Transformation Professionals

WITHOLDING INCOME TAX RATES CARD | TAX YEAR 2025

Applicable from 1st July 2024 to 30th June 2025 as amended vide Finance Act 2024

THK GROUP

DISCLAIMER

This document **summarizes the rates of withholding & advance taxes and treatment thereof**, considering the amendments **vide the Finance Act, 2024**. Any subsequent changes to the law should be applied accordingly. The information summarized herein is general and based on our interpretation of law. This information does not constitute any opinion or advice and may also not be acceptable to taxation authorities in a particular case. We advise keeping bare act under consideration, which would always prevail in case of any error or typo in this document. We also recommend consulting an expert for application of the tax rates to a specific transaction.

IMPORTS | Sec 148 & Part II First Schedule

Activity	Importer Category	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Imports of Goods as per Part I of the Twelfth Schedule	All	1%	2%	**Advance Tax** for *Industrial Undertaking* importing goods other than Edible oil, Packing material, Paper and Paper-board or Plastics
Imports of Goods as per Part II of the Twelfth Schedule	Commercial Importers	3.5%	7%	
	Others	2%	4%	
Imports of Goods as per Part III of the Twelfth Schedule	Commercial Importers	6%	12%	
	Others	5.5%	11%	
Imports of Goods mentioned in SRO 1125(I)/2011	Manufacturers	1%	2%	**Minimum Tax** for *All Other Cases*
Imports of medicines not manufactured locally as certified by DRAP	All	4%	8%	
Imports of CKD Kits for electrical vehicles (small cars/ SUVs with up to 50 kWh battery) and LCVs with up to 150 kWh battery	All	1%	2 %	

IMPORT OF MOBILE PHONES | Sec148 & Part II of First Sch.

C&F Value (USD)	CBU	CKD/ SKD	Nature of Tax
Up to 30, except smartphone	Rs. 70	NIL	**Advance Tax** for *Industrial Undertaking*
From 31 to 100	Rs. 100	NIL	
From 101 to 200	Rs. 930	NIL	
From 201 to 350	Rs. 970	NIL	**Min. Tax** for *All Other Cases*
From 351 to 500	Rs. 5,000	Rs. 3,000	
Above 500	Rs, 11,500	Rs. 5,200	

Note: Advance tax is to be increased by 100% for Non-filers

SALARY | Sec 149, Div. I Part I First Schedule

Taxable Income From	Taxable Income To	Rate of Tax		
Up to 600,000		0%		
600,001	1,200,000	5% on amount exceeding Rs.0.6M		
1,200,001	2,200,000	30,000	PLUS	15% on amount > Rs.1.2M
2,200,001	3,200,000	180,000	PLUS	25% on amount > Rs.2.2M
3,200,001	4100,000	430,000	PLUS	30% on amount > Rs.3.2M
Above 4100,000		700,000	PLUS	35% on amount > Rs.4.1M

Rate of advance tax deductible is 20% on directorship fee or fee for attending board meetings.

Where taxable income exceeds Rs.10M, a surcharge @ 10% of the income tax imposed shall be payable by every Individual or AOP.

DIVIDEND | Sec 150, Div. I Pt. III 1st Sch. & Cl. 18C Pt. II & Cl. 11B Pt. IV 2nd Sch.

Activity		Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Dividend paid by IPPs, when it is a pass-through item to be reimbursed by CPPAG		7.5%	15%	Final Tax
Dividend attributable to income from biomass & baggas based power projects		7.5%	15%	
Dividend received where company is availing exemption or benefiting from c/f business losses & tax credits		25%	50%	
Mutual funds, REITs & other cases	< than 50% income from profit on debt	15%	30%	
	50% or more income from profit on debt	25%	50%	
Dividend in specie		15%	30%	
Dividend from SPV received:	By REIT scheme	0%	0%	
	By others	35%	70%	
Intercorporate dividend/ group taxation		Not Applicable		

PROFIT ON DEBT | Sec 151, Div. IA Pt. III 1st Sc./ Cl. 5AB Pt. II 2nd Sc.

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Received by Company	15%	35%	Advance Tax
Received by AOP/ individual	15%	35%	Final Tax / Mini Tax
Received *by Resident Pakistanis* on Government securities, purchased via FCVA under SBP's Scheme	10%		Final Tax

INVESTMENTS IN SUKUKS | Sec 151), Div. IB Pt. III 1st Schedule

Activity		Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Returns received by Companies		25%	50%	Advance Tax
Returns rec. by AOPs/ Individuals	Up to Rs. 1M	10%	20%	Final Tax
	Above Rs.1M upto 5M	12.5%	25%	
	Above Rs. 1M			Min. Tax

PAYMENTS TO NON-RESIDENTS | Sec 152, Div. IV Pt. I, Div. II Pt. III 1st Sch. & Cl. 5A, 5AA, 5AC Pt. II 2nd Schedule

Activity	Tax Rate	Nature of Tax
Royalty/ fees for technical services	15%	Final Tax
Fee for offshore digital services, Money transfer operations, Card network services, Payment gateway services, Interbank financial telecom. Services	10%	
Contracts/ subcontract under a construction, assembly/ installation project (including supply of supervisory activities thereof) and Advertisement services rendered by TV Satellite Channels	7%	Minimum Tax
Insurance/ re-insurance premium	5%	
Advertisement services relaying from outside Pakistan	10%	
Foreign produced commercials for TV channel/ other media	20%	Final Tax
Capital gain to foreign companies on disposal of Debt Instruments & Govt. securities invested via SCRA	10%	
Profit on debt from investments exclusively made through a SCRA	10%	
Capital gain to individuals on disposal of debt instruments and Govt. Securities invested via FCVA or NRVA	10%	
Individuals receiving profit on Govt. Securities purchased via a foreign bank account, NRVA or FCYAs	10%	

Activity		Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Profit on FCYAs or COIs under SBP's FC Account Scheme		0%		Exempt
Profit received by NRPs from PKR accounts on funds exclusively remitted from aboard in FCY		0%		
Other payments		20%		Adv. Tax

PAYMENTS TO PE OF NON-RESIDENTS | Sec 152, Div. II Pt. III 1st Sch.

Activity		Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
For Goods supplied	Company	5%	10%	Minimum Tax
	Other than Company	5.5%	11%	
Transport | Freight forwarding | Air cargo | Courier | Manpower outsourcing | Hotel services | Security guard | Car rentals | Software development | IT & IT enabled services | Tracking services | Advertising (other than by print/ electronic media) | Share registrar services | Engineering Services | Inspection, certification & testing | Training services | Oilfield services | Building maintenance | Services rendered by PSEL & PMEL		4%	8%	
For services rendered	By PE of NR company	9%	18%	
	Other PEs	11%	22%	
Contract by sports persons		10%	20%	
For other contracts		8%	16%	

SUPPLY OF GOODS INCLUDING TOLL MANUFACTURING | Sec 153(1)(a), Div. III Pt. III 1st Sch, Cl 24A, 24C, 31, 45A Pt. II 2nd Sch.

Activity			Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Sale of rice, cotton seed or edible oil			1.5%	3%	**Advance Tax** for companies and Companies Engaged in Manufacturing
Sale of cigarettes by distributors			2.5%	5%	
Sale of pharma products by distributors			1%	2%	
Sale by distributors, dealers, sub-dealers, wholesales & Tier-1 retailers integrated & configured with Board (also appearing on Sales Tax ATL) of the following: FMCG | Fertilizer | Electronics (excluding mobile phones) | Sugar | Cement | Steel | Edible oil			0.25%	0.5%	
Sales, supplies & services by taxpayers in the following sectors: Textile & articles thereof | Carpets | Leather & articles thereof | Artificial leather footwear | Surgical goods | Sports Goods			1%	2%	**Minimum Tax** for other cases
Supplies & services to above sectors by Yarn Traders			0.5%	1%	
Other supplies/ sales (incl. Toll Manufacturing)	By companies	Toll manufacturing	9%	18%	
		others	5%	10%	
	By AOPs & Individuals	Toll manufacturing	11%	22%	
		Others	5.5%	11%	
Sale of gold & silver and articles thereof			1%	2%	**Advance Tax**

No tax to be withheld in case of: (a) where aggregate annual payment is below Rs.75,000 (b) Purchase of an asset under lease & buy back agreement by Banks and Non-banking Finance Companies.

PAYMENTS FOR SERVICES | Sec 153(1)(b), 153(2), Div. III & Div. IV Pt. III 1st Schedule

Activity		Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Transport | Freight forwarding | Air cargo services | Courier | Manpower outsourcing | Hotel services | Security guard | Software development | IT & IT enabled services | Tracking services | Advertising (other than by print/ electronic media) | Share registrar services | Engineering/ Architectural services | Warehousing | Services rendered by AMCs | Data services | Telecom. infrastructure (tower) services | Car rentals | Building maintenance | Services rendered by PSEL & PMEL | Inspection, certification & testing | Training services | Oilfield services | Telecom | Collateral management | Travel & tours | REIT management | NCCPL services		4%	8%	Minimum Tax
Advertising services | electronic/ print media		1.5%	3%	
Other services	By companies	9%	18%	
	By AOPs & Individuals	11%	22%	
Stitching, dying, printing, embroidery, washing, sizing & weaving to Exporters		2%	4%	

Note | Not applicable if aggregate annual payment is under Rs.30,000

EXECUTION OF CONTRACTS | Sec 153(1)(c), Div III Pt III 1st Sch.

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Executed for Listed Companies	7.5%	15%	Adv. Tax
Executed for Other Companies	7.5%	15%	Minimum Tax
Performed by sportspersons	10%	20%	
Other cases	8%	16%	

EXPORTS | Sec 154 Div. IV Pt. III 1st Sch, Cl. 47C Pt. IV 2nd Schedule

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Realization of export proceeds	**1%**	**1%**	Minimum Tax
Goods sold per inland back-to-back LC			
Export of goods by units in EPZ			
Payments under DTRE Rules & Export Facilitation Scheme, 2021 to indirect exporters by direct exporters			
Cooking oil/ vegetable ghee exported to Afghanistan, if tax u/s 148 is paid	**0%**		Exempt

EXPORT OF SERVICES | Sec 154A IVA Pt. III 1st Schedule

Activity		Tax Rate	Nature of Tax
Software, IT or IT-enabled services by PSEB registered taxpayers		0.25%	**Final Tax**, subject to specified conditions OR/ Optional
Services/ technical services	Rendered abroad	1%	
	Exported from Pakistan		
Royalty/ commission/ franchise fees received by a resident company from a foreign entity for use of intellectual property outside Pakistan			
Construction contracts executed outside Pakistan			Advance Tax
Foreign indenting commission			

RENT OF IMMOVABLE PROPERTY | Sec 155, Div. V Pt. III 1st Sch.

Category	Annual Rent (Rs.) From	Annual Rent (Rs.) To	Tax	Nature of Tax
Company	15%			Advance Tax
Individual & AOP	Up to 300,000		NIL	
	300,001	600,000	5% of rent exceeding Rs.300K	
	600,001	2,000,000	Rs.15K + 10% of rent above Rs.600K	
	Above 2,000,000		Rs.155K + 25% of rent above Rs.2M	

Note | Rates to be increased by 100% for Non-filers

PRIZES AND WINNINGS | Sec 156, Div. VI Pt. III 1st Schedule

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
On a prize bond or crossword puzzle	15%	30%	Final Tax
Raffle, lottery, winning quiz & prizes on sales promotion schemes.	20%	40%	

PETROLEUM PRODUCTS | Sec 156A, Div. VIA Pt. III 1st Schedule

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Commission amount / discount allowed to a petrol pump operator	12%	24%	Final Tax

TAX ON MOTOR VEHICLES | Sec 231B Div. VII Pt. IV 1st Schedule

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Purchase/ registration	Various	Increased by 200%	Advance Tax
Electric Vehicles (EV) value Rs.5M >	3%		
Transfer of registration/ ownership	Various		
Sale/ transfer of EV valuing Rs.5M >	Rs.20K		
Sale of vehicle on Own-Money	Various		
Leasing to a non-filer	N/A	4%	

TAX ON FOREIGN DOMESTIC WORKERS | Sec 231C

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Agency/ Sponsor/ Person to whom visa is issued or renewed for Foreign National	Rs.0.2m	Rs.0.4m	Advance Tax

BROKERAGE & COMMISSION | Sec 233, Div. II Pt. IV 1st Schedule

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Advertising agent	10%	20%	Minimum Tax
Life insurance commission<Rs.0.5M pa	8%	16%	
Others	12%	24%	

TAX ON MOTOR VEHICLES | Sec 234, Div. VII & III Pt. IV 1st Schedule

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Goods Transport Vehicle | Based on laden weight	Rs.2.5/ Kg	Increased by 100%	Advance Tax
Goods Transport Vehicle | Laden weight 8,120Kg > after 10 yrs. of registration	Rs.1.2K		
Passenger transport vehicle plying for hire | Based on seating & air-conditioning	Various		
Motor vehicle | Based on engine capacity	Various		

COMMERCIAL, INDUSTRIAL ELECTRICITY CONSUMERS | Sec 235, Div. IV Pt. IV 1st Sch., Cl. 66 Pt. IV 2nd Schedule

Gross Monthly Bill From	Gross Monthly Bill To	Tax | *Not applicable to Specified Sectors*	*For Companies* Nature of Tax	
Up to Rs. 500		NIL	Advance Tax	
Rs. 501	Rs. 20,000	10% of amount	*Other Taxpayers*	
Above Rs. 20,000		**Commercial** Rs.1,950 + 12% above	Annual Bill (Rs.)	Nature of Tax
		Consumer Rs.20,000	Up to 360K	Minimum Tax
		Industrial Rs.1,950 + 5% **Consumer** over Rs.20,000	Above 360K	Advance Tax

DOMESTIC ELECTRICITY CONSUMERS| S 235, Div. IV, Pt. IV 1st Sch

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Monthly bill up to Rs. 25,000	0%		Advance Tax
Monthly bill exceeds Rs. 25,000	7.5%		

TELEPHONE USERS | Sec 236, Div. V Pt. IV 1st Schedule

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Landline bills exceeding Rs.1,000	10%		Advance Tax
Internet & Mobile subscriptions	15%	75%	

SALE BY AUCTION | Sec 236A, Div. VIII Pt. IV 1st Schedule

Activity		Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Sale by public auction/ tender	Property/ goods	10%	20%	Advance Tax
	Immoveable Property	5%	10%	
Lease of collection rights	Fee or Other levies	10%	20%	
	Toll			Final Tax

SALE/ TRANSFER/ DISPOSAL OF IMMOVABLE PROPERTY | Sec 236C, Div. X Pt. IV 1st Schedule

Activity			Filer	Late filer	Non-Filer	Nature of Tax
By NRPs where the property acquired via FCVA or NRVA			3%			Final Tax (In lieu of CGT)
All other cases	Acquired in same year		3%	6%		Min. Tax
	Inheritance/ Gift		Not Applicable			N/A
	Other cases	Upto 50M	3%	6%	10%	Advance Tax
		From 50M to 100M	3.5%	7%		
		Exceed 100M	4%	8%		

ON TV PLAYS & ADVERTISEMENT | S236CA, Div. XA Pt. IV 1st Sch.

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Per episode tax on foreign-produced TV drama serial	Rs. 1M	Rs. 2M	Minimum Tax
Tax on foreign-produced single-episode TV play	Rs. 3M	Rs. 6M	
Per second tax on advertisement starring foreign actor	Rs.0.5M	Rs. 1.0M	

TAX ON SALES TO DISTRIBUTORS, DEALERS & WHOLESALERS BY MANUFACTURERS & COMMERCIAL IMPORTERS | Sec 236G, Div. XIV Pt. IV 1st Schedule

Activity	ATL Status I. Tax	ATL Status S. Tax	Tax Rate		Nature of Tax
Fertilizers	✓	✓	0.25%		Advance Tax
	✓	X	0.7%		
	X	X	1.4%		
Pharmaceuticals | Poultry & animal feed | Edible oil & ghee | Auto-parts | Tyres | Varnishes | Chemicals | Cosmetics | IT equipment | Electronics | Sugar | Cement | Iron & steel products | Motorcycles | Pesticides | Cigarettes | Glass | Textile | Beverages| Paint | Foam | and all others than fertilizers			0.1%	2%	

TAX ON SALES TO RETAILERS & WHOLESALERS BY MANUFACTURERS, DISTRIBUTORS, DEALERS, WHOLESALERS & COMMERCIAL IMPORTERS | Sec 236H, Div. XV Pt. IV 1st Schedule

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
All Cases	0.5%	2.5%	Advance Tax

PURCHASE OF IMMOVABLE PROPERTY | Sec 236K, Div. XVIII Pt. IV 1st Schedule

Activity			Filer	Late Filer	Non-Filer	Nature of Tax
By Non-Resident via FCVA or NRVA			0%			N/A
All Other Cases	Inheritance/Gift		Not Applicable			N/A
	Normal Purchase	Upto 50M	3%	6%	12%	Advance Tax
		From 50M to 100M	3.5%	7%	16%	
		Exceed 100M	4%	8%	20%	

FUNCTONS & GATHERINGS | Sec 236CB

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Function & Gathering	10%	20%	Advance Tax

FOREIGN PAYMENTS VIA DEBIT/ PRE-PAID OR CREDIT CARD | Sec 236Y, Div. XVIII Pt. IV 1st Schedule

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
On gross amount remitted abroad	5%	10%	Advance Tax

BONUS SHARES ISSUED BY COMPANIES | Sec 236Z

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Value of the bonus shares issued	10%	20%	Final Tax

CASH WITHDRAWAL | Sec 231AB

Activity	Tax Rate ATL	Tax Rate Non-ATL	Nature of Tax
Cash withdrawal exceeding Rs. 50,000	0%	0.6%	Advance Tax

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