

**Government of Pakistan
Revenue Division
Federal Board of Revenue**

No. 1(64)S.ITC/2020/137881-R

Islamabad, the 18th August, 2020

**CIRCULAR – 02 OF 2020
(Income Tax)**

**Subject:- RATE OF ADVANCE TAX UNDER SECTION 148 OF THE INCOME TAX
ORDINANCE, 2001 ON IMPORT OF RAW MATERIAL BY MANUFACTURERS
COVERED UNDER THE RESCINDED SRO 1125(I)/2011.**

Through the Finance Act, 2020, the rate of advance tax under section 148 of the Income Tax Ordinance, 2001 has been changed to 1%, 2% and 5.5% in respect goods classified under Part I, II and III of the Twelfth Schedule respectively.

2. It is clarified that the rate of advance tax under section 148 in case of raw material imported by manufacturers covered under the rescinded S.R.O. 1125(I)/2011 as it stood on 28.06.2019 on import of items covered under the aforementioned S.R.O. shall be 1% irrespective of whether such goods are classified in Part II or III of the Twelfth Schedule.

(Dr. Muhammad Nauman Aness)
Second Secretary (Court Matter)