

**THE PUNJAB FINANCE ACT 2018**  
**(XXX of 2018)**

<b>CONTENTS</b>
-----------------

1. **Short title, extent and commencement**
2. **Amendment in Act II of 1899**
3. **Amendment in Act XXXII of 1958**
4. **Amendments in Act XLII of 2012**
5. **Amendments in Act XLIII of 2012**
6. **[\*\*\*\*\*]**

**TEXT**

**'THE PUNJAB FINANCE ACT 2018  
(XXX of 2018)**

*[29 October 2018]*

**An  
Act**

*to levy, alter and rationalize certain taxes and duties in the Punjab.*

It is necessary in public interest to levy, alter and rationalize certain taxes and duties in the Punjab; and, to deal with ancillary matters.

Be it enacted by Provincial Assembly of the Punjab as follows:

**1. Short title, extent and commencement.**— (1) This Act may be cited as the Punjab Finance Act 2018.

(2) It extends to whole of the Punjab.

(3) It shall come into force on the first day of November 2018.

**2. Amendment in Act II of 1899.**— In the Stamp Act 1899 (*II of 1899*), in Schedule-I:

(a) In Article-1, for the existing entries in column 2 and 3, the following shall be substituted:

**“ACKNOWLEDGMENT** of a debt exceeding twenty rupees in amount or value, written or signed by, or on behalf of, a debtor in order to supply evidence of such debt in any book other than a banker’s pass-book or on a separate piece of paper when such book or paper is left in the creditor’s possession:

Provided that such acknowledgment does not contain any promise to pay the debt or any stipulation to pay interest or to deliver any goods or other property-

(a) where such amount does not exceed ten thousand rupees Ten rupees

(b) where such amount exceeds ten thousand rupees but does not Twenty rupees

---

<sup>1</sup>This Act was passed by the Provincial Assembly of the Punjab on 25 October 2018; assented to by the Governor of the Punjab on 26 October 2018; and, was published in the Punjab Gazette (Extraordinary), dated: 29 October 2018, pp.805-818

exceed twenty thousand rupees.

Fifty rupees.”

- (c) where such amount exceeds twenty thousand rupees.

- (b) In Article 19, for the existing entries in column 2 and column 3, the following shall be substituted.

“**CERTIFICATE OR OTHER DOCUMENT** evidencing the right or title of the holder thereof or any other person, either to any shares, scrip or stock in or of any incorporated company or other body corporate, or to become proprietor of shares, scrip or stock in or of any such company or body. One hundred rupees.”

- (c) In Article 22-A for the existing entries in column 2 and column 3, the following shall be substituted:

“**CONTRACT**, that is to say any instrument of the nature of memorandum of Agreement made or entered into by a contractor with Government, Corporation, Local Body, Local Authority, agency or organization set up or controlled by the Federal or the Provincial Government-

- (a) to execute any work-

(i) where the amount of the contract does not exceed five lac rupees. Twelve hundred rupees

(ii) where it exceeds five lac rupees but does not exceed ten lac rupees. Two thousand rupees

(iii) where it exceeds ten lac rupees but does not exceed fifty lac rupees. Three thousand rupees

(iv) where it exceeds fifty lac rupees but does not exceed one crore and fifty lac rupees. Five thousand rupees

(v) where it exceeds

one crore and fifty  
lac rupees.

Ten thousand  
rupees

(b) to procure stores and  
materials

Twenty-five paises  
for every one  
hundred rupees or  
part thereof of the  
amount of the  
contract subject to a  
minimum of twelve  
hundred rupees.”

- (d) In Article 25, for the existing entries in column 2 and column 3, the following shall be substituted.

**“COUNTERPART OR  
DUPLICATE** of any  
instrument chargeable with  
duty and in respect of  
which the proper duty has  
been paid—

(a) if the duty with which  
the original instrument is  
chargeable does not exceed  
fifty rupees;

Fifty rupees

(b) in any other case

One hundred  
rupees.”

**Exemption –**

Counterpart of any lease  
granted to cultivator when  
such lease is exempted  
from duty.

- (e) In Article 28 for the existing entries in column 2 and column 3 the following shall be substituted –

**“DELIVERY-ORDER IN  
RESPECT OF GOODS,**  
that is to say, any  
instrument entitling any  
person therein named, or  
his assigns or the holder  
thereof, to the delivery of  
any goods lying in any

One hundred  
rupees.”

dock or port, or in any ware-house in which goods are stored or deposited on rent or hire, or upon any wharf such instrument being signed by or on behalf of the owner of such goods upon the sale or transfer of the property therein, when such goods exceed in value twenty rupees.

**DEPOSIT OF TITLE-DEEDS. see AGREEMENT relating to DEPOSIT OF TITLE-DEEDS, PAWN OR PLEDGE (No.6).**

**DISSOLUTION OF PARTNERSHIP, See PARTNERSHIP (No. 46).**

- (f) In Article 36 for the existing entries in column 2 and column 3 the following shall be substituted –

**“LETTER OF ALLOTMENT OF SHARES** in any company or proposed company or in respect of any loan to be raised by any company or proposed company. Fifty rupees”

See also **CERTIFICATE OR OTHER DOCUMENT (No. 19).**

- (g) In Article 42 for the existing entries in column 2 and column 3 the following shall be substituted–

**“NOTARIAL ACT,** that is to say, any instrument, endorsement, note, attestation, certificate or entry not being a **PROTEST (No. 50)** made Fifty rupees.”

or signed by a Notary Public in the execution of the duties of his office, or by any other person lawfully acting as a Notary Public.

See also **PROTEST OF BILL OR NOTE (No.50).**

- (h) In Article 47 for the existing entries in column 2 and column 3 the following shall be substituted—

**“POLICY OF INSURANCE—**

**A-See INSURANCE** (*see section 7*)—

(1) For each voyage—	if drawn singly.	if drawn in duplicate, for each part.
(i) where the premium or consideration does not exceed the rate of 1/8 percent of the amount insured by the policy; for every full sum of Rs. 5,000 and also any fractional parts thereof insured by the policy— ;	Ten rupees	Ten rupees
(ii) in any other case, in respect of every full sum of Rs. 2,000 and also any fractional part thereof insured by the policy— .	Ten rupees	Ten rupees
(2) For time—		
in respect of every full sum of Rs.2,000 or part thereof insured by the policy—		
(i) where the insurance shall be made for any time not exceeding six months;	Ten rupees	Ten rupees
(ii) where the insurance shall be made	Twenty rupees	Ten rupees

for any time exceeding six months and not exceeding twelve months— .

**B-FIRE-INSURANCE AND OTHER CLASSES OF INSURANCE, NOT ELSEWHERE INCLUDED IN THIS ARTICLE, COVERING GOODS, MERCHANDISE, PERSONAL EFFECTS, CROPS, AND OTHER PROPERTY AGAINST LOSS OR DAMAGE—**

(1) in respect of an original policy—

(i) when the sum insured does not exceed Rs.5,000; Fifty rupees

(ii) in any other case and One hundred rupees

(2) in respect of each receipt for any payment of a premium on any renewal of an original policy. One half of the duty payable in respect of the original policy in addition to the amount, if any, chargeable under No. 53

**C-ACCIDENT AND SICKNESS-INSURANCE—**

(a) Against railway accident, valid for a single journey only. Fifty rupees

***Exemption***

When issued to a passenger travelling by the intermediate or the third class in any railway.

(b) In any other case for the maximum amount which may become payable in the case of any single accident or sickness where such amount does not exceed Rs.2,000 and also where such amount exceeds Rs.2,000 for every Rs.2,000 or part thereof. Ten rupees; provided that, in case of a policy of insurance against death by accident when the annual premium payable does not exceed Rs. 10 per Rs.

100,000 the duty on such instrument shall be ten rupees for every Rs. 1,000 or part thereof of the maximum amount which may become payable under it.

**D-INSURANCE BY WAY OF INDEMNITY-** Against liability to pay damages on account of accidents to workmen employed by or under the insurer or against liability to pay compensation under the Workmen's Compensation Act, 1923, for every Rs.100 or part thereof payable as premium. Three rupees

**E-LIFE INSURANCE OR OTHER INSURANCE NOT SPECIFICALLY PROVIDED FOR,** except such a **RE-INSURANCE** as is described in Division of this article-

	If drawn singly	If drawn in duplicate for each part
--	-----------------	-------------------------------------

(i) for every sum insured not exceeding Rs.250;	Ten rupees	Ten rupees
---	------------	------------

(ii) for every sum insured exceeding Rs.250 but not exceeding Rs.500;	Ten rupees	Ten rupees
---	------------	------------

(iii) for every sum insured exceeding Rs.500 but not exceeding Rs.1,000 and also for every Rs.1,000 or part thereof in excess of Rs.1,000.	Ten rupees	Ten rupees
--	------------	------------

**Exemption**

Policies of life insurance granted by the Director-General of Post Offices in accordance with rules

for Postal Life Insurance issued under the authority of the Federal Government.

**F-RE-INSURANCE BY AN INSURANCE COMPANY WHICH HAS GRANTED A POLICY OF THE NATURE SPECIFIED IN DIVISION A OR DIVISION B OF THIS ARTICLE WITH ANOTHER COMPANY BY WAY OF INDEMNITY OR GUARANTEE AGAINST THE PAYMENT ON THE ORIGINAL INSURANCE OF A CERTAIN PART OF THE SUM INSURED THEREBY.**

One half of the duty payable in respect of the original insurance but not less than ten rupees or more than one hundred rupees

***General Exemption***

Letter of cover or engagement to issue a policy of insurance:

Provided that, unless such letter or engagement bears the stamp prescribed by this Act for such policy nothing shall be claimable thereunder, nor shall it be available for any purpose, except to compel the delivery of the policy therein mentioned.

(i) In Article 49 for the existing entries in column 2 and column 3 the following shall be substituted—

**“PROMISSORY NOTE** as defined by section 2(22)—

(a) when payable on demand—

(i) when the amount or value does not exceed Rs. 2,50,000/- Two hundred rupees

(ii) when the amount or value exceeds Rs. 2,50,000/- but does not exceed Rs. 5,00,000/- Three hundred rupees

(iii) in any other case Five hundred rupees”

(b) when payable otherwise than on demand, including a commercial paper. One-fiftieth of one percent, that is to say, 0.02% per

annum of the amount payable subject to a maximum of one hundred thousand rupees.

- (j) In Article 50 for the existing entries in column 2 and column 3 the following shall be substituted—

**“PROTEST OF BILL OR NOTE,** that is to say, any declaration in writing made by a Notary Public, or other person lawfully acting as such, attesting the dishonour of a Bill of Exchange for promissory note. One hundred rupees.”

- (k) In Article 52 for the existing entries in column 2 and column 3 the following shall be substituted—

**“PROXY** empowering any person to vote at any one election of the members of a district or local board or of a body of municipal commissioners, or at any one meeting of (a) members of an incorporated company or other body corporate whose stock or funds is or are divided into shares and transferable; (b) a local authority; or (c) proprietors, members or contributors to the funds of any institution. Fifty rupees.”

- (l) In Article 53 for the existing entries in column 2 and column 3 the following shall be substituted –

**“RECEIPTS** as defined by section 2 (23) for any money or other property the amount or value of which exceeds twenty rupees—

- (a) where such amount does not exceed ten thousand rupees Ten rupees

- (b) where such amount exceeds ten thousand rupees but does not exceed twenty thousand rupees Twenty rupees
- (c) where such amount exceeds twenty thousand rupees Fifty rupees.”

### ***Exemptions***

#### Receipts–

(a) endorsed on or contained in any instrument duly stamped or any instrument exempted under the proviso to section 3 (instruments executed on behalf of the Government) or any cheque or bill of exchange, payable on demand acknowledging the receipt of the consideration money therein expressed, or the receipt of any principal-money, interest or annuity, or other periodical payment thereby secured;

(b) for any payment of money without consideration;

(c) for any payment of rent by a cultivator on account of land assessed to Government revenue;

(d) for pay or allowances by non-commissioned or petty officers, soldiers, sailors or airmen of the armed forces of Pakistan/Pakistan's military, naval or air forces, when serving in such capacity, or by mounted police-constables;

(e) given by holders of family-certificates in cases where the person from whose pay or allowances the sum

comprised in the receipt has been assigned as a non-commissioned or petty officer, soldier, sailor or airman, or any of the said forces and serving in such capacity;

(f) for pensions or allowances by persons receiving such pensions or allowances in respect of their services as such, non-commissioned or petty officers, soldiers, sailors or airmen, and not serving the State in any other capacity;

(g) given by a headman or lambardar for land-revenue or taxes collected by him;

(h) given for money or securities for money deposited in the hands of any banker to be accounted for:

Provided that the same is not expressed to be received of, or by the hands of, any other than the person to whom the same is to be accounted for:

Provided also that this exemption shall not extend to receipt or acknowledgment for any sum paid or deposited for, or upon a letter of allotment of a share, or in respect of a call upon any scrip or share of, or in, any incorporated company or other body corporate or such proposed or intended company or body or in respect of a debenture being a marketable security.

**3. Amendment in Act XXXII of 1958.**— In the Punjab Motor Vehicle Taxation Act, 1958 (*XXXII of 1958*), in the SCHEDULE:

- (a) at S.No.1, in clauses (a) and (b), in column No. 2, for the figure “1200”, the figure “1500” shall be substituted; and

- (b) at S.No.4, in clause (b), in sub-clause (i) and in the proviso thereto, in column No. 2, for the word “ten”, wherever occurs, the word “fifteen” shall be substituted.

**4. Amendments in Act XLII of 2012.**— In the Punjab Sales Tax on Services Act 2012 (*XLII of 2012*):

- (1) In section 2, after clause (9), the following new clauses (9A) and (9B) shall be inserted:
- “(9A) “commission” includes any consideration in whatever form, received or receivable directly or indirectly, by a person acting on behalf of another person for services rendered, not being professional services, in the course of buying or selling of goods or services or in relation to any transaction relating to any asset, valuable article or thing, not being securities;
- “(9B) “commission agent” means a person who acts for consideration on behalf of another person for sale or purchase of goods or provision or receipt of services, and includes any person who, while acting on behalf of another person:
- (a) deals with goods, services or documents of title of such goods or services;
- (b) collects payment in lieu of such goods or services;
- (c) guarantees for collection or payment for such goods or services; or
- (d) undertakes any activity relating to sale or purchase of such goods or provision or receipt of services.”.
- (2) In section 6, in subsection (1), in clause (b), after the word “movable” the words “or immovable” shall be inserted.
- (3) In section 18, for subsection (1), the following shall be substituted:
- “(1) Notwithstanding anything to the contrary contained in this Act or any other law for the time being in force, tax in respect of a taxable service provided during a tax period shall be paid by a person at the time of filing the return in respect of that period under Chapter VI.”.
- (4) In section 27:
- (1) in subsections (1) and (2), for the word “Authority” wherever occurs, the word “Commissioner” shall be substituted; and
- (2) for subsection (3) the following shall be substituted:
- “(3) The Authority may, by notification in the official Gazette, authorize any other officer to perform any of the functions under this section relating to compulsory registration of a person for any of the taxable services.”.

- (5) In section 31, in subsection (5), for the expression “Companies Ordinance, 1984 (XLVII of 1984)”, the expression “Companies Act, 2017 (XIX of 2017)” shall be substituted.
- (6) In section 32, in subsection (1), for the word “six”, the word “eight” shall be substituted.
- (7) In section 35, in subsection (1), the words “a designated bank or any other office specified by” shall be omitted.
- (8) In section 48, in subsection (2), in the TABLE, in columns 1 to 4, after S.No.14, the following new entries shall be inserted:

“15	Where any person:  (a) avoids, denies or obstructs installation of electronic invoice monitoring system at a business premises; or  (b) fails to comply with the electronic invoice monitoring system or issues invoices bypassing the system.	Such person shall be liable to pay a penalty of up to one hundred thousand rupees, but not less than twenty five thousand rupees. In case of three acts of commission or omission, the business premises of such person may further be liable to be sealed for a period which may extend to one month.	59A
16	Where any person:  (a) causes intentional damage to or intervention in the electronic invoice monitoring system; or  (b) impedes or obstructs transmission of invoice data to the Authority.	Such person shall be liable to pay a penalty of one hundred thousand rupees for each act of commission. In case of three acts of such commission, the business premises of such person shall be liable to be sealed for a period which may extend to one month and such person shall further be liable, upon conviction by a Special Judge, to imprisonment for a term which may extend to one year, or with fine which may extend to the amount equal to the tax payable for the tax period to which the offence relates, or with both.”	59A

(9) In section 52, in subsections (1) and (2), for the word “five” wherever occurs, the word “eight” shall be substituted.

(10) After section 59, the following new sections 59A and 59B shall be inserted:

**“59A. Power to Seal the Business Premises.–** When an officer of the Authority not below the rank of Commissioner has reason to believe that the Act or the rules made thereunder are not obeyed and observed at a business premises, he may by an order in writing, seal that premises for a period which may extend to one month upon giving a notice in writing to this effect.

**59B. Monitoring or Tracking by Electronic or other Means.–** (1) Subject to such conditions, restrictions and procedures, as it deems fit to impose, the Authority may, by notification in the official Gazette, determine any registered person or class of registered persons or any of the services or class of services in respect of which monitoring or tracking of provision of service or services may be enforced through electronic or other means.

(2) The Authority may, in the prescribed manner, devise and enforce an electronic system for monitoring and capturing the transactions recorded or the invoices issued by a registered person or a class of registered persons or a service or services or class of services, and for transferring the electronic information so obtained to its computer system at such times as it deems fit.

(3) The Commissioner may order, as and when required, video vigilance of the economic activity of a registered person or class of registered persons to monitor provision of taxable services including counting of heads of visiting customers, occupancy of sitting space and regularity of issuance of invoices.

(4) For the purpose of this section, the Authority shall, in the prescribed manner, take measures for the security protection and processing of personal data of natural persons.

(5) From such date as may be specified by the Authority, the persons providing or rendering taxable services shall compulsorily use such electronic means, modes or systems, as may be prescribed by the Authority for issuance of tax invoice.”.

(11) After section 67, the following new section 67A shall be inserted:

**“67A. Reference to the High Court.–** (1) A reference to the High Court shall lie only if a question of law is involved in a case.

(2) Notwithstanding anything contained in section 67, a taxpayer or the officer not below the rank of Additional Commissioner, aggrieved by any decision or order of the Appellate Tribunal may, within sixty days of communication of such decision or order, prefer a reference, in the prescribed form, along with a statement of the facts

of the case and the question of law involved in that case to the Lahore High Court Lahore.

(3) The reference under this section shall be heard by a Bench of at least two Judges of the High Court and the provisions of section 98 of the Code of Civil Procedure 1908 (*V of 1908*) shall apply *mutatis mutandis* to such reference.

(4) The High Court shall send a copy of its judgment under the seal of the Court to the Appellate Tribunal.

(5) Notwithstanding a reference preferred in the High Court under this section, the tax shall be paid in accordance with the order of the Appellate Tribunal.

(6) If the tax liability is reduced by the High Court and the Authority decides to seek leave to appeal to the Supreme Court, the Authority may, within thirty days of the receipt of the judgment in the reference, apply to the High Court to postpone the refund of tax until the decision by the Supreme Court.

(7) Section 5 of the Limitation Act 1908 (*IX of 1908*) shall apply to a reference under this section.

(8) A court fee of rupees one thousand shall be paid for a reference under this section except when it is filed by the Authority.”.

(12) In Second Schedule:

(i) in serial No.4, in column 2, after the word “businesses”, the words “including any cash collection incidental thereto” shall be inserted;

(ii) in serial No.7, in column 2, for the existing entry, the following shall be substituted:

“Services provided in respect of insurance to a policy holder by an insurer, including a re-insurer for:

- (a) fire insurance;
- (b) goods insurance;
- (c) health insurance;
- (d) life insurance;
- (e) marine insurance;
- (f) theft insurance; and
- (g) any other insurance.

**EXCLUDING:**

- (a) marine insurance for export; and
- (b) crop insurance.”;

(iii) in serial No.14, in column 4, for the existing entry, the following shall be substituted:

“five percent without input tax credit/adjustment in respect of Government civil works and sixteen percent with input tax credit/adjustment for others”;

- (iv) in serial No.18, in column 2, the words “including cosmetic and plastic surgery and hair transplants” shall be omitted;
- (v) in serial No.24, in column 2, after the words “convention services” the expression “including provision of space, equipment, accessories and other allied services” shall be inserted;
- (vi) in serial No.48:
  - (a) in column 2, the following shall be omitted:  
**“EXCLUDING:**  
Services provided by an individual owner of a vehicle for carriage of goods.”;
  - (b) in column 4, for the words “Sixteen percent”, the words “Fifteen percent” shall be substituted;
- (vii) in serial No.56, in column 2, for the existing entry, the following shall be substituted:  
“Debt Collection, rent collection and similar other recovery or collection services including right to collect the toll or fee or regulatory fee or duty or any other similar collection;
- (viii) in serial No.60, in column 2, for the existing entry, the following shall be substituted:  
“Services provided by skin and laser clinics, cosmetic and plastic surgeons and hair transplant services including consultation services.  
**Excluding:**  
Services provided to acid or burn victims.”;
- (ix) in serial No.61, in column 2, for the existing entry, the following shall be substituted:  
“Services provided by warehouses or depots for storage or cold storages including letting of space for storages.  
**Excluding:**  
Storage of agriculture produce for the person’s own consumption.”;
- (x) after serial No. 62, in columns 1 to 4, the following new entries shall be inserted at serial No. 63:

“63	Parking services	Respective headings	Sixteen percent”
-----	------------------	---------------------	------------------

**5. Amendments in Act XLIII of 2012.**— In the Punjab Revenue Authority Act 2012, (XLIII of 2012):

- (1) In section 3, in subsection (4), for the words “not less than four members to” the words “such number of members as may” shall be substituted.
- (2) In Chapter VI, for the heading “APPEALS AND REFERENCES”, the heading “APPELLATE TRIBUNAL”, shall be substituted.
- (3) In section 18, in subsection (3), in clause (a), in sub-clause (iii), after the word “belongs” the word “or has belonged” shall be inserted.
- (4) Sections 19 and 20 shall be omitted.

**6.** <sup>2</sup>[\* \* \* \* \* ]

---

<sup>2</sup>Omitted by the Punjab Finance Act 2019 (XV of 2019), published in the Punjab Gazette (Extraordinary), dated: 28 June 2019, pp. 4105-4114, s. 9.