



# THE ISLAMABAD CAPITAL TERRITORY (TAX ON SERVICES) ORDINANCE, 2001



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# THE ISLAMABAD CAPITAL TERRITORY (TAX ON SERVICES) ORDINANCE, 2001.

## ORDINANCE NO. XLII OF 2001

[18<sup>th</sup> August 2001]

*An Ordinance to provide for levy of sales tax on the 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 the 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 the whole of Islamabad Capital Territory.

(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 the <sup>1</sup>[rates specified in column (4) of the Schedule to this Ordinance] of the value of the taxable services rendered or provided in the Islamabad Capital Territory.

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

(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;

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<sup>1</sup>Subs. by the Finance Act, 2015, s. 8 (w.e.f. 1-7-2015).

<sup>2</sup>Ins. by the Finance Act, 2015, s. 8 (w.e.f. 1.7.2015).

- (c) keeping of records and audit;
- (d) enforcement and adjudication;
- (e) penalties and prosecution; and
- (f) all other allied and ancillary matters.

<sup>1</sup>[THE SCHEDULE  
[See section 3(2)]

S. No.	Description	PCT Heading, if applicable	Rate of Tax
(1)	(2)	(3)	(4)
1	Services provided or rendered by hotels, motels, guest houses, marriage halls and lawns (by whatever name called) including "pandal" and "shamiana" services, clubs including race clubs, and caterers.	9801.1000 9801.3000 9801.4000 9801.5000 9801.6000	Sixteen per cent
2	Advertisement on television and radio, excluding advertisements—  <ul style="list-style-type: none"> <li>(a) sponsored by an agency of the Federal or Provincial Government for health education;</li> <li>(b) sponsored by the Population Welfare Division relating to educational promotion campaign;</li> <li>(c) financed out of funds provided by a Government under grant-in-aid agreement; and</li> <li>(d) conveying public service messages, if telecast on television by the World Wide Fund for Nature (WWF) or United Nations Children's Fund (UNICEF).</li> </ul>	9802.1000 and 9802.2000	Sixteen per cent
3	Services provided by persons authorized to transact business on behalf of others—  <ul style="list-style-type: none"> <li>(a) stevedore;</li> <li>(b) customs agents; and</li> <li>(c) ship chandlers.</li> </ul>	9805.2000 9805.4000 and 9805.8000	Sixteen per cent
4	Courier services and cargo services by road provided by courier companies.	9808.0000 9804.9000	Sixteen per cent

<sup>1</sup> Subs. by the Finance Act, 2015, s.8 (w.e.f. 1-7-2015).

5	<p>Construction services, excluding:</p> <ul style="list-style-type: none"> <li>(i) construction projects (industrial and commercial) of the value (excluding actual and documented cost of land) not exceeding Rs. 50 million per annum;</li> <li>(ii) the cases where sales tax is otherwise paid as property developers or promoters;</li> <li>(iii) Government civil works including Cantonment Boards;</li> <li>(iv) construction of industrial zones, consular buildings and other organizations exempt from income tax;</li> <li>(v) construction work under international tenders against foreign grants-in-aid;</li> <li>(vi) Residential construction projects where the covered area does not exceed 10,000 square feet for houses and 20,000 square feet for apartments.</li> </ul>	<p>9824.0000 and 9814.2000</p>	<p>Sixteen per cent</p>
6	<p>Services provided by property developers and promoters (including allied services) excluding the actual purchase value or documented cost of land.</p>	<p>9807.0000 and respective sub-headings of heading 98.14</p>	<p>Rs. 100 per square yard for land development, and Rs. 50 per square feet for building construction</p>
7	<p>Services provided by persons engaged in contractual execution of work, excluding:</p> <ul style="list-style-type: none"> <li>(i) annual total value of the contractual works or supplies does not exceed Rs. 50 million;</li> <li>(ii) the contract involving printing or supplies of books.</li> </ul>	<p>9809.0000</p>	<p>Sixteen per cent</p>