



Mini Budget Commentary 2018

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SALIENT FEATURES OF FINANCE SUPPLEMENTARY (SECOND AMENDMENT) BILL, 2019

Income tax

- Federal Government empowered to issue simplified scheme for small shopkeepers
- Banks' income arising from loans to Micro & Small Enterprises Low-cost housing Agricultural in addition to loans in 2018 shall be taxed at 20% instead of 35% and shall be exempt from super tax.
- Removal of Advance Income Tax on cash withdrawal and cash denominated instruments from banks for filers.
- It is proposed to allow Non-resident Pakistanis holding international passports can purchase any motor vehicle and immovable property without filing requirements.
- The restriction on purchase of locally manufactured motor vehicles above 1300 cc is proposed to be abolished for non-filers.
- Number of withholding statements to be reduced from 12 to 2.
- For small marriage halls, community halls etc with function area less 500 sqyd, the minimum advance tax has been reduced from Rs. 20,000 to Rs. 5,000.
- Advance tax on cash withdrawal on accounts solely fed by foreign remittance has been exempted.
- The rate of super tax at 4% as was previously has been maintained till tax year 2021 whereas for non-banking persons it is intended to abolish this tax from tax year 2020.
- For companies availing group relief, tax on inter-corporate dividend has been reduced to the extent of percentage of shareholding the recipient of dividend has in the distributing company.
- The tax on undistributed profits is being abolished.
- The tax on members of stock exchange in lieu of their commission has been abolished. Now their income from commission is to be taxed under normal law.
- The amendment intends to allow carry forward of losses from securities sustained in a year to subsequent three years.
- The advance income tax collected on imports by commercial importers is being made final tax liability instead of being part of the minimum tax regime.
- Through this amendment exemption has been granted for five years to industrial undertakings set up for manufacturing of equipment used in generation of renewable energy if such undertaking is set up between 1st March 2019 and 30th June 2023.
- The advance tax at the time of auction of franchise rights, from participating teams in national and international sports tournament organized by any Sports Board or entity established by the Government is being abolished
- The provisional assessment may be made in case of an offshore asset not declared earlier if such asset is discovered by the Commissioner or any department or agency of the federal or provincial government

Sales tax and Federal excise duty

- Exemption on imported plant and machinery to Greenfield industries subject to exemption certificate by Commissioner. The Board will also circulate an indicative positive list of such machinery.
- Section 67A is proposed to be inserted in the Sales Tax Act, 1990, to provide for issuance of promissory notes to claimants at their option. The proposed Tenth Schedule provides for features and mechanism for issuance of these notes.
- Simplification and rationalization of Tax Structure on Import of Mobile Phones with higher rate on expensive mobiles.
- It is proposed to enhance the rate of Excise Duty from 20% to 25%, for such cars and jeeps up to capacity 3000 cc and to 30% for cars exceeding 3000 cc. Furthermore, it is proposed to levy Excise Duty at 10% on locally manufactured / assembled cars and SUVs etc with engine capacity exceeding 1800cc
- Continuation of exemption on plant, machinery and equipment for Renewable Energy Exemption on machinery and equipment relating to renewable energy is being assured up to 30th June, 2023, by amending relevant provisions in the Sixth Schedule.
- The existing exemption in the Sixth Schedule of the Sales Tax Act, 1990, relating to ostomy procedures is now linked to ostomy related appliances and items listed under PCT heading 99.25. The said heading is being recast through amendment to the Customs Act, 1969, and comprehensive list of items is being included therein.

Customs

1. Benefit of exemption from customs duty on import of all items for Ostomy use is being extended in addition to colostomy bags and appliances.
2. Existing 5% customs duty on import of newsprint is being exempted.
3. Customs duty on Plastic Moulding Compound is being reduced from 5% to 3%.
4. Customs duty on industrial inputs covered under (53 tariff lines) is being either removed or reduced and Additional Customs Duty on industrial inputs covered under 22 tariff lines is being removed. This measure will be implemented with effect from 31st March, 2019.
5. Regulatory Duty on industrial inputs covered under 30 tariff lines is being either removed or reduced.
6. Regulatory duty on smuggling prone items like Tyres, Padlocks, Groundnuts, Food / Chocolate preparations, Floor Coverings, Vacuum flasks falling under 24 tariff lines is being reduced.
7. Regulatory duty is being removed on input materials (approximately 200 tariff lines) imported under SRO 655(I)/2006 dated 05.06.2006 that are used for manufacturing of auto parts by local vendors.
8. Collection of duty and taxes on mobile phones is being rationalized through collection of all duty/taxes on uniform slabs based on C&F values at the fixed rates.
9. Regulatory duty leviable on export of lead, lead products, scrap of lead and copper scrap is being removed in respect of exports made under DTRE / Manufacturing Bond Schemes.
10. In order to facilitate exporters, especially SMEs, significant changes are being made in the Export-Oriented Schemes with a view to improve competitiveness of the export sector.

INCOME TAX ORDINANCE, 2001

Proposed amendments – section wise

Section 5A – Tax on undistributed profit – Amendment

The proposed amendment seeks to withdraw tax on undistributed profit of public companies and proposed to substitute word year 2017 and onward with years 2017 to 2019.

Section 37A – Capital Gain on Sale of Securities – Addition

The amendment proposes a relief for investors in listed securities and proposed that loss on disposal of capital securities in the tax year 2019 and onwards can be carried forward for set off against the gain on disposal of securities up to three years, immediately succeeding the tax year for which the loss was first incurred.

Section 49 – Federal Government, Provincial Government and Local Government Income –Insertion

It is proposed that the income from sale of licenses and renewal of spectrum and licenses by PTA shall be treated as income of Federal Government.

Section 99B – Special Procedure for small traders and shopkeepers –Insertion

It is proposed that federal government may by notification prescribe special procedure for scope and payment of tax, filing of return and assessment in respect of such small traders and shopkeepers, in such cities or territories as may be prescribed.

Section 123(1A) – provision assessment –Insertion

The proposed section provides that if any offshore asset of a person not declared earlier is discovered by the commissioner or any department or federal agency or agency of federal or provincial government. Commissioner can issue provisional assessment order before issuing an original assessment or amended assessment for the offshore assets of any person, for the last completed tax year.

Section 148 sub section 8 clause (a) – Imports –omitted

It is proposed that tax on import of goods sold in same condition shall not be treated as minimum tax.

Section 165 – Statements –Amended

The proposed amendment seeks that the person collecting tax shall furnish to the commissioner biannual withholding statements in the prescribed form. All the prescribed information required to be included in withholding statement as per section 165 sub section 1 clause (a) (b) (c) (d) shall be included in withholding statement half yearly. Every person collecting tax under division II of this part or Chapter XII or deducting tax under division III of this chapter XII shall furnish statements on the following dates:

- for the first half year ending 30th June the last day of filling shall be 31st July and
- for the second half ending on 31st December the last day of filling shall be 31st of January.

It is also proposed that commissioner can demand withholding statement from prescribed persons of any period.

Section 227C – Restriction on purchase of certain asset –substituted

It is proposed to withdraw restriction earlier imposed through finance act 2019 for non-filer on the purchase or registration of vehicles locally manufactured up to 1300cc, locally manufactured motorcycle rickshaw and agriculture tractor by excise and taxation authorities.

Further it is proposed in clause (ii) to insert the words "or a non-resident Pakistani citizen holding international passport" after the word "Pakistanis"

In the second proviso in clause (ii), the words "or a non –resident Pakistani citizen holding international passport" after the word "Pakistanis".

Section 230E – Directorate General of transfer pricing–Omitted

It is proposed to withdraw transfer price audit by director general of Pakistan of transfer pricing.

Section 233A – Collection of tax by a stock exchange registered in Pakistan–Insertion

It is proposed not to collect advance tax by stock exchange registered in Pakistan from 1st day of February 2019.

First schedule

Part I

Division IIA–Super Tax–Amendment

The proposed amendment seeks to amend rate of super tax for banking and non-banking companies.

Following are the proposed rates:

Person	Tax year 2018	Tax Year 2019	Tax Year 2020	Tax Year 2021
Banking Company	4%	4%	4%	4%
Non-banking company having income equal to or exceeding Rs. 500 million	3%	2%	0%	0%

Part II

148–Rate of Advance Tax–Insertion

It is proposed to insert a new proviso after clause (b) First Schedule Part II for the rate of tax on import of mobile phone by any person.

Following are the proposed rates

Sr. #	C & F Value of mobile phone (in US Dollar)	Tax for Filer and Non-Filer (PKR)
1.	Up to 30	70
2.	Exceeding 30 and up to 100	730
3.	Exceeding 100 and up to 200	930
4.	Exceeding 200 and up to 350	970
5.	Exceeding 350 and up to 500	3000
6.	Exceeding 500	5200

Part IV**Division VI–Cash Withdrawal from bank–Amendment**

It is proposed to withdraw advance tax on cash withdrawal from bank for filer.

Division VIA–Advance tax on transaction in bank–Amendment

It is proposed to abolish advance tax of 0.3% for filer on purchase of banking instrument against cash.

Division VII–Advance tax on purchase, registration and transfer of motor vehicle–Amendment

The proposed amendment seeks to change the rate for non-filer on purchase, transfer and registration of motor vehicle.

Following are the proposed rates:

Sr.#	Engine Capacity	Amount. (PKR)
1.	Up to 850cc	15000
2.	Up to 851cc to 1000cc	37500
3.	Up to 1001cc to 1300cc	60,000
4.	Up to 1301cc to 1600cc	150,000
5.	Up to 1601cc to 1800cc	225,000
6.	Up to 1801cc to 2000cc	300,000
7.	Up to 2001cc to 2500cc	450,000
8.	Up to 2501cc to 3000cc	600,000
9.	Above 3000cc	675,000

Division XI–Advance tax on functions and gatherings–Insertion

It is proposed that advance tax rate for the function of marriage in a marriage hall, marquee or a community place with the total function area less than 500 square yards or, in case of a mutti storied premises, with the largest total function area on one floor less than 500 square yards, shall be 5% of the bill ad valorem or Rs. 5,000 per function whichever is higher";

Second Schedule**Part-1 (Exemptions & Tax Concessions)****Clause 66 – Insertion**

The bill seeks to add new organizations for tax exemption on total income.

1. National Disaster Risk management Fund.
2. Deposit protection corporation established under sub section 1 of section 3 of deposit Protection Corporation Act 2016 (Act XXXVII of 2016)

Clause 126I – Amendment

The bill seeks to extend tax exemption also to industrial undertakings for manufacturing of equipment used in generation of renewable energy that are setup between 1st March 2019 and 30th June 2023 for a period of five years beginning from the date such industrial undertaking is set up.

Part III.**Clause 17 – New Insertion**

The bill seeks to insert a new clause after clause 16 through which it is proposed that the tax on dividend income derived by a company, if the recipient of the dividend, for the tax year, has surrendered loss to or received loss from the company distributing the dividend under section 59B, shall be reduced to the extent of percentage of ordinary shareholding the recipient of dividend has in the company distributing the dividend.

Clause 11A – Addition

The bill seeks to insert new entities in clause 11A and proposed to extend minimum tax exemption to following entities.

1. National Disaster Risk management Fund.
2. Deposit protection corporation established under sub section 1 of section 3 of deposit Protection Corporation Act 2016 (Act XXXVII of 2016)

Part VI.**Clause 38D – New Insertion**

The bill seeks to insert a new clause after clause 38C through which it is proposed that the section 151 and 153 shall not apply to the National Disaster Risk Management Fund."

Clause 81A – New Insertion

The bill seeks to insert a new clause after clause 81 through which it is proposed sub-section (1) of section 165 shall not apply to banking companies for furnishing information of taxes collected and deducted under sections 231A and 151."

Clause 95A – New Insertion

The bill seeks to insert a new clause after Clause 95 through which it is proposed that section 236A shall not apply in respect of auction of franchise rights to participating teams in a national or international league organized by any board or other organization established by the Government in Pakistan for the purposes of controlling' regulating or encouraging major games and sports recognized by the Government with effect from the first day of July' 2019."

Clause 101A – New Insertion

The bill seeks to insert a new clause after clause 101 through which it is proposed that section 231A shall not apply to a Pak Rupee account if the deposits in the account are made solely from foreign remittances credited directly into such account.'

Clause 111 – New Insertion

The bill seeks to insert a new clause after clause 110 through which it is proposed that section 4B shall not apply to so much of the taxable income of banking company subject to reduced rate of tax at 20% under rules 7D, 7E and 7F of the Seventh Schedule for tax years 2020 to 2023."

Seventh Schedule**Rule 7D– Reduced rate of tax for additional advances to micro, small and medium enterprise–Insertion**

The bill seeks to insert a new rule after rule 7C through which it is proposed that the amount of interest income offered for tax arising from additional advances to micro and small enterprises, for the tax year 2020 to 2023' shall be taxed at the rate of 20% instead of the rate provided in Division II of Part I of the First Schedule:

Provided that such reduced rate of tax shall be available subject to filing of details of such advances along with gross and net margin earned from such advances'

(2) For the purpose of this rule, the terms "micro' small and medium enterprises" shall have the same meaning as provided in Prudential Regulations issued by State Bank of Pakistan.

(3) Additional advances means advances in addition to average amount of such advances made in such sector by the bank for tax Year 2019.

Rule 7E– Reduced rate of tax for additional advances to low cost housing finance –Insertion

The bill seeks to insert a new rule after rule 7C through which it is proposed that the amount of interest income offered for tax arising from additional advances for low cost housing finance, for the tax years 2020 to 2023, shall be taxed at the rate of 20% instead of the rate provided in Division II of Part I of the First Schedule.

Provided that such reduced rate of tax shall be available subject to filing of details of such advances along with gross and net margin earned from such advances'

(2) For the purpose of this rule' the terms "low cost housing" shall have the same meaning as provided in Prudential Regulations issued by State Bank of Pakistan'

(3) Additional advances means advances in addition to average amount of such advances made in such sector by the bank for tax year 2019.

Rule 7F– Reduced rate of tax for additional advances as Farm credit –Insertion

The bill seeks to insert a new rule after rule 7C through which it is proposed that The amount of interest income offered for tax arising from additional advances to Farm Credit in Pakistan' for tax years 2020 to 2023, shall be taxed at the rate of 20% instead of the rate provided in Division II of Part I of the First Schedule:

Provided that such reduced rate of tax shall be available subject to filing of details of such advances along with gross and net margin earned from such advances.

(2) For the purpose of this rule, the terms "Farm Credit" shall have the same meaning as provided in Prudential Regulations issued by State Bank of Pakistan for Agriculture Financing excluding advances made to a company as defined in section 80.

(3) Additional advances means advances in addition to average amount of such advances made in such sector by the bank for tax Year 2019."

SALES TAX ACT, 1990

Proposed amendments – section wise

Proposed Insertion – Section 67A

The bill seeks to insert new section 67A after section 67. Through this section it is proposed to introduce a new scheme for sales tax refund that can be paid through promissory notes instead of paying through cheques or electronic advice in mode or manner mentioned in Tenth Schedule.

Proposed Amendments –Sixth Schedule

Following are the proposed amendments in the in Table-1 of Sixth Schedule:

Serial no. 110- Amendment:

It is proposed that after the word "Islamabad" the expression "for the period ending on the 30th June 2023" shall be inserted. Implication of aforementioned amendment will be the restriction of exemption of sales tax under section 13 to five years only that is up to 30th June, 2023 which was previously not limited to any specific period of time.

Serial no. 117- Amendment:

This Bill further proposes to substitute "Appliances for colostomy" with "Appliances and items required for Ostomy procedures as specified in the chapter 99 of the First Schedule to the custom Act, 1969, subject to same conditions as specified therein" and the respective PCT Code against HS code 99.25.

Serial no. 118-Deletion

It is proposed to omit serial no.118.

Serial no. 150-Insertion:

It is proposed to insert new serial no. 150 after serial no. 149 and entries shall be inserted respectively

Sr. #	Description	Heading Nos. of the First Schedule to the Customs Act, 1969 (IV of 1969)
(1)	(2)	(3)
150	Plant and machinery excluding consumer durable goods and office equipment as imported by greenfield industries, intending to manufacture taxable goods, during their construction and installation period subject to conditions noted below and issuance of exemption certificate by the Commissioner Inland Revenue having jurisdiction:- Conditions: (a) the importer is registered under the	Chapters 84 and 85

	Act on or after the first day of July, 2019; and (b) the industry is not established by splitting up or reconstruction or reconstitution of an undertaking already in existence or by transfer of machinery or plant from another industrial undertaking in Pakistan	
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Proposed Amendments–Table 3

The following are the proposed changes in Table–3 of Sixth Schedule of Sales Tax Act in:

Serial no. 7–Amendment:

It is proposed to add expression "This exemption in relation to renewable energy shall remain in force up to 30th June, 2023" instead of word "etc."

This amendment restricts the time period of exemption to five years only which previously was without time limit.

Serial no. 14A–Amendment:

It is proposed to add expression "as imported on or before the 30th June, 2023" instead of expression "etc."

This amendment restricts the time period of exemption to five years only which previously was without any specific period of time.

Proposed Amendments– 9th Schedule

Serial no.2–Amendment: Serial No. 2 has been substituted by following;

Sr. #	Description / Specification of Goods	Sales tax on import 2 [or local supply	Sales tax chargeable at the time of registration (IMEI number by CMOs)	Sales tax on supply (payable at time of supply by CMOs)
1.	(2)	(3)	(4)	(5)
2.	Cellular mobile phones or satellite phones to be charged on the basis of import value per set, or equivalent value in rupees in case of supply by the manufacturer, at the rate as indicated against each category:–			

A. Not exceeding US\$ 30	Rs. 150	Rs. 150	
B. Exceeding US\$ 30 but not exceeding US\$ 100	Rs. 1,470	Rs. 1,470	
C. Exceeding US\$ 100 but not exceeding US\$ 200	Rs. 1,870	Rs. 1,870	
D. Exceeding US\$ 200 but not exceeding US\$ 350	Rs. 1,930	Rs. 1,930	
E. Exceeding US\$ 350 but not exceeding US\$ 500	Rs. 6,000	Rs. 6,000	
F. Exceeding US\$ 500	Rs. 10,300	Rs. 10,300	

Proposed Insertion–10th Schedule

It is proposed to insert new Schedule "The Tenth Schedule" after ninth schedule. The proposed schedule states as follows:

1. Application

This Schedule applies to the sales tax refund promissory notes to be issued in lieu of payable refunds as provided in section 674.

2. Definitions

In this Schedule, unless there is anything repugnant in the subject or context,–

- (1) "note" or 'promissory note' means sales tax refund promissory note; and
- (2) "promissory note office" or "note office" means an office established in the Board for issuance, registration, transfer, reissuance redemption and handling other matters in relation to the notes.

3. Issuance and printing

- (1) The promissory notes shall be issued by the Note Office in lieu of sales tax refunds as found admissible under the sales Tax Act, 1990, to the refund claimants'
- (2) The notes shall be printed by Pakistan Security Printing Corporation with security features and in the form as the Board may determine.

4. Features of promissory notes

- (1) The maturity period of the promissory notes shall be three years from the date of issuance.
- (2) The promissory notes shall be issued in multiples of one hundred thousand Rupees.
- (3) The promissory notes shall bear annual simple profit at ten percent and shall be redeemable after the period of maturity'
- (4) The promissory notes shall be redeemable before maturity only at the option of the Board along with simple profit payable at the time of redemption.
- (5) The promissory notes shall be traded freely in the country's secondary markets.
- (6) The promissory notes shall be approved security for calculating the statutory liquidity reserve.
- (7) The promissory notes shall be accepted by the banks as collateral.
- (8) There shall be no compulsory deduction of Zakat against the promissory notes and sahib-e-nisab may pay Zakat voluntarily according to Shariah.

5. Transfer of notes

The notes shall be transferable only in the manner provided hereunder:-

- (a) It shall be transferable by endorsement and delivery like a promissory note payable to order;
- (b) no endorsement of a note shall be valid unless made by the signature of the holder or his duly constituted attorney or representative inscribed on the back of the note itself;
- (c) no writing on a note shall be valid for the purpose of negotiation if such writing purports to transfer only a part of the amount denominated by the note;
- (d) The note office may decline to accept a note endorsed in blank for any purpose unless the endorsement in blank is converted into that in full before presentation'

6. Payment on redemption

- (1) When a note becomes due for payment, it shall be presented at the note office by the holder.
- (2) On redemption, the profit on the notes shall be paid along with the face value, in the form of a crossed cheque drawn on the State Bank of Pakistan.
- (3) The cheque shall be signed by the in charge of note office and another signatory as appointed by the Board.
- (4) The principal amount along with the profit shall be debited to the revenue account "B02368-Sales Tax Refund".

7. Procedure when a note is lost etc.

- (1) The procedure to be followed for the issue of a duplicate note in place of a note which is claimed to have been lost, stolen, destroyed, mutilated or defaced either wholly or in part, shall, mutatis mutandis, be the same as laid out in respect of the promissory note in the Public Debt Rules, 1946
- (2) In case of an executant being unable to write the procedure as provided in the Public Debt Rules, 1946, shall be followed.

FEDERAL EXCISE ACT, 2005

Proposed amendments – section wise

First Schedule – Amendment

Rates of Federal Excise Duty, earlier applicable under First Schedule to the Act on the following items are proposed to be rationalized in the manner tabulated below;

Sr. #	Description	Headings	Proposed rate of FED	Existing rate of FED
55	Imported motor cars, SUVs and other motor vehicles of cylinder capacity of 1800cc or above, principally designed for the transport of persons (other than those headings 87.02) including station wagons and racing cars.	87.03	20% ad val.	5% ad val.

Fifth Schedule – New Insertion

The bill proposes to insert new serial numbers 55A and 55B after serial number 55 in Table I in the First Schedule:

Sr. #	Description	Headings	Proposed FED
55A	Imported motor cars, SUVs and other vehicles of cylinder capacity of 3000cc or above, principally designed for the transport of persons (other than those of headings 87.02) including station wagons and racing cars of cylinder capacity of 3000 cc or above	87.03	30% ad val.
55B	Locally manufactured or assembled motor cars, SUVs and other motor vehicles of cylinder capacity of 1800cc or above, principally designed for the transport of persons (other than those of headings 87.02), including station wagons and racing cars of cylinder capacity of 1800cc or above	87.03	10% ad val.

Notifications / SROs for further amendments/explanations in the rates of Federal Excise Duty are expected to be issued after the passage of Supplementary (Second Amendment) Bill.

CUSTOM ACT-1969

Proposed amendments – section wise

First Schedule – Amendment

The Finance supplementary (Second Amendment) Bill, 2019 seeks to amend First Schedule to the Custom Act, 1969 and propose exemption from custom duty on import of all items related to Ostomy use as given in Pakistan Custom Tariffs (PCT) heading 9925 and listed in the table below;

PCT Code	Description	Proposed Custom Duty	Existing Custom Duty
Col.(1)	Col.(2)	Col.(3)	Col.(4)
9925 (A)	Artificial kidneys, hemodialysis machines and hemodialyzers, A.V fistula needles, hemodialysis fluids and powder, blood tubing tines for dialysis, reverse osmosis plants for dialysis, double lumen catheter for dialysis, catheters for renal failure patients, peritoneal dialysis solution and cardiac catheters	Exempt	0%
9925 (B)	<p>Following items and appliances for Ostomy use –</p> <ol style="list-style-type: none"> 1. Baseplate/Stoma Wafer/Flange. 2. Ostomy (Colostomy/ileostomy/ Urostomy) bags (All type). 3. Ostomy (Colostomy/ileostomy/ Urostomy) Paste. 4. Ostomy (Colostomy/ileostomy/ Urostomy) Belt. 5. Ostomy (Colostomy/ileostomy/ Urostomy) Deodorizers. 6. Ostomy (Colostomy/ ileostomy/ Urostomy) Strip Paste. 7. Stoma Powder/Ostomy Powder (colostomy/ileostomy/Urostomy Powder/ Ileostomy/Urostomy Powder). 8. Ostomy (Colostomy/ileostomy/ Urostomy) Skin Barrier spray and wipe. 9. Ostomy (Colostomy/ileostomy Urostomy) Adhesive Remover Spray and Wipe. 10. Ostomy (Colostomy/ileostomy/ Urostomy) Moldable Ring. 	Exempt	0%

	<ol style="list-style-type: none"> 11. Ostomy (Colostomy/Ileostomy/ Urostomy) Elastic Tape. 12. Ostomy (Colostomy/Ileostomy/ Urostomy) Barrier Cream. 13. Ostomy (Colostomy/Ileostomy/ Urostomy) Protective Sheets. 14. Ostomy (Colostomy/Ileostomy/ Urostomy) Cap. 15. Ostomy (Colostomy/Ileostomy/ Urostomy) Protective Seal. 16. Plastic Clips for closing the Ostomy bags. 17. Liquid washers and wipes for cleaning and washing Peristomalskin. 18. Night Drainage Bag. 19. Cystoscope. 20. Lithotripter. 21. Colonoscope. 22. Sigmoidoscope. 23. Laparoscope. 24. Suprapubic Cystostomy Set. 25. Ryles Tube (Nasogastric Tube). 26. Foley's Catheter. 27. Endoscope (Video Endoscopes). 28. Linear Cutter/Stapler. 29. Circular Stapler. 30. Right Angle Cutter/Stapler. 31. Laparoscopic Hand instruments: <ul style="list-style-type: none"> - Dissector. - Grasper. - Scissors. - Clipper. - Hook. - Retractors. - Needles Holders. - Knot Pusher. - Telescope (0o, 30o) 32. Urological Endoscopic instruments. <ul style="list-style-type: none"> - Resectoscope (Rotating and Fix). - Optical Urethrotome. - Telescope (0o, 30o, 75o). - Turp Resecting Loops 		
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Fifth Schedule – Amendment

The bill seeks to amend Table-B of Part VII of Fifth Schedule to the Custom Act, 1969 and propos lower rates of custom duty on steel items listed below;

Sr. #	Description	PCT Code	Proposed Custom Duty	Existing Custom Duty
15	Wire of stainless steel.	7223.0000	3	5
16	Other alloy steel in ingots or other primary forms; semi- finished products of other alloy steel.	7224.0000	3	5
18	Bars and rods, of high speed steel	7228.1000	0	5

Fifth Schedule, Part VIII – New Insertion

The Bill seeks to add a new part in Fifth Schedule namely "Part-VIII" titled "Imports of inputs/raw materials of Industrial Sector", to the Act for inclusion of materials and equipment used in manufacturing concern for footwear, tanners, leather products, furniture, ceramics, diapers/sanitary napkins, home appliances, infant formulae and other chemical manufacturing into tax net, exhibited as under; -

Sr. #	Description	PCT Codes	Customs Duty (%)	Conditions
(1)	(2)	(3)	(4)	(5)
1.	Footwear Sector:			If imported by manufacturers of Footwear, registered under the Sales Tax Act, 1990
	(i) Toluene	2902.3000	3%	
	(ii) Butanone (methyl ethyl ketone)	2914.1200	3%	
	(iii) Other	3207.1090	3%	
	(iv) Other	3208.1090	20%	
	(v) Other	3208.9090	20%	
	(vi) Mould release preparations	3403.9910	3%	
	(vii) Shoe adhesives	3506.9110	16%	
	(viii) Other	3506.9190	16%	
	(ix) Shoe lasts	3926.9060	16%	
	(x) Other	4005.1090	11%	
(xi) Other	4005.9900	11%		

2.	(xii) Machinery for making or repairing footwear	8453.2000	0%	
	(xiii) Parts	8477.9000	0%	
	(xiv) Injection or compression types	8480.7100	0%	
3.	Tanners:			If imported by Tanners, registered under the Sales Tax Act, 1990
	(i) Formic acid	2915.1100	16%	
	(ii) Other	2915.1290	3%	
	(iii) Other	2933.9990	11%	
	(iv) Synthetic organic tanning substances	3202.1000	3%	
	(v) Other	3202.9090	11%	
	(vi) Basic dyes And preparations based thereon	3204.1300	3%	
	(vii) Other	3204.9000	16%	
	(viii) Of a kind used in the paper or like industries	3809.9200	11%	
	(ix) Of a kind used in the leather or like industries	3809.9300	11%	
	(x) Acrylic binders	3906.9020	20%	
	(xi) Polyurethanes	3909.5000	0%	
	(xii) Machinery for preparing, tanning or working hides, skins or leather	8453.1000	0%	
(xiii) Parts	8453.9000	0%		
4.	Leather Sector:			If imported by manufacturers of leather sector, registered under the Sales Tax Act, 1990
	(i) Magnesium oxide	2519.9010	0%	
	(ii) Other	2836.9990	0%	
	(iii) Sodium formate	2915.1210	0%	
	(iv) Tanning substances, tanning preparations based on chromium sulphate	3202.9010	20%	
	(v) Disperse dyes And preparations based thereon	3204.1100	16%	
	(vi) Stamping foils	3212.1000	11%	
	(vii) Of a kind used in the leather or like industries	3403.1110	16%	

	(viii) Of a kind used in the leather or like industries including fat liquors.	3403.9110	16%	
5.	Gloves:			If imported by manufacturers of Gloves, registered under the Sales Tax Act, 1990
	(i) Latex	4002.1100	0%	
	(ii) Other	4002.1900	0%	
	(iii) Other	4016.1090	5%	
	(iv) Machines for reeling, unreeling, folding, cutting or pinking textile fabrics	8451.5000	0%	
	(v) Other	8452.2900	0%	
	(vi) Other	8477.3090	0%	
	(vii) Buttons	9606.2920	20%	
6.	(viii) Other	9606.2990	20%	
7.	Furniture			If imported by manufacturers of Furniture registered under the Sales Tax Act, 1990
	Other	8465.9190	0%	
8.	Ceramics:			If imported by manufacturers of Furniture registered under the Sales Tax Act, 1990
	(i) Vitrifiable enamels and glazes, engobes (slips) and similar preparations	3207.2000	3%	
	(ii) Containing by weight more than 50 % of graphite or other carbon or of a mixture of these products	6903.1000	3%	
	(iii) Other	6903.2090	3%	
9.	Diapers/ Sanitary Napkins:			If imported by manufacturers of diapers/sanitary napkins registered under the Sales Tax Act, 1990, subject to annual quota determination and verification by the Input Output Co-efficient
	(i) Other	3506.9190	5%	
	(ii) Other	3906.9090	5%	
	(iii) Of polymers of ethylene	3920.1000	16%	
	(iv) Of other plastics	3921.1900	16%	
	(v) Of polymers of ethylene	3923.2100	5%	
	(vi) Weighing not more than 25 g/m ²	5603.1100	11%	

	(vii) Weighing more than 25 g/m ² but not more than 70 g/m ²	5603.9200	16%	Organization (IOCO) and Certification by the Engineering Development Board.
	(viii) Weighing more than 70 g/m ² but not more than 150 g/m ²	5603.9300	11%	
	Home Appliance Sector:			
10.	(i) Cyclopentane	2902.1910	0%	If imported by manufacturers of home appliance sector, registered under the Sales Tax Act, 1990, subject to annual quota determination and verification by the Input Output Co-efficient Organization (IOCO).
	(ii) Tetrafluoroethane	2903.3930	0%	
	(iii) Acrylonitrile butadiene styrene (ABS) copolymers	3903.3000	0%	
	(iv) Other poly-ethers	3907.2000	0%	
	(v) Insulation tape double sided	3919.1010	0%	
	(vi) Used with HCFC and non- CFC gases	8414.3010	0%	
	(vii) Of machines of heading 8414.1000 and 8414.3010	8414.9010	0%	
	(ix) Evaporators (roll bond / fin / tube on plate types)	8418.9910	0%	
	(x) Motors of an output not exceeding 37.5 W	8501.1000	0%	
	(xi) Other	8501.4090	15%	
	(xii) Burglar or fire alarms and similar apparatus	8531.1000	0%	
	(xiii) Other	9030.8900	0%	
	(xiv) Of a kind used in refrigerators, deep freezers and air conditioners	9032.1010	0%	
	(xv) Other	9032.1090	16%	
11.	Infant Formula:			Imports by Manufacturers of infant formula milk, registered under the Sales Tax Act, 1990, subject to annual quota determination and verification by the Input Output Co-efficient Organization (IOCO).
	Other	1901.9090	5%	
12.	Chemical Manufacturing Sector:			If imported by manufacturers of

	(i) o-Xylene	2902.4100	0%	chemicals, registered under the Sales Tax Act, 1990".
	(ii) Octanol (octyl alcohol) and isomers thereof.	2905.1600	0%	
13.	Other	3812.3900	3%	If imported by of PVC / Plastic manufacturers, registered under the Sales Tax Act, 1990".