

EXTRACT OF LAWS

TO BE AMENDED THROUGH

THE KHYBER PAKHTUNKHWA **FINANCE BILL, 2024**

The Stamp Act, 1899 (Act No. II of 1899)

Article 6(A) in the SCHEDULE-I

Article No.	Description of Instrument	Proper Stamp
1	2	3
6(A)	Allotment Order or Transfer of Allotment Order issued by a developer, builder, co-operative Society, housing society or housing authority, or any other body or organization providing open plots dwelling houses or built up commercial premises; <ul style="list-style-type: none"> (i) in respect of residential open plots. (ii) in respect of commercial open plots. 	Rupees 1200 per Marla. Rupees 2000 per Marla.

Article 23 in the SCHEDULE-I

23.	<p>CONVEYANCE as defined by section 2 (10) not being a TRANSFER charged or exempted under No.62,</p> <p>(a) in case of agriculture.</p> <p>(b) in case of immoveable property in an urban area</p> <p>(c) In any other case</p> <p>Explanation-I For the purpose of sub-article (b) (1) "Urban area" shall mean-</p> <ul style="list-style-type: none"> (i) an area as defined under the West Pakistan Urban Immoveable Property Tax Act, 1958; and (ii) any built up area including land situated within or adjoining such area, specified by notification by Government to be an urban area for the purpose of this clause. (iii) For the purpose of sub-clause (ii) "built up area" shall mean land which is occupied as site of a building or enclosure and is not used for agricultural purposes or a purpose subservient to agriculture. (iv) duty chargeable in respect of instrument relating to property in an urban area specified by the government under sub clause (i) shall be effective from the date such area is specified as urban area. <p>Explanation-II Any reference in schedule I to article 23 shall mean a reference to sub articles (a) and (c) only.</p>	<p>Two rupees for every one hundred rupees or part thereof of the value of land.</p> <p>Two rupees for every one hundred rupees or part thereof of the value of the property.</p> <p>Two rupees for every one hundred rupees or part thereof of the value of the property.</p>
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	<p>(1) "rural area" means an area not within the boundaries of a City, Municipality or Cantonment Board;</p> <p>(2) "agricultural land" means any land in the rural area other than a village abadi or a town.</p> <p style="text-align: center;">EXEMPTION</p> <p>Assignment of copyright by entry made under the Copy Right Act, 1914, Section 5.</p> <p>CO-PARTNERSHIP-DEED, See PARTNERSHIP (No.46)</p>	
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The West Pakistan Urban Immovable Property Tax Act. 1958
(West Pakistan Act No. V of 1958)

Sub-Section (2a) of Section 3

(2a) A rebate at the rate of 10% of the tax assessed under sub-section (2) shall be admissible to those assesses who pay the tax in advance for the whole year by the 31st day of December of the year to which it relates.

Clause (f) of Section 4

(f) all industrial units within jurisdiction of Khyber Pakhtunkhwa EZMIC may be exempted from Urban immovable property tax.

Schedule-I

“ Schedule-I (See section 3(2))

Part 'A'

S#	Category	Rate of tax for areas of Provincial headquarter as notified by the Government (per annum) (Rs)			Rate of tax at Divisional headquarters (per annum) (Rs)		Rate of tax in suburban areas of Divisional Headquarters (per annum) (Rs)		Rate of tax at District Headquarters (per annum) (Rs)		Rate of tax at District Headquarters (per annum) (Rs)	
		A	B	C	Town ships	Other than Town ships	Town ships	Other than Town ships	Town ships	Other than Town ships	Town ships	Other than Town ships
1	Exceeding 3 Marlas but not exceeding 5 Marlas	Rs.1,500	Rs.1,300	Rs.1,100	Rs. 1,300	Rs. 1,100	Rs.8,00	Rs.5,00	Rs.600	Rs.500	Rs.400	Rs.300
2	Exceeding 5 Marlas but not exceeding 10 Marlas	Rs. 2,500	Rs. 2,400	Rs.2,200	Rs.2,400	Rs.2,200	Rs.1,400	Rs.1,100	Rs.1,200	Rs.1,100	Rs.900	Rs.700
3	Exceeding 10 Marlas but not exceeding 15 Marlas	Rs.3,300	Rs.3,100	Rs.3,000	Rs.3,100	Rs.3,000	Rs.1,600	Rs.1,500	Rs.1,600	Rs.1,500	Rs.900	Rs.800
4	Exceeding 15 Marlas but not exceeding 18 Marlas	Rs.4,800	Rs.4,700	Rs.4,500	Rs.4,700	Rs.4,500	Rs.2,500	Rs.2,300	Rs.2,500	Rs.2,300	Rs.1,300	Rs.1,000
5	Exceeding 18 Marlas but not exceeding 20 Marlas	Rs.15,000	Rs.13,500	Rs.12,000	Rs.13,500	Rs.12,000	Rs.7,500	Rs.4,500	Rs.6,000	Rs.3,000	Rs.2,250	Rs.1,500
6	Exceeding 20 Marlas but not exceeding 30 Marlas	Rs.22,500	Rs.21,000	Rs.18,000	Rs.21,000	Rs.15,000	Rs.12,000	Rs.9,000	Rs.7,500	Rs.4,500	Rs.4,500	Rs.3,000
7	Exceeding 30 Marlas but not exceeding 40 Marlas	Rs.30000	Rs.27000	Rs.24000	Rs.27,000	Rs.24,000	Rs.21,000	Rs.18,000	Rs.15,000	Rs.12,000	Rs.9,000	Rs.9,000
8	Exceeding 40 Marlas	Rs.45000	Rs.37,500	Rs.30,000	Rs.37,500	Rs.30,000	Rs.22,500	Rs.18,000	Rs.15,000	Rs.12,000	Rs.9,000	Rs.6,000

Part 'B' Lands and Buildings acquired for the use by Government, Semi-Government, Non-Governmental Organizations, Development Financial Institutions, Corporate Bodies, Autonomous Bodies, Authorities, Boards, Public Limited Companies, Public Sector Commercial Organizations, Private Limited Companies, Private Commercial Organizations, Companies' Distribution Businesses/Godowns, Guest Houses, or by Banks shall be assessed and taxed at the rate of sixteen percent of the actual annual rent. In case of lands and buildings other than those exempted under section 4 of the Act, which is owned and occupied by such organizations, the tax shall be levied on the assessed annual rental value of such lands and buildings on the rates prescribed hereinbefore.

Part 'C' Tax on properties let out on rent, lease or other arrangement and not in use of their registered owners shall be double of the above, except for the category upto 3 marlas.

Explanation-I: Where the actual rent agreement is lower than the prevailing market rent due to advance amount paid (**PAGGRI**) to the owner/middleman then the tax shall be levied on the assessed annual rental value.

Explanation-II: The tax, in **Part 'B'**, with regard to Public Limited Companies, shall come into force from the 1st day of July, 2012.

Explanation-III: Categorization of area in Provincial Headquarter into Category "A", "B" or "C" shall be by way of notification by the Local Government & Rural Development Department, to be notified from time to time. In Divisional and District Headquarters, Townships are approved Townships and include those areas, which are declared so by Local Government & Rural Development Department from time to time."

SCHEDULE-II

"SCHEDULE-II

[see section 3(2)]

1. Building and Lands within the limits of urban areas shall be divided into category A1, A, B, C, and D by the Government through Notification in the Official Gazette depending on location, value, type of business therein, rental value, civic amenities, age of building and other variables related to immovable properties.
2. Buildings acquired for the use by Government, Semi-Government, Non-Governmental Organizations, Development Financial Institutions, private commercial organizations (local/ international shop/ chain, outlets, local and international brands, wedding halls, hotels, restaurants and all shops falling within A1, A and B category of immovable properties), guest houses, hostels, or for any other commercial use or by Banks shall be assessed and taxed 18 percent of the actual annual rent. In case buildings other than those exempted under section 4 of this Act, which are owned and occupied by such organizations, tax shall be levied on the assessed annual rental value of such buildings on the rate prescribed hereinbefore.

3. Both lesser and lessee shall enter into written Agreement in Quadruplicate clearly indicating annual rent to be derived, and share copies thereof with Assessing Authority on annual basis.
4. All payments of rent shall be preferably made through bank transfers or pay order and no cash payment may be accepted
5. Buildings used as shops by the registered owner himself only, divided into three localities namely A1, A, and B, depending on the area shall continue to be assessed and taxed in accordance with the method and rate prescribed in clause 6 and 7 below. All shops categorized as C and D will also continue to be assessed with the same method.
6. The "A1 and A" localities shall, for the time being, be defined in Provincial Capital. Locality "A" may be introduced in divisional headquarters.
7. The locality factors as worked out for computing the tax are-

(a) For A1 locality. (located within 100 yards of either sides of the Main road of Peshawar).	39
(b) For A locality.	30
(c) for B locality.	14
(d) for C locality.	10
(e) for D locality.	8
8. The above factors are for the Provincial Headquarter that is for Peshawar. There shall be a rebate of 10% on the total tax calculated on the basis of the above factor value in respect of former Divisional Headquarters of buildings and 20% rebate on the total tax so calculated in respect of all other rating areas. There shall also be a rebate of 10% on first floor of the building and 20% rebate on floors other than ground and first floor.
9. The tax shall be calculated as under:
 - a. area in square yards;
 - b. covered area in square feet; provided that open sheds in the commercial units shall be counted as one half of its total measurements, while calculating the covered area; and
 - c. (a) + (b) multiplied by the locality factor.
10. For educational Institutions:
 - a. the tax shall be calculated on the basis of covered area only;
 - b. the area of the plot as required per item 9(a) above shall not be taken for computing the tax. This is to encourage the institutions in providing sports and other recreational facilities to their students; and

- c. the tax calculated on the basis of (a) above shall get a special twenty percent rebate, being provided to all the educational institutions. Provided that no rebate shall be given to building obtained on rent.
11. Petrol pumps and CNG Stations with convenience store shall be charged at flat rate of Rs.22,500/- and those without store at Rs. 11,250/- per annum.
 12. Service Station of vehicles, irrespective of operating in addition to other services such as filling station or otherwise shall be charged at flat rate of Rs.20,000 per annum.
 13. Industrial buildings within the limits of rating areas shall be assessed for the purpose of this tax at a flat rate of Rs. 2.50 per square foot of the building only. The provision of 10(b) shall also apply.
 14. Buildings and Lands used for erection of Mobile Phone Towers shall be assessed and taxed at the rates:
 - (i) Provincial Headquarter Rs.40,000 per annum;
 - (ii) Divisional Headquarter and Rs.30,000 per annum and respective sub-urban areas; and
 - (iii) District Headquarter and Rs.20,000 per annum; respective sub-urban areas. “

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The West Pakistan Motor Vehicles Taxation Act, 1958
(West Pakistan Act No. XXXII of 1958)

Section 3

3. Impositions of tax--- (1) A tax shall be leviable on every motor vehicle, in equal instalments for quarterly periods, commencing on the first day of July, the first day of October, the first day of January, and the first day of April, at the rate specified in the Schedule to this Act:

Provided that for reasons specified therein the Government may, by notification, in respect of any class of motor vehicles or motor vehicles plying in any specified area or along any specified route, prescribed a rate lower than the rate mentioned in the Schedule:

Provided further that any broken period in such quarterly periods shall, for the purpose of levying the tax be considered as a full period:

Provided also that if so opted by a tax payer, the tax in respect of a motor vehicle other than transport vehicle may be levied once for all at such rate in accordance to the specifications of such motor vehicle and it such a manner and subject to such terms and conditions as may be prescribed and if the tax is so paid such motor vehicle shall forever cease to be liable to the payment of tax under this Act.

Explanation: For the purpose of this section, transport vehicle shall have the same meaning as given to them in the Motor Vehicle Ordinance, 1965 (W.P. Ord. XIX of 1965).

SCHEDULE

SCHEDULE

(See section 3)

S#	DESCRIPTION OF MOTOR VEHICLES	ANNUAL RATE OF TAX
1.	Motor cycle/Scooter.	Rs. 1500.00 for life time.
2.	Trucks/Trailors/Delivery Vans used for the transport or haulage of goods or materials:- (a) Vehicles not exceeding 1250 K.G in unladed weight; (b) Vehicles with maximum laden capacity upto 2030 KG; (c) Vehicles with maximum laden capacity exceeding 2030 KG but not exceeding 4060 KG; (d) Vehicles with maximum laden capacity exceeding 4060 KG but not exceeding 6090 KG; (e) Vehicles with maximum laden capacity exceeding 6090 KG but not exceeding 8120 KG; (f) Vehicles with maximum laden capacity exceeding 8120 KG but not exceeding 12000 KG; (g) Vehicles with long trailors or other vehicles with maximum laden capacity exceeding 12000 KG but not exceeding 16000 KG; and	Rs. 625.00 Rs. 1000.00 Rs. 1025.00 Rs. 2200.00 Rs. 2500.00 Rs. 5000.00 Rs. 7500.00
3.	(h) Vehicles with long trailors or other vehicles with maximum laden capacity exceeding 16000 KG. Vehicles plying for hire and ordinarily used for transport of passengers: (a) mechanically propelled tricycle/rickshaw with seating capacity of not more than three persons; (b) other vehicles with seating capacity of -- (i) not more than 4 persons; (ii) more than 4, but not more than 6 persons; and (iii) More than 6 persons, plying on A routes; (c) motor vehicles with seating capacity of more than 6 but not more than 20 persons, plying, exclusively within the limits of Corporation/Municipality or Cantonment; (d) motor vehicles with seating capacity of more than 6 but not more than 20 persons plying exclusively within the limits of Corporation, Municipality or Cantonment or partly within and partly outside such limits with sixty per cent of the total length of the route falling within the limits of a Corporation, Municipality or Cantonment.	Rs. 10000.00 Rs. 500.00 Rs. 750.00 Rs. 800.00 Rs. 225.00 per seat. Rs. 200.00 per seat. Rs. 150.00 per seat.
4.	Motor vehicles (Private Motor Cars/ Jeeps, etc.) other than those mentioned above and having- (a) seating capacity of not more than 3 persons; (b) seating capacity of more than 3 but not more than 6 persons- (i) with engine power not exceeding 1000 cc a lump sum tax of rupees ten thousand shall be charged for motorcars and jeeps up to 1000 cc at the time of registration: Provided that in case of motor vehicle registered before 1st day of July 2015, the amount of tax already paid shall be deducted from the payable tax of rupees ten thousand and the remaining amount shall be paid lump sum at the time of payment of the tax due; and	Rs. 625.00

S#	DESCRIPTION OF MOTOR VEHICLES	ANNUAL RATE OF TAX
	(ii) with engine power exceeding 1000 cc but not exceeding 1300 cc; (iii) with engine power exceeding 1300 cc but not exceeding 1500 cc;	Rs. 1500.00 Rs. 2250.00
	(iv) (a) with engine power exceeding 1500 cc but not exceeding 2500 cc; and (b) Luxury Vehicles; and (v) with engine power exceeding 2500 cc; and (c) seating capacity of more than 6 persons.	Rs. 3500.00 Rs. 6500.00 Rs. 1000.00 per seat.
5.	All Tractors with or without trailers.	Rs. 800.00

The West Pakistan Finance Act, 1964

Entry at Serial No. (f) of the FIFTH SCHEDULE

(f)	Industrial/Commercial Undertaking having generating capacity above 500 Kilo Volt Ampere for Self Use.	3 (Three) Paise per unit (Kilo Watt Hour) of energy generated/consumed
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The Motor Vehicles Ordinance, 1965

Table in section 23-A

Sr.No.	Motor vehicle type/ Engine Capacity of vehicle	Where the default does not exceed 6 months (Rs.)	Where the default exceeds 6 months (Rs.)
(i)	Motor Cycle/scooter	200	500
(ii)	Tractor not being used for agricultural purposes	1000	2000
(iii)	Other vehicles up to 800 CC	1000	2000
(iv)	801- 1000 CC	1500	3000
(v)	1001 – 1300 CC	1700	3400
(vi)	1301 – 2000 CC	2000	5000
(vii)	Above 2000 CC	5000	10000

Twelfth Schedule

PART-I

MOVING VIOLATIONS

S. No.	Natural of violations	Penalties			
		3			
1	2	Motor Cycle @ Rs.	Motor Car/ Jeep @ Rs.	Light Transport Vehicle @ Rs.	Heavy Transport Vehicle/ Public Service Vehicle @ Rs.
1.	Exceeding prescribed speed limit.	200	1000	500	700
2.	Carrying Passengers in a public servicevehicles exceeding permissible limit.		200	500	700
3.	Violation of traffic signals (manual /electrical).	200	1000	500	1000

S. No.	Natural of violations	Penalties			
		3			
4.	Overloading by public transport vehicles(Goods Carries).	-	-	1000 for 1% to 5% of overloading 2500 for 5.1% to 10% of overloading. 5000 for 10.1% to 15% and above of overloading.	1000 for 1% to 5% of overloading 2500 for 5.1% to 10% of overloading. 5000 for 10.1% to 15% and above of 15% of overloading shallnot be allowed toply on road.
5.	Overtaking where prohibited.	100	200	200	500
6.	Failure to yield the right of way to others vehicles.	100	100	100	100
7.	Obstructing movement of emergency vehicles.	100	200	400	500
8.	Loading in excess of the restriction ofdimension of goods.	-	-	300	500
9.	Driving at night without proper lights.	500	1000	300	500
10.	Driving on the wrong side of the road.	600	2000	2000	4000
11.	Disobeying Traffic signals.	200	1000	1000	1000
12.	Improper crossing of railway track.	100	200	200	300
13.	Following too closely or cutting too sharply.	100	200	300	400
14.	Driving with tinted/covered glasses obstructing visibility from within thevehicle.	-	500	500	-
15.	Jumping Traffic Queue.	100	200	200	300
16.	Failing to dip head lights for other traffic.	-	200	300	500
17.	Driving wrong way in one way street.	100	200	300	400
18.	Using turn indicator for any purpose otherthan those prescribed.	100	200	200	200
19.	Plying where prohibited.	100	200	300	500
20.	Improper loading of goods/improper loadedgoods.	-	-	300	400
21.	Failing to observe lighting hours.	-	200	200	300
22.	Obstructing traffic.	200	300	500	1000
23.	Failure to observe low sign.	100	100	100	100
24.	Riding Motorcycle without safety helmet.	100	-	-	-
25.	Failure to stop for a school bus.	-	200	200	300
26.	Turning where prohibited.	100	200	400	500
27.	Failure to protect learner drivers.	100	200	200	300
28.	Failure to yield right of way to pedestrians.	100	200	200	300
29.	Reckless and negligent driving.	200	400	500	600
30.	Driving without driving license.	600	1500	600	1000
31.	Driving an unregistered vehicle.	100	200	500	600
32.	Driving a Motor Vehicle without insurance coverage.	-	100	100	100
33.	Driving a Transport Vehicle without or witha defective Speedo meter insurance coverage.	-	200	200	300
34.	Opening door dangerously.	-	200	200	300
35.	Improper turning (turn from wrong lane).	100	200	300	500
36.	Improper lane usage.	100	200	300	500
37.	Blowing horn in silence zone.	100	200	200	300
38.	Improper U-turn.	100	200	200	300
39.	Refuse to produce license.	100	200	200	300
40.	Failing to stop when required by the trafficpolice.	200	200	300	500
41.	Driving without fitness certificate.	-	-	300	500
42.	Driving a vehicle exceeding prescribedweight limit.	-	-	300	500
43.	Using vehicle in unsafe condition.	100	200	400	600
44.	Using pressing/musical horns.	100	200	300	500

S. No.	Natural of violations	Penalties			
		3			
1	2	3			
45.	Driving vehicle in violation of law/rules not otherwise provided.	100	200	300	500
46.	Smoking emitting vehicle.	200	400	500	600
47.	Juvenile driving.	200	5000	500	600
48.	Using Mobile Phone while driving.	500	500	500	500
49.	One wheeling by Motorcyclist.	500	-	-	-
50.	Repeating the same violations.	600	600	600	600
51.	Abetment of the above violations.	100	200	300	500
52.	Driving Motor Vehicle without route permit if any.	-	-	5000	5000
53.	Repeating the violation at serial No. 52 above.	-	-	1000	1000.
54.	Repeating the violation at serial No. 4 above.	-	-	10000/-	10000/-

PART-II PARKING VIOLATIONS

S. No.	NATURE OF VIOLATION	PENALTY
1	2	3
1.	Parking more than 0.5 meter from the kerb.	100.00
2.	Parking on a sidewalk.	100.00
3.	Parking less than 0.5 meter from another car.	100.00
4.	Parking on a zebra crossing.	100.00
5.	Parking less than 3 meters from five hydrants.	100.00
6.	Parking less than 10 meters from fire stop sign.	100.00
7.	Parking less than 10 meters from intersection.	100.00
8.	Parking in a "No Parking" Zone.	200.00
9.	Parking in front of an entrance to premises.	100.00
10.	Parking on bus stop.	200.00
11.	Parking on bridge.	200.00
12.	Offences relating to parking meters exceeding time limit by each half an hour.	100.00."

The Khyber Pakhtunkhwa Finance Act, 1996 (KP Act No. I of 1996)

Sub-Section (1) of Section 11

(1) There shall be levied and collected Tobacco Development Cess on the transportation of following categories of the tobacco and its various parts at the following rates, namely:

- | | | |
|-----|---|-----------------------|
| (a) | for Virginia (Flue-Cured, Barley and Dark-Air-Cured); | Rs. 6.00 per kilogram |
| (b) | for White Patta/Rustica tobacco including Khaka, Khara and Rorh made of main stalk (Dandi) and stem of tobacco; and | Rs. 3.00 per kilogram |
| (c) | for Snuff/Naswar. | Rs. 2.5 per kilogram. |

**The Khyber Pakhtunkhwa Land Tax and Agriculture Income Tax
Ordinance, 2000**

**The First Schedule
(see section 3)**

Rates of Land Tax

S.No.	Kind/Area of Land	Per acre rate
1.	2.	3.
1.	Slab of total cultivated land, computer as Irrigated land, by treating once irrigated Acre as equal to two un-irrigated acres, excluding orchards: (i) Not exceeding 1 acres; (ii) Exceeding 1 acres but not exceeding 12½ acres; (iii) Exceeding 12½ acres.	Exempted Rs. 225 Rs. 340
2.	Orchard	Rs. 900

The Khyber Pakhtunkhwa Finance Ordinance, 2002

Section 4

4. Tax on hotels.—There shall be levied and collected every year a tax on hotels, payable by the owner or management thereof at the rate of ten per cent of the room rent per lodging unit per day, available in the hotel concerned; provided that the assessment in relation to a hotel at a hill station shall be made at the aforesaid rate for six months only in a year, that is from 1st day of April to 30th day of September (both days inclusive):

Provided further that hotel in Kaghan valley of the Khyber Pakhtunkhwa shall be exempted from tax for a period starting from 1st July, 2010 to 30th June, 2012:

Provided also that no tax shall be leviable and payable under this section for the year 2020-21, if the hotel and management are registered and on the active taxpayer list of Khyber Pakhtunkhwa Revenue Authority for sales tax on services:

Provided also that arrears up to June 2020 in the subject head shall be collected by Excise, Taxation and Narcotics Control Department of Government with a rebate for all tax defaulters on all defaulted amount of tax on the following rates:

S.No	Defaulted amount (Rs.)	Rebate	validity
1.	Payment in three instalments	20% of the defaulted amount	30th June. 2021
2.	Lump-sum payment	25% of the defaulted amount	30th June. 2021

Explanation.—In this section, unless there is anything repugnant in the subject or context,-

- (a) "hotel" means an establishment where lodging with board or other service is provided for a monetary consideration, but shall not include—
 - (i) any home or hostel maintained exclusively for aged or sick persons, or, as the case may be, for students, by or under the control of a charitable, medical or educational institution;
 - (ii) any rest house, mess or other premises belonging to or in the possession of the Federal or a Provincial Government, where lodging, board or other service is provided for Government officials or members of the Defense Forces;
- (b) "lodging unit" means a bed or other sleeping accommodation which is, or is intended to be, provided to a person staying over night in a room for lodging; and
- (c) "room rent" includes fans, air-conditioning, light, heat, telephone, bedding and all other payments connected with the lodging unit, except the portion, if any, directly attributable to supply of foodstuff.

The Khyber Pakhtunkhwa Finance Act, 2010

Sub-section (2) of section 2

- (2) The rates of tax in respect of immovable properties are as under:
 - (a) Immovable property other than commercial property, industrial property and residential flats situated in urban areas measuring at least 500 square yards or one kanal (whichever is less) and more,-

No.	Description of Immovable property.	Rate of tax
(i)	Where the value of the immovable property is recorded.	Two percent of the recorded value of the landed area.
(ii)	Where the value of the immovable property is not recorded.	Twenty five rupees per square foot of the landed area.
(iii)	Where the immovable property is a constructed property.	Ten rupees per square foot of the constructed area, in addition to the value worked out above.

- (b) Immovable Commercial and Industrial property of any size situated in an urban area,-

No.	Description of Immovable property.	Rate of tax
(i)	Where the value of the immovable property is recorded.	Two percent of the recorded value of the landed area.
(ii)	Where the value of the immovable property is not recorded.	Twenty five rupees per square foot of the

		landed area.
(iii)	Where the immovable property is a constructed property.	Ten rupees per square foot of the constructed area, in addition to the value worked out above.

- (c) Commercial immovable property including residential flats situated in Plazas or Multi-story buildings of any size situated in an urban area:

No.	Description of property.	Rate of tax
(i)	Where the value of the immovable property is recorded.	Two percent of the recorded value of the immovable property provided that the amount of tax per Sq-ft of constructed area for floor indicated below shall not be less than: Rs. 8/ per Sq-ft for basement Rs. 10/ per Sq-ft for ground floor Rs. 8/ per Sq-ft for 1st floor Rs. 7.5/ per Sq-ft for 2nd floor Rs. 7/ per Sq-ft for 3rd floor and above.
(ii)	Where the value of the immovable property is not recorded.	The amount of tax per Sq-ft of constructed area for floor indicated below shall be: Rs. 8/ per Sq-ft for basement Rs. 10/ per Sq-ft for ground floor Rs. 8/ per Sq-ft for 1st floor Rs. 7.5/ per Sq-ft for 2nd floor Rs. 7/ per Sq-ft for 3rd floor and above:]

**THE KHYBER PAKHTUNKHWA MINES AND MINERALS GOVERNANCE
ACT, 2017**

Clause (d) of sub-section (1) of Section 4

- (d) review and recommend to the Government, for approval, annual rents, royalties and excise duty, payable by the holders of mineral titles, on minerals produced and carried away;

Clause (a) of sub-section (4) of section 5

- (a) review annual rent of area, royalties and excise duty on minerals, propose changes and make recommendations for approval of the government;

Section 66

- 66. Rate of royalty.**--- (1) Royalty shall be charged on the following basis:

- (a) in case of the Construction and Industrial minerals group as specified in **Schedule-IV**, and also in the case of coal, at such rates as may be notified by Government from time to time, on the recommendation of the Authority; and
 - (b) in case of any other mineral as specified in **Schedule-IV**, to the extent of specific percentage, notified by the Government from time to time on the recommendation of the Authority, on the fair market value of the mineral or group of minerals as provided in this Act.
- (2) For the purposes of sub-section (1), the fair market value of a mineral or group of minerals is-
- (a) where the mineral or group of minerals is disposed of in a sale at arm's length, the sale price;
 - (b) where the mineral or group of minerals is not so disposed of, the value established, in relation to the kind of disposal concerned, by reference to criteria for the determination of that value, in the mineral agreement or mineral title or under which or pursuant to which the mineral or group of minerals was won or mined; or
 - (c) where the mineral or group of minerals is not disposed of as provided in clause (a) and there is no such criteria as provided in clause (b), the amount determined by the Licensing Authority, on the date of the disposal, which would, in the opinion of the Licensing Authority, be paid on international markets or, as the case may be, domestic markets for such minerals in a sale at arm's length by a willing seller to a willing buyer.

EXPLANATION-1: A sale is a sale at arm's length if the contract price is the sole consideration for the sale and the terms of the sale are not affected by any commercial relationship other than that is created by the contract of sale between the seller or any other person associated with the seller and the buyer or any other person associated with the buyer.

EXPLANATION-2: For the purposes of this section, the fair market value, in respect of any mineral or group of minerals, which has been disposed of, shall be determined by reference to the first point at which it was disposed of, without allowing for any deductions from the gross amount so determined.

Section 103A

103A. Amendment of Schedules.---Government may from time to time by notification in the official Gazette, amend the Schedules appended to this Act.

**ROYALTY RATES FOR THE GROUPS OF MINERALS MENTIONED BELOW
NOTIFIED VIDE NO.SO(APPEAL)/(MDD)/6-14/MIFA/2020 DATED 26/10/2020.**

PRECIOUS METALS AND OTHER METALLIC MINERALS GROUP

1.	2.	3.
S. No.	Name of Minerals.	Royalty Rates.
1.	Chromite	Rs.300 per ton
2.	Iron ore (Magnetite and Hematite)	Rs.150 per ton
3.	Laterite (Cement Factory)	Rs.90 per ton
4.	Laterite (Others)	Rs.90 per ton
5.	Other metallic mineral including precious metals (eg. Antimony. Silver. Copper. Lead	10.50% on Ad-Valorem basis value at first disposal point)

COAL AND RELATED ROCKS

1.	2.	3.
S. No.	Name of Minerals.	Royalty Rates.
1.	Coal.	Rs.200 per ton.
2.	Graphite	Rs.75 per ton

PRECIOUS AND SEMI-PRECIOUS GEM STONES GROUP

1.	2.	3.
S. No.	Name of Minerals.	Royalty Rates.
1.	Precious and Semi-Precious Gem stones granted through auction inclusive of royalty.	Identified mines are to be auctioned as mining lease inclusive of royalty and large scale mining concession through competitive bidding.
2.	Precious and Semi-Precious Gem stones granted through normal procedure other than auction.	10.50% on Ad-Valorem basis (value at first disposal point).

OTHER MINERAL NOT SPECIFIED IN THE SCHEDULE

1.	2.	3.
S. No.	Name of Minerals.	Royalty Rates.
1.	Other groups of minerals.	03% on the Ad-Valorem basis (value at first disposal points).

CONSTRUCTION AND INDUSTRIAL MINERAL GROUP

1.	2.	3.
S. No.	Name of Minerals.	Royalty Rates.
1.	Barytes	Rs 150 per ton
2.	Ball Clay (Cement factory and others)	Rs 120 per ton
3.	Bauxite	Rs 90 per ton
4.	Bentonite	Rs.75 per ton
5	Beryle	Rs.90 per kg
6.	Chuna Clay	Rs. 75 per ton
7.	Chalk	Rs.30 per ton
8.	Calcite	Rs.75 per ton
9.	Celestite	Rs.45 per ton
10.	Dolomite	Rs. 75 per ton
11.	Feldspar	Rs.60 per ton
12.	Fire Clay	Rs.75 per ton
13.	Fuller Earth	Rs.30 per ton
14.	Fluorite	Rs.75 per ton
15.	Gypsum	Rs.45 per ton
16.	Granite (Black)	Rs.300 per ton
17.	Granite (others)	Rs.180 per ton
18.	Garnet Schist	Rs 300 per ton
19.	Industrial Garnet	Rs.300 per ton
20.	Limestone (Cement factory)	Rs.120 per ton
21.	Limestone (Others)	Rs.45 per ton
22.	Marble (White)	Rs.300 per ton
23.	Marble (Other)	Rs.90 per ton
24.	Marble (wastes/Kanda)	Rs. 60 per ton
25	Mica	Rs.150 per ton
26.	Magnesite	Rs.75 per ton

1.	2.	3.
S. No.	Name of Minerals.	Royalty Rates.
27.	Mari (Cement factory and others)	Rs.120 per ton
28.	Nepheline Synite	Rs.90 per ton
29.	Orpiment	Rs.225 per ton
30.	Phosphate	Rs. 120 per ton
31.	Quartz	Rs.75 per ton
32.	Quartzite	Rs.45 per ton
33.	Red Ocher	Rs.45 per ton
34.	Red Oxide	Rs.45 per ton
35.	Rock Salt	Rs.75 per ton
36.	Sand Stone (Cement factory)	Rs.120 per ton
37.	Sand Stone (Others)	Rs.90 per ton
38.	Soap Stone	Rs.120 per ton
39.	Silica Sand	Rs.60 per ton
40.	Slate Stone (Cement factory)	Rs. 120 per ton
41.	Slate Stone (Others)	Rs.45 per ton
42.	Shale Clay (Cement Factory)	Rs. 120 per ton
43.	Shale Clay (Others)	Rs.30 per ton
44.	Serpentine	Rs.75 per ton
45.	Sulphur Ore	Rs.30 per ton
46.	Vermiculite	Rs.45 per ton
47.	Nephrite	Rs. 10,000 per ton

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The Khyber Pakhtunkhwa Sale Tax on Services Act, 2022
(Khyber Pakhtunkhwa Act No. XIX of 2022)

Section 2

2. Definitions.---In this Act, unless there is anything repugnant to the subject or context,-

(a) **“accountant”** means-

- (i) a chartered accountant, as defined in the Chartered Accountants Ordinance, 1961 (Ordinance No. X of 1961), and includes the associate and fellow members thereof;
- (ii) a cost and management accountant, as defined in the Cost and Management Accountants Act, 1966 (Act No. XIV of 1966), and includes the associate and fellow members thereof;

- (iii) a firm or an association of chartered accountants or cost and management accountants; and
 - (iv) other accountants or association of accountants notified, in this behalf, by the Management Committee;
- (b) **“active taxpayer”** means a registered person, who is regularly filing return and paying tax, as due in terms of this Act, and is so appearing in the active taxpayers’ list, as displayed by the Management Committee and updated from time to time on official website of the Authority; provided that the Management Committee may allow any taxpayer, not appearing in the said list, to be treated as an active taxpayer, for the purposes of this Act and nothing shall bar the Management Committee to declare any taxpayer as inactive, despite being included in the list;
- (c) **“agent”** means a person, who is authorized to act on behalf of another person, called the principal, to create a legal relationship with a third party, and includes a person specified as an agent under section 76 of this Act;
- (d) **“Appellate Tribunal”** means the Appellate Tribunal, established and constituted under the Khyber Pakhtunkhwa Revenue Authority Act, 2022;
- (e) **“arrear”** means any amount of tax, including default surcharge and penalty, due under this Act, but not paid;
- (f) **“Assistant Collector”** means the Assistant Collector, appointed under section 43 of the this Act;
- (g) **“associates”** or **“associated persons”** means associates or associated person as define under sub-section (3) of section 2 of the Sales Tax Act, 1990 (No. VII of 1990);
- (h) **“association of persons”** includes a firm, any artificial or juridical person and body of persons formed under a foreign law, but does not include a company;
- (i) **“Audit Officer”** means an Audit Officer of the Authority, appointed under section 43 of this Act;
- (j) **“Authority”** means the Khyber Pakhtunkhwa Revenue Authority, established under section 3 of the Khyber Pakhtunkhwa Revenue Authority Act, 2022;
- (k) **“authorized officer”** means an officer of the Authority, duly authorized to act under this Act;
- (l) **“business bank account”** means the bank account of a person, used for business transactions, subject to the condition that such account is declared by him in the prescribed application, for registration submitted for obtaining a registration number or for changing the particulars thereof;
- (m) **“Code”** means the Code of Criminal Procedure, 1898 (Act V of 1898);
- (n) **“Collector”** means a Collector, appointed under section 43 of this Act;

- (o) **“Collector (Appeals)”** means a Collector (Appeal), appointed under section 43 of this Act;
- (p) **“Collectorate”** means the office of the Collector or the Collector (Appeals), having jurisdiction specified under this Act and Notifications issued thereunder;
- (q) **“common taxpayer identification number”** means the registration number or any other number or identification code, allocated to a registered person;
- (r) **“company”** means-
- (i) a company as defined in the Companies Act, 2017 (Act No. XIX of 2017);
 - (ii) a banking company and foreign banking company, as defined in the Banking Companies Ordinance, 1962 (Act No. LVII of 1962), and includes anybody corporate, which transacts the business of banking in the Province;
 - (iii) a non-banking finance company and the notified entities, as specified in section 434 of the Companies Act, 2017 (No. XIX of 2017), read with the Non-Banking Finance Company (Establishment and Regulation) Rules, 2003;
 - (iv) a modaraba company, as defined in the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (Act No. XXXI of 1980);
 - (v) a financial institution, as defined in the Financial Institutions (Recovery of Finances) Ordinance, 2001 (Act No. XLVI of 2001), including a microfinance institution, licensed under the Microfinance Institutions Ordinance, 2001 (Act No. LV of 2001) and an Islamic financial institution;
 - (vi) an insurance company, as defined in the Insurance Ordinance, 2000 (Act No. XXXIX of 2000);
 - (vii) a body corporate, formed by or under any law, for the time being in force in Pakistan;
 - (viii) a body incorporated outside Pakistan;
 - (ix) a trust, a co-operative society, a finance society or any other society, established or constituted by or under any law for the time being in force;
 - (x) a foreign association, whether incorporated or not, which the Management Committee with the approval of the Policy Board, by general or special order, declared to be a company for the purposes of this Act; or
 - (xi) a company, as defined under the Income Tax Ordinance, 2001 (Act No. XLIX of 2001) or the Sales Tax Act, 1990 (Act No. VII of 1990);
- (s) **“computerized system”** means any comprehensive information technology system, including its development, up-gradation or updation, for carrying out the purposes of this Act;

- (t) **“default surcharge”** means the default surcharge, levied and calculated or calculable, under section 54 of this Act;
- (u) **“defaulter”** means a person or an association of persons, including every member of such association, every director of a company and every partner of a firm and guarantors or successors thereof, who fails to pay the arrears of tax under this Act and the rules;
- (v) **“Deputy Collector”** means a Deputy Collector, appointed under section 43 of this Act;
- (w) **“document”** means any matter or content, expressed or described upon any substance by means of letters, figures or marks or by more than one of those means, intended to be used, or which may be used, for the purpose of recording that matter and includes any electromagnetic data, computer programs, computer tapes, computer disks, micro-films or any other medium or mode for the storage or conveyance of such data;
- (x) **“due date”** in relation to-
 - (i) the payment of tax means the 15th day of month, following the end of the tax period;
 - (ii) in relation to furnishing of a return under Chapter-VI of this Act, means the 18th day of month, following the end of the tax period; and
 - (iii) such other date as the Management Committee may, by Notification in the official Gazette, specify;
- (y) **“economic activity”** means the economic activity as specified in section 5 of this Act;
- (z) **“e-intermediary”** means a person, appointed as electronic-intermediary, under section 80 of this Act;
- (aa) **“exempt service”** means a service which is exempt from tax under section 11 of this Act;
- (ab) **“FBR”** means the Federal Board of Revenue, established under the Federal Board of Revenue Act, 2007 (Act No. IV of 2007);
- (ac) **“firm”** means the relation between two or more persons, who have agreed to share the profits of a business, carried on by all or any of them acting for all;
- (ad) **“goods”** mean the materials, commodities and articles, specified in Chapters 1 to 97 of the **First Schedule** to the Customs Act, 1969 (Act No. IV of 1969) and includes every kind of moveable property other than actionable claims, money, stocks, shares and securities;
- (ae) **“Government”** means the Government of Khyber Pakhtunkhwa;
- (af) **“input tax”**, in relation to a registered person, means-

- (i) tax levied under this Act on the services received by the person; and
- (ii) tax levied under the Sales Tax Act, 1990, on the goods whether imported or procured locally by the person:

Provided that Government may, by a notification in the official Gazette, specify and declare any other sales tax on services, levied and paid under any other law, to be an input tax for the purposes of this Act:

Provided further that Government may, by rules or notification in the official Gazette, specify that any or all of the aforesaid tax shall not be treated as input tax for the purposes of this Act, subject to such conditions and limitations as may be prescribed in rules or by notification;

- (ag) **“inter-bank rate”** means the Karachi inter-bank offered rate (KIBOR) prevalent on the first day of each quarter of a financial year;
- (ah) **“Management Committee”** means a Management Committee, constituted under the Khyber Pakhtunkhwa Revenue Authority Act, 2022;
- (ai) **“Magistrate”** means a Magistrate of the First Class, empowered under the Code;
- (aj) **“Non-resident”** means a person, who, for any tax year, is not a resident for such tax year, within the meaning of clause (av) below;
- (ak) **“open market price”** means the market rate as specified in section 7 of this Act;
- (al) **“output tax”** in relation to a registered person, means the tax levied under this Act on the services provided or rendered by the person;
- (am) **“person”** means-
 - (i) an individual;
 - (ii) a company, an agency or an association of persons incorporated, formed, organized or established in Pakistan or elsewhere;
 - (iii) the Federal Government;
 - (iv) a Provincial Government;
 - (v) a local authority or local government; or
 - (vi) a foreign government, a political sub-division of a foreign government or a public international organization;
- (an) **“place of business”** means whenever a person whether directly, indirectly, physically or virtually-

- (i) owns, avails or uses on rent, shares or in any other manner occupies any space in the Province from where he carries on an economic activity whether wholly or partially and includes a person who provides services without physical presence in the Province; or
 - (ii) carries on an economic activity, whether wholly or partially through any other person, such as an agent whether domiciled, resident, stationed or not, associate, franchise, branch, office or otherwise in the Province;
- (ao) **“Policy Board”** means the Policy Board, established under the Khyber Pakhtunkhwa Revenue Authority Act, 2022;
- (ap) **“PRAL”** means the Pakistan Revenue Automation (Private) Limited;
- (aq) **“prescribed”** means prescribed by rules or regulations;
- (ar) **“Province”** means the Province of Khyber Pakhtunkhwa;
- (as) **“provision of service”** or **“providing of service”** includes the rendering, supply, initiation, origination, consumption, execution, reception or termination of service, whether in whole or part, including making availability of a service, not availed and e-services where the context so requires;
- (at) **“registration number”** means the number, allocated to a registered person, for the purposes of this Act;
- (au) **“registered person”** means a person, who is registered or is liable to be registered, even though not actually registered under this Act:

Provided that a person, liable to be registered but not registered under this Act, shall not be entitled to any benefit available to a registered person under any of the provisions of this Act or the rules;

- (av) **“resident”** means-
- (i) an individual, who, in a financial year, has-
 - (a) a place of business, whether whole or part thereof, in the Province, in any mode, style or manner;
 - (b) his permanent address, as listed in the individual’s national identity card, in the Province; or
 - (c) a permanent representative to act on his behalf or to provide service on his behalf in the Province;
 - (ii) an association of persons or a company, which, in a financial year, has-
 - (a) its registered office in the Province;

- (b) its place of business, whether whole or part thereof, in the Province, in any mode, style or manner;
- (c) a permanent representative to act or to provide service on its behalf in the Province; or
- (d) the control or management of the affairs of the association of persons or the company, whether whole or part thereof, situated in the Province, at any time during the financial year;

(aw) **“return”** means a return, required to be furnished under Chapter VI of this Act, and includes any return required to be furnished under this Act and the rules and, where the context so requires, includes a statement or any other instrument containing any information required under this Act or rules;

(ax) **“reverse charge”** means the liability to pay tax under section 4 of this Act;

(ay) **“rules”** mean the rules made under this Act;

(az) **“Schedule”** means a Schedule appended to this Act;

(aaa) **“service”** means anything which is not goods and includes facilities, amenities, utilities or advantages by whatever name called and are liable to sales tax on services as specified in **First Schedule**:

Explanation.---A service shall remain and continue to be treated as service, whether or not the provision thereof involves use, supply, disposition or consumption of goods, either as an essential or as an incidental part or aspect of such service;

(aab) **“short-paid”** means a registered person, including a withholding agent, who pays or withholds an amount of tax less than the tax due owing to miscalculation or inadmissible input tax credit or adjustment or incorrect assessment of the tax amount due for a tax period;

(aac) **“similar service”** with reference to a particular service, means any other service which either is the same as, or closely resembles that particular service in terms of character, quality, quantity, functionality, purpose, usage, materials or reputation;

(aad) **“special audit”** means an audit, conducted under section 38 of this Act;

(aae) **“Special Judge”** means a Special Judge, appointed under section 46 of this Act;

(aaf) **“statement”** means a statement prescribed under the rules made or a issued under this Act and includes the statement specified by the Management Committee for any of the purposes of this Act or rules issued thereunder;

(aag) **“tax”** means-

- (i) the sales tax on services, including tax withheld or liable to be withheld or default surcharge levied under this Act;
- (ii) a fine, penalty or fee, imposed or charged under this Act; and
- (iii) any other sum, payable or recoverable under the provisions of this Act or the rules;

(aah) **“tax fraction”** means the amount worked out in accordance with the following formula-

$$a \div (100 + a)$$

Note. ‘a’ is the rate of tax applicable to taxable services in terms of section 9 of this Act;

(aai) **“tax fraud”** means knowingly, dishonestly or fraudulently and without any lawful excuse,-

- (i) doing of any act or causing to do any act in contravention of the duties and obligations under this Act or the rules or notifications issued thereunder; or
- (ii) omitting to take any action or causing the omission of any action, including providing of taxable services without being registered under this Act; or
- (iii) falsifying or causing falsification of tax invoices or other tax documents or records; or
- (iv) issuing invoice or bill of taxable services without the provision of that taxable service; or
- (v) failing to pay an amount of tax collected under section 20 of this Act, and failing to pay the amount of tax withheld under section 14 of this Act or the rules; or
- (vi) under-stating or under-paying the tax liability or over-stating the entitlement of tax credit or adjustment or claiming or obtaining in-admissible tax credit, refund or adjustment; or
- (vii) not filing the tax return or the statement for four consecutive months or more;

(aaj) **“taxpayer”** means any person, who is required or is liable to pay or is paying tax, or any sum under this Act and the rules, and includes any person, other than a Government employee, who is assigned any duty or responsibility to withhold, deduct, collect or deposit tax under this Act and the rules;

(aak) **“tax period”** means a period of one month or such other period as the Management Committee may, by notification in the official Gazette, specify;

(aal) **“taxable service”** means the service as given under section 3 of this Act;

(aam) **“value of a taxable service”** shall have the meaning given under section 6 of this Act; and

(aan) **“withholding agent”** means any person, who, as a recipient of taxable service or otherwise, withholds or deducts and pays or deposits tax directly to Government in the manner as may be prescribed.

Sub-section (2) of section 10

(2) Where a service is taxable by virtue of clause (b) of sub-section (2) of section 3, the liability to pay the tax shall be on the person receiving the service.

Sub-section (2) of section 16

(2) The Management Committee may, subject to such conditions and restrictions as it may specify or otherwise, allow registered persons to claim adjustments, including refunds arising as a result thereof, in respect of the tax paid under any other law in respect of any taxable service or goods or class of taxable services or goods, received or acquired and used in the provision of taxable service or services by them, provided that the adjustment or refund is admissible in other law as well.

Clauses (k), (m) and (n) of sub-section (1) of section 17.

- (k) the services, where exemption or reduced rate of tax has been applied or allowed in the Second Schedule or through a notification issued under this Act, the recipient of such service shall not be entitled to adjust the input tax paid on reduced rate against output tax payable on the service or services provided or rendered by him at immediate next stage of supply chain;
- (m) the services or goods for which the amount of consideration is not paid from the business bank account of the recipient in the business bank account of the service-provider or supplier of goods, as the case may be; and
- (n) such goods or services as are notified by the Management Committee to be inadmissible for input tax claim or reclaim or credit or adjustment or deduction.

Sub-section (2) of section 27.

(2) Where any person, required to withhold sales tax on services under the provisions of this Act or the rules, fails to withhold the tax or withholds the same but fails to deposit the same in the prescribed time and manner, an officer of the Authority, not below the rank of Assistant Collector, shall determine the amount in default.

Sub-section (2) of section 28.

(2) Where, by an order made under Chapter-IX by the Appellate Tribunal, High Court or Supreme Court, an order of assessment is remanded, wholly or partly, and the Collector or

Collector (Appeals) or officer of the Authority, as the case may be, is directed to pass a new order of assessment, the Collector or Collector (Appeals) or officer of the Authority, shall pass new order, within one year from the end of the financial year, in which the Collector, Collector (Appeals) or officer of the Authority, as the case may be, is served with the order:

Provided that limitation under this sub-section shall not apply, if an appeal or reference has been preferred against the order passed by Appellate Tribunal or a High Court.

Sub-section (4) of section 29.

(4) The Policy Board may, with prior approval of Government, through notification in the official Gazette, require any person or class of persons engaged in providing only exempt service or services to necessarily obtain registration under this Act and file return in such form and manner as my specified in the notification.

Entries at Serial No. 6 and 9 of the table in section 53.

1. S. No	2. Offences.	3. Punishment or Penalty.	4. Competent Jurisdiction.
6.	If a person does not pay the amount of tax due even after the expiry of a period of sixty days of issuance of the notice for such payment by an officer, not below the rank of Assistant Collector.	Such person shall be liable to imprisonment for a term which may extend to three years, or with fine which may extend to the amount of the unpaid tax, or with both.	Special Judge.
9.	Where a person violates any embargo placed on providing of service or services in connection with recovery of tax.	(i) Such person shall be liable to pay a penalty of fifty thousand rupees or ten percent of the amount of the tax sought to be recovered, whichever is higher. (ii) He shall, further be liable to imprisonment for a term which may extend to one year, or with fine which may extend to an amount equal to the amount of the tax sought to be recovered, or with both.	(i) Officer of the Authority competent under this Act. (ii) Special Judge.

Clause (a) and (b) of sub-section (1) of section 54.

(a) at the rate of twelve percent (12%) per annum, amount of tax or charge or the amount of refund erroneously made; and

- (b) in case, the default is on account of tax fraud, the person who has committed tax fraud shall pay default surcharge at the rate of twenty four percent (24%) per annum, of the amount of tax evaded, till such time the entire liability, including the amount of default surcharge, is paid.

Sub-section (1) of section 60

60. Officers to have access to premises, stocks, accounts and records.---(1) Any officer of Authority, not below the rank of Assistant Collector, shall, in his relevant jurisdiction, have free access to the business premises, registered office or any other place, where any stocks, business records or documents, required under this Act, are kept or maintained by any registered person or a person liable for registration or whose business activities are covered under this Act or who may be required for any inquiry or investigation in any tax fraud, committed by him or his agent or any other person, and such officer may, at any time, inspect the goods, stocks, records, data, documents correspondence, accounts, statements, utility bills, bank statements, information, regarding nature and sources of funds or assets, with which his business is financed, and any other records or documents, including those which are required under any other law, to be maintained in any form or mode and may take into his custody such records, statements, diskettes, documents or any part thereof, in original or copies thereof, in such form as the authorized officer may deem fit against and sign the receipt.

Sub-section (1) of section 65.

65. Revision.---(1) The Management Committee or, as the case maybe, Collector may, of its or his own motion or on an application made in writing by a registered person for revision, call for and examine the record of any proceedings under this Act of the rules for the purpose of satisfying himself as to the legality or propriety of any decision or order passed therein by an officer of the Authority, pass such order as he may think fit:

Provided that no order imposing or enhancing any penalty, fine or requiring payment of a greater amount of tax than the originally levied amount shall be passed unless the person affected by such order has been given an opportunity of showing cause and of being heard.

Sub-section (1) of section 93.

93. Repeal and savings.---(1) Sections 19 to 116 of the Khyber Pakhtunkhwa Finance Act, 2013 (Khyber Pakhtunkhwa Act No. XXI of 2013), both inclusive except sections 82, 83,103, 105, 106, 107, 108, 110 and 114, are hereby repealed, which, hereinafter, referred to as the repealed sections.

Entries at Serial Nos. 1, 5, 6, 13, 19, 20, 21, 22, 26, 27, 34, 36, 39, 41 and 44 of the Second Schedule.

S#	Description of Services	Headings	Rate ofTax
1.	Services provided or rendered by hotels, motels, guest houses, resorts, accommodation – and/or – food service providing farm-houses, motorway–or–highway-side accommodation – and/or – food provisioning/food servicing or food supply facilities, restaurants (including food service supply chains), ice cream parlors, marriage or wedding halls, marques, lawns, clubs and caterers, suppliers of prepared eatables and drinkables, <u>pandals</u>	9801.0000 9801.1000 9801.2000 9801.3000 9801.4000 9801.5000 9801.6000 9801.7000	Fifteen Percent (15%)

S#	Description of Services	Headings	Rate of Tax
	<p>and <i>shamianas</i>, clubs including such clubs as, though run on mutuality basis, are operated in commercial mode, manner or style, messes, hostels and similar entities, enterprises or undertakings including all such services, facilities, utilities, entertainments, comforts, enjoyments or amusements etc., as are allied, auxiliary or ancillary thereto.</p> <p>Exemptions and Reduced Tax Rates: Full exemption shall be available to the services of hostels exclusively meant for providing accommodation and allied facilities to students.</p> <p>The rate of tax in case of services (whole range of services including accommodation, food supplies and laundry etc.) provided or rendered by all other categories of hostels shall be Five Percent (5%) without any input tax adjustment.</p> <p>Services provided or rendered by local non-corporate stand-alone hotels or chains of such hotels (including guest houses, clubs and lodges etc.) and restaurants shall be charged to tax at the rate of Eight Percent (8%) without input tax adjustment; provided that where in any case of such restaurant, the Restaurant Invoice Management System (RIMS) is installed and working properly on regular basis, the rate of tax shall be further reduced to Five Percent (5%) without any input tax adjustment:</p> <p>Provided that in case of traditional type restaurants usually called as <i>dhaba</i> or conventional hut-type or similar other road/street side non-air-conditioned restaurants usually serving limited range of pre-cooked or pre-prepared food items with informal seating environment (located or operating anywhere in the tariff areas of the Province) the tax shall be charged and paid at the rate of One Percent (1%).</p> <p>In case of traditional accommodation facilities like <i>sarrayae</i> or inns or open air over night bed provisioning services generally located or available around or in the vicinity of railway stations, bus or wagon stands (stations), the rate of tax shall be One Percent (1%) without any input tax adjustment if the charges for overnight stay do not exceed rupees three hundred per</p>	<p>9801.8000 9801.9000</p>	

S#	Description of Services	Headings	Rate ofTax
	<p>bed.</p> <p>In case of marriage or wedding halls including <i>pandals</i> and <i>shamiana</i> and similar other businesses including food services provided therein, the rate of tax shall be Eight Percent (8%) without any input tax adjustment.</p> <p>In case of caterers whether stand-alone or otherwise, the rate of tax shall be Ten Percent (10%) without any input tax adjustment.</p> <p>In case of non-corporate sector hospitality businesses, including hotels, guest houses, rest houses, lodges, restaurants and similar other accommodations and food serving businesses, located in the tourist spots of Galiyat and Kaghan Valleys, the tax shall be charged and paid at the rate of Five Percent (5%), without any input tax adjustment, subject to the compliance to all such conditions and procedures, as may be prescribed by the Authority, in this behalf.</p> <p>Explanation: It is clarified for the removal of any doubt that the services of this entry include “takeaway” or “home or door-step delivery” transactions of the restaurants or other categories or types of food serving outlets either as a part of their overall services or as an exclusive activity.</p>		
5.	<p>Services provided or rendered by persons authorized to transact or deal with business in any manner on behalf of others such as customs agents, shipping agents (including import/export cargo freight forwarders), stock brokers, share transfer agents, business support or business or asset management agents, tour operators, travel agents, recruiting/recruitment agents, labour or man power supply services, insurance agents, commission agents, distribution agents and similar other persons engaged in business transaction work or activity against commission or similar charges.</p> <p>Explanation: The persons falling in this category do not generally have any investment or investment-related interest in the business though they may have their own infrastructure or other resources to carry out such work or activity.</p>	9806.0000 9806.1000 9806.2000 9806.3000 9806.4000 9806.6000 9806.7000 9806.8000 9806.9000 9819.1000 9819.1500 9842.0000	Fifteen Percent (15%)

S#	Description of Services	Headings	Rate ofTax
	<p>The persons covered in this category shall pay tax to the Authority in all such cases where their clients, customers or buyers are located in the province of Khyber Pakhtunkhwa regardless of the location of such person's business or office elsewhere and regard less whether or not documentation or other related formalities of their transactions with such clients, customers or buyers is done or are carried out in the said Province or elsewhere.</p> <p>Exemption: Full exemption in case of performance of <u>Haji and Umrah.</u></p> <p>Reduced Rate of Tax: Except the services falling under the categories of labour or manpower supplies including recruitments for overseas jobs or employment and such services of this entry, as are provided by corporate sector entities, all other services of this entry shall be charged at the rate of Eight Percent (8%), without any input tax adjustment; provided that business support services other than those provided by corporate entities shall be charged to tax at the rate Five Percent (5%).</p>		
6.	<p>Advertisements on TV including cable TV networks, radio, CCTV, newspapers, periodicals, magazines and similar other publications, websites and internet, poles or similar structures, bill boards, electronic bill boards, hoarding boards, signboards and similar other medium of advertisement display, lease or renting of space whether on constructed or erected structure or otherwise for the purposes of displaying advertisements in any manner and other advertisement services including services provided or rendered by advertising agents.</p> <p>Explanation: In case of renting or leasing of space for advertisements' purposes by Government or public sector or para-public sector development, housing or other authorities, departments or institutions, the whole amount of tax due shall be with held or deducted and paid directly to the Authority by such authorities, departments or institutions.</p> <p>In case of advertisements relayed, telecasted or print-</p>	<p>9802.0000 9802.1000 9802.2000 9802.3000 9802.4000 9802.5000 9802.6000 9802.7000 9802.8000 9802.9000 9806.5000</p>	<p>Ten Percent (10%) without any input tax adjustment</p>

S#	Description of Services	Headings	Rate ofTax
	<p>media-circulated in more than one Provincial jurisdictions, tax shall be paid to the Authority on apportionment basis keeping in view the population ratio of the province of Khyber Pakhtunkhwa in the aggregate population of all such jurisdictions.</p> <p>Exemption: Full exemption on such advertisements carrying or conveying public service messages as are funded by the Government or financed under foreign grants-in-aid agreements signed with the Government.</p> <p>Reduced Rate of Tax: In case of advertisements on or through print media of all types and forms, tax shall be charged at the rate of One Percent (1%) without any input tax adjustment.</p>		
13.	<p>Services provided by persons engaged in contractual execution or performance of works (including but not limited to, repair, maintenance, and renovation, up-gradation, cleaning, fumigation and decontamination services or janitorial works) or furnishing supplies (excluding transactions involving contractual supply of goods only, without any component of service relating to such goods).</p>	<p>9810.0000 9810.1000 9810.2000 9810.9000 9822.1000 9822.2000 9822.3000</p>	<p>Five Percent (5%) without any input tax adjustment</p>
19	<p>Services provided or rendered by practitioners, professionals, consultants and advisers (by whatever name called) in the irrespective fields or disciplines:</p> <p>Medical, dental or allied health fields or disciplines including para-medics and specialized technicians of medical fields.</p> <p>Human resource management or development (including training services)</p> <p>Veterinary and allied sciences including pet care.</p> <p>Law and allied fields or disciplines.</p> <p>Financial, accountancy, cost accountancy, audit, tax management or tax affairs and similar other fields or disciplines.</p> <p>Business planning, business management, business reforms, business communication including hospitality administration and similar other fields or disciplines.</p>	<p>9816.0000 9816.1000 9816.2000 9816.3000 9816.4000 9816.5000 9816.6000 9816.9000 9826.0000</p>	<p>Five Percent (5%) without any input tax adjustment:</p> <p>Provided that the above reduced rate shall not be applicable to corporate entities and to such other entities as are operating in collaboration or as subsidiary or branch of foreign service providing entities and all such entities</p>

S#	Description of Services	Headings	Rate of Tax
	<p>Software or IT-based system development or management or similar other such fields.</p> <p>Similar services in other fields, disciplines or regimes.</p> <p>Reduced Rate of Tax: In case of practitioners, professionals, consultants or advisers of medical (including dental) and legal professions or fields, the rate of tax shall be Two Percent (2%) without any input tax adjustment and in cases where regular compliance is made and continued to be so made, not ax demand for the period prior to the affectivity date of this entry, shall be raised or enforced.</p>		<p>shall pay tax at the rate of Fifteen Percent (15%) and avail admissible input tax adjustment.</p>
20.	<p>Cinematographic production, photographic services, recording services and telecasting or broadcasting services including:</p> <p>Film making or film production including drama production whether in serials or otherwise.</p> <p>Tele casting or broad casting services (other than TV cable operators).</p> <p>Videotape and recording services, sound recording services. TV/Radio production house services.</p> <p>Photographic services (services of photography or photographers).</p> <p>Other similar, allied, ancillary or auxiliary services.</p> <p>Exemption: Full exemption on telecasting or broad casting services of and by government-owned TV or Radio stations or channels (this exemption shall not be construed to cover any other service or services including advertisements taxable under this Schedule).</p>	<p>9803.0000 9803.1000 9803.2000 9803.3000 9803.4000 9803.5000 9803.9000</p>	<p>One Percent (1%) without any input tax adjustment</p>
21.	<p>Event management services whether cover in gall or any of the processes like planning, budgeting, scheduling, site selection, acquiring necessary permits, coordinating transportation and parking, arranging for speakers or entertainers, arranging decor, event security, catering, picturing, video filming, musical enjoyment so or any other allied or connected task.</p>	9846.0000	<p>Eight Percent (8%) without any input tax adjustment</p>

S#	Description of Services	Headings	Rate of Tax
22.	Exhibition, convention or carnival services and allied services including renting of purpose-specific property or space for such events.	9825.0000	Eight Percent (8%) without any input tax adjustment
26.	<p>Services provided or rendered by banks or banking companies, insurance companies, cooperatives and foreign exchange companies or dealers (including similar institutions or entities besides microfinance institutions):</p> <p>Banks or banking companies, cooperatives or similar institutions or entities (their all services including bank guarantee, brokerage, letter of credit, pay order or demand draft, bill of exchange, transfer of money in any manner, bill discounting, lockers and safe vaults, credit/debit cards, foreign exchange dealings, ATMs, issue-banking, bank assurance, provision of loans, business or investment financing or advances, leasing or re-leasing whether financial, equipment/commodity-related, <i>musharakah</i> financing etc.).</p> <p>Insurance companies (their all services including goods, fire, theft, marine, travel, life, health, industrial, business-related, moveable or immovable property insurance and other insurance and reinsurance services).</p> <p>Services of cooperatives and cooperative societies (including producer cooperatives, worker cooperatives, consumer cooperatives, credit unions, retail or purchasing cooperatives, social cooperatives, industrial service cooperatives, manufacturing cooperatives, marketing cooperatives, cooperative farming societies, housing cooperatives and credit cooperatives etc.).</p> <p>Services of foreign exchange companies, dealers and money changers or similar businesses.</p> <p>Other similar banking, insurance, cooperative or money exchange services.</p> <p>Services of payment system operator or of payment system provider as have always been or are rendered or provided in any manner or mode.</p> <p>Reduced Rate of Tax: In case of health insurance services and services in respect of Government</p>	9814.0000 9814.1000 9814.2000 9814.3000 9814.4000 9814.9000	Fifteen Percent (15%)

S#	Description of Services	Headings	Rate ofTax
	<p>sponsored Sehat Card Plus program the tax shall be charged at the rate of One Percent (1%) without any input tax adjustment.</p> <p>Exemption: Health insurance services, including Sehat Card Plus Programme shall be fully exempted.</p>		
27.	<p>Storage and warehousing services including public bounded warehouses, cold storages and yard surplices used for storage of empty or loaded container son rental or charges basis.</p> <p>Reduced Rate of Tax: The tax on cold storage services (including other forms of warehousing of agriculture produce) regardless of their corporate or non-corporate status shall be charged at the rate of One Percent (1%) without any input tax adjustment.</p>	9844.0000	Ten Percent (10%) without any input tax adjustment
34.	Services provided or rendered by under writers including sponsorship services.	9819.1100	One Percent (1%) without any input tax adjustment
36.	Services provided or rendered by auctioneers.	9819.9100	One Percent (1%) without any input tax adjustment
39.	Services provided or rendered in respect of quality assurance, quality control, quality inspection (including pre-inspection), quality verification or certification including verification or certification of quality or standards under ISO regime.	9834.0000	One Percent (1%) without any input tax adjustment
41.	<p>Ride-hailing or ride-hail services like Uber, Cream, Biker and Lyft etc. regardless of the mode, manner or dynamics of the business system involved in such services.</p> <p>Saving: In cases where regular tax compliance from the effectivity date of this entry is made and continued to be so made, no tax demand shall be raised or enforced for the period prior to such date.</p>	9851.0000	Two Percent (2%) without input tax adjustment
44.	<p>Services relating to or in respect of the installation, erection, commissioning or other permanent structure-affixed/ linked/ tied placement (whether full or in part) of any industrial, mechanical or electrical plant, machinery or equipment (excluding installation of domestic equipments etc. for residential use).</p> <p>Explanation: The factors like new, reconditioned, repaired, over hauled or old status of the equipments</p>	9853.0000	One Percent (1%) without any input tax adjustment

S#	Description of Services	Headings	Rate ofTax
	<p>or carrying out any work/ process or works/processes related thereto, shall not affect the levy of tax under this heading.</p> <p>Saving: Separate /new insertion of this entry shall under no circumstances effect the tax liabilities already discharged or yet to be discharged under the category or class of services of contractual execution of works under the substituted Schedule.</p>		

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The Khyber Pakhtunkhwa Infrastructure Development Cess Act, 2022

Sub-section (1) of section 3

3. Scope of cess and allied matters.---(1) Subject to this Act and the rules or regulations, there shall be levied, collected and administered a cess on transportation, carriage or movement of goods,-

- (a) manufactured or produced in;
- (b) traded or consumed in;
- (c) imported into or goods exported out of; or
- (d) transited through the Province;

at such rate or rates as Government may, through a notification, specify either at ad valorem, specific or fixed rate or rates and either on the basis of value of goods or otherwise.

Sub-section (3) of section 5

(3) The cess, in case of goods transited through the Province, shall be collected and paid in such manner and at such time as may be prescribed.

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