a dividend, ²[include] —

*Vide notification S.R.O.381(I)/2002 dated 15.06.2002 the Federal Government appointed the first day of July, 2002 on which the Ordinance shall come into force.

¹ Inserted by the Finance Act, 2003.

² The word "includes" substituted by the Finance Act, 2005.

- (a) any reserve made up wholly or partly of any allowance, deduction, or exemption admissible under this Ordinance;-.9230
- (b) for the purposes of ¹[sub-clauses (a), (b) and (e) of clause (19)] all profits of the company including income and gains of a trust up to the date of such distribution or such payment, as the case may be; and
- (c) for the purposes of ²[sub-clause (c) of clause (19)], includes all profits of the company including income and gains of a trust up to the date of its liquidation;

³[(1A) "active taxpayer' list" means the list instituted by the Board under Section 181A and includes such list issued by the Azad Jammu and Kashmir Central Board of Revenue or Gilgit-Baltistan Council Board of Revenue;]

⁴⁵(1B) "amalgamation" means the merger of one or more banking companies or non-banking financial institutions, ⁶[or insurance companies,] ⁷[or companies owning and managing industrial undertakings] ⁸[or companies engaged in providing services and not being a trading company or companies] in either case ⁹[at least one of them] being a public company, or a company incorporated under any law, other than ¹⁰[Companies Act, 2017 (XIX of 2017)], for the time being in force, (the company or companies which so merge being referred to as the "amalgamating company" or companies and the company with which they merge or which is formed as a result of merger, as the "amalgamated company") in such manner that –

- (a) the assets of the amalgamating company or companies immediately before the amalgamation become the assets of the amalgamated company by virtue of the amalgamation, otherwise than by purchase of such assets by the amalgamated

¹ Clauses (a), (d) and (e) of sub-section (20) substituted by the Finance Act, 2002.

² Clause (c) of sub-section (20) substituted by the Finance Act, 2002.

³ Clause 1A inserted through Finance Act, 2019.

⁴ Inserted by the Finance Act, 2002.

⁵1A renumbered by 1B by the Finance Act, 2019.

⁶ Inserted by the Finance Act, 2004.

⁷ Inserted by the Finance Act, 2005.

⁸ Inserted by the Finance Act, 2007.

⁹ Inserted by the Finance Act, 2005.

¹⁰ The expression "Companies Ordinance, 1984 (XLVII of 1984)" substituted by the Finance Act, 2021.

company or as a result of distribution of such assets to the amalgamated company after the winding up of the amalgamating company or companies; ¹[and]

- (b) the liabilities of the amalgamating company or companies immediately before the amalgamation become the liabilities of the amalgamated company by virtue of the amalgamation ²[.]

³[]

⁴[(2) “Appellate Tribunal” means the Appellate Tribunal Inland Revenue established under section 130;]

(3) “approved gratuity fund” means a gratuity fund approved by the Commissioner in accordance with Part III of the Sixth Schedule;

⁵[(3A) “Approved Annuity Plan” means an Annuity Plan approved by Securities and Exchange Commission of Pakistan (SECP) under Voluntary Pension System Rules, 2005 and offered by a Life Insurance Company registered with the SECP under Insurance Ordinance, 2000 (XXXIX of 2000);]

⁶[(3B) “Approved Income Payment Plan” means an Income Payment Plan approved by Securities and Exchange Commission of Pakistan (SECP) under Voluntary Pension System Rules, 2005 and offered by a Pension Fund Manager registered with the SECP under Voluntary Pension System Rules, 2005;]

⁷[(3C) “Approved Pension Fund” means Pension Fund approved by Securities and Exchange Commission of Pakistan (SECP) under Voluntary Pension System Rules, 2005, and managed by a Pension

¹ Added by the Finance Act, 2005.

² The semi-colon and word “and” substituted by the Finance Act, 2005.

³ Clause (c) omitted by the Finance Act, 2005. The omitted clause (c) read as follows: -

“(c) the scheme of amalgamation is approved by the State Bank of Pakistan or by the Securities and Exchange Commission of Pakistan on or before thirtieth day of June, 2006;”

⁴ Substituted by the Finance Act, 2010. The substituted provision has been made effective from 05.06.2010 by sub-clause (77) of clause 8 of the Finance Act, 2010. Earlier the substitution was made through Finance (Amendment) Ordinance, 2009 which was re-promulgated as Finance (Amendment) Ordinance, 2010 and remained effective till 05.06.2010. Clause (2) before substitution by the Finance (Amendment) Ordinance, 2009 read as follows:

“(2) “Appellate Tribunal” means the Appellate Tribunal Inland Revenue established under section 130;”.

⁵ Inserted by the Finance Act, 2005.

⁶ Inserted by the Finance Act, 2005.

⁷ Inserted by the Finance Act, 2005.

Fund Manager registered with the SECP under Voluntary Pension System Rules, 2005;]

- ¹[(3D) “Approved Employment Pension or Annuity Scheme” means any employment related retirement scheme approved under this Ordinance, which makes periodical payment to a beneficiary *i.e.* pension or annuity such as approved superannuation fund, public sector pension scheme and Employees Old-Age Benefit Scheme;]
- ²[(3E) “Approved Occupational Savings Scheme” means any approved gratuity fund or recognized provident fund;]
- (4) “approved superannuation fund” means a superannuation fund, or any part of a superannuation fund, approved by the Commissioner in accordance with Part II of the Sixth Schedule;
- ³[(5) “assessment” includes ⁴[provisional assessment,] re-assessment and amended assessment and the cognate expressions shall be construed accordingly;]
- ⁵[(5A) “assessment year” means assessment year as defined in the repealed Ordinance;]
- ⁶[(5B) “asset management company” means an asset management company as defined in the Non-Banking Finance Companies and Notified Entities Regulations, 2007;]
- ⁷[(5C) “assets move” means the transfer of an offshore asset to an unspecified jurisdiction by or on behalf of a person who owns,

¹Inserted by the Finance Act, 2006.

²Inserted by the Finance Act, 2006

³ Clause (5) substituted by the Finance Act, 2002. The substituted clause read as follows:

“(5) “assessment” means –

- (a) an assessment referred to in section 120;
- (b) an assessment raised under section 121;
- (c) an amended assessment under section 122;
- (d) a demand for an amount due under sections 141, 142, 143 and 144; or
- (e) an assessment of penalty under section 190;”.

⁴Inserted by the Finance Act, 2011.

⁵Inserted by the Finance Act, 2002

⁶Clause (5B) substituted by the Finance Act, 2008. The substituted clause (5B) read as follows:

“(5B) “assets management company” means a company registered under the Assets Management companies Rules, 1995;”

⁷ Clause (5C) inserted by Finance Act, 2019

possesses, controls or is the beneficial owner of such offshore assets for the purpose of tax evasion;]

- (6) “association of persons” means an association of persons as defined in section 80;
- (7) “banking company” means a banking company as defined in the Banking Companies Ordinance, 1962 (LVII of 1962) and includes anybody corporate which transacts the business of banking in Pakistan;

¹[(7A) “beneficial owner” means a natural person who –

- (a) ultimately owns or controls a Company or association of persons, whether directly or indirectly, through at least twenty five percent shares or voting rights; or
- (b) exercise ultimate effective control, through direct or indirect means, over the company or association of persons including control over the finances or decisions or other affairs of the company or association of persons;]

²[(8) “Board” means the Central Board of Revenue established under the Central Board of Revenue Act, 1924 (IV of 1924), and on the commencement of Federal Board of Revenue Act, 2007, the Federal Board of Revenue established under section 3 thereof;

- (9) “bonus shares” includes bonus units in a unit trust;
- (10) “business” includes any trade, commerce, manufacture, profession, vocation or adventure or concern in the nature of trade, commerce, manufacture, profession or vocation, but does not include employment;

³[(10A) “business bank account” means a bank account utilized by the taxpayer for business transaction declared to the Commissioner through original or modified registration form prescribed under section 181;]

(11)] “capital asset” means a capital asset as defined in section 37;

⁴[(11A) “charitable purpose” includes relief of the poor, education, medical relief and the advancement of any other object of general public utility;]

¹ Clause (7A) Inserted by the Finance Act, 2022.

² Clauses (8), (9), (10) and (11) re-numbered as clauses (9), (10), (11) and (8) respectively by the Finance Act, 2014.

³ Clause (10A) inserted by the Finance Act, 2021.

⁴ Inserted by the Finance Act, 2002.

- ¹[(11B) “Chief Commissioner” means a person appointed as Chief Commissioner Inland Revenue under section 208 and includes a Regional Commissioner of Income Tax and a Director-General of Income Tax and Sales Tax;]
- ²[(11C) “Collective Investment Scheme” shall have the same meanings as are assigned under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003;]
- (12) “company” means a company as defined in section 80;
- ³[(13) “Commissioner” means a person appointed as Commissioner Inland Revenue under section 208 and includes any other authority vested with all or any of the powers and functions of the Commissioner;]
- ⁴[(13A) “Commissioner (Appeals)” means a person appointed as Commissioner Inland Revenue (Appeals) under section 208;]
- ⁵[(13AA) concealment of income includes –
- (a) the suppression of any item of receipt liable to tax in whole or in part, or failure to disclose income chargeable to tax;
 - (b) claiming any deduction or any expenditure not actually incurred;
 - (c) any act referred to in sub-section (1) of section 111; and

¹ Substituted by the Finance Act, 2010. The substituted provision has been made effective from 05.06.2010 by sub-clause (77) of clause 8 of the Finance Act, 2010. Earlier the substitution was made through Finance (Amendment) Ordinance, 2009 which was re-promulgated as Finance (Amendment) Ordinance, 2010 and remained effective till 05.06.2010. The substituted clause (11B) read as follows:

“(11B) “Chief Commissioner” means a person appointed as Chief Commissioner Inland Revenue under section 208 and includes a Regional Commissioner of Income Tax and a Director-General of Income Tax and Sales Tax.”

² Inserted by the Finance Act, 2011.

³ Substituted by the Finance Act, 2010. The substituted provision has been made effective from 05.06.2010 by sub-clause (77) of clause 8 of the Finance Act, 2010. Earlier the substitution was made through Finance (Amendment) Ordinance, 2009 which was re-promulgated as Finance (Amendment) Ordinance, 2010 and remained effective till 05.06.2010. The substituted Clause (13) read as follows:

“(13) Commissioner” means a person appointed as Commissioner Inland Revenue under section 208, and includes any other authority vested with all or any of the powers and functions of the Commissioner;”.

⁴ Substituted by the Finance Act, 2010. The substituted provision has been made effective from 05.06.2010 by sub-clause (77) of clause 8 of the Finance Act, 2010. Earlier the substitution was made through Finance (Amendment) Ordinance, 2009 which was re-promulgated as Finance (Amendment) Ordinance, 2010 and remained effective till 05.06.2010. The substituted Clause (13A) read as follows:

“(13A) “Commissioner (Appeals)” means a person appointed as Commissioner Inland Revenue (Appeals) under section 208;

⁵ New clause (13AA) inserted by the Finance Act, 2021.

- (d) claiming of any income or receipt as exempt which is otherwise taxable.

Explanation.- For removal of doubt it is clarified that none of the aforementioned acts would constitute concealment of income unless it is proved that taxpayer has knowingly and willfully committed these acts;]

¹[(13AB)] “consumer goods” means goods that are consumed by the end consumer rather than used in the production of another good;”]

³[(13B) “Contribution to an Approved Pension Fund” means contribution as defined in rule 2(j) of the Voluntary Pension System Rules, 2005⁴[];]

(14) “co-operative society” means a co-operative society registered under the Co-operative Societies Act, 1925 (VII of 1925) or under any other law for the time being in force in Pakistan for the registration of co-operative societies;

(15) “debt” means any amount owing, including accounts payable and the amounts owing under promissory notes, bills of exchange, debentures, securities, bonds or other financial instruments;

(16) “deductible allowance” means an allowance that is deductible from total income under Part IX of Chapter III;

(17) “depreciable asset” means a depreciable asset as defined in section 22;

⁵[17A. “Developmental REIT Scheme” means Developmental REIT Scheme as defined under the Real Estate Investment Trust Regulations, 2015;]

⁶[(17B) “digital means” means digital payments and financial services including but not limited to— online portals or platforms for digital payments/receipts; online interbank fund transfer services; online bill or invoice presentment and payment services; over the Counter digital payment services or facilities; card payments using Point of Sale terminals, QR codes, mobile devices, ATMs, Kiosk or any other digital; payments enabled devices; or any other digital or online payment modes.]

¹Inserted by the Finance Act, 2015

² Clause (13AA) re-numbered as clause (13AB) by the Finance Act, 2021.

³ Inserted by the Finance Act, 2005.

⁴The comma and words “, but not exceeding five hundred thousand rupees in a tax year” omitted by the Finance Act, 2006.

⁵Inserted by the Finance Act, 2015

⁶ Clause (17B) Inserted through Finance (Supplementary) Act, 2022.

(18) “disposal” in relation to an asset, means a disposal as defined in section 75;

¹[(18A) “distributor” means a person appointed by a manufacturer, importer or any other person for a specified area to purchase goods from him for further supply;]

(19) “dividend” includes —

- (a) any distribution by a company of accumulated profits to its shareholders, whether capitalised or not, if such distribution entails the release by the company to its shareholders of all or any part of the assets including money of the company;
- (b) any distribution by a company, to its shareholders of debentures, debenture-stock or deposit certificate in any form, whether with or without profit, ²[] to the extent to which the company possesses accumulated profits whether capitalised or not;
- (c) any distribution made to the shareholders of a company on its liquidation, to the extent to which the distribution is attributable to the accumulated profits of the company immediately before its liquidation, whether capitalised or not;
- (d) any distribution by a company to its shareholders on the reduction of its capital, to the extent to which the company possesses accumulated profits, whether such accumulated profits have been capitalised or not; ³[]
- (e) any payment by a private company ⁴[as defined in the ⁵[Companies Act, 2017 (XIX of 2017)]] or trust of any sum (whether as representing a part of the assets of the company or trust, or otherwise) by way of advance or loan to a shareholder or any payment by any such company or trust on behalf, or for the individual benefit, of any such shareholder, to the extent to which the company or trust, in either case, possesses accumulated profits;⁶[or]

¹ Clause (18A) Inserted by the Finance Act, 2022.

² The words “and any distribution to its shareholders of shares by way of bonus or bonus shares”, omitted by the Finance Act, 2002

³The word ‘or’ omitted by Finance Act, 2008.

⁴ Inserted by the Finance Act, 2003.

⁵ The expression “Companies Ordinance, 1984 (XLVII of 1984)” substituted by the Finance Act, 2021.

⁶The word ‘or’ added by the Finance Act, 2008.

¹[(f) ²[remittance of] after tax profit of a branch of a foreign company operating in Pakistan;]

but does not include —

- (i) a distribution made in accordance with ³[sub-clause] (c) or (d) in respect of any share for full cash consideration, or redemption of debentures or debenture stock, where the holder of the share or debenture is not entitled in the event of liquidation to participate in the surplus assets;
- (ii) any advance or loan made to a shareholder by a company in the ordinary course of its business, where the lending of money is a substantial part of the business of the company; ⁴[]
- (iii) any dividend paid by a company which is set off by the company against the whole or any part of any sum previously paid by it and treated as a dividend within the meaning of ⁵[sub-clause] (e) to the extent to which it is so set off;⁶[and]

⁷[(iv) remittance of after tax profit by a branch of Petroleum Exploration and Production (E&P) foreign company, operating in Pakistan.]

⁸[(19A) “Eligible Person”, for the purpose of Voluntary Pension System Rules, 2005, means an individual Pakistani who ⁹[holds] a valid National Tax Number¹⁰[or Computerized National Identity Card¹¹[or National

¹Inserted by the Finance Act, 2008.

²The word “any” substituted by the Finance Act, 2009.

³ Substituted for “clause” by the Finance Act, 2002

⁴The word “and” omitted by the Finance Act, 2009.

⁵ The word “clause” substituted by the Finance Act, 2002

⁶The word “and” inserted by the Finance Act, 2009.

⁷Added by the Finance Act, 2009.

⁸ Inserted by the Finance Act, 2005.

⁹ The words “has obtained” substituted by the Finance Act, 2007.

¹⁰ Inserted by the Finance Act, 2007.

¹¹Inserted by the Finance Act, 2008.

Identity Card for Overseas Pakistanis] issued by the National Database and Registration Authority] ¹[²:]

³[Provided that the total tax credit available for the contribution made to approved employment pension or annuity scheme and approved pension fund under Voluntary Pension System Rules, 2005, should not exceed the limit prescribed or specified in section 63.]

⁴[(19B) The expressions “addressee”, “automated”, “electronic”, “electronic signature”, “information”, “information system”, “originator” and “transaction”, shall have the same meanings as are assigned to them in the Electronic Transactions Ordinance, 2002 (LI of 2002);]

⁵[(19C) “electronic record” includes the contents of communications, transactions and procedures under this Ordinance, including attachments, annexes, enclosures, accounts, returns, statements, certificates, applications, forms, receipts, acknowledgements, notices, orders, judgments, approvals, notifications, circulars, rulings, documents and any other information associated with such communications, transactions and procedures, created, sent, forwarded, replied to, transmitted, distributed, broadcast, stored, held, copied, downloaded, displayed, viewed, read, or printed, by one or several electronic resources and any other information in electronic form;]

⁶[(19D) “electronic resource” includes telecommunication systems, transmission devices, electronic video or audio equipment, encoding or decoding equipment, input, output or connecting devices, data processing or storage systems, computer systems, servers, networks and related computer programs, applications and software including databases, data warehouses and web portals as may be prescribed by the Board from time to time, for the purpose of creating electronic record;]

⁷[(19E) “telecommunication system” includes a system for the conveyance, through the agency of electric, magnetic, electro-magnetic, electro-chemical or electro-mechanical energy, of speech, music and other sounds, visual images and signals serving for the impartation of any

¹The words “but does not include an individual who is entitled to benefit under any other approved employment pension or annuity scheme” omitted by the Finance Act, 2006.

²The semicolon substituted by the Finance Act, 2006.

³Inserted by the Finance Act, 2006.

⁴Inserted by the Finance Act, 2008.

⁵New clause (19C) inserted by Finance Act, 2008.

⁶Inserted by the Finance Act, 2008.

⁷Inserted by the Finance Act, 2008.

matter otherwise than in the form of sounds or visual images and also includes real time online sharing of any matter in manner and mode as may be prescribed by the Board from time to time.]

- (20) “employee” means any individual engaged in employment;
- (21) “employer” means any person who engages and remunerates an employee;
- (22) “employment” includes –
 - (a) a directorship or any other office involved in the management of a company;
 - (b) a position entitling the holder to a fixed or ascertainable remuneration; or
 - (c) the holding or acting in any public office;

¹[(22A) “fast moving consumer goods” means consumer goods which are supplied in retail marketing as per daily demand of a consumer²[excluding durable goods].

³[(22AA) “fair market value” means value as provided in section 68;]

⁴[(22B) “fee for offshore digital services” means any consideration for providing or rendering services by a non-resident person for online advertising including digital advertising space, designing, creating, hosting or maintenance of websites, digital or cyber space for websites, advertising, e-mails, online computing, blogs, online content and online data, providing any facility or service for uploading, storing or distribution of digital content including digital text, digital audio or digital video, online collection or processing of data related to users in Pakistan, any facility for online sale of goods or services or any other online facility.]

⁵[(22C) “FBR Refund Settlement Company Limited” means the company with this name as incorporated under the Companies Act, 2017 (XIX of 2017), for the purposes of settlement of income tax refund claims including payment by way of issuing refund bonds under section 171A;]

¹Inserted by the Finance Act 2015

²Inserted by the Finance Act 2017

³ Clause (22AA) Inserted by the Finance Act, 2022.

⁴Inserted by the Finance Act 2018

⁵Clause (22C) Inserted by the Finance Act 2019

(23) “fee for technical services” means any consideration, whether periodical or lump sum, for the rendering of any managerial, technical or consultancy services including the services of technical or other personnel, but does not include —

- (a) consideration for services rendered in relation to a construction, assembly or like project undertaken by the recipient; or
- (b) consideration which would be income of the recipient chargeable under the head “Salary”;

¹[]

(24) “financial institution” means an institution ²[as defined] under the ³[Companies Act, 2017 (XIX of 2017)]] ⁴[];

(25) “finance society” includes a co-operative society which accepts money on deposit or otherwise for the purposes of advancing loans or making investments in the ordinary course of business;

(26) “firm” means a firm as defined in section 80;

(27) “foreign-source income” means foreign-source income as defined in sub-section (16) of section 101.

⁵[(27A) “greenfield industrial undertaking” means —

- (a) a new industrial undertaking which is —
 - (i) setup on land which has not previously been utilized for any commercial, industrial or manufacturing activity and is free from constraints imposed by any prior work;
 - (ii) built without demolishing, revamping, renovating, upgrading, remodeling or modifying any existing structure, facility or plant;

¹Omitted by Finance Act 2019. The Omitted clause read as follow:

(23A) “filer” means a taxpayer whose name appears in the active taxpayers’ list issued by the Board ¹[or Azad Jammu and Kashmir Council Board of Revenue or Gilgit-Baltistan Council Board of Revenue] from time to time or is holder of a taxpayer’s card;

² The word “notified” substituted by the Finance Act, 2005.

³ The expression “Companies Ordinance, 1984 (XLVII of 1984)” substituted by the Finance Act, 2021.

⁴ The words “by the Federal Government in the official Gazette as a financial institution” omitted by the Finance Act, 2003.

⁵ New clause (27A) inserted through Tax Laws (Second Amendment) Ordinance 2019 dated 26th December, 2019

- (iii) not formed by the splitting up or reconstitution of an undertaking already in existence or by transfer of machinery, plant or building from an undertaking established in Pakistan prior to commencement of the new business and is not part of an expansion project;
 - (iv) using any process or technology that has not earlier been used in Pakistan and is so approved by the Engineering Development Board; and
- (b) is approved by the Commissioner on an application made in the prescribed form and manner, accompanied by the prescribed documents and, such other documents as may be required by the Commissioner:

Provided that this definition shall be applicable from the 1st July, 2019 and onwards.]

(28) "House Building Finance Corporation" means the Corporation constituted under the House Building Finance Corporation Act, 1952 (XVIII of 1952);

¹[(28A) "imputable income" in relation to an amount subject to final tax means the income which would have resulted in the same tax, had this amount not been subject to final tax;"]

²[(29) "income" includes any amount chargeable to tax under this Ordinance, any amount subject to collection ³[or deduction] of tax under section 148, ⁴[150, 152(1), 153, 154, 156, 156A, 233, ⁵[] ⁶[,] sub-section (5) of section 234 ⁷[, section 236Z] ⁸[] ⁹[and] ¹⁰[any amount treated as income under any provision of this Ordinance] and any loss of income¹¹[];

¹Inserted by the Finance Act, 2015

² Clause (29) substituted by the Finance Act, 2002. The substituted clause read as follows:

"(29) "income" includes any amount chargeable to tax under this Ordinance, any amount subject to collection of tax under Division II of Part V of Chapter X, sub-section (5) of 234 Division III of Chapter XII, and any loss of income;"

³ Inserted by the Finance Act, 2003.

⁴ The figures, commas and word "153, 154 and 156," substituted by the Finance Act, 2005.

⁵ The expression "233A," omitted by the Finance Act, 2021.

⁶ The word "and" substituted by a comma by the Finance Act, 2014.

⁷ The expression ", section 236Z" inserted by the Finance Act, 2023.

⁸ The word and figure "and 236M" substituted by a comma by the Finance Act, 2015

⁹ The expression " , 236M and 236N," substituted by the Finance Act, 2018

¹⁰ Inserted by the Finance Act, 2003.

¹¹ Omitted by the Finance Act, 2014. The omitted text read as follows:

¹[(29A) "income year" means income year as defined in the repealed Ordinance;]

²[(29B) "Individual Pension Account" means an account maintained by an eligible person with a Pension Fund Manager approved under the Voluntary Pension System Rules, 2005;]

³[(29C) "Industrial undertaking" means —

(a) an undertaking which is set up in Pakistan and which employs,—

(i) ten or more persons in Pakistan and involves the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal energy; or

(ii) twenty or more persons in Pakistan and does not involve the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal energy;

and which is engaged in,—

(i) the manufacture of goods or materials or the subjection of goods or materials to any process which substantially changes their original condition; or

(ii) ship-building; or

"but does not include, in case of a shareholder of a company, the amount representing the face value of any bonus share or the amount of any bonus declared, issued or paid by the company to the shareholders with a view to increasing its paid up share capital."

¹ Inserted by the Finance Act, 2002.

² Inserted by the Finance Act, 2005.

³ Clause (29C) substituted by the Finance Act, 2010. The substituted clause (29C) read as follows:-

"(29C) "Industrial undertaking" means —

(a) an undertaking which is set up in Pakistan and which employs, (i) ten or more persons in Pakistan and involves the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal energy; or (ii) twenty or more persons in Pakistan and does not involve the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal energy and which is engaged in,-

(i) the manufacture of goods or materials or the subjection of goods or materials to any process which substantially changes their original condition;

(ii) ship-building;

(iii) generation, conversion, transmission or distribution of electrical energy, or the supply of hydraulic power; or

(iv) the working of any mine, oil-well or any other source of mineral deposits; and

(b) any other industrial undertaking which the Board may by notification in the official Gazette, specify;".