

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

Islamabad, the 29th September, 2020.

NOTIFICATION
(Income Tax)

S.R.O. 923 (I)/2020.- In exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Income Tax Rules, 2002, the same having been previously published *vide* Notification No. S.R.O. 863(I)/2020, dated the 14th September, 2020 as required by sub-section (3) of section 237 of the said Ordinance, namely:-

In the aforesaid Rules,-

(a) in Chapter IX, after Part IA, the following new Part shall be inserted, namely:-

“PART IAA
EXEMPTION UNDER SECTION 152

40FA. Exemption or lower rate certificate under sections 152 and 159 to non-resident persons or permanent establishment of non-resident person.— (1) Notwithstanding rule 40(1) and Part VII of the First Schedule to these rules, an online application by a non-resident person or a PE of a non-resident person for a certificate under sub-section (1) of section 159 shall be made in the form specified in Part VII(B) of the First Schedule to these rules, duly furnishing therewith all the requisite information and documents.

(2) An online application or notice for a certificate under sub-section (4B) of section 152 and sub-section (5) of section 152 shall be made by a payer in the form specified in Part VII(C) of the First Schedule to these rules, duly furnishing therewith all the requisite information and documents.

(3) An exemption certificate or a reduced rate certificate shall be issued to the non-resident person or PE of a non-resident person only if the Commissioner Inland Revenue is satisfied that the applicant-

- (i) has furnished return or returns of income when became due, if any, on or before the date on which the application or notice is made, and
- (ii) is not in default or deemed to be in default in respect of any tax (including penalties, default surcharge, advance tax under section 147 or tax payable under section 137) unless the same is stayed by Commission-IR, Commissioner-IR (Appeal), Appellate Tribunal Inland Revenue, High Court, Supreme Court or any other statutory body under the Income Tax Ordinance, 2001 (XLIX of 2001).

(4) The non-resident person or PE of a non-resident person shall file an affidavit to the effect that neither its withholding agent (payer) has filed application or notice for exemption or reduced rate certificate nor payer's application or notice has been rejected. In case of misrepresentation, issued exemption or reduced rate certificate shall be cancelled forthwith.

(5) The resident person or PE of a non-resident person shall file an affidavit that neither the payee (non-resident person and PE of a non-resident person) has filed application or notice for exemption or reduced rate certificate nor has it been rejected. In case of misrepresentation, issued exemption or reduced rate certificate shall be cancelled forthwith.

(6) The applicant shall provide the details of all the contracts made for the sale of goods, rendering or providing of services or for execution of contract in Pakistan.

(7) The Commissioner Inland Revenue may call for information, documents, record in respect of matters arising during the proceedings

under section 152(4B), 152(5) or 159(1) of the Ordinance or cause further enquiry including but not limited to cohesive business operation.

(8) The Commissioner Inland Revenue may call for any information, documents, record from any person in connection with the application in order to determine that the amount is chargeable to tax being Pakistan –source income under the Ordinance.

(9) The Commissioner Inland Revenue shall, after providing an opportunity of being heard, pass an order within thirty days of receipt of application. However, any period adjourned at the request of the applicant or is postponed due to any proceedings, stay order, alternative dispute resolution proceedings or for any other reason, shall be excluded in the computation of the aforementioned period.

(10) The Commissioner Inland Revenue shall afford an opportunity of being heard to the applicant and, in case of default on the date of hearing, he may proceed *ex parte* to decide the application on the basis of the available record.

(11) The certificate shall be valid for the period as allowed by the Commissioner IR unless withdrawn by the Commissioner IR earlier.

(12) The Commissioner Inland Revenue shall keep and maintain all record, inter-alia, encompassing the application and notice, necessary enclosures and annexure and the orders passed.”.”

(b) in the First Schedule, after Part VII(A), the following new Parts VII(B) and VII(C) shall be added, namely:-

Federal Board of Revenue	
Form for Exemption/Reduced Rate on Receipt of Payments by a Non-Resident Person or PE of a Non-Resident Person	
Note: Please Fill all the Fields	
General	<div style="display: flex; justify-content: space-between;"> <div>1. NTN: </div> <div>Name of Payee: </div> <div>EDN No.: N^o </div> </div>
	<div style="display: flex; justify-content: space-between;"> <div>2. Office (LTU/RTO): </div> <div>3. Tax Year: </div> <div>4. Date of Application: </div> </div>
	5. Commissioner IRS: (i) Name: (ii) Zone:
	6. Nature of payment (Business, Dividend, Interest, Royalties, FTS etc.): 7. (i) Currency: (ii) Amount Due for Receipt: 8. Affidavit that neither Withholding Agent (Payer i.e. resident person or PE of a non-resident person) has filed Application/Notice for Exemption/Reduced Rate Certificate nor it has been rejected.
Particulars of payee/Recipient (Non Resident Person or PE of Non Resident Person)	8. Status of the Payee (Non-Resident / PE of Non-Resident) : 9. Non-Resident Person (Company, Individual, Firm/AOP/Trust):
	Contact Details: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> i) Address: ii) Tel: iv) E-mail: vi) CNIC/ Passport No. (if individual) viii) Incorporation # (if Company) x) Registration # (If Firm/AOP/Trust) xii) TIN xiii) Whether PE in Pakistan or not (Yes or No) </div> <div style="width: 50%;"> iii) Fax: v) Website: vii) STRN: ix) Incorporation Date (if Company) xi) Registration Date: </div> </div>
	10. PE of Non-Resident Person in Pakistan: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> i) STRN: ii) BOI/EAD's Permission No: iv) Residence Country: vi) Status in Home Country (Corporate, Non Corporate, Individual): vii) Contact Detail: a) Address: b) Tel: d) Email: f) Inc./Reg. # </div> <div style="width: 50%;"> iii) Date: v) Main Business: c) Fax: e) Website: g) Inc./Reg. Date </div> </div>
	11. Bank Details of Non-Resident Person or PE of Non-Resident Person and Receipt of Payments Details: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> i) Bank Account Details (where amount is finally destined to land) a) A/C# c) Branch Address: </div> <div style="width: 50%;"> b) Bank Name ii) Currency: Total Amount received from the payer under the head during the year iii) Currency: Total Amount received from the payer during the year: iv) Certificate of Residence: copy attached </div> </div>
	12. Status of the Payer (Resident / PE of Non Resident) : 13. Resident Person (Company, Individual, Firm/AOP/Trust/GOP):
	Contact Details: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> i) Address: ii) Tel: iv) E-mail: vi) NTN: viii) CNIC No. (if individual) ix) Incorporation # (if Company) xi) Registration # (If Firm/AOP/Trust/GOP) </div> <div style="width: 50%;"> iii) Fax: v) Website: vii) STRN: x) Incorporation Date (if Company) xii) Registration Date: </div> </div>
	14. PE of Non-Resident Person in Pakistan: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> i) NTN: iii) BOI/EAD's Permission No: v) Residence Country: vii) Status in Home Country (Corporate, Non Corporate, Individual): viii) Contact Detail: a) Address: b) Tel: d) Email: f) Inc./Reg. # </div> <div style="width: 50%;"> ii) STRN: iv) Date: vi) Main Business: c) Fax: e) Website: g) Inc./Reg. Date </div> </div>

Part I	15.	Bank Details of Payer (Resident Person or PE of Non-Resident Person) from where payment is received:	
		i) Bank Account Details: a) A/C # _____ b) Bank Name _____ c) Branch Address: _____	
Particulars of Transactions	16.	Is the contract one-time or going (Y/N)? <input type="text"/>	
	17.	Nature of Contract? (What gives rise to the payments): _____	
Basis of Exemptions	18.	Is the Claim based on an Agreement for the Avoidance of Double Taxation (ADTA)? <input type="text"/>	
	19.	Country: _____	
	20.	Applicable Article / Paragraph: _____	
	21.	Other supporting Arguments? (Please make out your case for exemption by making cogent arguments duly supported by legal provisions / data and documents) <div style="border: 1px solid black; height: 100px; width: 100%;"></div>	

Attachments:

Affidavit
 Certificate of Residence
 Copy of Contract/Agreement
 Copy of Invoice
 Any other document/information

I hereby declare that whatever stated above in this application is correct. It is further declared that all the attachments/ relevant documents/information are enclosed in entirety.

Signature _____
 Name _____
 Address _____
 Date _____

"PART-VII(C)
[see rule 40 FA]

Federal Board of Revenue Form for Exemption/Reduced Rate on Payments to Non-Resident Person <small>Note: Please Fill all the Fields.</small>		
General	<div style="display: flex; justify-content: space-between;"> <div>1. NTN: <input style="width: 100px;" type="text"/></div> <div>Name of Payer: <input style="width: 200px;" type="text"/></div> <div>EDN No.: N° <input style="width: 50px;" type="text"/></div> </div>	
	<div style="display: flex; justify-content: space-between;"> <div>2. Office (LTU/RTO): <input style="width: 100px;" type="text"/></div> <div>3. Tax Year: <input style="width: 50px;" type="text"/></div> <div>4. Date of Application: <input style="width: 100px;" type="text"/></div> </div>	
	5. Commissioner IRS:	
	<div style="display: flex;"> <div style="flex: 1;">(i) Name: <input style="width: 200px;" type="text"/></div> </div>	
	<div style="display: flex;"> <div style="flex: 1;">(ii) Zone: <input style="width: 200px;" type="text"/></div> </div>	
	6. Nature of payment (Business, Dividend, Interest, Royalties, FTS etc.): <input style="width: 150px;" type="text"/>	
	<div style="display: flex;"> <div style="flex: 1;">7. (i) Currency: <input style="width: 50px;" type="text"/></div> <div style="flex: 1;">(ii) Amount Due for Payment: <input style="width: 100px;" type="text"/></div> </div>	
	8. Affidavit that neither Payee (non-resident person or PE of a non-resident person) has filed Application/Notice for Exemption/Reduced Rate Certificate nor it has been rejected <input style="width: 150px;" type="text"/>	
Particulars of Payer (Resident Person or PE of Non-Resident Person)	8. Status of the Payer (Resident / PE of Non-Resident) : <input style="width: 100px;" type="text"/>	
	9. Resident person (Company, Individual, Firm/AOP/Trust/GOP): <input style="width: 100px;" type="text"/>	
	<div style="border: 1px solid black; padding: 5px;"> Contact Details: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;">i) Address: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">iii) Fax: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">ii) Tel: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">v) Website: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">iv) E-mail: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">vi) NTN: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">vii) STRN: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">viii) CNIC No. (if individual) <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">ix) Incorporation # (if Company) <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">x) Incorporation Date (if Company) <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">xi) Registration # <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">xii) Registration Date: <input style="width: 100%;" type="text"/></div> </div> </div>	
	10. PE of Non-Resident Person In Pakistan:	
	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;">i) NTN: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">ii) STRN: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">iii) BOI/EAD's Permission No: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">iv) Date: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">v) Residence Country: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">vi) Main Business: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">vii) Status in Home Country (Corporate, Non Corporate, Individual): <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">viii) Contact Detail:</div> <div style="width: 50%;">a) Address: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">c) Fax: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">b) Tel: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">e) Website: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">d) Email: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">g) Inc./Reg. Date: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">f) Inc./Reg. # <input style="width: 100%;" type="text"/></div> </div>	
	11. Bank Details of Resident Person or PE of Non-Resident Person and Payment Details:	
	<div style="display: flex;"> <div style="flex: 1;">i) Bank Account Details (From where payment is made)</div> <div style="flex: 1;">b) Bank Name <input style="width: 100%;" type="text"/></div> </div> <div style="display: flex;"> <div style="flex: 1;">a) A/C# <input style="width: 100%;" type="text"/></div> <div style="flex: 1;">c) Branch Address: <input style="width: 100%;" type="text"/></div> </div>	
	ii) Total Payment made to the payee Under the head during the year: <input style="width: 150px;" type="text"/>	
	iii) Total Payment to the payee made during the year: <input style="width: 150px;" type="text"/>	
	Particulars of Payee / Recipient (Non-Resident Person)	12. Category of Non-Resident Person (Company, Individual, Firm/AOP/Trust) <input style="width: 150px;" type="text"/>
		<div style="border: 1px solid black; padding: 5px;"> Contact Detail: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;">i) Name: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">v) Fax: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">ii) Address: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">vii) Website <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">iii) Country <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">ix) Incorporation Date (If Company) <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">iv) Tel: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">x) Incorporation # (if Company) <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">xi) Registration # (if Firm/AOP/Trust) <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">xii) Registration Date (if Firm/AOP/Trust) <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">xiii) Bank Account Details of Non-Resident Person (where amount is finally destined to land)</div> <div style="width: 50%;">a) A/C# <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">b) Bank Name <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">c) Branch Address: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">d) Tel: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">e) Country: <input style="width: 100%;" type="text"/></div> <div style="width: 50%;">xiii) Certificate of Residence: <input style="width: 100%;" type="text"/> copy attached</div> <div style="width: 50%;">xiv) TIN <input style="width: 100%;" type="text"/></div> </div> </div>
13. Is the contract one-time or going (Y/N)? <input style="width: 50px;" type="text"/>		
14. Nature of Contract? (What gives rise to the payments): (Attach copy of contract / agreement) <input style="width: 200px;" type="text"/>		
Exemptions		15. Is the Claim based on an Agreement for the Avoidance of Double Taxation (ADTA)? <input style="width: 50px;" type="text"/>
		16. Country: <input style="width: 100px;" type="text"/>
		17. Applicable Article / Paragraph: <input style="width: 150px;" type="text"/>

Basis of Exemption	18. Other supporting Arguments? (Please make out your case for exemption by making cogent arguments duly supported by legal provisions / data and documents)
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Attachments:

- 1 Affidavit
- 2 Certificate of Residence
- 3 Copy of Contract/Agreement
- 4 Copy of Invoice
- 5 Any other document/information

I hereby declare that whatever stated above in this application is correct. It is further declared that all the attachments/ relevant documents/information are enclosed in entirety.

Signature _____
Name _____
Address _____
Date _____

[F.No.1(66)R&S/2020]


(Syed Hassan Sardar)
Secretary (Rules & SROs)