

THE BALOCHISTAN FINANCE ACT, 2013

(Baln Act No. I of 2013)

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'THE BALOCHISTAN FINANCE ACT, 2013

Preamble.

Short title, extent
and
commencement.

Amendments in Act
I of 1899.

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(Balochistan Act No. I of 2013)

(1 July, 2013)

An Act to continue and revise certain taxes and fees in
the Province of Balochistan.

Whereas it is expedient to continue and revise certain
taxes and fees in the Province of Balochistan and for the
matters connected therewith or ancillary thereto;

It is hereby enacted as follows:—

1. (1) This Act may be called the Balochistan
Finance Act, 2013.

(2) It extends to the whole of Balochistan except
tribal areas.

(3) It shall deem to have come in to force on and
from the 1* day of July, 2013.

2. In the Stamp Act, 1899? (Act II of 1899),—

(1) for section 27-A, the following shall be
substituted:—

“27-A. Value of immovable property.—

(1) Where any instrument chargeable with
ad valorem duty under Articles 23, 31 or 33 of Schedule
I, relates to an immovable property i.e. the land only or
land with any building or structure thereon, the value of
the immovable property shall be calculated according to
the valuation table notified by the District Collector in
respect of immovable property situated in the locality.

This Act was passed by the Balochistan Assembly on 27" June, 2013; assented to by the Governor Balochistan on 29" June, 2013.

and published in the Balochistan Gazette (Extraordinary) No. 88, dated 1* July, 2013

It was adopted by Balochistan Laws (Adaptations) Order, 1975. See the Balochistan Gazette (Extraordinary) No. 17, dated 9%

May, 1975.

(2) Where an instrument, mentioned in sub-section (1), relates to an immovable property consisting of land and structure, it shall state the value of the land or structure separately and the value of the structure stated in the instrument shall, subject to the provision of this Act, be accepted.

(3) | Where the value of immovable property stated in an instrument to which sub-section (1) applies is more than the value fixed according to the valuation table, the value declared in the instrument shall be accepted as value of the purpose of stamp duty.

(4) Where the value given in the valuation table notified under sub-section (1), when applied to any immovable property, appears to be excessive, the Commissioner or any other officer specially empowered in this respect by the Government may, on application made to him by the aggrieved person, determine its correct value and for that purpose the provisions of sections 31 and 32 shall apply as nearly as possible.”

Amendment in Act 3. In the Balochistan Land Revenue Act 1967! (Act No. XVII of 1967. XVII of 1967), in section 46, after sub-section (2), the following new sub-section shall be added, namely,—

“(3) | Where the scale of mutation fee is fixed at a certain percentage of the consideration or value of land, the consideration or value of the land shall be calculated according to the valuation table notified by the Collector

in respect of the situated in the locality under the Stamp Act 1899? (II of 1899).”

1 That is West Pakistan Act XVII of 1967; published in the West Pakistan Gazette (Extraordinary), dated 7" December, 1967, p 3603-3656; adopted by Balochistan Laws (Adaptation) Order, 1975, with substitution of the word “Balochistan” for the words “West Pakistan”. See the Balochistan Gazette (Extraordinary) No. 17, dated 9 May, 1975.

It was adopted by Balochistan Laws (Adaptations) Order, 1975. See the Balochistan Gazette (Extraordinary) No. 17, dated 9 May, 1975.

Levy of tax on 4. (1) This section shall have effect notwithstanding capital value of anything contained in any other law.
immovable (2)

property.

For purposes of this section—

(a) “association of persons”, “company” or “firm” shall have the same meaning as

contained in the Income Tax Ordinance 2001! (Ordinance No. XLIX of 2001);

(b) “Board of Revenue” means the Board of Revenue established under the Balochistan Board of Revenue Act, 1957? (Act No. XI of 1957);

(c) “Collector” means the Collector of the district appointed under the Balochistan Land of Revenue Act, 1967* (Act No. XVII of 1967) and includes the Collector of a Sub-Division/Tehsil or another officer specially empowered by the Board of Revenue to exercise and perform the function of a Collector;

(d) “development authority’ means an authority formed by or under a law for the purpose of development of an area and includes any authority, society, agency, trust, association or institution declared as development authority by the Board of Revenue by a notification in the official Gazette;

(e) “Government” means the Government of the Balochistan;

(f) “immovable property” shall have the same meaning as mentioned in section 27-A, sub-section (1) of the Stamp Act, 18994 (Act No. II of 1899);

1 An Ordinance made by President of Pakistan; and published in the Gazette of Pakistan, Extraordinary, Part I, dated 31* September, 2001; protected under Article 270AA of the Constitution of the Islamic Republic of Pakistan, 1973.

That is West Pakistan Act XI of 1957, published in the W.P. Gazette (Extraordinary), dated 28" February, 1957, pages 363-67 adopted by Balochistan Laws (Adaptation) Order, 1975, with substitution of the word “Balochistan” for the words “West Pakistan”. See the Balochistan Gazette (Extraordinary) No. 17, dated 9" May, 1975.

3 That is West Pakistan Act XVII of 1967; See footnote under section 3.

- (g) "person" includes—
(i) —_ an individual;
(ii) | an association of persons;
(iii) a company;
(iv) a firm;

(3) A tax on the capital value of an immovable property, to be called the capital value tax, shall be payable by every person which acquires by purchase, gift, exchange, power of attorney other than revocable and time-bound (not exceeding sixty days) executed between spouses, father and son or daughter, grand parents and grand children, brother and sister, surrender or relinquishment of rights by the owner (whether effected orally or by deed or obtained through court decree) accept by inheritance or gift from spouse, parents, grand parents, brother or a sister of an immovable property or a right to use thereof for more than twenty years, or renewal of the lease or any premium paid thereon, at such rate as specified hereunder in sub-section (4).

(4) The immovable property and the rate of tax referred to in sub-section (3) shall be as under:—

(a) Residential immovable property (other than flats) situated in an urban area, measuring at least 500 Square Yards or one Kanal (whichever is less) and more,—

Description of Rate of tax
immovable

property

(i) Where the 4 % of the Whichever

value of recorded is higher.
immovable value of the

property is landed area or

recorded. value

specified in
valuation

4 Adopted by Balochistan Laws (Adaptation) Order, 1975, with substitution of the word "Balochistan" for the words "West Pakistan". See the Balochistan Gazette (Extraordinary) No. 17, dated 9" May, 1975.

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(b)

(c)

(ii

iii)

Where the
value of
immovable

property is not
recorded.

Where the
immovable
property is a
constructed
property.

table.

Rs.100/- per
square yard of
the landed

area.

Rs.10/- per
square feet of
the
constructed
area in
addition to the
value worked
out above.

Commercial immovable property of any

size situated in an urban area,—

(@)

Gai)

(iii)

Where the
value of
immovable
property is
recorded.

Where the
value of
immovable
property is

not recorded.

Where the
immovable
property is a
constructed
property.

4 % of the
recorded value
of the landed
area or value
specified in

valuation
table.

Rs.100/- per
square feet of
the landed
area.

Rs.10/- per

square feet of
the
constructed
area in
addition to the
value worked
out above.

Whichever
is higher.

Residential flats of any size situated in an
urban area,—

(@)

Gai)

Where the
value of
immovable
property is
recorded.

Where the
value of
immovable

4% of the
recorded
value.

Rs. _100/-
per square
feet of the

property is not covered
recorded. area.

(5) The tax shall be collected by the person responsible for registering or attesting the transfer of the immovable property in respect of which the tax is payable, at the time of registering or attesting the transfer.

(6) Where the tax is not collected from the person liable to pay it, the tax may be collected by an officer designated by the Board of Revenue, in this behalf from the said person at any subsequent time. In case of any default or non-payment, the amount of unpaid tax may, in addition to any other mode of recovery as prescribed by rules made under sub-section (16) of this section may also recovered under the provisions of the Balochistan Land Revenue Act 1967! (XVII of 1967) as arrears of land revenue.

(7) Where any person willfully fails to collected the tax or having collected the tax fails to deposit the tax as required, he shall be personally liable to pay the tax along with default surcharge at the rate of 15 % per annum for the period for which such tax or part thereof remains unpaid, and the Collector may recover it from the said person as arrears of land revenue after giving him an opportunity of hearing.

(8) Where at the time of recovery of tax under sub-section (7), it is established that the tax collected from the person has meanwhile been paid by the person liable to tax, no recovery shall be made from the person who had failed to collect the tax but the said person shall be liable to pay default surcharge at the rate of fifteen percent per annum from the date he failed to collect the tax to the date the tax was paid.

(9) A person personally liable for any amount of tax under sub-section (7) as a result of failing to collect the tax shall be entitled to recover the tax from the person from whom the tax should have been collected.

(10) The recovery of tax under sub-section (6) does not absolve a person who failed to collect the tax from any other legal action in relation to the failure or from a charge of

That is West Pakistan Act XVII of 1967. See footnote under section 3.

Amendment in Act
V of 1958

1
2

default surcharge.

(11) The order passed by an officer under this section shall be deemed to be an order passed by a Revenue Officer under the Balochistan Land Revenue Act, 1967! (XVII of 1967).

(12) The provisions of sections 13 and 14 of the Balochistan Land Revenue Act 1967! (XVII of 1967) shall apply to cases under this section.

(13) For the purposes of appeal, review or revision, an order passed under this section shall be deemed to be an order of a Revenue Officer within the meanings of sections 161, 162, 163 and 164 of the Balochistan Land Revenue Act 1967! (XVII of 1967).

(14) Where the tax has been recovered from a person not liable to pay the same or in excess of the amount actually payable, an application may, in writing, be made to the Collector for the refund of the tax or the excess amount.

(15) The proceeds of the tax collected under this section shall be credited to the Provincial Consolidated Fund under the head specified by the Government.

(16) The Board of Revenue with prior approval of the Government, may make rules relating to the collection and recovery of the tax or regarding any ancillary matters relating to the tax, by notification in the official Gazette.

(17) The Government may, by notification in the official Gazette, exempt a class of immovable property or a class of persons or a mode to transfer of property from the levy or recovery of the tax subject to such conditions as may be specified in the notification.

5. In the Balochistan Urban Immoveable Property Tax Act, 1958? (Act No. V of 1958), in section 4, for clause (h) the following shall be substituted: —

“(h) — One residential house having constructed area of 2500 square feet owned and self-occupied for his

That is West Pakistan Act XVII of 1967. See footnote under section 3.

That is West Pakistan Act V of 1958; adopted by the Balochistan Laws (Adaptation) Order, 1975. See the Balochistan Gazette (Extraordinary) No. 17, dated 9 May, 1975.

residential purpose by every citizen.

Amendment in 6. In the Balochistan Sales Tax Ordinance 20002
Ordinance I of (Ordinance No. I of 2000),—
2000.

(1) in section 3,—

(a) in sub-section (1) for the words “of
sixteen percent” words and comma
“shown against each service specified in
Schedule to this Ordinance,” shall be
substituted;

(b) in sub-section (2) for the word “The”
appearing in the beginning, the words
with comma “Subject to the condition
mentioned in the Schedule to the
Ordinance, this” shall be substituted; and

(c) in sub-section (3) for the word “All”
appearing in the beginning the words
with comma “Subject to the conditions
mentioned in the Schedule to this
Ordinance or in the Notification issued
by the Government of Balochistan, all”
shall be substituted.

(2) for the existing Schedule the following shall be
substituted, namely:—

SCHEDULE

[SEE SECTION 3(2)]

No. of duty

Services provided or rendered by hotels, (a) These services
restaurants, club and caterers. will not be

9801.1000 Service provided or rendered by hotels. allowed input

9801.2000 Service provided or rendered by restaurants. adjustment.

9801.4000 Service provided or rendered by club. (b) Provincial

4. 9801.5000 Service provided or rendered by caterers, 16% Government
suppliers of food and drinks. will collect sales

3

Balochistan Ordinance I of 2000, made on 26" June, 2000 by Governor of Balochistan; published in Balochistan Gazette
(Extraordinary) No. 19, dated 29" June, 2000).

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5. 9801.6000 Ancillary service provided or rendered by 16% hotels, restaurants, caterers.

98.02 Advertisement (Excluding advertisements financed out of funds provided under grants-in-aid agreements).

Advertisement on cable TV network.

Others (Advertising on billboards, poles, signboards and Hoardings).

98.05 Services provided or rendered by persons authorized to transact business on behalf of others.

1
Freight forwarding agent.

Customs Agents.

1

98.12 Telecommunication services, excluding—

(a) Internet services whether dialup or broad band including e-mail services, data communication Network Services (DCNS) and Value added Data Services. Such charges payable on the international leased lines or bandwidth services used by Software exporting firms registered with the Pakistan Software Export Board; and Data and internet service providers licensed by the Pakistan Telecommunication Authority; Such amounts received by the long Distance calls International license holders including Pakistan Telecommunication Company limited on International incoming calls under agreement with the foreign telecommunication companies.

9812.1000 Telephone Services 19.5%

|

}6. | 9812.1300____—| Video telephone 92.5% _|

tax on these
services or
authorize FBR
to collect sales
tax on these
services on
behalf of the
Provincial
Government.

(a) The registered

persons using
these services
will allow input
adjustment.

(b) The proceeds of

tax on telecom
shall be credited
directly by
telecom
companies to

9812.1920 Installation of telephone 19.5% revenue ,
9812.1930 Provision of telephone extension 19.5% generate' on the
9812.1940 Changing of telephone connection 19.5% asis OF origin

the basis of

- ; of service in the

NWD or voice versa Provincial

| 18. | 9812.1960 | Costoftelephoneset | 19.5% | Government

119. | 9812.1970 _| Restoration of telephone connection will authorize

20. [981.1990 Others S~«d9S | BR tw coca

| 21. | 9812.2100 | Bandwidth services 19.5% | gales tax on

| 22. | 9812.2200 | Copperlinebased 19.5% | these services

| 23. | 9812.2300 | Fiber-opticbased 19.5% | on behalf of the

| 24. | 9812.2300 | Co-axialcablebased 19.5% | Provincial

| 25. | 9812.2400 | Microwavebased Sd '1'9.5% | ~~ Government.

| 26. | 9812.2500 | Satellitebased 19:5 % |

/27. [98122900 | Others 9S

/28. | 9812.3000 | Telegraph i'M

cellular mobile networks

46. 9812.6200 Data communication network services 19.5%
(DCNS

a
om
|
3
7.
18.
19.
20.
21.
22.
23.
24.
25.
26.
27.
28.

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Voice paging services

[60. | 9812.9410 | Radiopaging services| (19.5% |

E. 98.13 Services provided or rendered by (a) The registered banking companies, insurance persons using companies, cooperative financing these services societies, modarabas, non-musharikas, will be allowed musharikas, leasing companies, foreign input exchange dealers, non-banking financial adjustment. institutions and other persons dealing (b) Provincial any such services (excluding services Government provided or rendered by Banking will authorize companies and non bankibng financial FBR to collect companies in respect of Hajj and Umra, sales tax on Cheque Book, Musharika and Mudaraba these services financing and utility bills collection. on behalf of the

Provincial
Government.

1 9813.1000 Services provided or rendered in respect of insurance to a policy holder by an insurer, including a reinsurer (excluding Life Insurance, Health Insurance and Corp Insurance).

9813.1100

9813.1200

9813.1300 Theft Insurance

5. 9813.1400 Marine insurance (excluding Marine 16% insurance for export

16. | 9813.1600 Other insurance including reinsurance

advances and loans

/8. | 9813.3000_—| Fimancialleasing — C*d CMHC

/9. | 9813.3020 | Commodity or equipment leasing | 16% _

Musharika financing
companies in relation to.

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19. 9813.4600 Transfer on money including telegraphic 16% transfer, mail transfer and electronic transfer.

and debit cards.

Commission and brokerage of foreign exchange dealings.

Automated teller machine operations, maintenance and management.

Pater |

specified persons or businesses.

Pe [erate |
terminal operators in relation of imports.

|G. | 9823000 | Franchise services. |

rl [[Franchise services —S—~di_]

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