



Presently the show cause notice for recovery of above mentioned shortfalls was required to be served upon to the taxpayer within three years from the relevant date. Now the bill seeks to replace this period by “Five Years” to harmonize it with Sales Tax Act 1990.

Further the limitation of time line for framing an order was not available under this Act. The bill seeks to insert the following provision in subsection 2 of section 14 to keep it at par with Sales Tax Act:

“Provided that an order under this section shall be made within one hundred and twenty days of issuance of show cause notice or within such extended period as the Commissioner may, for reasons to be recorded in writing, fix, provided that such extended period shall in no case exceed sixty days:

Provided further that any period during which the proceedings are adjourned on account of a stay order or Alternative Dispute Resolution proceedings or the time taken through adjournment by the petitioner not exceeding thirty days shall be excluded from the computation of the periods specified in the first proviso.”

**5. Power to seize**

**Section 26**

Presently unlawful production of cigarettes or on which duty has not been paid as required under the Act is liable to be seized. Now the bill seeks to add the word beverages, by virtue of which such type of beverages will also be subjected to seizer.

**6. Confiscation of cigarettes**

**Section 27**

The word “Beverages” have been inserted wherever the word cigarettes occurring in order to harmonize with section 26 above.

**7. Substitution of acronym**

**Section 29 Subsection 2 Clause (a)**

The bill seeks to substitute the acronym “CBR” with the words “Inland Revenue”.

**8. Amendment in Marginal Note****Section 34**

As this section deals with the appeals to the Appellate Tribunal, therefore, the wordings “and Reference to High Court” in Marginal Note/Heading seems to be superfluous. Hence, the wording sought to be eliminated.

**9. Alternative Dispute Resolution****Section 38**

Presently no specific time period was available for framing a decision by the Board on recommendation of ADRC. Now the bill seeks to restrict the time period of forty five days after submission of recommendation by ADRC.



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**PROPOSED AMENDMENTS IN  
FIRST SCHEDULE OF THE FEDERAL EXCISE ACT 2005.**

Serial No.	Serial No. in Table	Existing		Proposed amendments	
		Description	Rate of duty	Description	Rate of duty
1	4	Aerated waters	Twelve per cent of retail price	No Change	Six per cent of retail price
2	5	Aerated waters, containing added sugar or other sweetening matter or flavored	Twelve per cent of retail price	No Change	Six per cent of retail price
3	6	Aerated waters if manufactured wholly from juices or pulp of indigenous vegetables, food grains or fruits and which do not contain any other ingredient, indigenous or imported, other than sugar, coloring materials, preservatives or additives in quantities prescribed under the West Pakistan Pure Food Rules, 1965.	Ten per cent of retail price	No Change	Six per cent of retail price
4	7	Un-manufactured tobacco	Five rupee per kilogram	No Change	Ten rupee per kilogram
5	9	Locally produced cigarettes if their retail price exceeds [nineteen rupees and fifty paisa] per	Sixty-Five per cent of the retail price.	Locally produced cigarettes if their retail price exceeds	Sixty-five per cent of the retail price.



		ten cigarettes.		twenty one rupees per ten cigarettes.	
6	10	Locally produced cigarettes if their retail price exceeds [Ten rupees] per ten cigarettes but does not exceed nineteen rupees and fifty paise per ten cigarettes.	Five rupees and seventy five paisas per ten cigarettes plus seventy per cent per incremental rupee or part thereof.	Locally produced cigarettes if their retail price exceeds eleven rupees and fifty paise per ten cigarettes but does not exceed twenty one rupees per ten cigarettes.	Six rupees and four paise per ten cigarettes plus seventy per cent per incremental rupee or part thereof.
7	11	<i>Locally produced cigarettes if their retail price does not exceed [Ten rupees] per ten cigarettes</i>	<i>Five rupees and seventy five paisas per ten cigarettes.</i>	<i>Locally produced cigarettes if their retail price does not exceed eleven rupees and fifty paise per ten cigarettes.</i>	<i>Six rupees and four paise per ten cigarettes”;</i>
8	13	Portland cement, aluminous cement, slag cement, super sulphate cement and similar hydraulic cements, whether or not colored or in the form of clinkers	Seven hundred rupees per metric ton.	No Change	Five hundred rupees per metric ton.
9	17	Solvent oil (non-composite)	Thirteen rupee per liter.	Omitted	Omitted
10	18	Other	Eighty eight paise per liter.	Omitted	Omitted
11	21	Other fuel oils	One hundred and eighty five rupees per Metric Ton.	Omitted	Omitted
12	26	Mineral greases	Twenty five	Omitted	Omitted



			rupees per kilogram.		
13	28	Transformer oil	Ten percent of the retail price or seven rupees and fifteen paise per liter, whichever is higher.	Omitted	Omitted
14	29	Other mineral oil excluding sewing machine oil	Fifteen percent Ad Val.	Omitted	Omitted
15	30	Waste oil	Ten per cent of the retail price or seven rupees and fifteen paise per liter whichever is higher.	Omitted	Omitted
16	39	Carbon black oil (carbon black feedstock) Including residue carbon oil	Seven rupees and Fifteen paise per liter.	Omitted	Omitted
17	40	Methyl tertiary butyl ether (MBTE)	Eighty Eight paise per liter.	Omitted	Omitted
18	46	Greases	Twenty five rupees per kilogram.	Omitted	Omitted
19	47	Organic composite solvents and thinners not elsewhere specified or included; prepared paint or varnish removers. (i) Solvent oil (composite)  (ii) Other (excluding thinners)	Thirteen rupee per liter.  Ten per cent of retail price.	Omitted	Omitted



20	48	Viscose-staple fiber	Ten per cent ad valorem.	Omitted	Omitted
21	49	Motor cars and other ; motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars of cylinder capacity exceeding 850cc.	Five per cent ad valorem	Omitted	Omitted
22	50	Filter rods for Cigarettes	One Rupee per filter rod	No Change	Twenty percent ad val
23	51	Air Conditioners	10 percent ad val.	Omitted	Omitted
24	52	Deep Freezers	10 percent ad val.	Omitted	Omitted
25	53	New Insertion	0	White Crystalline Sugar	Eight percent ad val

"Restriction.—For the purpose of levy, collection and payment of duty at the rates specified in column (4) against serial numbers 9, 10 and 11, no cigarette manufacturer shall reduce price from the level adopted on the day of the announcement of the Budget 2011-12.”;

The following amendment has been proposed in the Second Schedule of the Federal Excise Act 2005

Table Serial/ No.	Relevant Entry in Table	Existing		Proposed amendments	
		Description	Corresponding Entry	Description	Corresponding Entry
1	3	New Insertion	0	White Crystalline Sugar	17.99101 1710.9920