

The following Ordinance promulgated on 19th January, 2021 by the President is hereby published for general information:-

Ordinance No. II of 2021

AN

ORDINANCE

further to amend the Income Tax Ordinance, 2001

WHEREAS it is expedient further to amend the Income Tax Ordinance, 2001 (XLIX of 2001) for the purposes hereinafter appearing;

AND WHEREAS, the Senate and the National Assembly are not in session and the President of the Islamic Republic of Pakistan is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of Article 89 of the Constitution of the Islamic Republic of Pakistan, the President of the Islamic Republic of Pakistan is pleased to make and promulgate the following Ordinance: —

1. **Short title and commencement.** — (1) This Ordinance may be called the Income Tax (Amendment) Ordinance, 2021.

(2) It shall come into force on and from the first day of January, 2021.

2. **Amendments in the Income Tax Ordinance, 2001 (Ordinance XLIX of 2001).**— In the Income Tax Ordinance, 2001 (XLIX of 2001), the following further amendments shall be made, namely:—

(1) in section 100D,—


(a) for the expression "30th day of September, 2022", wherever occurring except for clause (a) of sub-section (4), the expression "30th day of September, 2023" shall be substituted;

(b) in sub-section (1), in clause (b), in the proviso, after the figure "2019", the expression "or tax year 2020, as the case may be" shall be inserted;

(c) in sub-section (3),—

(i) for the expression "31st day of December, 2020", wherever occurring, the expression "30th day of June, 2021" shall be substituted; and

ATTESSED


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- (ii) in clause (c), after the word "portal", the expression "by 30th day of June, 2021" shall be added;
- (d) in sub-section (4),-
 - (i) in clause (a), for the expression "30th day of September, 2022", wherever occurring, the expression "31st day of March, 2023" shall be substituted;
 - (ii) in clause (b),-
 - (I) in sub-clauses (i) and (ii), for the expression "31st day of December, 2020", wherever occurring, the expression "30th day of June, 2021" shall be substituted respectively; and
 - (II) in sub-clause (iii), for the expression "31st day of December, 2020", the expression "31st day of December, 2021" shall be substituted;
- (e) in sub-section (9),-
 - (i) for the expression "31st day of December, 2020", wherever occurring, the expression "31st day of December, 2021" shall be substituted; and
 - (ii) in clause (d), in sub-clause (iv), after the figure "2019", the expression "or tax year 2020 at the option of the taxpayer" shall be added;
- (2) in section 120,-
 - (a) in sub-section (1),-
 - (i) in clause (a), the expression ", equal to the respective amounts adjusted under sub-section (2A)" shall be omitted;
 - (ii) in clause (b),-
 - (I) for the expression "adjustments were made under sub-section (2A)", the expression "return was furnished" shall be substituted; and

- (II) for the full stop at the end a colon shall be substituted and thereafter the following new provisos shall be added, namely:-

"Provided that until the date specified under the fourth proviso to sub-section (2A) is notified, this sub-section shall be in force as if sub-section (2A) is not in operation:

Provided further that once the date under the fourth proviso to sub-section (2A) is notified, clauses (a) and (b) shall only apply when the provisions of sub-section (2A), if invoked, are first complied with:

Provided further once compliance is made under the second proviso,-

- (i) the adjusted amount under sub-section (2A) shall be construed to be the tax payable and due under clause (a);
 - (ii) the date of the compliance under sub-section (2A) shall be the date for the purposes of clause (b).";
- (b) in sub-section (2A), in clause (iv), in the third proviso, for the full stop at the end, a colon shall be substituted and thereafter the following new proviso shall be added, namely:-

"Provided also that the provisions of this sub-section shall apply from the date notified by the Federal Board of Revenue in the official Gazette.";

- (3) in the Eleventh Schedule,-

- (a) in rule 2, in sub-rule (2), in clause (b),-

- (i) for the word, "two", the word "three" shall be substituted;
- (ii) for the first proviso, the following shall be substituted,

namely:-

"Provided that in case of existing incomplete projects, the estimated project life shall be treated as four years maximum from tax year 2020 through tax year 2023 and the tax payable shall be reduced by the percentage of completion up to the last day of accounting period pertaining to tax year 2019 or tax year 2020 as declared in the registration form."; and

(iii) second proviso shall be omitted;

(b) in rule 3,-

(i) in sub-rule (1), for the expression "31st day of December, 2020", the expression "31st day of December, 2021" shall be substituted;

(ii) in clause (a), in the proviso, for the semi colon and the word "and", a colon shall be substituted and thereafter the following new proviso shall be added, namely:-

"Provided further that where benefit of sub-section (3) of section 100D is required to be claimed by builder or developer, the project shall be registered latest by 30th day of June, 2021; and";

(c) in rule 8, in clause (c), for the expression "31st day of December, 2020", the expression "30th day of June, 2021" shall be substituted; and

(d) in rule 9, in sub-rule (1), in clause (d), in sub-clause (ii), in the proviso, for the expression "31st day of December, 2020", the expression "31st day of December, 2021" shall be substituted.

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