

Islamabad Capital Territory (Tax on Services) Ordinance, 2001

(As amended up to 30th June, 2025)

The
ISLAMABAD CAPITAL TERRITORY
(TAX ON SERVICES)
ORDINANCE,
2001

(ORDINANCE NO. XLII OF 2001)

Updated vide Finance Act, 2025

By
a team of Provincial Taxes Wing,

Federal Board Revenue,
Islamabad.

(Any inadvertent error may kindly be reported for necessary correction to any of above
mentioned officers at following phone number):

Ph: 051-9216838

(Amendments by the Finance Act, 2025 have been shown in RED)

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The
ISLAMABAD CAPITAL TERRITORY
(TAX ON SERVICES)
ORDINANCE,
2001

[Notification No. F. 2(1)/2001-Punj., dated 18th August, 2001.—The following
Ordinance promulgated by the President is hereby published for general information: --
ORDINANCE NO. XLII OF 2001

AN
ORDINANCE

to provide for levy of sales tax on services rendered or provided in the Islamabad Capital
Territory

WHEREAS it is expedient to provide for levy of sales tax on the services rendered or
provided in the Islamabad Capital Territory and for matters ancillary thereto or connected
therewith;

AND WHEREAS the President is satisfied that circumstances exist which render it
necessary to take immediate action;

NOW, THEREFORE, in pursuance of proclamation of Emergency of the fourteenth
day of October, 1999, and the Provisional Constitution Order No. 1 of 1999, read with the
Provisional Constitution (Amendment) Order No. 9 of 1999, and in exercise of all powers
enabling him in that behalf, the President of the Islamic Republic of Pakistan is pleased to make
and promulgate the following Ordinance:-

1. Short title, extent and commencement.--(1) This Ordinance may be called the
Islamabad Capital Territory (Tax on Services) Ordinance, 2001.
(2) It extends to whole of Islamabad Capital Territory.

Nssued by the Ministry of Law and Justice, under the signature of Mr. Justice Faqir Muhammad Khokhar
Pak., 2001, Pt. I, P.923.

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(3) It shall come into force at once.

2. Interpretation.--In this Ordinance, unless there is anything repugnant in the subject or context, the words and expression used but not defined shall have the same meaning as in the Sales Tax Act, 1990.

3. Scope of tax.— ?[(1) Subject to the provisions of this Ordinance, there shall be charged, levied and paid a tax known as sales tax at rates specified in column (4) of Table-1 of the Schedule to this Ordinance of the value of the taxable services rendered or provided in the Islamabad Capital Territory:

Provided that the services specified in Table-2 of the Schedule shall be charged to tax at such rates and subject to such conditions and limitations as specified therein:]

[Provided further that from such date and in such mode and manner, as may be prescribed through a general order by the Board, any service provider as mentioned in Table 1 and Table 2 of the Schedule shall integrate his businesses with the Board's computerized system for real-time reporting of provision of services.]

3[(1A) Notwithstanding the provision of sub-section (1), the export of services shall be charged at the rate of zero per cent.]

(2) The tax shall be charged and levied on the services specified in*[column (2) of] 5[Table-1 or Table-2 of the Schedule to this Ordinance, as the case may be,] in the same manner and at the same time, as if it were a sales tax leviable under sections 3, 3A or 3AA, as the case may be, of the Sales Tax Act, 1990.

[(2A) The following provisions of the Sales Tax Act, 1990, shall apply, mutatis mutandis, to the services rendered or provided under this Ordinance, namely: —

(a) clause (b) of sub-section (2) and sub-sections (6) and (7) of section 3;

7[b) serial number 2, and serial number 8A in column (1), and the entries relating thereto of the Fifth Schedule read with section 4; c) sub-sections (2), (3), (6) and (7) of section 13; and

2sub-section (1) substituted by Finance (Supplementary) Act, 2022.

3New sub-section (1A) inserted by the Finance Act, 2021.

4The words brackets and figure “column (2) of” inserted by the Finance Act, 2015

SExpression substituted by Finance (Supplementary) Act, 2022.

6in section 3, —in sub-section (1), in the first proviso, for the semicolon, a colon shall be substituted and proviso inserted by the Finance Act, 2025.

7 expression added through Finance Act, 2023.

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^oI(d) serial number 48, 147 and 163 in column (1), and entries relating thereto

of Table 1 of Sixth Schedule read with section 13.”.

8[(2B) The tax levied under sub-section (1) shall not be applicable to regulatory and licensing services rendered or provided by an organization established by or under a Federal statute].

(3) All the provisions of the Sales Tax Act, 1990, and rules made and notifications, orders and instructions issued there under shall, mutatis mutandis, apply to the collection and payment of tax under this Ordinance in so far as they relate to —

(a) manner, time and mode of payment;

(b) registration and de-registration;

(c) keeping of records and audit;

(d) enforcement and adjudication;

(e) penalties and prosecution; and

(f) all other allied and ancillary matters.

^{*}(4) Notwithstanding the provisions of this section, the Board may, whenever deem necessary, subject to such conditions, restrictions and limitations, specify a Negative List of services exempt from tax under this Ordinance in Table-3 to the Schedule, by notification in

the official Gazette.

8 sub-section (2B) inserted by Finance Act, 2016.

9 In Sub-section (2A), in clause (d), after the expression “48”, the expression “147 and 163” inserted by the 10 sub-Section (4) inserted by the Finance, Act, 2025.

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"Table-1]

[See section 3(2)]

PCT Heading,

S. No. Description Rate of Tax

if applicable

(1) (2) GB) (4)

11 @ Services provided or rendered by hotels, 98.01 (i) Fifteen motels, guest houses, farmhouses, percent marriage halls, lawns, clubs and caterers.

(ii) Services provided or rendered by Gi) (a) Five percent

. . where payment

restaurants including cafes, food . .

against services

(including ice-cream) parlors, coffee is received house, coffee shops, deras, food huts, through debit or eateries, resorts and similar cooked, credit cards,

: mobile wallets

prepared or ready-to-eat food service or QR scanning outlets etc. subject to the

condition that

no input tax

adjustment or

refund shall be

admissible; and

(b) Fifteen

percent where

payment

received in

cash.”.

2. | Advertisement on television and _ radio,| 9802.1000 and | [Fifteen percent

excluding advertisements— 9802.2000

(a) sponsored by an agency of the Federal or

Provincial Government for health education;

uu Existing Schedule re-named as Table-1 through the Finance (Supplementary) Act, 2022.

12 serial number substituted through Finance Act, 2022.

13 substituted for the words “sixteen percent” and “seventeen percent” through Finance Act, 2022.

14 serial number 1 and entries relating thereto in columns (2), (3) and (4) are Substituted through Finance

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- (b) sponsored by the Population Welfare Division relating to educational promotion campaign;
- (c) financed out of funds provided by a Government under grant-in-aid agreement; and
- (d) conveying public service messages, if telecast on television by the World Wide Fund for Nature (WWF) or United Nations Children's Fund(UNICEF).

Services provided by persons authorized to 9805.2000 '3 (Fifteen percent transact business on behalf of others— 9805.4000 and

- (a) stevedore; 9805.8000
- (b) customs agents; and
- (c) ship chandlers.

Courier services and cargo services by road 9808.0000 '3 (Fifteen percent provided by courier companies; 9804.9000

Construction services, excluding: 9824.0000 'Fifteen percent

- (i) construction projects (industrial and and

commercial) of the value (excluding actual and 9814.2000

documented cost of land) not exceeding Rs. 50 million per annum.

- (ii) the cases where sales tax is otherwise paid as property developers or promoters.

(iii) Government civil works including Cantonment Boards.

(iv) construction of industrial zones, consular buildings and other organizations exempt from income tax.

(v) construction work under international tenders against foreign grants-in-aid.

(vi) Residential construction projects where the covered area does not exceed 10,000 square feet

for houses and 20,000 square feet for apartments.

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6. | Services provided by property developers and promoters (including allied services) excluding and yard for land the actual purchase value or documented cost of | respective sub- | development, and land. headings of Rs.50 per square

heading 98.14 | feet for building construction

7. | Services provided by persons engaged in contractual execution of work, excluding:

(i) annual total value of the contractual works or supplies does not exceed Rs.50 million;

(ii) the contract involving printing or supplies of books.

8. | Services provided for personal care by parlours, clinics and slimming clinics, body | 9821.4000 and massage centres, pedicure centres; including cosmetic and plastic surgery by such parlours/clinics, but excluding:

(i) annual turnover does not exceed Rs.3.6 million; or

(ii) the facility of air-conditioning is not installed or available in the premises.

9. | Management consultancy services. 9815.4000, [Fifteen percent 9819.9300

10. | Services provided by freight forwarding agents, | 9805.3000, [Fifteen percent

and packers and movers. 9819.1400

15111. | IT services and IT-enabled services. Respective Fifteen percent Explanation: - For the purpose of this entry — headings

(a) "IT services" include but not limited to

software development, software

maintenance, system integration, web

design, web development, web hosting and

network design; and

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(a) "IT enabled services" include but not limited to inbound or outbound call centres, medical transcription, remote monitoring, graphics design, accounting services, human resources (HR) services, telemedicine centres, data entry operations, cloud computing services, data storage services, locally produced television programs and

insurance claims processing. °

Services provided by technical, scientific and engineering consultants.

9815.5000

'(Fifteen percent

13.

Services provided by other consultants including but not limited to human resource and personnel development services; market research services

and credit rating services.

9815.9000

9818.3000

9818.2000

'3/Fifteen percent

14.

Services provided by tour operators and travel agents including all their allied services or

facilities (other than Hajj and Umrah).

9805.5100

9805.5000

9803.9000

'(Fifteen percent

15.

Manpower recruitment agents including labour and manpower supplies.

9805.6000

'Fifteen percent

16.

Services provided by security agencies.

9818.1000

"Fifteen percent

17.

Services provided by advertising agents.

9805.7000

'Fifteen percent

Share transfer or depository agents including services provided through manual or electronic book-entry system used to record and maintain securities and to register the transfer of shares,

securities and derivatives.

9805.9000

'(Fifteen percent

Business support services.

9805.9200

'Fifteen percent

20.

Services provided by fashion designers, whether relating to textile, leather, jewellery or other

9819.6000

"Fifteen percent

15 serial number 11 and entries relating thereto in columns (2), (3) and (4) are Substituted through Finance Act, 2023.

product regimes, including allied services,
marketing, packing, delivery and display, etc.

'3/Fifteen percent

21. | Services provided by architects, town planners 9814.1000 and interior decorators. 9814.9000
22. | Services provided in respect of rent a car. 9819.3000 [Fifteen percent]
23. | Services provided by specialized workshops or 98.20 [Fifteen percent undertakings (auto-workshops; workshops for industrial machinery, construction and earth-moving machinery or other special purpose machinery etc; workshops for electric or electronic equipments or appliances etc. Including computer hard ware; car washing or similar service stations and other workshops).
24. | Services provided for purposes including 98.22 [Fifteen percent fumigation services, maintenance and repair (including building and equipment maintenance and repair including after sale services) or cleaning services, janitorial services, dredging or de-silting services and other similar services etc.
25. Services provided by underwriter, indenters, 9819.1100, |?| Fifteen percent commission agents including brokers (other than 9819.1200, stock) and auctioneers. 9819-1300 and 9819.9100
26. | Services provided by laboratories other than 98.17 [Fifteen percent services relating to pathological or diagnostic tests for patients.
27. | Services provided by health clubs, gyms,| 9821.1000 [Fifteen percent physical fitness centres, indoor sports and games and centres and body or sauna massage centres. 9821.2000 9821.4000
28. | Services provided by laundries and dry cleaners. 9811.0000 [Fifteen percent
29. | Services provided by cable TV operators. 9819.9000 [Fifteen percent

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30.

Technical analysis and testing services.

9819.9400

3[Fifteen percent

31,

Services provided by TV or radio program

producers or production houses.

oO

Fifteen percent

32.

Transportation through pipeline and conduit

services.

i)

Fifteen percent

33,

Fund and asset (including investment)

management services.

PS

Fifteen percent

34,

Services provided by inland port operators
(including airports and dry ports) and allied
services provided at ports and services provided
by terminal operators including services in
respect of public bonded warehouses, excluding
the amounts received by way of fee under any

law or by-law.

a

Fifteen percent

35.

Technical inspection and certification services
and quality control (standards' certification)
services.

oo

Fifteen percent

36.

Erection, commissioning and __ installation

services.

i)

Fifteen percent

37.

Event management services.

i)

Fifteen percent

38.

Valuation services; competency and eligibility
testing services excluding education testing
services provided or rendered under a bilateral
or multilateral agreement signed by the

Government of Pakistan],

Fifteen percent

39,

Exhibition or convention services.

Fifteen percent

40.

Services provided in respect of mining of
minerals, oil & gas including related and allied
activities.

oO

Fifteen percent

41.

Services provided by property dealers and
realtors.

a

Fifteen percent

42.

Call centres.

oo

Fifteen percent

4743,

Services provided by car/ automobile dealers.

[Fifteen percent

11

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44. | Advertisement on hoarding boards, pole signs | 9802.9000 Fifteen percent and signboards, and websites or internet.
45. | Services provided by landscape designers. 9814.4000 [Fifteen percent
46. | Sponsorship services. 9805.9100 Fifteen percent
47. | Services provided or rendered by legal | 9815.2000 Fifteen percent practitioners and consultants.
48. | Services provided by accountants and auditors _| 9815.3000 Fifteen percent
49. | Service provided or rendered by Stockbrokers, | 9819.1000, ' [Fifteen percent future brokers and commodity brokers, money | 9819.2000, exchanger, surveyors, outdoor photographers, | 9819.5000, event photographers, videographers, art | 9819.7000, painters, auctioneers (excluding value of goods) | 9819.8000, and registrar to an issue. 9819.9100, 9819.9500 and 9819.9090
50. | Services provided by race clubs: -- Fifteen percent Entry/ admission and other services.
51. | Services provided or rendered by corporate law | 9815.9000 Fifteen percent consultants.
52. | Visa processing services, including advisory or | - - STFifteen percent consultancy services for migration or visa application filing services.
53. | Debt collection services and other debt recovery | - - STFifteen percent services.
54. | Supply chain management or distribution | - - STFifteen percent (including delivery) services.
55. | Services provided or rendered by persons | - - ' [Fifteen percent engaged in inter-city transportation or carriage of goods by road or through pipeline or conduit.
56. | Ready mix concrete services. -- Fifteen percent
57. |_ Public relations services. -- Fifteen percent
58. | Training or coaching services other than | - - ' [Fifteen percent education services.
59. | Cleaning services including janitorial services, | 9822.2000, ' [Fifteen percent collection of waste and processing of domestic | 9822.3000 and waste. 9822.9000
18160. | Electric Power Transmission Services. -- Fifteen percent

16cerial number 60 added through Finance Act, 2023.

"TT able-2]

PCT Heading,
S.No. Description Rate of Tax
if applicable

W) (2) @) (4)

1. Construction services, excluding 9814.2000 Zero per cent

and subject to the

- (i) Construction projects (industrial and 9824.0000 condition that no commercial) of the value (excluding actual input tax and documented cost of land) not adjustment or exceeding Rs.50 million per annum; refund shall be
- (ii) The cases where sales tax is otherwise paid admissible as property developers or promoters;
- (iii) Government civil works including cantonment boards;
- (iv) Construction of industrial zones, consular building and other organizations exempt from income tax; and
- (v) Residential construction projects where the covered area does not exceed 10,000 square feet for houses and 20,000 square feet for apartments.

2. Services provided for personal care by beauty 9810.0000, Five per cent parlours, clinics and slimming clinics, body 9821.4000 subject to the massage centers, pedicure centers, including and condition that no cosmetic and plastic surgery by such parlours / 9821.5000 input tax clinics, but excluding cases where - adjustment or

- (i) annual turnover does not exceed Rs.3.6 refund shall be

million; or admissible.

- (ii) the facility of air-conditioning is not installed or available in the premises.

3. Services provided by freight forwarding agents, and 9805.3000 Five percent or packers and movers. and Rs.1000 per bill of 9819.1400 lading, whichever

is higher subject to

1 Table-2 inserted by Finance (Supplementary) Act, 2022.

the condition that
no input tax

adjustment or

refund shall be
admissible.

Services provided by tour operators and travel 9803.9000, Five per cent
agents including all their allied services or facilities 9805.5000 subject to the
(other than Hajj and Umrah). and condition that no
9805.5100 input tax

adjustment or
refund shall be
admissible.

Services provided by specialized workshops or 98.20 Five per cent
undertakings (auto-workshops; workshops for subject to the
industrial machinery, construction and earth- condition that no
moving machinery or other special purpose input tax
machinery etc; workshops for electric or electronic adjustment or
equipment or appliances etc. Including computer refund shall be
hard ware; car washing or similar service stations admissible.
and other workshops).

Services provided by health clubs, gyms, physical 9821.1000, Five per cent
fitness centers, indoor sports and games centers 9821.2000 and subject to the
and body or sauna massage centers. 9821.4000 condition that no
input tax
adjustment or
refund shall be
admissible.

Services provided by laundries and dry cleaners. 9811.0000 Five per cent
subject to the
condition that no
input tax
adjustment or
refund shall be
admissible.

Services provided by property dealers and realtors. Respective Zero per cent
headings

subject to the

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condition that no
input tax
adjustment or
refund shall be

admissible.

Services provided by car / automobile dealers.

Respective
headings

Five per cent
subject to the
condition that no
input tax
adjustment or
refund shall be

admissible.

10.

Services provided or rendered by marriage halls
and lawns, by whatever name called, including

“pandal” and “shamiana” services and caterers.

Respective
headings

Five per cent
subject to the
condition that no
input tax
adjustment or
refund shall be

admissible.

Services provided by software or IT-based system

development consultants.

9815.6000

Five percent
subject to the
conditions that no
input tax
adjustment or
refund shall be

admissible.

12.

Services provided by property developers and promoters (including allied services) relating to low cost housing schemes sponsored or approved by Pakistan and Development

Ehsaas

Naya Housing

Authority or under Government's

programme.

9807.0000
and respective
sub-headings of
heading 98.14

Zero per cent
subject to the
condition that no
input tax
adjustment or
refund shall be

admissible.

18serial number 11 substituted through Finance Act, 2022.

15