

---

# Salaried Relief

Increased threshold for taxation of salaried individuals, providing direct relief to wage earners.

## IMPLICATION

*Take-home pay rises for middle-income employees. Employers should update payroll withholding calculations from July 2026 onward.*

## Section 7E Abolished

Tax on deemed income under section 7E of the ITO, 2001 is proposed to be abolished.

### IMPLICATION

*Property owners no longer compute or pay deemed income tax on immovable assets, easing an annual compliance burden for real estate holders.*

# Super Tax Reduced

Super tax abolished for persons with income up to Rs. 500M; reduced from 10% to 8% for others (except Banking, ENP & Fertilizer).

## IMPLICATION

*Most corporates and high earners see lower effective tax rates, improving after-tax profitability — though banking, ENP and fertilizer sectors remain at higher rates.*

## Real Estate Relief

Withholding tax u/s 236C (sellers) reduced to 2.75% flat of the gross amount of consideration received; u/s 236K (buyers) reduced to 1.25% flat of the fair market value of the immovable property.

### IMPLICATION

*Lower transaction costs for both buyers and sellers could revive documented property activity and improve liquidity in the real estate market.*

# Export WHT Cut

Withholding tax on exports reduced from 2% to 1.25% minimum tax to encourage exports.

## IMPLICATION

*Exporters retain more cash upfront, improving working capital and price competitiveness in international markets.*

---

# IT Services Extended

Concessionary 0.25% tax rate on IT & IT-enabled services extended till tax year 2029.

## IMPLICATION

*IT and software export businesses gain multi-year certainty, supporting longer-term investment and expansion planning.*

---

# Card Payments Eased

Tax on foreign payments via cards reduced from 5% to 0.5% to ease international transactions.

## IMPLICATION

*Travellers, students and businesses paying abroad by card face a much smaller upfront deduction, easing cross-border spending.*

---

# E-Commerce Taxed

Digital businesses with turnover exceeding Rs. 200M brought under the normal tax regime.

## IMPLICATION

*Larger online sellers must maintain full books and file under the normal regime, raising compliance costs but improving documentation and credibility.*

# FBR Integration Credit

Proportionate tax credit allowed for investment in electronic resources integrated with FBR's system.

## IMPLICATION

*Businesses investing in digital invoicing and integration hardware can offset that cost against tax liability, incentivising early adoption.*

---

# Foreign TV Ads

Advance tax on foreign TV plays and advertisements withdrawn to promote art and social culture.

## IMPLICATION

*Broadcasters and media buyers dealing in foreign content lose one withholding obligation, simplifying cross-border media transactions.*

---

# Charity Exemptions

Exemptions extended to Red Crescent, Shaheen Foundation, Bahria Foundation, SIUT & Dawat-e-Hadiya.

## IMPLICATION

*Donors to these organisations can claim tax credits on contributions, potentially increasing philanthropic funding flows to these institutions.*

---

# Capital Markets SPVs

Income of qualifying Special Purpose Vehicles for asset-backed securitization exempted.

## IMPLICATION

*Structured finance and securitisation transactions become more tax-efficient, potentially encouraging growth of asset-backed instruments in capital markets.*

---

# CVT Abolished

Capital Value Tax on foreign movable and immovable assets of resident Pakistanis abolished.

## IMPLICATION

*Resident Pakistanis with overseas property or assets no longer face annual CVT computation and payment obligations on those holdings.*

## Small Traders WHT

Turnover threshold for withholding tax exemption increased from Rs. 100M to Rs. 200M. Provisions of section 153 shall not apply to traders being individuals having turnover up to Rs. 200 million.

### IMPLICATION

*More small and medium retailers fall below the withholding threshold, reducing paperwork and deductions for smaller trading businesses.*

---

# NPO Year-Long Certificates

Funds and eligible non-profit organizations may receive exemption certificates for the entire financial year.

## IMPLICATION

*Non-profits avoid repeated exemption renewals during the year, cutting administrative overhead and improving cash flow for the Non-profits.*

---

# Inherited Property Clarity

Clarification on cost basis of inherited immovable property and tax treatment of family settlements after death.

## IMPLICATION

*Families dividing inherited property gain clearer rules for computing capital gains, reducing disputes and uncertainty during estate settlement.*

---

# Life Insurance Misuse

Tax imposed on sham life insurance schemes to discourage misuse of policies.

## IMPLICATION

*Insurance products structured purely to shelter income from tax become less attractive, while genuine policyholders remain unaffected.*

---

# Digital Influencers Taxed

Withholding tax regime introduced on income earned by digital content creators and social media influencers.

## IMPLICATION

*Content creators and influencers must register for tax purposes, with platforms or payment processors likely withholding tax on their earnings.*

---

# Services WHT Revised

Withholding tax rates on services rationalized for specified services and independent professionals.

## IMPLICATION

*Consultants, freelancers and service providers should check updated rates, as net receipts from clients may change depending on the service category.*

---

# Distributor Min Tax Raised

Reduced minimum tax for distributors, dealers, sub-dealers & wholesalers increased from 0.25% to 0.5%.

## IMPLICATION

*Distribution-sector margins tighten slightly unless businesses meet the prescribed documentation conditions that may offer relief.*

---

# Tax Base Widened

Algorithmic cross-matching of banking and tax information enabled to identify significant discrepancies.

## IMPLICATION

*Taxpayers whose bank account activity doesn't match declared income face a higher chance of automated flags and follow-up notices.*

---

# Real-Time Reporting

Specified persons required to implement real-time transaction reporting systems.

## IMPLICATION

*Affected businesses will need to invest in systems capable of instant transaction reporting, raising near-term IT costs but improving audit trails.*

---

# Penalties Increased

Penalties for specified instances of non-compliance rationalized and increased.

## IMPLICATION

*The cost of late filing, incorrect declarations or other lapses rises — making timely, accurate compliance more important than before.*

---

# Capital Gains ATL

Exclusion from enhanced capital gains tax rates on listed securities withdrawn for non-ATL persons.

## IMPLICATION

*Investors trading in listed securities who are not on the Active Taxpayers List will face higher capital gains tax, creating a strong incentive to file returns.*

---

# National Faceless Centre

National Faceless Centre established for technology-driven audits, assessments and appeals.

## IMPLICATION

*Taxpayers may see more standardised, system-driven assessments with reduced face-to-face interaction with tax officers, potentially limiting discretion.*

---

# Auto Settlement Mechanism

Automated settlement mechanism introduced to resolve tax discrepancies without separate penalty or surcharge.

## IMPLICATION

*Businesses with minor, identified discrepancies can resolve them quickly through an automated process, avoiding lengthy penalty proceedings.*

---

# Case Scrutiny Committee

Independent Case Scrutiny Committee established for quality and consistency in tax litigation.

## IMPLICATION

*Weaker department cases may be filtered out before reaching courts, potentially reducing the volume of prolonged litigation taxpayers face.*

---

# ADR Streamlined

Alternative Dispute Resolution framework streamlined for quicker resolution of tax disputes.

## IMPLICATION

*Taxpayers in dispute with authorities may achieve faster settlement through ADR, reducing the time and cost of prolonged litigation.*

---

# Shipping Compliance

Revised regulatory framework for taxation of non-resident shipping operations.

## IMPLICATION

*Non-resident shipping lines operating in Pakistani waters should review updated compliance obligations affecting their local tax filings and withholding.*

---

# NCCPL Role Expanded

Role of NCCPL expanded and clarified for computation of capital gains on listed securities.

## IMPLICATION

*Capital gains computations on listed securities become more standardised and automated, reducing manual errors for brokers and investors alike.*

---

# E-Filing Mandated

Electronic filing of machine-readable financial statements mandated for companies.

## IMPLICATION

*Companies will need accounting systems capable of producing machine-readable statements, which may require software upgrades ahead of filing deadlines.*

---

# Commissioner Powers

Commissioner empowered to require independent audits, inventory valuations and actuarial valuations in appropriate cases.

## IMPLICATION

*Businesses selected for review may face requests for third-party audits or valuations, adding professional costs during assessment proceedings.*

---

# Audit Effectiveness

Engagement of specialists enabled and disclosure mechanisms strengthened for better audit outcomes.

## IMPLICATION

*Tax audits may become more technically rigorous with specialist involvement, so taxpayers should ensure documentation is thorough and audit-ready.*

---

# Field Compliance DG

Directorate General (Field Compliance), Inland Revenue established to strengthen tax compliance.

## IMPLICATION

*A dedicated field enforcement directorate increases the likelihood of on-ground compliance checks and visits for businesses across sectors.*

---

# Small Traders Scope

Scope of special procedures for small traders and shopkeepers broadened via amendments to section 99B.

## IMPLICATION

*More small traders and shopkeepers become eligible for simplified tax procedures, easing compliance for the retail and bazaar sectors.*

---

# Technical Amendments

Various technical, consequential and administrative amendments to improve clarity, implementation and administration of the ITO, 2001.

## IMPLICATION

*Practitioners should review these housekeeping changes closely, as they can quietly affect procedural deadlines, definitions and filing requirements.*

## Iron & Steel Minimum Tax

Iron and steel manufacturers, presently excluded from the minimum tax regime under section 153(3), will now be brought within its scope like other taxpayers. Companies may still fall outside minimum taxation under the general corporate provisions.

### IMPLICATION

*Tax withheld on sale proceeds of manufactured iron and steel goods — currently adjustable against final liability — becomes a minimum tax, raising the effective tax floor for these manufacturers (other than companies under general corporate rules). Non-company entities will also no longer be eligible for adjustable taxes or reduced-rate certificates.*

---

# Time of Supply Expanded

"Time of supply" now includes when goods are ready for dispatch, broadening the scope of tax liability timing.

## IMPLICATION

*Manufacturers and suppliers may need to account for sales tax earlier in the production cycle, affecting cash flow and invoicing timelines.*

---

# Steel Sector Refunds

Steel melters, re-rollers & composite units entitled to refund of excess sales tax on electricity, subject to digital integration compliance.

## IMPLICATION

*Steel manufacturers that integrate with FBR's monitoring and invoicing systems can recover excess tax paid via electricity bills — a strong incentive to digitise.*

---

## Section 8B Threshold Flexible

Board empowered to adjust section 8B threshold based on taxpayer compliance with digital integration systems.

### IMPLICATION

*Input tax adjustment limits could tighten for non-integrated businesses while compliant ones may enjoy more relaxed thresholds — integration becomes a financial decision.*

---

## 3rd Sched: Cooking Oil & Ghee

Vegetable and animal fats (cooking oil, vegetable ghee) in retail packing added to Third Schedule — taxed at retail price.

### IMPLICATION

*Retailers must charge sales tax based on the printed retail price rather than ex-factory value, which could nudge consumer prices for these staples upward.*

---

## 3rd Sched: Sugar Confectionery

Sugar confectionery in retail packing added to Third Schedule and taxed at retail price.

### IMPLICATION

*Packaged confectionery brands will need updated price labelling, and the retail-price basis may slightly raise shelf prices for consumers.*

---

## 3rd Sched: Pasta & Noodles

Pasta, spaghetti, macaroni, noodles, lasagne, couscous and similar products in retail packing added.

### IMPLICATION

*Packaged pasta and noodle brands move to retail-price taxation, requiring compliance with printed-price rules and potential price adjustments.*

---

## 3rd Sched: Sauces & Condiments

Sauces, ketchup, condiments, mixed seasonings and prepared mustard in retail packing added.

### IMPLICATION

*Condiment manufacturers face the same retail-price tax basis, which simplifies tax calculation but may marginally raise consumer prices.*

---

## 3rd Sched: Fermented Beverages

Fermented beverages sold in retail packing added to Third Schedule and taxed at retail price.

### IMPLICATION

*Producers of fermented beverages must ensure retail price labelling complies with the new schedule, with tax now tied directly to that price.*

## 3rd Sched: Petroleum Jelly

Petroleum jelly, paraffin wax, microcrystalline petroleum wax and similar products in retail packing added.

### IMPLICATION

*Personal care and industrial wax manufacturers selling in retail packs move to retail-price taxation, affecting pricing strategy for these products.*

---

## 3rd Sched: Pesticides

Insecticides, rodenticides, fungicides, herbicides, disinfectants and similar products in retail packing added.

### IMPLICATION

*Agro-chemical retailers will charge tax based on printed retail price, which could marginally affect input costs for farmers purchasing these products.*

---

## 3rd Sched: Plastic Films

Plastic plates, sheets, film, foil, tape and strip sold in retail packing added to Third Schedule.

### IMPLICATION

*Packaging material suppliers selling retail packs face the retail-price basis, an administrative shift from standard value-based taxation.*

---

## 3rd Sched: Plastic Housewares

Tableware, kitchenware, plastic furniture, storage items and hygienic articles of plastics added.

### IMPLICATION

*Household plastic goods retailers must price-label compliant products, with tax tied to the printed retail price rather than wholesale value.*

---

## 3rd Sched: Bags & Cases

Trunks, briefcases, handbags, wallets, rucksacks, jewellery boxes and similar containers added.

### IMPLICATION

*Bag, luggage and accessory retailers move to retail-price taxation — a broad category that may require price-list updates across many SKUs.*

---

## 3rd Sched: Footwear

All types of footwear added to Third Schedule and taxed at retail price.

### IMPLICATION

*Footwear retailers and brands must ensure retail prices are clearly marked, as tax liability now follows the printed price rather than ex-factory cost.*

---

## 3rd Sched: Bathroom Accessories

Sanitaryware, taps, showerheads, fittings, valves and washroom fixtures in retail packing added.

### IMPLICATION

*Hardware and sanitaryware retailers selling in retail packaging shift to retail-price taxation, affecting pricing for home improvement products.*

---

## 3rd Sched: Crockery

Crockery items sold in retail packing added to Third Schedule and taxed at retail price.

### IMPLICATION

*Crockery and tableware sellers must comply with retail-price labelling, with tax calculated on that printed price going forward.*

---

## 3rd Sched: Auto Accessories

Car and automobile accessories sold in retail packing added to Third Schedule.

### IMPLICATION

*Auto parts and accessory retailers move to retail-price taxation, which may require updated pricing and labelling across their product range.*

---

## 3rd Sched: Milk & Dairy

Milk, fat-filled milk, infant preparations and other milk products in retail packing added.

### IMPLICATION

*Packaged dairy and infant formula products shift to retail-price taxation — a sensitive category where any price impact will be closely watched.*

---

## 3rd Sched: Hair Preparations

Preparations for use on the hair sold in retail packing added to Third Schedule.

### IMPLICATION

*Personal care brands selling hair products in retail packs must comply with retail-price tax rules, affecting shelf pricing strategy.*

---

## 3rd Sched: Cosmetics

Pre-shave/after-shave preparations, deodorants, bath preparations and cosmetics in retail packing added.

### IMPLICATION

*Cosmetics and personal care retailers face retail-price taxation across a wide product range, requiring careful price-list review.*

---

## 3rd Sched: Tissue Paper

Toilet/ facial tissue stock, towel or napkin stock, cellulose wadding put up for retail sale added.

### IMPLICATION

*Tissue and paper product manufacturers move to retail-price taxation for retail-packed goods, a routine household category now affected.*

---

## 3rd Sched: Jams & Preserves

Jams, fruit jellies, marmalades, fruit/nut purees and other fruit & vegetable preparations added.

### IMPLICATION

*Packaged jam and preserve brands shift to retail-price taxation, which simplifies calculation but may affect consumer-facing prices.*

---

## 3rd Sched: Household Utensils

Stainless steel, aluminum, melamine and other household utensils and tableware added.

### IMPLICATION

*Kitchenware retailers must comply with retail-price labelling for utensils and tableware, with tax now based on that printed price.*

---

## 3rd Sched: Ceramic Products

Wash basins, commodes, tiles and allied ceramic sanitary products put up for retail sale added.

### IMPLICATION

*Tile and sanitaryware sellers shift to retail-price taxation — relevant for construction and renovation cost planning.*

---

# Higher Rates Maintained

Where Federal Government has notified sales tax above 18%, that higher rate continues after inclusion in Third Schedule.

## IMPLICATION

*Goods already taxed above the standard 18% retain their higher rate even after moving to the Third Schedule — no relief for these items.*

---

## 6th Sched: Magazines Exempt

The scope of exemption for newsprint and books has been enhanced by including magazines.

### IMPLICATION

*Publishers and importers of magazines gain sales tax exemption alongside books and newsprint, potentially lowering costs in the print media sector.*

---

## 6th Sched: EV CKD Extended

Exemption on import of CKD kits for electric vehicles extended until 30th June 2027.

### IMPLICATION

*Local EV assemblers retain duty-free CKD imports for another year, supporting continued investment in domestic electric vehicle assembly.*

---

## 6th Sched: Contraceptives

Exemption proposed for contraceptives and female sanitary pads/tampons.

### IMPLICATION

*Removing sales tax from these essential health products should make them more affordable for consumers, a notable social-welfare-oriented change.*

---

## 6th Sched: Maritime Vessels

Exemption from sales tax proposed on import of specified maritime vessels and floating structures.

### IMPLICATION

*Shipping and marine companies importing vessels, dredgers or drilling platforms benefit from reduced import costs, supporting the maritime sector.*

---

## 6th Sched: Bulletproof Vehicles

Exemption from sales tax proposed for the import of bulletproof vehicles in specific circumstances.

### IMPLICATION

*Qualifying importers of armoured vehicles for security purposes see reduced tax costs, though the exemption applies only in specified circumstances.*

---

## 6th Sched: Tribal Electricity

Existing sales tax exemption on electricity supply in tribal areas, available up to 30 June 2026, has not been extended.

### IMPLICATION

*Residential, commercial and industrial electricity consumers in former tribal areas may see sales tax added to bills from 1 July 2026 unless further relief is announced.*

---

## 8th Sched: EV 1% Extended

The reduced 1% sales tax rate on locally manufactured or assembled electric vehicles is extended to 30th June 2027.

### IMPLICATION

*Buyers of locally assembled electric cars continue to benefit from the concessional 1% rate for another year, keeping EV prices comparatively attractive.*

---

## 8th Sched: Hybrid EVs Lapsed

The reduced rate on locally manufactured Hybrid Electric Vehicles, available up to 30 June 2026, has not been extended.

### IMPLICATION

*Hybrid vehicle prices could rise from 1 July 2026 as the concessional rate lapses and standard sales tax applies, unless a fresh extension is notified.*

---

## 8th Sched: Electric Trucks

The scope of the reduced 1% sales tax rate on EVs has been expanded to include electric trucks alongside EV transport buses.

### IMPLICATION

*Commercial fleet operators investing in electric trucks gain access to the same 1% concessional rate previously limited to electric buses, improving project economics.*

## 11th Sched: WHT Expanded

The scope of withholding sales tax on purchases from unregistered persons has been expanded to all registered persons at 5%.

### IMPLICATION

*Every registered business — not just companies — must now withhold 5% sales tax on purchases from unregistered suppliers, widening the compliance net considerably.*

---

# 11th Sched: Toll Manufacturing

Withholding sales tax at a rate equal to four times the normal tax charge introduced on toll manufacturing by unregistered persons.

## IMPLICATION

*Businesses using unregistered toll manufacturers face a steep 4x withholding tax on conversion charges, creating strong pressure to use registered manufacturing partners.*

---

## 12th Sched: Value Addition Tax

3% value addition tax on ad valorem basis along with default surcharge proposed for imported goods supplied in the same state.

### IMPLICATION

*Commercial importers reselling goods without further processing face an additional 3% VAT plus surcharge, raising landed costs for trading businesses.*

## 12th Sched: EV VAT Lapsed

The exemption of 3% Value Addition Tax at import stage on electric vehicles and related CKD kits, available until 30 June 2026, has not been extended.

### IMPLICATION

*Importers of small electric vehicles and CKD kits lose the 3% VAT exemption from 1 July 2026, increasing the landed cost of imported EVs.*

---

# Air Travel FED Reduced

Seeks to reduce the FED on foreign travel on club, business and first-class air tickets issued on or after 1st July 2026.

## IMPLICATION

*Premium and business-class international travellers should see a modest reduction in ticket costs from the lower federal excise duty.*

# Acetate Tow FED Cut

Seeks to reduce FED on import of Acetate Tow from Rs. 44,000/- to Rs. 10,000/-.

## IMPLICATION

*Cigarette filter manufacturers using acetate tow see a sharp drop in input costs, which could influence downstream tobacco product economics.*

---

# Sports Drinks Exempt

Seeks to remove FED on WHO standard compliant Sports/Electrolytes replenishing beverages.

## IMPLICATION

*Manufacturers and consumers of WHO-compliant sports and electrolyte drinks benefit from the removal of excise duty, potentially lowering retail prices.*

---

# EV CKD Exemption Extended

Seeks to extend the exemption on import of CKD kits for electric vehicles for one year.

## IMPLICATION

*EV assemblers continue enjoying duty-free CKD imports for another year, supporting the economics of local electric vehicle assembly.*

---

# E-Cigarette Liquid FED Raised

Seeks to increase the imposition of FED on e-liquid for electronic cigarettes.

## IMPLICATION

*Vaping product prices are likely to rise as manufacturers and importers pass on the higher excise duty on e-liquids to consumers.*

---

# Naphtha/Solvent Oil FED

Seeks to impose FED on Naphtha, Solvent Oil and Turpentine oil under sales tax mode with right of adjustment of input tax.

## IMPLICATION

*Industries using these as raw materials face a new excise duty, though the input tax adjustment mechanism should soften the net cost impact.*

---

# Luxury Electronics & Vehicles

Seeks to impose FED on luxury electronic and Luxury Vehicles.

## IMPLICATION

*Buyers of high-end electronics and premium vehicles face additional excise duty, raising the overall cost of luxury consumer purchases.*

---

# Base Oil FED

Seeks to impose FED on base Oil and base Lubricant Oil.

## IMPLICATION

*Lubricant manufacturers and importers face new excise duty on base oil, which may filter through to automotive and industrial lubricant prices.*

# New Definitions Introduced

Seeks to define advance receipt invoice, algorithmic settlement mechanism and electronic invoice and production monitoring system.

## IMPLICATION

*These definitions lay the legal groundwork for digital compliance tools — businesses should familiarise themselves ahead of system rollouts.*

---

# Faceless Audit Introduced

Seeks to introduce faceless audit and assessment proceedings.

## IMPLICATION

*Businesses under FEA review may have less direct interaction with tax officers, which can increase procedural transparency but requires thorough documentation submitted electronically.*

---

# Destruction of Goods Penalty

Seeks to maximize the penalties for destruction of goods without approval of the Commissioner.

## IMPLICATION

*Businesses must obtain prior Commissioner approval before destroying excisable goods, or face significantly higher penalties — internal protocols should be updated accordingly.*

---

# Case Scrutiny Committee

Seeks to establish independent Cases Scrutiny Committee to reduce unnecessary litigation before competent judicial forums.

## IMPLICATION

*Weaker excise litigation cases may be filtered out earlier, potentially reducing the number of disputes that reach appellate forums.*

---

# Counterfeit Goods Powers

Seeks to restructure the powers of seizing and confiscation of counterfeited excisable goods.

## IMPLICATION

*Businesses dealing in excisable products should ensure their supply chains are verifiably genuine, as authorities gain stronger seizure powers against counterfeits.*

---

# Electronic Monitoring

Seeks to restructure the mechanism of monitoring and tracking by electronic means of excisable goods.

## IMPLICATION

*Manufacturers of excisable goods may face new electronic tracking requirements, meaning investment in compatible monitoring equipment and systems.*

---

# Audit by Accountants

Seeks to rationalize the audit proceedings by appointing auditors or accountants.

## IMPLICATION

*Excise audits may involve third-party accountants, potentially bringing more technical scrutiny — businesses should keep accounting records audit-ready.*

---

# Tariff Rationalization

Seeks to rationalize the different custom tariff.

## IMPLICATION

*Importers across sectors should review the revised tariff schedule, as duty rates on a range of product categories have shifted.*

---

# Raw Material Duty Reduced

Seeks to reduce the existing Customs Duty on different raw materials used by the industrial sectors.

## IMPLICATION

*Manufacturers relying on imported inputs benefit from lower raw material costs, which could improve the competitiveness of finished goods.*

## ACD Reduced (6% to 4%, 4% to 2%)

Seeks to reduce the Additional Customs Duty from 6% to 4% and from 4% to 2% on various products.

### IMPLICATION

*Importers of affected products see a meaningful cut in additional customs duty, reducing the overall landed cost of imports.*

## ACD Eliminated (2% to 0%)

Seeks to eliminate additional Customs Duty from 2% to 0% on different items.

### IMPLICATION

*Specified items become entirely free of additional customs duty, further lowering import costs for businesses sourcing these goods.*

---

# Regulatory Duty Rationalized

Seeks to reduce and rationalize regulatory duty on different items.

## IMPLICATION

*Importers of affected goods see reduced regulatory duty, lowering the protective tariff burden and potentially encouraging more imports of these items.*

---

# Fifth Schedule Entries Deleted

Seeks to delete different entries from Fifth Schedule.

## IMPLICATION

*Items losing their Fifth Schedule concessionary status may face higher duty rates — affected importers should check whether their products are impacted.*

# Cancer APIs Exempt

Seeks to exempt Customs Duty on critical cancer related Active Pharmaceutical Ingredients (APIs).

## IMPLICATION

*Pharmaceutical manufacturers producing cancer treatments benefit from duty-free API imports, potentially helping to contain the cost of essential cancer medicines.*

---

# Construction Vehicles

Seeks to reduce Customs Duty from 20% to 10% on construction related vehicles used by construction related sectors.

## IMPLICATION

*Construction companies importing specialised vehicles see customs duty halved, lowering capital costs for fleet modernisation and project mobilisation.*

---

# Defence Imports Exempt

Seeks to exempt Customs Duty on Defense Imports.

## IMPLICATION

*Defence-related procurement becomes duty-free, reducing costs for imported defence equipment and supplies.*

---

# Agriculture Machinery Exempt

Seeks to exempt Customs Duty, Additional Customs Duty and Regulatory Duty on import of Agriculture Machinery.

## IMPLICATION

*Farmers and agribusinesses importing machinery benefit from a full exemption across three duty categories, meaningfully lowering the cost of mechanisation.*

---

# Bulletproof Vehicles Exempt

Seeks to exempt Customs Duty on Import of Bullet Proof Vehicles by Federal and Provincial Government.

## IMPLICATION

*Government bodies importing armoured vehicles for official use benefit from duty exemption, reducing procurement costs for security fleets.*

---

# Cargo Scanning System

Seeks to introduce system and mechanism of scanning of cargo.

## IMPLICATION

*Importers and exporters may experience faster clearance as scanning technology reduces reliance on time-consuming physical inspections.*

---

# Penalties Rationalized

Seeks to authorize Board to rationalize the penalties and procedure of appeal mechanism.

## IMPLICATION

*Both penalty structures and appeal procedures may change — importers and exporters should review updated rules affecting disputes and compliance costs.*

---

# Delay Detention Penalty

Seeks to maximize the penalty for failure to entertain delay detention certificate.

## IMPLICATION

*Businesses must process delay detention certificates promptly or face steeper penalties, making tighter logistics and documentation management essential.*

---

# Warehouse Misappropriation

Seeks to add penal provisions for unauthorize removal and misappropriation of goods from Customs State Warehouses.

## IMPLICATION

*Bonded warehouse operators and users face stricter consequences for unauthorised removals, requiring tighter inventory controls and record-keeping.*

---

# Removal Scope Expanded

Seeks to expand the word "removal" in order to curb the offenses related thereto.

## IMPLICATION

*A broader range of activities now falls under "removal" offences, so businesses moving goods through customs-controlled areas should review their procedures.*

---

# Faceless Adjudication

Seeks to introduce faceless adjudication proceedings to avoid face-to-face interactions.

## IMPLICATION

*Importers and exporters facing customs disputes may interact less directly with adjudicating officers, which can increase procedural consistency and transparency.*

---

# Asset Freezing Power

Seeks to empower special Judge to freeze assets of the accused during the trial.

## IMPLICATION

*Individuals accused of customs offences now face the risk of having their assets frozen during trial — a significant escalation in enforcement powers.*

---

## Case Scrutiny Committee

Seeks to establish independent case scrutiny committee for examining and deciding matters relating to filing appeals before competent judicial forums.

### IMPLICATION

*Weaker customs litigation cases may be screened out before reaching appellate forums, potentially reducing the burden of prolonged disputes.*

---

# Summons Extended

Seeks to extend the scope of service of summons in line with the Civil Procedure Code, 1908.

## IMPLICATION

*Customs summons procedures will align more closely with civil court practice, which may affect how and when businesses and individuals must respond.*

# Disclaimer & Contact

---

## DISCLAIMER

*The information contained in this document has been prepared on the basis of the Finance Bill 2026 (the “Bill”) and is intended for general information purposes only. It does not constitute legal, tax, or financial advice and should not be relied upon as such. No person should act or refrain from acting on the basis of any content in this document without obtaining appropriate professional advice tailored to their specific circumstances.*

## CONTACT

**Phone** +92-21-35674741-44

**E-mail** shoaib@hza.com.pk | ali.lakhany@hza.com.pk | ravi.pinjani@hza.com.pk | muhammad@hza.com.pk | anas.raza@hza.com.pk | rahim.ahmer@hza.com.pk

**Principal Office** M1 – M4, Mezzanine Floor, Progressive Plaza,  
Beaumont Road, Karachi – 75530, Pakistan

**Website** [www.hza.com.pk](http://www.hza.com.pk)

RHZA

RHZA  
REANDA HAROON ZAKARIA  
ASSOCIATES

---