

**The
Finance (Supplementary) Act, 2023
(Act No. X of 2023)**

¹C O N T E N T S

<i>Sec.</i>	<i>Description</i>	<i>Page</i>
<i>Preamble.</i>		
1.	Short title and commencement	566
2.	Amendments in the Sales Tax Act, 1990.–	
3.	Amendments in the Income Tax Ordinance, 2001 (XLIX of 2001)	
4.	Amendments in the Federal Excise Act, 2005	
—————		

¹ Table of Contents is not the part of the Act and it is only to facilitate the readers – *Author and Editor.*

**The
Finance (Supplementary) Act, 2023
(Act No. X of 2023)¹**

[23rd February, 2023]

An

Act

further to amend certain laws relating to taxes and duties

WHEREAS, it is expedient further to amend certain laws relating to taxes and duties for the purposes hereinafter appearing;

It is hereby enacted as follows—

1. Short title and commencement.— (1) This Act shall be called the Finance (Supplementary) Act, 2023.

(2) It shall, unless specified otherwise, come into force at once.

2. Amendments in the Sales Tax Act, 1990.— In the Sales Tax Act, 1990, the following further amendments shall be made, namely:—

(A) in section 3,—

(i) for the word “seventeen”, wherever occurring, the word “eighteen” shall be substituted; and

(ii) in sub-section (2), in clause (a).—

(a) before the existing proviso, the following new proviso shall be inserted, namely:—

“Provided that the Federal Government may, subject to such conditions

and restrictions as it may impose, by notification in the official Gazette, declare that the tax on goods specified in the Third Schedule shall be collected and paid at such higher rate or rates on the retail price thereof, as may be specified in the said notification:”;

and

- (b) in the existing proviso, after the word “Provided”, the word “further” shall be inserted;
- (B) in the Eighth Schedule, in column (1),–
- (i) against serial number 47, in column (4), for the expression “17%”, the expression “18%” shall be substituted; and
 - (ii) against serial number 56, in column (4), for the expression “17%”, the expression “18%” shall be substituted; and
- (C) in the Ninth Schedule, in Table-II, in column (1), against S. No. 1, in column (2),–
- (i) against category E, in column (3), for the expression “17%”, the expression “18%” shall be substituted;
 - (ii) against category F, in column (3), for the expression “17%”, the expression “18%” shall be substituted; and
 - (iii) against category G, in column (3), for the expression “17%”, the expression “25%” shall be substituted.

3. Amendments in the Income Tax Ordinance, 2001 (XLIX of 2001).– In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:–

- (a) in section 37, after sub-section (5), the following new sub-sections shall be added, namely:–

“(6) The person acquiring a capital asset, being shares of a company, shall deduct advance adjustable tax from the gross amount paid as consideration for the shares at the rate of ten percent of the fair market value of the shares which shall be paid to the Commissioner by way of credit to the Federal Government, within fifteen days of the payment.

(7) Notwithstanding the provisions of section 68, the value of shares, for the purpose of sub-section (6), shall be

the fair market polio value, as prescribed for sub-section (4) of section 101A, without reduction of liabilities.

(8) The Commissioner may, on application made by the person acquiring of the shares, and after making such inquiry as the Commissioner thinks fit, allow to make the payment, without deduction of tax or deduction of tax at a reduced rate.

(9) The provisions of sections 161,162, entry No. 15 of the Table in section 182, clause (c) of sub-section (1) of section 191 and section 205 shall mutatis mutandis apply to the tax deductible and payable under this section.

(10) The person disposing of the capital asset, being shares of a company, shall furnish to the Commissioner within thirty days of the transaction of disposal, the prescribed information or documents, in a statement as may be prescribed:

Provided that the Commissioner may, by notice in writing, require the said person, to furnish information, documents and statement within a period of less than thirty days as specified in the notice.”;

- (b) in section 37A, in sub-section (1), in the proviso, for the full stop at the end, a colon shall be substituted and thereafter the following new proviso shall be added, namely:—

“Provided further that this section shall not apply to the disposal of shares of a listed company made otherwise than through registered stock exchange and which are not settled through NCCPL and the provisions of section 37 shall apply on such disposal of shares of a listed company, accordingly.”; and

- (c) after section 236CA, the following new section shall be inserted, namely:—

“236CB. Advance tax on functions and gatherings.— (1) Every prescribed person shall collect advance tax at the rate specified in Division-XI of Part-IV of the First Schedule on the total amount of the bill from a person arranging or holding a function in a marriage hall, marquee, hotel, restaurant, commercial lawn, club, a community place or any other place used for such purpose, subject to such conditions or limitations as may be prescribed.

(2) Where the food, service or any other facility is provided by any other person, the prescribed person shall also collect advance tax on the payment for such food, service or facility at the rate specified in Division-XI of Part-IV of the

First Schedule from the person arranging or holding the function.

(3) The advance tax collected under sub-section (1) and sub-section (2) shall be adjustable.

(4) In this section—

(a) “function” includes any wedding related event, a seminar, a workshop, a session, an exhibition, a concert, a show, a party or any other gathering held for such purpose; and

(b) “prescribed person” includes the owner, a lease- holder, an operator or a manager of a marriage hall, marquee, hotel, restaurant, commercial lawn, club, a community place or any other place used for such purpose.”

(d) in the First Schedule, in Part-IV, after Division-XA, the following new Division shall be added. namely:—

“Division-XI

Advance tax on functions and gatherings

The rate of tax to be collected under section 236CB shall be 10%.”.

4. Amendments in the Federal Excise Act, 2005.— In the Federal Excise Act, 2005, in the First Schedule, the following further amendments shall 16 be made, namely:—

(A) in Table-1, in column (1),—

(i) against serial numbers 4, 5 and 6, in column (4), for the word “Thirteen”, the word “Twenty” shall be substituted;

(ii) against serial number 9,—

(a) in column (2), for the words “six thousand six hundred and sixty”, the words “nine thousand” shall be substituted; and

- (b) in column (4), for the words “six thousand five hundred”, the words “sixteen thousand five hundred” shall be substituted;
- (iii) against serial number 10,—
- (a) in column (2), for the words “six thousand six hundred and sixty”, the words “nine thousand” shall be substituted; and
- (b) in column (4), for the words “two thousand and fifty”, the words “five thousand and fifty” shall be substituted;
- (iv) against serial number 13, in column (4), for the words “one rupee and fifty paise”, the words “two rupees” shall be substituted;
- (v) after the omitted serial number 58, the following new serial number and entries relating thereto in columns (2), (3) and (4) shall be added, namely:—

59.	Sugary Fruit juices, syrups and squashes, waters whether or not as containing added sugar or artificial sweeteners excluding mineral and aerated waters	Respective headings	Ten percent of retail price.”; and
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- (vi) after Table-1,—
- (a) in the Restriction-3-Minimum Price, for the words “forty- five”, the word “sixty” shall be substituted; and
- (b) after Restriction-3-Minimum Price, the following shall be added, namely:—
- “(4) Rate of duty.-Notwithstanding the limitation on the retail price under column (2) against serial number 9, manufacturers whose brands were liable to duty at the rates specified in column (4) against serial number 9, one day before the date of amendment (through a notification, an Ordinance or an Act of parliament), shall continue to collect

and pay the duty against serial number 9 at the amended rates specified in column (4) (through a notification, an Ordinance or an Act of parliament).”; and

- (B) in Table-II, in column (1), against serial number 3, in column (2), in clause (b), for sub-clause (ii), the following shall be substituted, namely:–

	“(ii) Club, business and first class air tickets issued on or after the date of commencement of the Finance (Supplementary) Act, 2023;	
	(a) IATA Traffic Conference Area 1 (North, Central, South America and Environs)	Two hundred and fifty thousand rupees
	(b) IATA Traffic Conference Area 2 (1) Middle East and Africa (II) Europe	(I) Seventy-five thousand rupees (II) One hundred and fifty thousand rupees
	(c) IATA Traffic Conference Area 3 (Far East, Australia, New Zealand and Pacific Islands)	One hundred and fifty thousand rupees.”.

- (b) IATA Traffic Conference Area 2 (1) Middle East and Africa

TAHIR HUSSAIN,
Secretary.

Annexure-I

**Chronological Table
of
Amending Acts, Ordinances and
Orders, etc.**

<i>S. No.</i>	<i>Act or Ordinance No.</i>	<i>Sections Amended</i>	<i>Effective date</i>
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