M2- BUSINESS TAXATION
(Managerial Level-1)
Practical Industry Knowledge (PIK) Stream

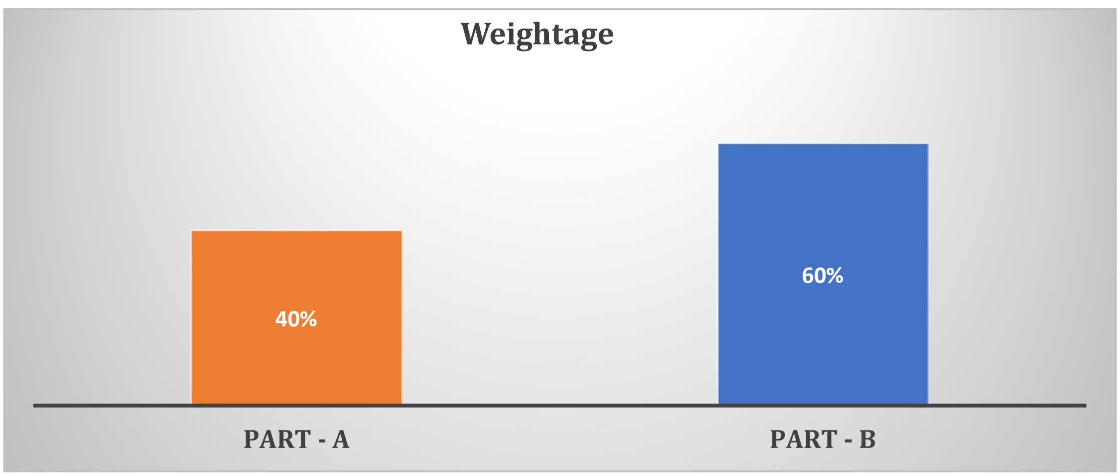
INTRODUCTION
This course covers Income Tax Ordinance, 2001, the Income Tax Rules, 2002 and indirect tax Laws such as the Sales Tax Act, 1990, Sales Tax Rules, and Federal Excise Act as amended to-date. The objective of this course is to equip the students with an in-depth knowledge of direct and indirect tax laws applicable in Pakistan.

OBJECTIVES
To provide the students with an in-depth knowledge of direct and indirect taxes to deal with day-to-day practical issues regarding computation of tax liabilities, taxable income, refund and filing of annual and monthly returns.

LEARNING OUTCOMES
On completion of this course, students will be able to:

- Understand the objectives of levy of taxation, and its basic concepts
- Comprehend the system of taxation in Pakistan
- Explain provisions of Income Tax Laws mainly relevant to individuals and association of persons and corporate entities
- Understand features of the direct and indirect taxes;
- Execute record-keeping, filing and tax payment requirements of principal types of taxation, relating to business;
- Recommend the management on issues, pertaining to tax liabilities of company or firm, arising from various types of income.
- Elucidate relevant Sales Tax Laws and rules
- Understand the underlying concepts of Federal Excise Act and Rules

SYLLABUS CONTENTS



PART - A
INCOME TAX

1. **Income Tax Ordinance, 2001**
   - Computation of Tax on taxable income (Sections 12, to 40, 113,113C, 168 to 169 excluding salaries of special cases such as salary of government employees, armed forces, judges etc, and special cases such as leasing companies, modaraba, non-profit organization etc)
   - Exemptions and concessions, (sections 41 to 55)
   - Deductible allowances (Sections 60 to 60D
   - Tax credits (section 61 to 65G)
   - Foreign source income of residents, taxation of permanent establishment, thin capitalization, avoidance of double taxation and anti-avoidance
     - Sections 102 to 112 excluding 109A)
   - Filing of returns of income (Sections 114 to 119)
   - Assessment, Appeals and Audit (sections 120 to 136, 174 to 180)
   - Defaults and penalties (182 to 205A including all general concepts and excluding specific rates, amounts and imprisonment).
   - Collection & recovery of tax, advance tax, final tax, and withholding tax

- Refund of tax and withholding tax (sections 170 to 171A)
- Relevant schedules to the Income Tax Ordinance 2001

2. Income Tax Rules, 2002

- Income tax rules relating to sections specified in Income Tax Ordinance.

PART - B
SALES TAX

3. The Sales Tax Act, 1990

- Scope and payment of tax; (sections 3 to 13, 73)
- Registration; Sections (14 to 21A)
- Book-keeping and invoicing requirements; Sections (22 to 25AA)
- Returns; Sections (26 to 29)
- Offences and penalties, appeals and recovery of arrears. Sections (30 to 40D, 45A to 48, 72B) (General concepts of offences and penalties only however, excluding detailed list of penalties)

4. The Sales Tax Rules, 2006

- Sales tax rules relating to sections specified in Sales Tax Act including
- Rule 2(1) clause ii, xi, xiv, xvi, xvii, xxi, xxi-c, xxvi, xxix, xxx, xxxi, xxxii, xlvii, xlix, liv-a, lv, lx-a,
- Reasons and procedure for de-registration including filing of final return
- Situations under which credit and debit notes may be issued and adjustment on the basis of such notes
- Treatment of input tax in case of wastage or destruction of goods
- Application of formula for apportionment of input tax with the concept of provisional and final adjustments,
- Eligibility and procedure for issuance of electronic sales tax invoices
- Payment of Sales Tax by Retailers
- Providing Services Subject to Tax Under Provincial Laws
- Refund Claim by the Persons Engaged in Making Zero Rates, payment of sales Tax by Importers