

AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR  
LAW, JUSTICE, PARLIAMENTARY AFFAIRS AND HUMAN RIGHTS  
DEPARTMENT MUZAFFARABAD

Dated: 2nd August, 2016

No. LD/Legis-Act/231/2016. The following Act of Assembly received the assent of the President on the 4th day of July 2016, is hereby published for general information.

(ACT XXVI OF 2016)

An

Act

to give effect to the financial proposals of Azad Government of the State of Jammu and Kashmir

WHEREAS it is expedient to make provisions to give effect to the Financial Proposals of Azad Government of the State of Jammu and Kashmir to consolidate and amend certain Fiscal Laws for the purposes hereinafter appearing;

It is hereby enacted as follows:-

1. Short Title, Extent and Commencement.- (1) This Act may be called the Azad Jammu and Kashmir Finance Act, 2016.

(2) It extends to the whole of Azad Jammu and Kashmir.

(3) It shall come into force at once.

2. Adaptation of the Amendments of Sales Tax Act, 1990 (Act, VIII of 1990).- (1) In the Sales Tax Act, 1990 (Act VIII of

1990), as adapted and enforced in Azad Jammu and Kashmir, hereinafter referred to as the said Act, except otherwise legislated by an Act of the Assembly, all the amendments made in the said Act and all rules, notifications, circulars and orders made or issued thereunder, as enforced in Pakistan at any time on or after the 14th July, 2015 and before the commencement of this Act, shall also, as far as practicable, be deemed to have been made, at the same time, in the said Act, as enforced in the Azad Jammu and Kashmir by virtue of the Sales Tax (Adaptation) Act, 1993 (Act IV of 1993).

(2) Notwithstanding any judgment or decision of any court including Supreme Court and High Court of Azad Jammu and Kashmir, anything done, tax levied, charged or collected, proceedings initiated, notices issued, orders passed, penalties imposed, powers exercised or powers conferred on any authority on or after the 14th July, 2015, in accordance with the amendments made in the said Act, as enforced in Pakistan, shall



be deemed always to have been validly done, levied, charged, collected, initiated, issued, passed, imposed, exercised or conferred and so much of such tax have not been levied, charged, paid or collected, before coming into force of this Act, shall be leviable, chargeable and recoverable in accordance with the said amendments.

Adaptation of the Amendments in Federal Excise Act, 2005.-

(1) In the Federal Excise Act, 2005, as adapted and enforced in Azad Jammu and Kashmir, hereinafter referred to as the said Act, except otherwise legislated by an Act of the Assembly, all the amendments made in the said Act and all rules, notifications, circulars and other orders made or issued there under, as enforced in Pakistan at any time on or after 14th July, 2015, and before the commencement of this Act, shall also, as far as practicable, be deemed to have been made, at the same time, in the said Act, as enforced in the Azad Jammu and Kashmir by virtue of the Azad Jammu and Kashmir Finance Act, 2005 (Act VIII of 2005).

(2) Notwithstanding any judgment or decision of any court including Supreme Court and High Court of Azad Jammu and Kashmir, anything done, tax levied, charged or collected, proceedings initiated, notices issued, orders passed, penalties imposed, powers exercised or powers conferred on any authority on or after the 14th July, 2015, in accordance with the amendments made in the said Act, as enforced in Pakistan, shall be deemed always to have been validly done, levied, charged or collected, initiated, issued, passed, imposed, exercised or conferred, done and so much of such tax have not been levied, charged, paid or collected, before coming into force of this Act, shall be leviable, chargeable and recoverable in accordance with the said amendments.

Amendment in Azad Jammu & Kashmir Sales Tax (Tax on Services) Act, 2001.- (1) In the Azad Jammu & Kashmir Sales Tax (Tax on Services) Act, 2001 (XXIV of 2001), in Section 3,

after sub-section (2), the following new sub-sections “(2-A)” and “(2-B)” shall be inserted, namely:-

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

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

(b)

(c)

(d)

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serial number 2, in column (1), and the entries relating thereto of the Fifth Schedule read with Section 4;

sub-sections (2), (3), (6) and (7) of Section 13; and

serial number 48, in column (1), and entries relating thereto of Table-I of Sixth Schedule read with Section 13.

(2-B) 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.”

Amendment in the Azad Jammu & Kashmir Education Cess

Act, 1975.-In the Azad Jammu & Kashmir Education Cess Act, 1975 (Act IV of 1975), the following amendments shall be made:

(i)

(ai)

In the said Act, in Section 2,-

(a) sub-section (9) and (10) shall be omitted with effect from 14th July, 2015;

(b) after sub-section (10) a new sub-section 11 shall be inserted as under:-

“(11) ~Cess on Computerized National Identity Card (CNIC),- Rs 20/- shall be charged as Education Cess on

each CNIC issued by the National Database and Regulatory Authority.”

In the said Act, after Section 3-A, the following Sections 3-B, 3-C and 3-D shall be inserted:-

“3-B. Assessment\_of Cess: Where any amount of Cess is not recovered or paid, any Officer authorized by the Controlling Authority in this behalf, shall, after service of notice to show cause upon defaulter and hearing him in person, make the assessment of Cess not recovered or paid alongwith levy of penalty under Section 3 of the Act.

3-C. Appeals: The Assessment made under Section 3-B is appealable by an aggrieved person before the Controlling Authority within 30 days from the date of assessment. The appeal may be decided after giving due opportunity of hearing.

3-D. Recovery of Cess: Where any amount of Cess is due, the Controlling Authority or any Officer

authorized by him in this behalf may recover the amount by attaching the bank accounts or attachment and sale or sale without attachment of

moveable or  
defaulter.”

immoveable property of the

Amendment of Schedules—I Court Fees Act 1870.- In the Court Fees Act 1870 (Act VII of 1870), hereinafter referred as the said Act, in the first schedule,-

(i) The existing serial No. 1 to 8 shall be re-numbered as 5 to 12, respectively.

(ai)

Before Serial No. 5, as re-numbered above, the following

serial number and their corresponding entries in column 2 and 3 shall be inserted:-

S.No  
1.

Article

Plaint, written  
statement, pleading a set  
off or counter claim or  
memorandum of appeal  
(not otherwise provided  
for in this Act) or of  
cross-objection  
presented to any Civil  
or Revenue Court  
except those mentioned  
in Section 3.

Note: The amount  
payable under this  
number shall be

rounded to the nearest  
fifty paisa.

Plaint in a suit for  
possession under  
Section 9 of the Specific  
Relief Act, 1877

Application for review

of judgment, if  
presented on or after  
ninetieth day from the  
date of the decree.

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#### Proper Fee

Seven and half per  
centum on the amount  
or value of the subject  
matter in dispute to a  
maximum of fifteen  
thousand rupees.

A fee of one-half of the  
amount prescribed in  
Serial No.1

The fee livable on the  
plaint or memorandum  
of appeal.

Application for review

One-half of the fee

of judgment, if livable on the plaint or presented before the memorandum of ninetyeth day from the appeal.

date of the decree

Amendment of Schedule —II, Court Fees Act 1870.- In the said Act, in the second schedule, in column No. 3, against serial No.13,the words “Twenty rupees” shall be inserted.

Imposition of Tax/Cess on Cellular Companies.- The Cellular Companies operating in Azad Jammu and Kashmir shall also pay sales tax, service charges, education cess and any other tax or cess to be levied by the Government of Azad Jammu and Kashmir on such rates as may be prescribed, from time to time.

Sd/-

(Ch. Muhammad Nawaz)  
Section Officer (Legislation)