

CIRCULAR

PBA/06-12/Cir-7971
June 6, 2012

All Members / Associate Members
Pakistan Broadcasters Association

Circular – Exemption of electronic media in respect of deduction of withholding tax as per Finance Act, 2012.

Dear Sir,

We are pleased to inform you that as a result of PBA's continuous and tireless efforts, payments made to the **Electronic Media** in respect of advertising services are now exempt from the requirement of deduction of withholding tax as per the Finance Act, 2012 ("Act").

Hitherto, an exemption was enjoyed only by the news print media by virtue of clause 16(A) contained in Part IV of the Second Schedule to the Income Tax Ordinance, 2001 ("Ordinance") in respect of the tax liable to be deducted by prescribed persons under Section 153(1)(b) of the Ordinance.

This exemption has now been extended to the electronic media as well by way of appropriate amendments made Section 55 (III)(B) of the Act. As such, no tax is liable to be deducted pursuant to Section 153(1)(b) of the Ordinance when making payment to the electronic media 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