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SANAULLAH & Co.
Accountancy | Corporate | Taxation | HR Consultancy

BUDGET AT GLANCE 2024



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Sanaullah & Co providing consultancy services in the fields of Tax, Corporate, Accounting, Financial Advisory and other management consultancy services to clients.

S&Co. brings together clients, offer innovative solutions and endeavors to exceed client expectations. The firm offers a complete range of services across various industries.

Moreover, S&Co. is providing services to over 1000+ clients who have significant presence across manufacturing, trading, services, commercial and other sectors within the country.

In addition to above, S&Co. has a strong support staff comprising of CA, ACCA, ICMA & LLB professionals and other certified bodies that have expertise in various disciplines and have varied experience. Visit our website www.sanaullah.co to explore our services further.

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Budget Brief Prologue

The information contained in this briefing is based on the Finance Bill 2023-24. This given information is correct to the best of our knowledge. This briefing is intended to provide a general outline of the subject covered which includes the important changes proposed through the Finance Bill 2023-24. The Memorandum included comments on the highlights of the changes brought through by the Bill in Income Tax Ordinance 2001, Sales Tax Act 1990.

Income Tax

1. Super tax rationalized under section 4C for all incomes above PKR 150m
2. Three new income slabs have been added for the above mentioned with the tax charged as follows
 - Rs.350m-Rs.400m taxed at 6%
 - Rs.400m- Rs.500m taxed at 8%
 - Rs.500m-and above taxed at 10%
3. Imposed tax on cash withdrawal @ 0.6%
4. Withholding tax on supply of goods excluding supply of rice, cotton, edible oil increased by 1%. This also applies to services taxed at 3% concessionary rate.
5. 0.5% increase in withholding tax rate on import of goods falling in Part III of Twelfth Schedule to the Income Tax Ordinance, 2001.
6. Imposed tax on issuance of bonus share @ 10%
7. Increase in withholding tax rate from 1% to 5% on payment to non-resident through debit/credit or prepaid cards. (2% to 10% for Non-ATL person).
8. No change on concessionary fixed tax rate of 0.25% for IT & ITES exports for Tax years 2024, 2025 and 2026.
9. Foreign Remittance monetary limit falling under section 111 (4) increased for PKR 5m to PKR equivalent USD 100,000.
10. Waiver of 2% final withholding tax on purchase of immovable property for nonresident individual POC/NICOP holder where immovable property is acquired through foreign remittances remitted from abroad.
11. 10% reduction in tax liability or Rs. 5 (m) whichever is lower for a builder and 10% reduction or Rs. 1 (m) whichever is lower for an individual for own construction of house for three years. Additional tax @2% introduced for person having income more than Rs. 300 Million.
12. Encouraging export of commodities (Agriculture produce, gems, metals etc.) through online platform by providing 1% concessionary final tax rate to indirect exporters.
13. Reduce minimum tax liability on turnover from 1.25% to 1.0% for companies listed on Pakistan Stock Exchange.

Sales Tax

1. Sales tax exemption extended for one year till 30-June-2024 to Newly Merged Districts (NMDs) (FATA/PATA)
2. Sales tax exemption provided on contraceptive medicine and accessories
3. Sales tax exemption provided on agricultural products on plant saplings, combine harvesters, dryer for agricultural products, no-till-direct seeder, planters, trans-planter's other planters and bovine semen
4. Sales tax exemption on import of IT products by IT exporters registered with Pakistan Software Export Board
5. Sales tax exemption withdrawn on edible products sold in bulk under a brand name.
6. Increased reduced rate of sales tax from 12% to 15% on supplies by POS retailer in leather and textile
7. Shop area requirement for Tier-1 retailer (1000 sq. ft. . 2000 Sq. Ft for furniture) proposed to be withdrawn

Custom Duties

1. Removal of regulatory duty on second hand clothing, fish, tiles, sports goods, IT related equipment, Yarn of Polyester not manufactured locally.
2. Export Regulatory Duty on the export of Molasses increased from 10% to 15%.