Relating to	Existing Situation	Original PBC Proposal	Revised Proposal	Comments
What constitutes turnover?	**WHAT CONSTITUTES TURNOVER:** Minimum tax is currently payable at 1% on the turnover from sources that are not taxable under Final Tax Regime (FTR). Minimum Tax applies irrespective of the amount of tax paid (albeit under FTR) in case there is a taxable loss from activities not covered under FTR or the tax payable is less than 1% of turnover from non FTR sources. This dual taxation under minimum tax and FTR regime is against the basic principle on the basis of which minimum tax was introduced in law which was to make every taxpayer contribute some tax to the exchequer	***The original concept of comparison of tax liability with minimum tax on turnover from all sources as was applicable up to tax year 2008 before repeal of section 113 through Finance Act 2009 be restored. Accordingly, the definition of turnover as provided in section 113(3) of the ordinance be amended. The general rate of minimum tax may also be reduced to 0.5% from 1.0% for listed companies***	***The original concept of comparison of tax liability with minimum tax on turnover from all sources as was applicable up to tax year 2008 before repeal of section 113 through Finance Act 2009 be restored. Accordingly, the definition of turnover as provided in section 113(3) of the ordinance be amended. The general rate of minimum tax may also be reduced to 0.5% from 1.0%. ~~for listed companies~~***	It is now being proposed that this reduction in minimum tax be for all companies and NOT just for Listed Companies.
Tax credit for enlistment	**65C. Tax Credit for enlistment:-** (1) Where a taxpayer being a company opts for enlistment in any registered stock exchange in Pakistan, tax credit equal to fifteen percent of the tax payable shall be allowed for the tax year in which the said company is enlisted	***NOT PART OF THE PBC PROPOSALS FOR 2012 -13 BUDGET***	***65C. Tax Credit for enlistment:-*** (1) Where a taxpayer being a company opts for enlistment in any registered stock exchange in Pakistan, tax credit equal to fifteen percent of the tax payable shall be allowed for ***5 tax years beginning from*** the tax year in which the said company is enlisted	To promote listings.

Relating to	Existing Situation	Original PBC Proposal	Revised Proposal	Comments
Advance tax payable under section 147	**A company paying advance tax u/s 147 is also subject to deduction of tax at source under other sections of the ITO, 2001, such as Section 153 etc.**	***All companies falling in the jurisdiction of Large Taxpayers Unit can opt for paying upfront advance tax u/s 147 every month. It is strongly suggested that where a company is complying with section 147 (advance tax) of ITO 2001 then it should be given an option to avail exemption from various withholding sections.***	~~***All companies falling in the jurisdiction of Large Taxpayers Unit***~~ **Companies** ***can opt for paying upfront advance tax u/s 147 every month. It is strongly suggested that where a company is complying with section 147 (advance tax) of ITO 2001 then it should be given an option to avail exemption from various withholding sections.***	To allow companies not registered with the LTU to avail this
No questions asked for foreign exchange remitted under Sub-section 4(a) of Section 111.	**111. Unexplained income or assets:-** **(4) Sub-section (I) does not apply:-** **(a) to any amount of foreign exchange remitted from outside Pakistan through normal banking channels that is encashed into rupees by a scheduled bank and a certificate from such bank is produced to that effect.**	***Members of the Tax Committee are of the opinion that:*** ***a. There should be a cap on the amount of funds which can be transferred under this sub-section and*** ***b. Exemption should only be allowed when the funds are invested in industrial undertakings.***	**111. Unexplained income or assets:-** **(4) Sub-section (I) does not apply:-** **(a) to any amount of foreign exchange remitted from outside Pakistan through normal banking channels that is encashed into rupees by a scheduled bank and a certificate from such bank is produced to that effect** ***Provided that clause (a) would only apply to remittance received by a person for investment in an Industrial undertakings and for all other purposes upto an amount not exceeding US$ 25,000 or equivalent during a tax year.***	It is proposed that there should be a cap of US$25,000 for remittances unless the remittances are invested in an industrial undertaking