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PART-IV

PROVINCIAL ASSEMBLY OF SINDH
NOTIFICATION
KARACHI, THE 05TH JULY, 2010

NO.PAS/Legis-B-18/2010- The Sindh Finance Bill, 2010 having been passed by the Provincial Assembly of Sindh on 26th June, 2010 and assented to by the Governor of Sindh on 02nd July, 2010 is hereby published as an Act of the Legislature of Sindh.

THE SINDH FINANCE ACT, 2010
SINDH ACT NO: XIII OF 2010

**AN
ACT**

to rationalize certain duties and taxes and provide for levy of Capital Value Tax on immovable property, in the Province of Sindh and to amend relevant laws.

WHEREAS it is expedient to rationalize certain duties and taxes and provide for levy of Capital Value Tax on immovable property, in the Province of Sindh and to amend relevant laws, in the manner hereinafter appearing; **Preamble.**

It is hereby enacted as follows :-

Short title and commencement.

1. (1) This Act may be called the Sindh Finance Act, 2010.
(2) It shall come into force on and from 1st day of July, 2010.

Amendment of Schedule to Act II of 1899.

2. In the Schedule to the Stamp Act, 1899, in its application to the Province of Sindh –

- (a) in Article 10, in clause (C), for column 2, the following shall be substituted:-

“0.05 percent of the amount per annum on first issue and 0.02 percent per annum of the amount of the commercial paper on subsequent transfer”;

- (b) for Article 16, the following shall be substituted:-

“16. (A) Conveyance as defined by section 2 (10) not being a Transfer charged or exempted under Article No.31.

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| (i) in favour of Real Estate Investment Trusts. | 0.5 percent in accordance with the valuation table under section 27-A. |
| (ii) In favour of end users by Real Estate Investment Trusts. | 1 percent according to market value |
| (iii) In any other case. | 2 percent of the value in accordance with the valuation table. |

B) Transfer of lease by way of assignment. 2 percent of the amount of consideration for such transfer”.

3. In the Sind Urban Immoveable Property Tax Act, 1958, in section 4, for clause (g), the following shall be substituted:-

Amendment of
WP Act V of
1958

“(g) buildings and lands, annual value of which does not exceed forty eight thousand rupees, owned by widows, minor orphans, permanently disabled persons”.

4. (1) There shall be levied and collected a tax on the capital value of immovable property to be called Capital Value Tax on immovable property which shall be payable by every individual, association of persons, firm, a development authority or a company which acquires by purchase, by gift, exchange, owner of attorney other than revocable and time bound (not exceeding 60 days) executed between spouses, father, mother and son or daughter, grand parents and grand children, brother and sister, surrender or relinquishment of rights by the owner, whether affected orally or by deed or obtained through court decree except by inheritance or gift from spouse, parents, grandparent, a brother and a sister or a right to use thereof for more than 20 years or renewal of the lease by a resident of Sindh or by any other person who is non-resident and acquires immovable property in Sindh, at the rates specified in subsection (3):

Levy of tax
on capital
value of
immovable
property

Provided that in case of a bank the capital value tax shall be paid when the general power of attorney is used to sale the mortgaged immovable property offered as collateral other than traded security for obtaining loan.

- (2) Definition and explanation, expression and terms, for the purpose of this section:
- (a) “association of persons” includes a firm, a Hindu undivided family, any artificial juridical person and any body of persons formed under a foreign law, but does not include a company;
- (b) “firm” shall have the same meaning as defined in the Partnership Act.
- (c) “company” means –
- (i) a company defined in the Companies Ordinance, 1984 (XL VII of 1984);

- (ii) a body corporate formed by or under any law in force in Pakistan;
 - (iii) a modarba;
 - (iv) a body incorporated by or under the law of a country outside Pakistan relating to incorporation of companies;
 - (v) a trust, a co-operative society or a finance society (for any other society established or constituted by or under any law for the time being in force)
 - (vi) a foreign association, whether incorporated or not, which the (Government) has, by general or special order, declared to be a company for the purposes of this Ordinance.
- (d) "Development Authority" means an authority formed by or under any law for the purpose of development of an area and includes any authority, society, agency, trust association or institution declared or formed or created by law or formed by order, rule, regulation, as development authority which also operates or is located in Sindh, or as may be declared as development authority by Government;
- (e) "Government" means the Government of Sindh;
- (f) "area" means such areas as Government may from time to time, by notification in the official gazette specify;
- (g) "prescribed" means prescribed under the rules, made by the Government;
- (h) "tax" means, tax on the capital value on the immovable property;
- (i) "immovable property" includes property defined in the Sind Urban Immoveable Property Act, 1958 and includes property items as shown in sub-section (3).
- (3) The Capital Value Tax on immovable property referred to in sub-section(1) shall be charged at the following rates:-

A. Residential immovable property (other than flats), situated in Sindh.

i.	Where the value of immovable property is recorded.	
	a. From 240 sq. yd. to 499 sq. yd.	2% of the recorded value
	b. From 500 sq. Yd. to 1000 sq. yd.	2.5% of the recorded value
	c. From 1001 sq. yd. and above.	3% of the recorded value
ii.	Where the value of immovable property is not recorded	Rs.75 per square yard of the landed area

B. Residential flats situated in Sindh.

i.	Where the value of immovable property is recorded	
	a. From 1000 sq. ft. to 1500 sq. ft. areas in Category A-1 and I of the valuation table	2% of the recorded value
	b. From 1501 sq. ft. to 2200 sq .ft. in all categories of the valuation table.	2% of the recorded value
	c. Above 2201 sq. ft. in all categories of the valuation table.	2.5% of the recorded value.
ii.	Where the value of immovable property is not recorded	Rs.10 per square feet of the landed area

C. Commercial and Industrial immovable property situated in Sindh.

i.	Where the value of immovable property is recorded.	2.5% of the recorded value
ii.	Where the value of immovable property is not recorded	Rs.100 per square yard of the landed area."

- (4) The capital value tax shall be collected by the person responsible for registering or attesting the transfer of immovable property under law in respect of which tax is payable at the time of registering or attesting the transfer.
- (5) Where any person fails to collect or having collected fails to pay the capital value tax as required, he shall be personally liable to pay the tax (alongwith additional tax at the rate of 15% per annum for the period for which such tax or part thereof remain unpaid).
- (6) Government may revise the assessment of value of the tax, where revision is necessitated on the basis of the application filed.
- (7) The Government may, by notification in the official gazette, exempt any person or class of persons or asset or class of assets from the capital value tax provided that such exemption may be subjected to such conditions as may be specified in the notification.
- (8) Notwithstanding anything contained in any other law for the time being in force in the Province, the tax on the value of immovable property shall be in addition to any tax or duty, charge, cess or any other levy on the immovable property.

BY ORDER OF THE SPEAKER
PROVINCIAL ASSEMBLY OF SINDH

HADI BUX BURIRO
SECRETARY
PROVINCIAL ASSEMBLY OF SINDH