

**A  
BILL**

*to continue, revise and exempt certain taxes, fees and cess  
in the Province of Khyber Pakhtunkhwa.*

**WHEREAS** it is expedient to continue, revise and exempt certain taxes, fees and cess in the Province of Khyber Pakhtunkhwa;

It is hereby enacted by the Provincial Assembly of Khyber Pakhtunkhwa as follows:

**1. Short title, extent and commencement.**---(1) This Act may be called the Khyber Pakhtunkhwa Finance Act, 2026.

(2) It shall extend to the whole of the Province of Khyber Pakhtunkhwa.

(3) It shall come into force on the First Day of July, 2026.

**2. Amendment of the West Pakistan Act No. V of 1958.**---In the West Pakistan Urban Immovable Property Tax Act, 1958 (West Pakistan Act No. V of 1958),-

(a) in section 3,-

(i) in sub-section (3), the full stop appearing at the end shall be replaced by a colon and thereafter the following proviso shall be added, namely:

“Provided that in the case of waqf properties and evacuee trust properties, leased or rented out under the relevant laws for the time being in force, the liability for such tax shall be on the leaseholder, at the rates specified in **Schedule-I** and **Schedule-II** of this Act.”; and

(ii) for the existing “**Schedule-I**” and “**Schedule-II**”, the “**Schedule-I**” and “**Schedule-II**” as specified in **Appendix-I** and **Appendix-II** appended to this Act shall respectively be substituted;

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- (b) in section 4,-
- (i) in clause (a), in sub-clauses (i) and (ii), the words, “in perpetuity” shall respectively be deleted;
- (ii) in clause (b), for the figures, decimal and word, “4.99 Marlas”, the figure and word “5 Marlas” shall be substituted; and
- (iii) after clause (c), the following new clause shall be inserted, namely:

“(c-i) a rebate of thirty percent (30%) shall be allowed on lumpsum payment of outstanding arrears, relating to all residential properties, subject to the payments made on or before 31<sup>st</sup> December, 2026. This rebate shall apply to arrears accrued up to 30<sup>th</sup> June, 2026:

Provided that any person, who fails to clear the arrears by the 31<sup>st</sup> day of December, 2026, shall pay the original amount along with the penalty imposed under section 15 of this Act;” and

- (c) in section 16, in sub-section (1), in clause (ii), the full stop appearing at the end, shall be replaced by a semi colon and the word “or” and thereafter the following new clauses shall be added, namely:

“(iii) by sealing immovable property belonging to such person;  
or

(iv) by attachment of bank accounts of the owner, tenant or leaseholder of such lands and buildings.”.

**3. Amendment of the West Pakistan Act No. XXXII of 1958.**---In the West Pakistan Motor Vehicles Taxation Act, 1958 (West Pakistan Act No. XXXII of 1958), in the **SCHEDULE**, for Serial No.3, the following shall be substituted, namely:

1.	2.	3.
“3.	Vehicles plying for hire and ordinarily used for the transport of passengers:	
	(a) mechanically propelled tricycle or rickshaw with seating capacity of not more than three persons;	Rs. 1000/-
	(b) other vehicles with seating capacity of-	

(i) not more than four (04) persons;	Rs. 1500/-
(ii) more than four (04) but not exceeding six (06) persons;	Rs. 2000/-
(iii) more than six (06) but not exceeding fifteen (15) persons; and	Rs. 400/- per seat.
(iv) more than fifteen (15) persons.	Rs. 500/- per seat.”.

**4. Amendment of the Khyber Pakhtunkhwa Act No. IV of 1990.**---In the Khyber Pakhtunkhwa Finance Act, 1990 (Khyber Pakhtunkhwa Act No. IV of 1990), in section 7, in sub-section (1), for the existing “TABLE”, the “TABLE” as specified in **Appendix-III**, appended to this Act, shall be substituted.

**5. Amendment of Khyber Pakhtunkhwa Ordinance No. XXIII of 2002.**---In the Khyber Pakhtunkhwa Finance Ordinance, 2002 (Khyber Pakhtunkhwa Ordinance No. XXIII of 2002), for section 4, the following shall be substituted, namely:

**“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 five percent (5%) of the room rent as per actual occupancy of lodging units available in respect of hotels compliant with the Point of Sale System:

Provided that where a Point of Sale System is not available or not installed, the rate of tax shall be ten percent (10%) of the actual room rent based on fifty percent (50%) of the total number of lodging units available in the hotel concerned:

Provided further that arrears up to June, 2026 in respect of Point of Sale System compliant hotel owners shall be collected by the Excise and Taxation Officer concerned, with the following rebate:

Sr. No.	Defaulted Amount (Rupees).	Rebate.	Validity.
1.	Lump-sum payment.	20% of the defaulted amount.	31 <sup>st</sup> December, 2026.”.

**6. Amendment of Khyber Pakhtunkhwa Act No. XIX of 2022.**---In the Khyber Pakhtunkhwa Sales Tax on Services Act, 2022 (Khyber Pakhtunkhwa Act No. XIX of 2022),-

(a) in section 2,-

(i) after clause (an), the following new clause shall be inserted, namely:

“(an-i) **“Point of Sale System”** means any software, application, platform, device, terminal, cloud-based system or any other electronic or digital arrangement or platform, used by a registered person, whether directly or through a service provider, for generating, issuing, processing, recording, storing, transmitting or reporting invoices, sales tax invoices, tax receipts or any equivalent fiscal document relating to the provision of taxable services, whether such document is issued in printed, electronic or any other form;” and

(ii) in clause (aai), in sub-clause (viii), after the semi colon, appearing at the end, the word “or” shall be added and thereafter the following new sub-clause shall be added, namely:

“(ix) aiding, facilitating or enabling, whether directly or indirectly, causing any act or omission specified herein, including but not limited to facilitation or provision of services for the design, development, configuration, integration, installation, use or manipulation of software, hardware, electronic invoicing systems, Point of Sale Systems or any other similar digital platform for reporting of taxable services, resulting in the suppression, concealment, alteration, non-recording or misreporting of taxable activity or data;”

(b) in section 18, in sub-section (1), the colon, appearing at the end, shall be replaced by a full stop and thereafter the proviso shall be deleted;

(c) in section 22,-

(i) the existing provisions shall be numbered as sub-section (1) of section 22;

(ii) in sub-section (1), as so numbered, in “**Explanation**” for the word “section”, the words and hyphen “sub-section” shall be substituted; and

(iii) after sub-section (1), as so numbered, the following new sub-section shall be added, namely:

“(2) Where any person, whether in the capacity of collection agent or otherwise, a provider, supplier, integrator, installer, operator or maintainer of Point of Sale Systems used for recording, storing, maintaining or reporting any taxable service or class of services, who-

(a) aids, abets, facilitates, enables or is otherwise involved, whether directly or

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indirectly, in the suppression, concealment, non-recording, alteration or misreporting of taxable activity or data; or

- (b) designs, develops, configures, supplies, installs, operates or manipulates such Point of Sale Systems in a manner that results in or is intended to result in, non-payment or short payment of tax; or
- (c) has knowledge or reasonable grounds to suspect that such systems are being used for the purposes mentioned in clause (a) or clause (b), including but not limited to system-generated anomalies, disabling of audit trails, suppression of transaction logs, or discrepancies between recorded and reported data, fails to take reasonable corrective or preventive measures,

such person shall be deemed to have contributed to the non-payment of tax and shall be jointly and severally liable, along with the registered person, for the unpaid amount of tax, including any penalty and default surcharge leviable under this Act.

**Explanation:** For the purpose of this sub-section, “reasonable grounds to suspect” and “failure to take reasonable measures” shall include continued provision of services, technical support or system access despite indications of manipulation, suppression or non-compliance in the recording or reporting of taxable transactions or taxable activity or data.”;

- (d) in section 27, for sub-section (1A), the following shall be substituted, namely:

“(1A) Where a person fails to file a return or files a return or makes payment of tax after the due date or fails to furnish any information, explanation, documents, record or any other details as may be required in a notice issued under this Act or contravenes any of the provisions of this Act or commits any offence specified in Column No. 2 of the Table under section 53 of this Act, an order under this section shall be passed to the extent of imposition of penalty or default surcharge in accordance with sections 53 and 54 of this Act.”;

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(e) after section 34, the following new section shall be inserted, namely:

**“34A. Electronic integration, e-invoicing and digital compliance.**---Government may prescribe the requirements, obligations, procedures and mechanisms for real-time sharing, transmission, integration, recording, verification or monitoring of invoices or transaction data with the Authority and may specify the requirements, conditions, standards or procedures for implementation and compliance of e-invoicing by any service or class of services or by any registered person or class of registered persons under this Act, including the imposition of such fee, service charges or cost-recovery charges as may be prescribed and may further prescribe the manner, procedure, conditions or criteria for any incentive, receipt verification or prize scheme for the purposes of promoting tax compliance, invoice verification and documentation of taxable services under this Act.”;

(f) for section 53, the following shall be substituted, namely:

**“53. Offences and penalties.**---If a person commits any offence, specified in Column No. 2 of the Table below, shall, in addition to and not in derogation of any punishment to which he may be liable under any other law, be liable to the penalty, mentioned against that offence in Column No. 3, imposed in accordance with the jurisdiction specified in Column No. 4 thereof.

**TABLE**

1. Sr. No.	2. Offences.	3. Penalty or Punishment.	4. Competent Jurisdiction.
1.	Where a person who is required to apply for registration under this Act fails to make an application for registration before providing any taxable services.	A penalty of two hundred thousand rupees or five percent of the amount of the tax he would have been liable to pay had he been registered, whichever is higher; provided that in the case of non-compliance of compulsory registration, the minimum penalty shall be four hundred thousand rupees.	Officer of the Authority competent under this Act.
2.	Where a person who is required to get himself registered under this Act, fails to get registered within ninety days of providing taxable services or who fails to comply with compulsory registration.	Imprisonment for a term which may extend to one year, or with fine which may extend to the amount of the tax he would have been liable to pay had he been registered, or with both.	Special Judge.

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3.	Where any person fails to intimate any change in particulars of registration, including the particulars relating to business address, business bank accounts, economic activity or any other particulars as specified in the rules or regulations, within a period of fifteen days from the date of such change.	A penalty of twenty-five thousand rupees.	Officer of the Authority competent under this Act.
4.	Where a person fails to furnish a return within the due date.	A penalty of ten thousand rupees per tax period or a fraction thereof provided that if a return is filed within ten days of the due date, he shall pay a penalty of three hundred rupees for each day of default.	Officer of the Authority competent under this Act.
5.	Where a person fails to issue tax invoice or issues tax invoice which is contrary to the provision of sections 34 and 34A of this Act.	A penalty of two hundred thousand rupees or five percent of the tax involved, whichever is higher.	Officer of the Authority competent under this Act.
6.	Where any person required to integrate or install the Restaurant Invoice Management System (RIMS), Invoice Management and Reporting System (IMRS) or any other prescribed e-invoicing system or computerized system, fails to integrate or install the Restaurant Invoice Management System (RIMS), Invoice Management and Reporting System (IMRS) or any other prescribed e-invoicing system.	A penalty of five hundred thousand rupees or five percent (5%) of the tax involved, whichever is higher, for each instance of non-compliance.	Officer of the Authority competent under this Act.
7.	Where any registered person, who after integration of its Point of Sale System with the computer system of the Authority i.e., through Restaurant Invoice Management System (RIMS) or Invoice Management and Reporting System (IMRS) or any other prescribed system, fails to comply with e-invoicing system or issues invoices outside the	A penalty of two hundred thousand rupees or five percent (05%) of the tax involved, whichever is higher, for each instance of non-compliance.	Officer of the Authority competent under this Act.

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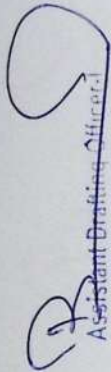
	e-invoicing system or failed to upload invoices on Restaurants Invoice Management System (RIMS) or Invoice Management and Reporting System (IMRS) or any other prescribed system on real-time basis or any other prescribe manner.		
8.	Any integrator, vendor or Point of Sale System service provider who fails to integrate, connect, maintain or ensure real-time transmission of data between the computerized system or point of sale system of a registered person and the computerized system of the Authority or who manipulates, tampers with, suppresses, alters, falsifies or causes generation of false, incomplete or misleading transactional data, invoices or records, or committing a tax fraud.	A penalty of five hundred thousand rupees or five percent of the total value of the sales suppressed, whichever is higher.	Officer of the Authority competent under this Act.
9.	Any person, who issues an invoice, for which he is not authorized to issue, in which an amount of tax is specified or charged, including committing a tax fraud.	A penalty of five hundred thousand rupees or five per cent of the amount of the tax involved, whichever is higher.	Officer of the Authority competent under this Act.
10.	Where a person fails to deposit the amount of the tax due or any part thereof in time or in the manner provided under this Act or the rules made or notifications issued thereunder.	A penalty of fifty thousand rupees or five percent of the tax payable for that period, whichever is higher; provided that no penalty shall be levied if any miscalculation is made for the first time during a financial year.	Officer of the Authority competent under this Act.
11.	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.	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.

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12.	Where a person fails to properly maintain or retain records required under this Act.	A penalty of one hundred thousand rupees or five percent of the total tax paid or assessed on the basis of available information, to be payable for the tax period or periods for which he has failed to maintain the required record, whichever is higher.	Officer of the Authority competent under this Act.
13.	Where a registered person, including a person compulsorily registered under this Act, who, in non-compliance to the provisions of this Act, fails to produce information/ records/ documents on receipt of a notice by an officer of the Authority, not below the rank of Assistant Collector, or refuses to allow the officer of the Authority to take extracts from or make copies of the document or record or information or data or fails to appear before an officer of Authority or fails to answer any question put to him.	A penalty of two hundred thousand rupees for the first instance of non-compliance.  In case of non-compliance for the second time, such person shall be liable to pay a penalty of five hundred thousand rupees.  In case of non-compliance for the third time, such person shall be liable to pay a penalty of one million rupees.	Officer of the Authority competent under this Act.
14.	Where a person knowingly, deliberately, intentionally or fraudulently-  (a) submits a false, fake, untrue or forged document to the Management Committee or any of officer of the Authority; or  (b) destroys, alters, mutilates or falsifies the records including a tax invoice; or  (c) makes a false statement, false declaration, false representation or false personification, or gives any false data or information; or  (d) commits, causes to commit, or attempts	(i) A penalty of five hundred thousand rupees or one hundred percent of the tax payable for the tax period or periods to which the offence relates, whichever is higher.  (ii) Imprisonment for a term which may extend to five years or with fine which may extend to an amount equal to the tax payable for the tax period or periods to which the offence relates, or with both.	(i) Officer of the Authority competent under this Act.  (ii) Special Judge

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	to commit tax fraud, or abets or connives in the commission of tax fraud.		
15.	Where a person violates any embargo placed on providing of service or violates the restrictions imposed vide sealing of business premises in connection with recovery of tax.	(i) A penalty of one hundred thousand rupees or ten percent of the amount of the tax sought to be recovered, whichever is higher.  (ii) 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.
16.	Where a person obstructs any officer of the Authority in the performance of his official duties under this Act.	(i) A penalty of one hundred thousand rupees or one hundred percent of the tax payable for the tax period to which the offence of such person relates, whichever is higher.  (ii) Imprisonment for a term which may extend to one year or with fine not exceeding fifty thousand rupees or with both.	(i) Officer of the Authority competent under this Act.  (ii) Special Judge.
17.	Where any person refuses to receive any notice or order issued by an officer of the Authority or obstructs any officer of the Authority in the performance of his official duties under this Act or the rules made thereunder.	(i) A penalty of one hundred thousand rupees or one hundred per cent of the tax payable for the tax period(s) to which the offence relates, whichever is higher.  (ii) Imprisonment for a term which may extend to one year or with fine not exceeding one hundred thousand rupees or with both.	(i) Officer of the Authority competent under this Act.  (ii) Special Judge.
18.	Where a person repeats an offence for which a punishment is provided under this Act.	Such person shall be liable to punishment equal to twice the punishment provided under this Act for such offence.	Officer of the Authority competent under this Act or Special Judge, as the case may be.
19.	Where a person-  (a) knowingly and without any lawful authority or excuse gains access to the computerized system of the Authority; or  (b) uses, discloses or publishes or otherwise disseminates, without any lawful	(i) A penalty of two hundred thousand rupees or one hundred percent of the amount equal to the loss caused to the tax revenue.  (ii) Imprisonment for a term which may extend to three years, or with fine which may extend to an amount equal to the loss caused to the tax revenue, or with both.	(i) Officer of the Authority competent under this Act.  (ii) Special Judge.

  
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	<p>authority or excuse, any information obtained from the said system; or</p> <p>(c) falsifies any record or information stored in the said system; or</p> <p>(d) knowingly or dishonestly damages or impairs the said system; or</p> <p>(e) knowingly or dishonestly damages or impairs any duplicate tape or disc or other medium on which any information obtained from the said system is kept or stored; or</p> <p>(f) uses, without any lawful authority or excuse, unique user identifier of any other registered user to authenticate a transmission of information to the said system; or fails to comply with or contravenes any of the conditions prescribed for security of unique user identifier.</p>		
20.	<p>Where any person intentionally, deliberately or fraudulently intervenes, alters or damages any electronically filed invoices mechanism or system prescribed or specified for the purpose of avoiding correct payment of due tax.</p>	<p>(i) A penalty of two hundred thousand rupees or one hundred percent of the amount equal to the loss caused or believed to be caused, to the tax revenue, whichever is higher.</p> <p>(ii) Imprisonment for a term which may extend to three years, or with fine which may extend to an amount equal to the loss caused to the tax revenue, or with both.</p>	<p>(i) Officer of the Authority competent under this Act.</p> <p>(ii) Special Judge</p>
21.	<p>Where an officer of the Authority acts or conducts in a manner resulting in vexatious prosecution or undue detriment of a taxpayer.</p>	<p>Imprisonment for a term which may extend to three years or with fine not exceeding fifty thousand rupees or with both.</p>	<p>Special Judge.</p>
22.	<p>Where a bank fails to</p>	<p>(i) Such bank or bank branch</p>	<p>(i) Officer of the</p>

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	attach or delays in attaching the bank account of the person from whom tax is sought to be recovered, specified in the notice issued by the officer of the Authority or fails or delays in payment of such amount.	<p>manager, as the case may be shall be liable to penalty of five hundred thousand rupees or five percent of the amount of tax involved, whichever is higher.</p> <p>(ii) The concerned officer of such bank shall further be liable, upon conviction by the Special Judge, to imprisonment which may extend to one year or with fine which may extend to five percent of the amount of tax involved, or with both.</p>	<p>Authority competent under this Act.</p> <p>(ii) Special Judge</p>
23.	Where a person fails to withhold or withholds but fails to deposit the tax or where a collection agent fails to collect or collects but fails to deposit the tax.	A penalty of fifty thousand rupees or five percent of the amount of tax involved, whichever is higher.	Officer of the Authority competent under this Act.
24.	Where an individual, who during the course of business is making the payment on behalf of the withholding agent but fails to withhold or deposit the due tax.	A penalty of twenty-five thousand rupees or five percent of the amount of tax involved, whichever is higher.	Officer of the Authority competent under this Act.
25.	<p>Where any person-</p> <p>(a) fails to make the payment of consideration for goods or services from the business bank account to the service-provider or supplier of goods, as the case may be; or</p> <p>(b) fails to receive the payment of consideration for services in the business bank account of the service-provider,</p>	<p>(i) A penalty of fifty thousand rupees or ten percent of the amount of consideration or transaction involved, whichever is higher.</p> <p>(ii) Further be liable, upon conviction by the Special Judge, to imprisonment for a term which may extend to six months, or with fine or with fine not exceeding twenty thousand rupees or with both.</p>	<p>(i) Officer of the Authority competent under this Act.</p> <p>(ii) Special Judge</p>
26.	Where a person fails to fulfill any of the conditions, limitations or restrictions prescribed in a notification issued under any of the provisions of this Act or the rules made thereunder, or where a person contravenes any provision of this Act or the rules made thereunder for	A penalty of twenty-five thousand rupees or three percent of the tax payable for the tax period to which the offence relates, whichever is higher.	Officer of the Authority competent under this Act.”;

	which no penalty has specifically been provided in this Act.		
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(g) in section 60,-

- (i) in sub-section (1), the full stop, appearing at the end, shall be replaced by a colon and thereafter the following proviso shall be inserted, namely:

“Provided that the authorized officer, while exercising powers under this section, shall furnish a copy of the approval granted by the Management Committee or the Collector, as the case may be, to the registered person or any person acting on his behalf at the business premises, before or at the time of undertaking any such action and such authorized officer shall submit a report to the Management Committee or Collector, as the case may be, in this regard.”; and

- (ii) after sub-section (4), the following explanation shall be added, namely:

**“Explanation:** For the purpose of removal of any doubt, the powers of access, inspection, examination and taking into custody of records or documents under this section, shall include to inspect any storage facility, electronic device, digital medium, compartment, shelf or any other place or article within such business premises or place, where any record, document, data or invoices under this Act is reasonably believed to be kept, concealed or maintained.”;

- (h) in section 74, in sub-section (1), for clause (c) the following shall be substituted, namely:

- “(c) require, by notice in writing, any bank to attach that person’s bank account or accounts whether business or otherwise and recover the amount payable and remit the money therefrom:

Provided that a notice issued under this clause to any bank operating within the Province for attachment and remittance of any account of the defaulter shall be binding on the bank as a whole and the bank shall not refuse or delay compliance on the ground that such account is maintained at a branch or office located outside the Province:

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Provided further that where such notice has been issued and the officer in charge of the bank branch declines or otherwise is found involved in any manipulation with the defaulter to avoid remittance of the recoverable amount, the officer of the Authority shall issue a show cause notice for imposition of personal penalty not exceeding five hundred thousand rupees or five percent (05%) of the amount of tax, whichever is higher;” and

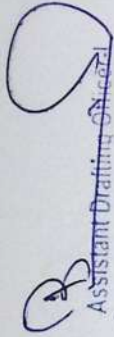
(i) in the **Second Schedule**, in **Part-II**, under the heading “**Tax Rates below Standard Rate**”,-

(i) against Serial No. 11, in Column No. 2, after clause (b), the following Clarification shall be added, namely:

“**Clarification:** Government funded project means any construction, erection, installation, development, rehabilitation, expansion, improvement, repair or maintenance project which is wholly or partly financed, funded, sponsored or supported, directly or indirectly, through public funds, including funds provided under the Annual Development Programme, Public Sector Development Programme, grants, loans or other public financing arrangements, or from the budgetary allocations, revenues, receipts, own-source revenues or other funds of any Federal or Provincial Ministry, Division, Department, Attached Department, Authority, corporation, autonomous or semi-autonomous body, statutory body, public sector organization, state-owned enterprise, local government or any other public sector entity established under any Federal or Provincial law.”;

(ii) for Serial No. 44, the following shall be substituted, namely:

“44.	All projects whether related to construction or otherwise as are funded or budgeted through Annual Development Programme schemes shall be charged to tax at the rate of 04% on all such projects as are approved after 1 <sup>st</sup> July 2025:  Provided that social welfare projects which are specifically designed or intended for poverty alleviation, women and child welfare, support for persons with disabilities, skill development and employment generation, distribution of food, ration or cash assistance to needy families and establishment or operation of shelter homes for orphans, widows or the elderly, shall be exempted from the levy and application of any tax.		Four percent (04%), without any input tax adjustment.”; and
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	<p><b>Clarification-I:</b> It is hereby clarified that in case of ongoing projects as were approved on or after 1<sup>st</sup> July, 2021 but on or before 30<sup>th</sup> June, 2025, and any subsequent revision, amendment, variation, escalation, supplementary work order, assignment of additional work or curtailment of the original scope of work results in an increase or decrease in the contract value, cost or estimated cost, the sales tax on services shall be charged, collected and paid at the rate of two percent.</p> <p><b>Clarification-II:</b> Tax rate of two percent mentioned above, shall not apply in cases where upward adjustment has been made in the applicable Market Rate System (MRS), Schedule of Rates (SOR), Composite Schedule of Rates (CSR) or any other Government notified rate forming the basis of the original work order, contract or Agreement.</p>		
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(iii) after Serial No. 44, as so substituted, the following new entries shall be inserted, in the respective columns, namely:

<p>“45.</p>	<p>Services provided or rendered by any person, whether resident or non-resident, through a digital, electronic or online platform, exchanges, application, or interface, which enables, facilitates, intermediates or executes the buying, selling, exchange, forecasting, transfer or trading of virtual assets, digital assets, financial instruments, commodities, securities, derivatives or any other tradable instruments between two or more persons, for a consideration in the form of fee, commission, spread, markup or any other charge, by whatever name called.</p> <p><b>Explanation-I:</b> The classification of such services shall be</p>	<p>Five percent (05%), without any input tax adjustment.”.</p>
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<p>determined on the basis of their economic substance and function, irrespective of the nomenclature, designation or legal form adopted by the service provider.</p> <p><b>Explanation-II:</b> Such services shall include, but are not limited to, provision of access to trading platforms, order matching, trade execution, clearing or settlement facilitation, wallet or account interface services, custodial or non-custodial holding interfaces and any ancillary or incidental services thereto.</p> <p><b>Explanation-III:</b> For the purposes of this entry, "virtual asset" and "virtual asset services" shall have the same meaning as assigned under the Virtual Assets Act, 2026 or as defined by the Management Committee.</p>		
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**7. Amendment of the Khyber Pakhtunkhwa Act No. XXV of 2022.**---In the Khyber Pakhtunkhwa Infrastructure Development Cess Act, 2022 (Khyber Pakhtunkhwa Act No. XXV of 2022),-

- (a) in section 2, after clause (j), the following new clause shall be inserted, namely:

“(j-i) **“Pakistan Single Window”** means the Pakistan Single Window as defined under clause (m) of sub-section (1) of section 2 of the Pakistan Single Window Act, 2021 (Act No. III of 2021);”;

- (b) in section 3, for sub-section (1A), the following shall be substituted, namely:

“(1A) Notwithstanding anything contained in sub-section (1), Government may, in the manner as may be prescribed,-

- (a) fix or specify any other rate or rates of cess, to be levied and collected under this Act, including rates determined on the basis of the value of goods, net

weight, distance travelled, type of goods, category of vehicle or any other relevant criterion and may prescribe such rates on incremental, slab-wise or any other basis, as it may deem appropriate; and

(b) levy or allow cess at reduced rates or grant rebate on early payment, lump-sum payment or settlement of cess or arrears of cess, and to authorize the Authority to enter into settlement agreements with any owner, importer, transporter or other person liable to pay cess under this Act, subject to any such conditions, requirements, limitations or restrictions as may be prescribed;”;

(c) in section 10, clauses (d), (e) and (f) shall be deleted;

(d) in section 11,-

(i) for sub-section (2), the following shall be substituted, namely:

“(2) The Authority may, through its authorized officer or officers, apply the provisions of the Sales Tax on Services Act, read with rules and regulations, for taking any action or measure in respect of cess, including default surcharge and penalty, as nearly as possible, in so far as they relate to the matters pertaining to-

(a) assessment or determination of any non-paid or short paid amount of payable cess, including default surcharge and penalty through adjudication or otherwise;

(b) calling of or collecting information, access to records, accounts and other relevant documents of the persons liable to pay cess;

(c) audit and investigation;

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- (d) summoning of persons and recording of statements and evidence;
- (e) recovery of defaulted amounts and arrears;
- (f) tax fraud deemed as fraud with respect to non-payment or evasion of cess;
- (g) arrest and prosecution;
- (h) appeals, revisions, references and alternate dispute resolution; and
- (i) all allied, incidental and ancillary matters.”; and

(ii) sub-section (3) shall be deleted;

- (e) after section 11, as so amended, the following new section shall be inserted, namely:

**“11A. Recovery of unpaid or short-paid cess without assessment proceedings.---**(1) Notwithstanding anything contained in this Act, where the amount of cess payable under this Act, remained unpaid or short paid either,-

- (a) on account of any interim order, judgment or decision of any court or forum and such amount becomes payable upon final adjudication, vacation, modification or withdrawal of such order, judgment or decision;
- (b) due to erroneous calculation, misdeclaration, non-declaration or any other reason whatsoever; or
- (c) due to failure of any owner, importer, exporter, transporter or any other person liable to pay cess to fulfill, comply with or discharge any undertaking, commitment, agreed settlement, consent order or arrangement made before any Court or Authority under this Act,

the authorized officer of the Authority, in possession of any documentary evidence or through reconciliation of online data, including but not limited to goods declaration filing data,

is satisfied regarding such non-payment or short payment, the amount of cess so determined by the authorized officer of the Authority shall be recoverable forthwith and no separate assessment or adjudication proceedings shall be required for initiation of recovery proceedings under this Act.

(2) The provisions of this section shall apply to all cases pending or arising under this Act. Any recovery proceeding initiated so far, if any, shall be deemed to have been validly initiated under this Act.”;

- (f) in section 12, in sub-section (1), for the brackets and figure “(3)”, the brackets and figure “(2)” shall be substituted;
- (g) in section 15, in sub-sections (2) and (3), after the words “Pakistan Revenue Automation Limited”, wherever occurring, the words “or Pakistan Single Window” shall respectively be inserted; and
- (h) after section 20, the following new section shall be inserted, namely:

**“20A. Overriding effect.**---The provisions of this Act shall have effect notwithstanding anything contained in any other law for the time being in force.”.

**8. Amendment of Khyber Pakhtunkhwa Act No. XXIX of 2022.**---In the Khyber Pakhtunkhwa Public Finance Management Act, 2022 (Khyber Pakhtunkhwa Act No. XXIX of 2022),-

- (a) in section 2, after clause (p), the following new clauses shall be inserted, namely:
- “(p-i) **“digital payment”** means the transfer of money or settlement of a financial obligation through electronic channels, including bank transfers, mobile wallets, payment cards, instant payment systems, code-based payments, internet banking and any other digital payment instrument or channel, approved or regulated by the State Bank of Pakistan;
- (p-ii) **“digital payment service provider”** means any entity, authorized or licensed by the State Bank of Pakistan, to provide electronic payment, mobile money or other digital financial services;”;
- (b) after section 17, the following new section shall be inserted, namely:

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**“17A. Digital payments and electronic financial transactions.---**

(1) Notwithstanding anything contained in any law, rules, notifications, administrative instruction, practice or procedure for the time being in force, Government shall promote, facilitate and progressively transition towards the use of digital payment systems for all Government receipts and payments, including Person to Government, Government to Person, Government to Business and Business to Government transactions, in accordance with applicable laws and regulations issued by the State Bank of Pakistan.

(2) Government receipts and payments may be processed through digital or electronic payment mechanisms approved by Government or regulated by the State Bank of Pakistan.

(3) All Government Departments, attached departments, subordinate offices, autonomous bodies and public sector entities shall-

- (a) provide digitally enabled payment options for services under their administrative control;
- (b) ensure integration with approved electronic payment systems; and
- (c) maintain capability to process digital transactions at service delivery points.

(4) All digital payments, under this Act, shall be processed through entities licensed, regulated or approved by the State Bank of Pakistan under the Payment Systems and Electronic Fund Transfers Act, 2007 (Act No. IV of 2007), including-

- (a) scheduled banks and microfinance banks;
- (b) electronic money institutions;
- (c) payment system operators, digital payment service providers and payment aggregators; and
- (d) any other authorized entity.

(5) The Chief Secretary may, by notification in the official Gazette, specify the departments, attached departments, subordinate offices, autonomous bodies, public sector entities, services, classes of services, receipts, payments or categories of transactions in respect of which digital payment mechanisms shall be adopted and may notify the date or dates from which such receipts, payments or transactions shall be processed through digital payment mechanisms.

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(6) Upon commencement of a notification issued under sub-section (5), the notified receipts, payments or transactions shall be processed in accordance with the requirements specified therein.

(7) The Chief Secretary may specify phased implementation schedules, milestones, thresholds, transitional arrangements, exemptions or special measures for effective implementation of digital payment systems.

(8) All Government receipts and payments processed under this section shall-

- (a) be recorded in real time or near real time;
- (b) be integrated with the Integrated Financial Management Information System (IFMIS); and
- (c) conform to the prescribed Chart of Accounts.

(9) All transactions under this section shall-

- (a) ensure traceability, auditability and transparency;
- (b) comply with anti-money laundering, counter-terrorism financing, cybersecurity and data protection requirements; and
- (c) be subject to reconciliation and audit processes.

(10) Government shall ensure interoperability and financial inclusion by-

- (a) enabling integration with national payment systems, including RAAST;
- (b) ensuring availability of services in remote and underserved areas; and
- (c) providing facilitation for persons lacking digital literacy.

(11) All electronic receipts and digital transactions processed under this section shall be deemed valid and enforceable Government receipts and payments for all legal and financial purposes.

(12) The Finance Department may, in consultation with the Chief Secretary and, where necessary, the State Bank of Pakistan, make Standing c Operating Procedures for carrying out the purposes of this section.”;

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- (c) in section 29, after the words “autonomous body”, the commas and words “, subject to sections 29A and 29B,” shall be inserted; and
- (b) after section 29, as so amended, the following new sections shall be inserted, namely:

**“29A. Prior approval for decisions having fiscal implications by autonomous bodies.---**(1) The presence, participation or representation of the Finance Department in any approving forum of an autonomous body shall not be construed as approval, concurrence or clearance of the Finance Department for any proposal, decision, policy, scheme, commitment or other matter having financial, borrowing, liability or fiscal implications.

(2) No autonomous body shall place before approving forum any proposal, decision, policy, scheme, contract, borrowing, guarantee, employment arrangement, pay, allowance, pension, benefit, subsidy, grant, investment or other commitment, which is likely to create, increase or entail expenditure, borrowing, guarantee, contingent liability, recurrent liability, reduction of receipts or any other fiscal risk, beyond the approved budgetary provision or available authorized resources of the autonomous body, unless prior approval of the Finance Department has been obtained through the Administrative Department:

Provided that routine expenditure within the approved budgetary provision shall not require to be approved by the Finance Department, unless such expenditure creates or is likely to create any recurrent liability, borrowing obligation, guarantee, contingent liability, additional charge upon Government or other fiscal risk.

**Explanation:** For the purposes of this section, “approving forum” means the board, authority, council, commission, senate, syndicate, governing body, executive committee or any other forum, by whatever name called, competent to approve matters of an autonomous body.

**29B. Investment of surplus funds by autonomous bodies.---**(1) Subject to sections 13, 17 and 29, no autonomous body shall invest, place, deposit, lend, transfer, pledge or otherwise deal with its surplus funds for investment purposes,

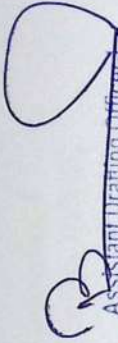
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unless prior approval of the Finance Department has been obtained through the Administrative Department.

(2) Any approval under sub-section (1) shall be subject to such terms and conditions, policy directives, investment parameters, reporting requirements and guidelines as may be issued by the Finance Department from time to time.

(3) An autonomous body shall not make any investment decision in a manner inconsistent with the instructions, policy directives or guidelines, issued by the Finance Department under this Act.

**Explanation:** For the purposes of this section, “surplus funds” mean funds of an autonomous body, including retained self-generated revenues, unutilized balances, deposits, savings or other available funds, which are not immediately required for approved expenditure, committed liabilities or operational requirements, but shall not include funds required to be deposited into the Provincial Consolidated Fund or otherwise dealt with under any instructions issued by the Finance Department under section 29 of this Act.”.

  
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**Appendix-I**  
[see section 2(a)(ii)]

**“SCHEDULE-I**  
[see sections 3(2) and 4(b)]

**PART-A**  
**RESIDENTIAL BUILDINGS INCLUDING RESIDENTIAL APARTMENTS, PENTHOUSES ETC.**

Sr. No.	Category	Rate of tax for areas of Provincial Headquarters as notified by 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 other than District Headquarters (per annum) Rs/-	
		A	B	C	Townships.	Other than Townships.	Townships.	Other than Townships.	Townships.	Other than Townships.	Townships.	Other than Townships.
1	Up to 5 Marlas (self-occupied only).	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted
2	Upto 5 Marlas other than self-occupied.				Rs. 2000/-	Rs. 1800/-	Rs. 1600/-	Rs. 1600/-	Rs. 1400/-	Rs. 1400/-	Rs. 1400/-	Rs. 1200/-
3.	Exceeding 5 Marlas but not exceeding 10 Marlas.				Rs. 3000/-	Rs. 2500/-	Rs. 2000/-	Rs. 2000/-	Rs. 1700/-	Rs. 2000/-	Rs. 2000/-	Rs. 1500/-
4.	Exceeding 10 Marlas but not exceeding 15 Marlas.				Rs. 3500/-	Rs. 3000/-	Rs. 2700/-	Rs. 3000/-	Rs. 2500/-	Rs. 2500/-	Rs. 2500/-	Rs. 2000/-
5	Exceeding 15 Marlas but not exceeding 18 Marlas.				Rs. 4,700/-	Rs. 4,000/-	Rs. 3500/-	Rs. 4000/-	Rs. 3000/-	Rs. 3000/-	Rs. 3000/-	Rs. 2500/-
6	Exceeding 18 Marlas but not exceeding 20 Marlas.				Rs. 15000/-	Rs. 13500/-	Rs. 10000/-	Rs. 13500/-	Rs. 7000/-	Rs. 6000/-	Rs. 6000/-	Rs. 5000/-
7.	Exceeding 20 Marlas but not exceeding 30 Marlas.				Rs. 25000/-	Rs. 18000/-	Rs. 12000/-	Rs. 15000/-	Rs. 10000/-	Rs. 8000/-	Rs. 7000/-	Rs. 6000/-
8	Exceeding 30 Marlas but not exceeding 40 Marlas				Rs. 30000/-	Rs. 28000/-	Rs. 22000/-	Rs. 25000/-	Rs. 20000/-	Rs. 18000/-	Rs. 15000/-	Rs. 10000/-
9	Exceeding 40 Marlas				Rs. 40000/-	Rs. 37000/-	Rs. 30000/-	Rs. 35000/-	Rs. 25000/-	Rs. 20000/-	Rs. 18000/-	Rs. 15000/-

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Provided that-

- (a) All units, falling under entry at Serial No. 1, are exempted from Urban immovable Property Tax;
- (b) Rate of tax for the entries from Serial Nos. 2 to 9 of areas of Provincial Headquarters shall be,-
  - (i) for category "A", Rs. 1000/- per marla;
  - (ii) for category "B", Rs. 800/- per marla; and
  - (iii) for category "C", Rs. 500/- per marla.

**Note:** Categorization of the area for this Part shall be specified by Government from time to time into categories "A", "B", or "C".

#### **Part-B**

#### **RESIDENTIAL PROPERTIES RENTED OR LEASED OUT**

Tax on properties let out on rent, lease or other similar arrangement and not in use of their registered owners shall be double of the rates mentioned in **Part-A** for all rating areas.

#### **Part-C**

#### **RESIDENTIAL LANDS AND BUILDINGS**

The annual rate of tax of the residential lands and buildings shall be such as specified in the Table below:

**TABLE**

<b>Sr. No.</b>	<b>Property Description.</b>	<b>Annual Rate of Tax (Percentage of Actual Annual or Assessed Rent).</b>
1.	Rented to or rented by Government organization.	10%
2.	Rented to or rented by semi government organization.	10%
3.	Rented to or rented by non- government organization including non-profitable organization.	10%
4.	Rented to or rented by development financial institutions.	15%
5.	Rented to or rented by corporate bodies.	10%
6.	Rented to or rented by autonomous bodies.	10%
7.	Rented to or rented by public limited companies.	10%
8.	Rented to or rented by public sector commercial organizations.	10%
9.	Rented to or rented by private limited companies.	10%
10.	Rented to or rented by private commercial	10%

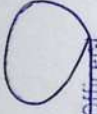
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	organizations.	
11.	Rented to or rented by distribution businesses.	10%
12.	Properties being occupied by banks which are rented or leased out by autonomous bodies or institutions such educational institutes, medical institutes and recreational centers.	15%
13.	Rented to or rented by guest houses.	10%
14.	All types of banks and financial institutions.	15%

**Explanation-I:** Residential lands and buildings, which are owned and occupied by such person, bodies, institution or organization other than those exempted under section 4 of the Act, shall be assessed and taxed at the rate specified in the Table above, respectively.

**Explanation-II:** Where the actual rent agreement is lower than the prevailing market rent, due to the advance amount paid (PAGGRI) to the owner or middleman or any other arrangements, then the tax shall be levied on the assessed annual rental value by the assessing authority.

**Explanation-III:** The assessed rent shall be the amount, not exceeding ten percent (10%) of the total market value of such lands and buildings.”.

  
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**Appendix-II**  
[see section 2(a)(ii)]

**“SCHEDULE-II**  
[see section 3(2) (b)]

**PART-A**  
**COMMERCIAL LANDS AND BUILDINGS**

The annual rate of tax of the commercial lands and buildings shall be such as specified in the Table below:

**TABLE**

Sr. No.	Property Description.	Annual rate of Tax (Percentage of Actual Annual or Assessed Rent).
1.	Rented to or rented by Government Organization.	10%
2.	Rented to or rented by semi government organization.	10%
3.	Rented to or rented by non- governmental organization.	10%
4.	Rented to or rented by development financial institution.	15%
5.	Rented to or rented by corporate bodies.	10%
6.	Rented to or rented by autonomous bodies.	10%
7.	Rented to or rented by public limited companies.	10%
8.	Rented to or rented by public sector commercial organizations.	10%
9.	Rented to or rented by private limited companies.	10%
10.	Rented to or rented by private commercial organization.	10%
11.	Rented to or rented by distribution businesses.	10%
12.	Properties being occupied by banks which are rented or leased out by autonomous bodies or institutions such as educational institutes, medical institutes and recreational centers.	15%
13.	Rented to or rented by guest houses.	10%
14.	Rented to or rented by private hospital.	5%
15.	Rented to or rented by medical stores and other businesses working in health sector.	5%
16.	Properties being rented out to air ticketing agencies and jewelers.	5%
17.	All types of banks and financial institutions.	15%
18.	Evacuee trust properties and waqf properties using for commercial and business purposes.	10%

**Explanation-I:** Commercial lands and buildings, which are owned and occupied by such person, bodies, institution or organization other than those exempted under section 4 of the Act, shall be assessed and taxed at the rate specified in the Table above, respectively.

**Explanation-II:** Where the actual rent agreement is lower than the prevailing market rent, due to the advance amount paid (PAGGRI) to the owner or middleman or any

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other arrangements, then the tax shall be levied on the assessed annual rental value by the assessing authority.

**Explanation-III:** The assessed rent shall be the amount, not exceeding ten percent (10%) of the total market value of such lands and buildings.

**Explanation-IV:** The parties shall enter into a written agreement, in quadruplicate, indicating annual rent to be derived and share a copy thereof with the assessing authority on an annual basis. For this Part, the actual rent means the annual rent agreed between the parties.

**Punishment for concealment of facts.**---(1) An owner, lessee or tenant of the immovable property, who commits the offence of concealment of actual rent, shall be punishable with imprisonment for a term which may extend to one year and with a fine not exceeding the amount of tax payable.

(2) For the purpose of trial of offences, as mentioned above, the relevant provisions of the Criminal Procedure Code, 1898 (Act No. V of 1898), shall mutatis mutandis be applicable.

**Imposition of fine.**---Where an owner, found guilty of an offence, of concealment of actual rent, is sentenced to pay a fine, the amount of the fine shall, in no case, be less than the tax evaded by the assessee or any dependent or associate by the commission of the offence; provided that the total fine shall not exceed the total tax payable.

**Recovery of the amount of fine, etc. as arrears of land revenue.**---Any fine or other sum, due under this Act, or as determined due by the assessing authority, shall be recoverable as arrears of land.

## **PART-B:** **OTHER COMMERCIAL PROPERTIES**

Tax for properties, used as shops or for any other commercial activity, not mentioned in any other Part, shall be divided into different locality factors, namely A1, A, B, C and D, depending on locality and area, and shall be assessed and taxed with the following formula:

- (a) the formula for tax calculation shall be-
- (i) plot area in square yards + (plus);
  - (ii) covered area in square feet x (multiplied by); and
  - (iii) locality factor:

Provided that passageways, washrooms and other public utilities shall not be counted while calculating or counting the covered area:

Provided further that open sheds and verandas shall be

counted as half of its total measurement while calculating the covered area; and

- (b) locality factors for computing tax liability as per clause (a) above, are given in the Table below:

**TABLE**

Locality.	Ground.	Basement.	1 <sup>st</sup> Floor.	2 <sup>nd</sup> Floor.	3 <sup>rd</sup> Floor and above.
A1.	30.	28.	28.	26.	24.
A.	24.	22.	22.	20.	18.
B.	16.	14.	14.	13.	12.
C.	10.	8.	8.	7.	6.
D.	7.	6.	6.	5.	5.

- (c) plot area in square yards shall be counted once on the ground floor. For upper stories, i.e. from the floor and onwards, only the covered area shall be taken into account, and the formula shall be-

- (i) covered area in square feet x (multiplied by); and
- (ii) locality factor.

**PART-C**  
**EDUCATIONAL INSTITUTIONS**

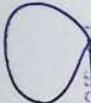
1. The tax shall be calculated, based on the covered area only. The area of the plot as required under sub-clause (i) of clause (a) of **Part-B** above, shall not be taken for computing the tax. This is to encourage the institutions in providing sports and other recreational facilities to their students.
2. The tax, so calculated, based on the covered area, shall get a special thirty percent (30%) concession.
3. Where available, GIS mapping may serve as the basis for determining the covered area of educational institutions.

**PART-D**  
**OTHER SPECIAL CATEGORIES**

Sr. No.	Type of Property.	Annual Rate of Tax.
1.	Industrial units situated in rating areas.	Rs. 500 per Marla.
2.	Grid stations and its offices, switch yards, houses, flats, vacant land, grounds vested in power distribution companies.	Rs.500 per Marla.

3.	Service stations of vehicles, irrespective of operating in addition to other services.	Rs. 20,000/-
4.	Petrol pumps and CNG stations.  <b>Explanation:</b> The tax shall be calculated separately and severally where a petrol pump and a CNG station are situated on the same premises.	Rs. 65,000/-
5.	Buildings and lands used for the erection of mobile phone towers.	(i) Provincial Headquarters Rs.40,000/-  (ii) Divisional Headquarter and respective sub-urban areas Rs. 30,000/-  (iii) District Headquarter and respective sub-urban areas Rs. 20,000/-


**Note:** Categorization of the area for this Part shall be made by Government into Categories "A1", "A", "B", "C", or "D".

  
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**Appendix-III**  
[see section 4]

**“TABLE**  
[see section 7(1)]

Sr. No.	Description of Taxpayers.	Proposed of Tax (Per Annum).
1.	(a) All persons engaged in any profession, trade, calling or employment other than those specifically mentioned hereinafter, in the Province of Khyber Pakhtunkhwa, whose monthly earning,-	
	(i) does not exceed the minimum wage limit notified under “sub-section (1)” of “section 6” of Khyber Pakhtunkhwa Minimum Wages Act, 2013 (Khyber Pakhtunkhwa Act No. XXII of 2013)	Exempt
	(ii) exceeds the minimum wage by not more than Rs. 20,000/-	Rs. 1400/-
	(iii) exceeds the minimum wage by more than Rs. 20,000/- but not exceeding Rs. 50,000/-	Rs. 1800/-
	(iv) exceeds the minimum wage by more than Rs. 50,000/- but not exceeding Rs.100,000/-.	Rs. 2500/-
	(v) exceeds the minimum wage by more than Rs. 100,000/- but not exceeding Rs. 200,000/-.	Rs. 3500/-
	(vi) exceeds the minimum wage by more than Rs. 200,000/- but not exceeding Rs. 300,000/-.	Rs. 4500/-
	(vii) exceeds the minimum wage by more than Rs. 300,000/-.	Rs. 5500/-
	(b) Employees of Federal Government and Provincial Government drawing pay in basic scales,-	
	(i) BPS-03 to 06.	Exempt
	(ii) BPS-07 to 12.	Rs. 1200/-
	(iii) BPS-13 to 16.	Rs. 1400/-
	(iv) BPS-17.	Rs. 1800/-
	(v) BPS-18.	Rs. 2100/-
	(vi) BPS-19.	Rs. 2500/-
	(vii) BPS-20 and above.	Rs. 4000/-
2.	All limited companies, modarbas, mutual funds and any other body corporate with paid up capital and reserves in the preceding year whichever is more,-	
	(a) when not exceeding Rs. 10 million.	Rs. 30,000/-
	(b) when exceeding Rs. 10 million but not exceeding 25 million.	Rs. 50,000/-
	(c) when exceeding Rs. 25 million but not exceeding 50 million.	Rs. 60,000/-
	(d) when exceeding Rs. 50 million but not exceeding 100 million.	Rs. 90,000/-
	(e) when exceeding Rs. 100 million.	Rs. 100,000/-
	<b>Explanation:</b> The paid-up capital in case of foreign bank shall be the minimum paid up capital as determined by the State Bank of Pakistan.	
3.	Persons other than companies owning factories, commercial establishment, private education institutions and private hospitals having the following commercial establishments,-	
	(a) any commercial establishment, factories having upto ten or more employees which have not been otherwise explicitly given in this table.	Rs. 20,000/-
	(b) private clinics and hospitals having up to 10 employees.	Rs. 20,000/-

  
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	(c) private hospitals having employees more than 10 but not more than 50.	Rs. 80,000/-
	(d) private hospitals having more than 50 employees.	Rs. 100,000/-
	(e) private medical colleges.	Rs. 100,000/-
	(f) private engineering institutes having degree programs.	Rs. 100,000/-
	(g) private business education institutes:	
	(i) having up to 100 students; and	Rs. 80,000/-
	(ii) exceeding 100 students;	Rs. 100,000/-
	(h) private law colleges.	Rs. 100,000/-
	(i) private education institutions including professional and technical institutions other than specified in clauses (e),(f),(g) and (h), charging monthly fee not exceeding Rs.1000/- per student.	Rs. 8,000/-
	(j) private education institutions including professional and technical institutions other than specified in clauses (e),(f),(g) and (h) charging monthly fee exceeding Rs.1000/- but not exceeding Rs. 2000/- per student.	Rs. 12,000/-
	(k) private educational institutions including professional and technical institutions other than specified in clauses (e), (f),(g) and (h), charging monthly fee exceeding Rs.2000/- but not exceeding Rs. 5000/- per student.	Rs. 25,000/-
	(l) private educational institutions including professional and technical institutions other than specified in clauses (e), (f),(g) and (h), charging monthly fee exceeding Rs.5000/- per student.	Rs. 100,000/-
4.	Holders of import or export license, assessed to income tax in the preceding year with annual turnover,-	
	(a) when not exceeding Rs.50,000/-	Rs. 5,000/-
	(b) when exceeding Rs. 50,000/-	Rs. 7,000/-
5.	Clearing agents licensed or approved as Custom House agents.	Rs. 12,000/-
6.	Travel agents:	
	(a) IATA travel agents approved.	Rs. 30,000/-
	(b) Non – IATA approved.	Rs. 15,000/-
	(c) Hajj, Umra and tour operators.	Rs. 30,000/-
	(d) overseas educational/ manpower promoters and consultants.	Rs. 20,000/-
7.	Restaurants / guest houses liable to sales tax.	Rs. 40,000/-
8.	Professional caterers.	Rs.40,000/-
9.	Wedding halls / lawns (irrespective of their nomenclature).	Rs. 70,000/-
10.	Advertising agencies.	Rs. 30,000/-
11.	Doctors,-	
	(a) Government employed doctors throughout the Province not doing private practice.	As per rates applicable under Serial No 1(b)
	(b) Doctors employed in private hospitals/medical institutions not doing private practice.	As per rates applicable under Serial No 1(a)
	(c) specialists doing private practice/ institution based practice at Peshawar.	Rs. 40,000/-
	(d) specialists doing private practice/ institution based practice at divisional headquarters.	Rs. 35,000/-
	(e) specialists doing private practice/ institution based practice at district headquarters.	Rs. 30,000/-
	(f) specialists practicing at places other than in clause (a), (b) and (c) above.	Rs. 25,000/-

	(g) Non-specialists doing private practice including medical practitioners.	Rs. 20,000/-
	(h) Hakeem's, Homeopathic, medical and dental technicians.	Rs. 10,000/-
	(i) Dentist.	Rs. 20,000/-
12.	Diagnosics and therapeutic centers" including pathological and chemical laboratories:	
	(a) located at Provincial headquarters;	Rs. 30,000/-
	(b) located at divisional headquarters.	Rs. 25,000/-
	(c) located at other places.	Rs. 10,000/-
13.	Contractors, suppliers and consultants who during the preceding financial year supply to the Federal Government or any Provincial Government or any local authority in the district, goods, commodities or rendered services of the value:	
	(a) exceeding Rs. 100,000/- but not exceeding Rs. 0.5 million.	Rs. 10,000/-
	(b) exceeding Rs. 0.5 million but not exceeding Rs. 01 million.	Rs. 15,000/-
	(c) exceeding Rs. 01 million but not exceeding Rs. 2.5 million.	Rs. 20,000/-
	(d) exceeding Rs. 2.5 million but not exceeding Rs. 10 million.	Rs. 40,000/-
	(e) exceeding Rs. 10 million but not exceeding Rs. 25 million.	Rs. 80,000/-
	(f) exceeding Rs. 25 million but not exceeding Rs. 50 million.	Rs. 90,000/-
	(g) exceeding Rs. 50 million and above.	Rs. 100,000/-
14.	Petrol / Diesel / CNG filling stations.	Rs. 35,000/-
15.	All establishments, including video shops, real estate shops / agencies, car dealers and net cafes assessed or not assessed to income tax in the preceding financial year.	Rs. 10,000/-
16.	Chartered Accountants with an independent audit practice and excluding those who are employed in companies not owned by them.	Rs. 25,000/-
17.	Vehicle service stations.	Rs. 10,000/-
18.	Transporters/transport companies,-	
	(a) within the limits of Provincial headquarters.	Rs. 15,000/-
	(b) Other than Provincial headquarters.	Rs. 10,000/-
19.	Members of Stock Exchange.	Rs. 60,000/-
20.	Money Changers:	
	(a) within Provincial headquarter limit.	Rs. 100,000/-
	(b) Other than Provincial headquarters.	Rs. 50,000/-
21.	Health fitness centers/gymnasium:	
	(a) within Provincial headquarter limit.	Rs. 10,000/-
	(b) other than Provincial headquarters.	Rs. 5,000/-
22.	Jewelers,-	
	(a) Provincial headquarter limit.	Rs. 100,000/-
	(b) other than Provincial headquarters.	Rs. 50,000/-
23.	Departmental Stores/Marts excluding general stores.	Rs. 100,000/-
24.	General/grocery stores	Rs. 5,000/-
25.	Electronics goods stores.	Rs. 25,000/-
26.	Cable operator.	Rs. 10,000/-
27.	Printing presses.	Rs. 10,000/-
28.	Pesticide dealers.	Rs. 6,000/-
29.	Tobacco dealers and exporters.	Rs. 25,000/-
30.	Whole sales dealers/ distributors /agency holders.	Rs.35,000/-
31.	Chemist /druggist /medical stores.	Rs.20,000/-
32.	Tailor shop:	

	(a) shalwar qameez.	Rs. 5,000/-
	(b) shalwar qameez + waistcoat + pant shirt.	Rs. 15,000/-
33.	Flour mills.	Rs.40,000/-
34.	Bricks, shuttering, sand depot and building material suppliers.	Rs.20,000/-
35.	Furniture showroom/ shops etc.:	
	(a) furniture showroom/shops/karkhana upto 10 employees.	Rs.15,000/-
	(b) furniture showroom/shops/karkhana having more than 10 employees.	Rs.30,000/-
36.	Honey shops, whole sellers, exporters and distributors.	Rs.10,000/-
37.	Beauty parlor.	Rs.15,000/-
38.	Aesthetic clinics.	Rs. 40,000/-
39.	Sweets and baking businesses;	
	(a) having upto five (5) employees;	Rs.10,000/-
	(b) having more than five(5) employees.	Rs.15,000/-
40.	Marble and auxiliary factories	Rs.20,000/-".

### STATEMENT OF OBJECTS AND REASONS

It is desirable to continue, revise, and exempt certain taxes, fees, and cess in the Province of Khyber Pakhtunkhwa. Hence, this Bill.

Peshawar,  
dated the

19/06 , 2026.

*f. Haid*  
MINISTER-IN-CHARGE.