

# **THE BALOCHISTAN FINANCE ACT, 2013**

**(Baln Act No. I of 2013)**

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# **<sup>1</sup>THE BALOCHISTAN FINANCE ACT, 2013**

**(Balochistan Act No. I of 2013)**

*(1<sup>st</sup> July, 2013)*

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

Preamble.

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:—

Short title, extent and commencement.

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<sup>st</sup> day of July, 2013.

Amendments in Act II of 1899.

2. In the Stamp Act, 1899<sup>2</sup> (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.

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<sup>1</sup> This Act was passed by the Balochistan Assembly on 27<sup>th</sup> June, 2013; assented to by the Governor Balochistan on 29<sup>th</sup> June, 2013; and published in the Balochistan Gazette (Extraordinary) No. 88, dated 1<sup>st</sup> July, 2013

<sup>2</sup> It was adopted by Balochistan Laws (Adaptations) Order, 1975. See the Balochistan Gazette (Extraordinary) No. 17, dated 9<sup>th</sup> 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 XVII of 1967. 3. In the Balochistan Land Revenue Act 1967<sup>1</sup> (Act No. 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<sup>2</sup> (II of 1899).”

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<sup>1</sup> That is West Pakistan Act XVII of 1967; published in the West Pakistan Gazette (Extraordinary), dated 7<sup>th</sup> December, 1967, pages 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<sup>th</sup> May, 1975.

<sup>2</sup> It was adopted by Balochistan Laws (Adaptations) Order, 1975. See the Balochistan Gazette (Extraordinary) No. 17, dated 9<sup>th</sup> May, 1975.

Levy of tax on capital value of immovable property.

4. (1) This section shall have effect notwithstanding anything contained in any other law.

(2) 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<sup>1</sup> (Ordinance No. XLIX of 2001);
- (b) “Board of Revenue” means the Board of Revenue established under the Balochistan Board of Revenue Act, 1957<sup>2</sup> (Act No. XI of 1957);
- (c) “Collector” means the Collector of the district appointed under the Balochistan Land of Revenue Act, 1967<sup>3</sup> (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, 1899<sup>4</sup> (Act No. II of 1899);

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

<sup>2</sup> That is West Pakistan Act XI of 1957, published in the W.P. Gazette (Extraordinary), dated 28<sup>th</sup> 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<sup>th</sup> May, 1975.

<sup>3</sup> 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,—

<b>Description of immovable property</b>	<b>Rate of tax</b>
(i) Where the value of immovable property is recorded.	4 % of the value of the landed area or value specified in valuation. Whichever is higher.

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<sup>4</sup> 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<sup>th</sup> May, 1975.

table.

- (ii) Where the value of immovable property is not recorded. Rs.100/- per square yard of the landed area.
- iii) Where the immovable property is a constructed property. Rs.10/- per square feet of the constructed area in addition to the value worked out above.

(b) Commercial immovable property of any size situated in an urban area,—

- (i) Where the value of immovable property is recorded. 4 % of the recorded value of the landed area or value specified in valuation table. Whichever is higher.
- (ii) Where the value of immovable property is not recorded. Rs.100/- per square feet of the landed area.
- (iii) Where the immovable property is a constructed property. Rs.10/- per square feet of the constructed area in addition to the value worked out above.

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

- (i) Where the value of immovable property is recorded. 4 % of the recorded value.
- (ii) Where the value of immovable property is not recorded. Rs. 100/- per square feet of the

property is not recorded. covered 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<sup>1</sup> (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

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<sup>1</sup> That is West Pakistan Act XVII of 1967. See footnote under section 3.

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<sup>1</sup> (XVII of 1967).

(12) The provisions of sections 13 and 14 of the Balochistan Land Revenue Act 1967<sup>1</sup> (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<sup>1</sup> (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.

Amendment in Act  
V of 1958

5. In the Balochistan Urban Immoveable Property Tax Act, 1958<sup>2</sup> (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

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<sup>1</sup> That is West Pakistan Act XVII of 1967. See footnote under section 3.

<sup>2</sup> 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<sup>th</sup> May, 1975.



residential purpose by every citizen.

Amendment in Ordinance I of 2000.

6. In the Balochistan Sales Tax Ordinance 2000<sup>3</sup> (Ordinance No. I of 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)]

Item No.	PCT Heading	Services	Rate of duty	Conditions
A	98.01	<b>Services provided or rendered by hotels, restaurants, club and caterers.</b>		(a) These services will not be allowed input adjustment. (b) Provincial Government will collect sales
1.	9801.1000	Service provided or rendered by hotels.	16%	
2.	9801.2000	Service provided or rendered by restaurants.	16%	
3.	9801.4000	Service provided or rendered by club.	16%	
4.	9801.5000	Service provided or rendered by caterers, suppliers of food and dirnks.	16%	

<sup>3</sup> Balochistan Ordinance I of 2000, made on 26<sup>th</sup> June, 2000 by Governor of Balochistan; published in Balochistan Gazette (Extraordinary) No. 19, dated 29<sup>th</sup> June, 2000).

5.	9801.6000	Ancillary service provided or rendered by hotels, restaurants, caterers.	16%	tax on these services or authorize FBR to collect sales tax on these services on behalf of the Provincial Government.
<b>B</b>	<b>98.02</b>	<b>Advertisement (Excluding advertisements financed out of funds provided under grants-in-aid agreements).</b>		
1.	9802.1000	Advertisement on TV.	16%	
2.	9802.2000	Advertisement on radio.	16%	
3.	9802.3000	Advertisement on closed circuit TV.	16%	
4.	9802.5000	Advertisement on cable TV network.	16%	
5.	9802.9000	Others (Advertising on billboards, poles, signboards and Hoardings).	16%	
<b>C.</b>	<b>98.05</b>	<b>Services provided or rendered by persons authorized to transact business on behalf of others.</b>		
1.	9805.1000	Shipping agents.	16%	
2.	9805.2000	Stevedores.	16%	
3.	9805.3000	Freight forwarding agent.	16%	
4.	9805.4000	Customs Agents.	16%	
5.	9805.8000	Ship chandlers.	16%	
<b>6.</b>	<b>9808.0000</b>	<b>Courier Services.</b>	<b>16%</b>	
<b>D.</b>	<b>98.12</b>	<b>Telecommunication services, excluding—</b> <b>(a) Internet services whether dialup or broad band including e-mail services, data communication Network Services (DCNS) and Value added Data Services.</b> <b>(b) Such charges payable on the international leased lines or bandwidth services used by Software exporting firms registered with the Pakistan Software Export Board; and</b> <b>(c) Data and internet service providers licensed by the Pakistan Telecommunication Authority;</b> <b>(d) 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.</b>		(a) The registered persons using these services will allow input adjustment.  (b) The proceeds of
1.	9812.1000	Telephone Services	19.5%	
2.	9812.1100	Fixed line voice telephone service	19.5%	
3.	9812.1200	Wireless telephone	19.5%	
4.	9812.1210	Cellular telephone	19.5%	
5.	9812.1220	Wireless local loop telephone	19.5%	
6.	9812.1300	Video telephone	19.5%	

7.	9812.1400	Payphone cards	19.5%	<p>tax on telecom shall be credited directly by telecom companies to the province on the basis of revenue generated on the basis of origin of service in the province.</p> <p>(c) Provincial Government will authorize FBR to collect sales tax on these services on behalf of the Provincial Government.</p>
8.	9812.1500	Pre-paid calling cards	19.5%	
9.	9812.1600	Voice mail service	19.5%	
10.	9812.1700	Messaging service	19.5%	
11.	9812.1710	Short Message Service (SMS)	19.5%	
12.	9812.1720	Multimedia Message Service (MMS)	19.5%	
13.	9812.1910	Shifting of telephone connection.	19.5%	
14.	9812.1920	Installation of telephone	19.5%	
15.	9812.1930	Provision of telephone extension	19.5%	
16.	9812.1940	Changing of telephone connection	19.5%	
17.	9812.1950	Conversion of NWD connection on non NWD or voice versa	19.5%	
18.	9812.1960	Cost of telephone set	19.5%	
19.	9812.1970	Restoration of telephone connection	19.5%	
20.	9812.1990	Others	19.5%	
21.	9812.2100	Bandwidth services	19.5%	
22.	9812.2200	Copper line based	19.5%	
23.	9812.2300	Fiber-optic based	19.5%	
24.	9812.2300	Co-axial cable based	19.5%	
25.	9812.2400	Microwave based	19.5%	
26.	9812.2500	Satellite based	19.5%	
27.	9812.2900	Others	19.5%	
28.	9812.3000	Telegraph	19.5%	
29.	9812.4000	Telex	19.5%	
30.	9812.5000	Tele fax	19.5%	
31.	9812.5010	Store and forward fax services	19.5%	
32.	9812.5090	Others	19.5%	
33.	9812.6000	Internet services	19.5%	
34.	9812.6100	Internet services including email services	19.5%	
35.	9812.6110	Dial-up internet services	19.5%	
36.	9812.6120	Broadband services for DSL connection	19.5%	
37.	9812.6121	Copper line based	19.5%	
38.	9812.6122	Fiber-optic based	19.5%	
39.	9812.6123	Co-axial cable based	19.5%	
40.	9812.6124	Wireless based	19.5%	
41.	9812.6125	Satellite based	19.5%	
42.	9812.6129	Others	19.5%	
43.	9812.6130	Internet/email/Data/SMS/MMS services on WLL networks	19.5%	
44.	9812.6140	Internet/email/Data/SMS/MMS services on cellular mobile networks	19.5%	
45.	9812.6190	Others	19.5%	
46.	9812.6200	Data communication network services (DCNS)	19.5%	
47.	9812.6220	Co-axial cable based	19.5%	
48.	9812.6230	Fiber- optic based	19.5%	
49.	9812.6240	Wireless/radio based	19.5%	
50.	9812.6250	Satellite based	19.5%	

51.	9812.6290	Others	19.5%	
52.	9812.6300	Value added data services	19.5%	
53.	9812.6320	Virtual private network service (VPN)	19.5%	
54.	9812.6390	Others	19.5%	
55.	9812.9000	Audio text services	19.5%	
56.	9812.9100	Tele text services	19.5%	
57.	9812.9200	Trunk radio services	19.5%	
58.	9812.9300	Paging services	19.5%	
59.	9812.9400	Voice paging services	19.5%	
60.	9812.9410	Radio paging services	19.5%	
61.	9812.9490	Vehicle tracking services	19.5%	
62.	9812.9500	Burglar alarm services	19.5%	
63.	9812.9090	Others	19.5%	
<b>E.</b>	98.13	<b>Services provided or rendered by banking companies, insurance companies, cooperative financing societies, modarabas, non-musharikas, musharikas, leasing companies, foreign exchange dealers, non-banking financial institutions and other persons dealing any such services (excluding services provided or rendered by Banking companies and non banking financial companies in respect of Hajj and Umra, Cheque Book, Musharika and Mudaraba financing and utility bills collection.</b>		
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).	16%	
2.	9813.1100	Goods Insurance	16%	
3.	9813.1200	Fire Insurance	16%	
4.	9813.1300	Theft Insurance	16%	
5.	9813.1400	Marine insurance (excluding Marine insurance for export)	16%	
6.	9813.1600	Other insurance including reinsurance	16%	
7.	9813.2000	Services provided or rendered in respect of advances and loans	16%	
8.	9813.3000	Financial leasing	16%	
9.	9813.3020	Commodity or equipment leasing	16%	
10.	9813.3030	Hire-purchase leasing	16%	
11.	9813.3090	Others	16%	
12.	9813.3900	Services provided or rendered in respect of Musharika financing	16%	
13.	9813.4000	Services provided or rendered by banking companies in relation to.	16%	

14.	9813.4100	Guarantee.	16%
15.	9813.4200	Brokerage.	16%
16.	9813.4300	Letter of credit.	16%
17.	9813.4400	Issuance of pay order and demand draft.	16%
18.	9813.4500	Bill of exchange.	16%
19.	9813.4600	Transfer on money including telegraphic transfer, mail transfer and electronic transfer.	16%
20.	9813.4700	Bank Guarantee.	16%
21.	9813.4800	Bill discounting commission	16%
22.	9813.4900	Safe deposit lockers.	16%
23.	9813.4910	Safe vaults.	16%
24.	9813.5000	Issuance, processing and operation of credit and debit cards.	16%
25.	9813.6000	Commission and brokerage of foreign exchange dealings.	16%
26.	9813.7000	Automated teller machine operations, maintenance and management.	16%
27.	9813.8000	Service provided as banker to an issue	16%
28.	9813.8100	Others.	16%
<b>F.</b>	<b>98.19</b>	<b>Service provided or rendered by specified persons or businesses.</b>	
1.	9819.1000	Stockbrokers.	16%
2.	9819.9090	Services provided or rendered by a port and terminal operators in relation of imports.	16%
<b>G.</b>	<b>9823.000</b>	<b>Franchise services.</b>	
1.		Franchise services	16%

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