

Government of Pakistan  
Revenue Division  
Federal Board of Revenue

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C.No.4(36)IT-Budget/2019- 101772-R

Islamabad, the 1<sup>st</sup> August, 2019

**Circular No. 11 of 2019**  
**(Income Tax)**

**SUBJECT:- CORRIGENDUM TO CIRCULAR NO.09 OF 2019 DATED 30<sup>TH</sup> JULY, 2019**

Reference Circular No. 09 of 2019 dated 30<sup>th</sup> July 2019 on explanation of the important amendments made in the Income Tax Ordinance, 2001, through Finance Act, 2019.

2. In the aforesaid circular, in examples 1, 2, 3 and 4 at page 12 with respect to resident individuals, may be replaced with as under:-

periods aggregating to 183 days or more in a tax year. Through the Finance Act, 2019, in addition to the existing definition, an individual shall also be treated as a resident individual if the individual is present in Pakistan for a period aggregating to 120 days or more in a tax year and who was also present in Pakistan for a period aggregating to 365 days or more in the four preceding tax years. This is illustrated through the following examples.

**Example 1.**

Mr. A is in Pakistan for 183 days in Pakistan for the tax year 2020.

Status of Mr. A for TY 2020:                      Resident

**Example 2.**

Mr. A is in Pakistan for 120 days in Pakistan for the tax year 2020 and he was also present in Pakistan for 90 days in TY 2019, 60 days in TY 2018, 50 days in TY 2017 & 50 days in TY 2016.

The aggregate period of stay in Pakistan in the four preceding tax years is 250 days which is less than 365 days. Hence, he will be non-resident.

Status of Mr. A for TY 2020: Non-resident

**Example 3.**

Mr. A is in Pakistan for 120 days in Pakistan for the tax year 2020 and he was also present in Pakistan for 90 days in TY 2019, 130 days in TY 2018, 80 days in TY 2017 & 70 days in TY 2016.

The aggregate period of stay in Pakistan in the four preceding tax years is 370 days which is more than 365 days. Hence, he will be resident.

Status of Mr. A for TY 2020: Resident

**Example 4.**

Mr. A is in Pakistan for 119 days in Pakistan for the tax year 2020 and he was also present in Pakistan for 90 days in TY 2019, 130 days in TY 2018, 80 days in TY 2017 & 70 days in TY 2016.

Although, the aggregate period of stay in Pakistan in the four preceding tax years is 370 days which is more than 365 days, his stay for the tax year 2020 is less than 120 days. Hence, he will be non-resident.

Status of Mr. A for TY 2020: Non-resident



**(Abdul Wahid Shar)**  
Secretary (Income Tax Budget)