

GOVERNMENT OF PAKISTAN  
REVENUE DIVISION  
CENTRAL BOARD OF REVENUE

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C.No.3(1)OT/CAT/91  
21<sup>st</sup> June, 2003.

Islamabad, the

**CIRCULAR NO. 04 OF 2003**

SUBJECT: **CORPORATE ASSETS TAX – EXPLANATION OF AMENDMENTS  
INTRODUCED THROUGH THE FINANCE ACT, 2003..**

Corporate Asset Tax is a one time levy chargeable under Section 12 of the Finance Act, 1991 (XII of 1991) and is payable by a company as defined in the Companies Ordinance, 1984, on the value of fixed assets as per balance sheet drawn between 30.6.1991 and 30.6.1992, both days inclusive. Where a company, liable to pay Corporate Asset Tax has not furnished a return and has failed to pay the due tax within time, is liable to penalty under sub-section (7) and additional tax under sub-section (8) of Section 12.

2. The companies which could not comply with the law have been offering to pay the principal amount of tax provided penalty and additional tax were not charged. The demand appeared genuine since amounts of penalty and additional tax work out to manifold of the principal amount of tax. In order to mitigate genuine hardship of the corporate sector, necessary amendments have been made in the Corporate Assets Tax law by inserting sub-sections (8A) and (8B).

3. Through the Finance Act, 2003, an opportunity to avoid penalty and additional tax has been provided to the companies where:

- (i) no order under sub-section (6) has been passed and the Corporate Assets Tax return is filed alongwith payment of tax due under sub-section (5) during 1<sup>st</sup> of July and 30<sup>th</sup> September, 2003, both days inclusive;
- (ii) a return was filed prior to 01.7.2003 and the tax due under sub-section (5) is paid between 1<sup>st</sup> of July and 30<sup>th</sup> of September, 2003, both days inclusive;
- (iii) a company withdraws pending appeal, rectification or revision filed under sub-section (10) and the tax due under sub-section (5) stands paid by 30<sup>th</sup> June, 2003 or is now paid by 30<sup>th</sup> September, 2003; or
- (iv) a company has not filed an appeal, revision or rectification under sub-section (10) against an order passed under sub-section (6) and has paid the tax due under sub-section (5) by 30<sup>th</sup> September, 2003.

4. As provided in the newly inserted sub-section (8B), any amount of penalty or additional tax paid by 30<sup>th</sup> June, 2003 shall not be refunded.

(Saeedullah Khan)  
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