

PBA/06-12/Cir-7970  
June 6, 2012

**All Accredited Advertising Agencies / MBHs  
Pakistan Broadcasters Association**

---

**Circular – Exemption of Electronic Media in respect of deduction of Withholding Tax as per Finance Act, 2012.**

Dear Sir;

You are hereby informed that payments made to the electronic media in respect of advertising services are now exempted from the requirement of deduction of withholding tax as per the Finance Bill 2012-13.

Hitherto, clause 16(A) contained in Part IV of the Second Schedule of the Ordinance provided an exemption from the provisions of Section 153(1)(b) of the Ordinance only in respect of the news print media.

However, Section 55 (III)(B) of the Act has amended the said clause 16(A) to read as follows:

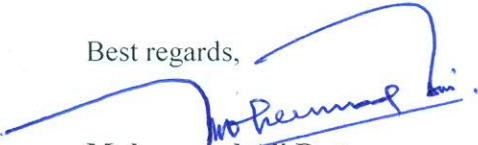
*“16A. The provisions of section 153(1)(b) shall not be applicable to the persons making payments to electronic and print media services in respect of the advertising services.”* [Emphasis added].

Thus the exemption available under clause 16(A) contained in Part IV of the Second Schedule of the Ordinance has now been extended to the **Electronic Media** as well. As such, no deduction is required to be made under Section 153(1)(b) of the Ordinance when making payment to the electronic media in respect of advertising services.

You are, therefore, directed not to deduct any tax pursuant to Section 153(1)(b) of the Ordinance when making payment to our member broadcasters in respect of advertising services.

Please feel free to contact us should you require any further information with regard to the above.

Best regards,



**Muhammad Ali Butt**  
Executive Director