

EXTRAORDINARY

Registered No. M 324



The Sindh Government Gazette

Published by Authority

KARACHI SATURDAY JUNE 30, 2001

PART-I

GOVERNMENT OF SINDH

LAW DEPARTMENT

NOTIFICATION

Karachi the 30th June 2001.

No.S.LEGIS:1(23)/2000/The following Ordinance made by the Governor of Sindh is hereby publish for general information:-

THE SINDH FINANCE ORDINANCE, 2001.

Sindh Ordinance No. XXIII of 2001

AN
ORDINANCE

to rationalize certain taxes, grant certain tax relief and amend relevant laws. Preamble

WHEREAS it is expedient to rationalize certain taxes, grant certain tax relief and amend relevant laws, in the manner hereinafter appearing:

L(iv) EXT-I-333-19

(1265-79)

PRICE RS. 8-00.

AND WHEREAS the Provincial Assembly stands dissolved in pursuance of the Proclamation of the fourteenth day of October, 1999, and the Provisional Constitution Order No.1 of 1999;

AND WHEREAS the Governor of Sindh is satisfied that circumstances exist which render it necessary to take immediate action;

NOW, THEREFORE, in pursuance of the aforesaid Proclamation and the Provisional Constitution Order read with Provisional Constitution (Amendment) Order No.9 of 1999, and in exercise of all powers enabling him in that behalf, the Governor of Sindh is pleased to make and promulgate the following Ordinance:-

Short title and commencement.

1. (1) This Ordinance may be called the Sindh Finance Ordinance, 2001.

(2) It shall come into force on and from first day of July, 2001.

Amendment of Schedule I of Act II of 1899.

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

(a) in Article 5, after clause (cc), the following new clause shall be inserted:-

(ccc) if relating to the sale or transfer of a registered motor vehicle One hundred rupees.

(b) for Article 10, the following shall be substituted:-

"10. Article of Association of a Company-

(a) where the company has share capital not exceeding Rs. 500,000: One thousand rupees.

(b) where the share capital exceeds Rs. 500,000. Two thousand rupees.

(c) after Article 31, the following new Article 31-A shall be inserted:-

"31-A. Financing document, that is to say, any instrument in the nature of sale and re-purchase on mark-up basis, agreement or letter of hypothecation, or pledge, mortgage, memorandum of deposit of title deeds, or deed of floating charge executed in favour of a banking company by any of its customers under any mode of finance not based on interest.

- (i) where the amount does not exceed Rs. 1.00 Million 0.2% or Rs. 1,000, whichever is less.
- (ii) where the amount exceeds Rs. 1.00 Million but does not exceed Rs. 10.00 Million. 0.2% or Rs. 2,500, whichever is less.
- (iii) where the amount exceeds Rs. 10.00 Million but does not exceed Rs. 100.00 Million. 0.2% or Rs. 5,000, whichever is less.
- (iv) where the amount exceeds Rs. 100.00 Million. 0.2% or Rs. 10,000, whichever is less.";

(d) for Article 39 the following shall be substituted:-

"39. Memorandum of Association of a Company.

- (a) if accompanied by articles of association under Companies Ordinance, 1984 One thousand rupees
- (b) if not so accompanied Two thousand rupees
- (e) in Article 40, in the heading, after the words and figures "Bottomry bond (No. 16)" the words and figures "Financing document (No. 31-A)" shall be added;
- (f) in Article 48, in column 2, against clauses (ee) and (eee), for the words "Five thousand rupees" and "Ten thousand rupees" the words "Two thousand five hundred rupees" and "Five thousand rupees" shall respectively be substituted.

Amendment
of Sindh Act
V of 1958.

3. In the Sindh Urban Immovable Property Tax, 1958-

(a) in section 3-

(i) for sub-sections (2), (2-A), (2-B), (3) and (3-A), the following shall be substituted:-

“(2) The tax shall be charged, levied and collected at the rate of twenty percent of the annual value of the lands and buildings.”

(ii) in sub-section (3-AA), the words, figures and brackets “and sub-section (3-A)” shall be omitted.

(b) in section 4-

(i) in clause (f), after the word “for”, the words “public worship or public charity including” shall be inserted, and for the existing proviso, the following shall be substituted:-

“Provided that the exemption to a charitable institution shall be allowed in the prescribed manner.”

(ii) for clause (g), the following shall be substituted:-

“(g) buildings and lands the annual value of which does not exceed ten thousand rupees, owned by widows, minor orphans or permanently disabled persons:

Provided that where the value exceeds the exempted limit, the tax shall be charged on the value exceeding such limit.”

(iii) after clause (g), the following shall be added:-

“(h) building and lands or portions thereof other than commercial properties declared as protected heritage under the Sindh Cultural Heritage (Preservation) Act, 1994.”

(c) for section 5, the following shall be substituted:-

“(5) The annual value of any land or building shall be ascertained by estimating the gross annual rent at which such land or building together with its appurtenances that may be let for use or enjoyment with such building might reasonably be expected to be let from year to year, less an allowance of ten per centum for the cost of repairs and for all other expenses necessary to maintain such building in a state to command such gross annual rent.

(d) sections 7-A, 7-B, 7-C, 7-D and 7-E shall be omitted.

4. In the Sindh Entertainments Duty Act, 1958-

Amendment of
Sindh Act X of
1958.

(i) after section 6, the following new section 6-A shall be inserted:-

“6-A

Mode of levying entertainments duty on cinemas.

 (a) Notwithstanding any thing contained in this Act, the entertainments duty on per day basis on cinemas shall be levied according to the classification of the cinemas as specified in the Schedule to the Act;

(b) Government or any authority empowered by Government in this behalf, may at any time, after holding such inquiry as it deems fit, alter the classification of any cinema:

Provided that the classification of a cinema shall not be upgraded without giving an opportunity to the proprietor of the cinema, to show cause against the proposed upgrading;

(c) The entertainments duty in respect of a cinema shall be paid by the proprietor of the cinema;

(d) The entertainments duty under this section in respect of a cinema shall be payable in advance for all the cinematographic exhibitions (shows) which such cinema is authorized to hold during the following week:

Provided that if it is proved that in the case of any cinema, during any week, less than the authorised number of cinematographic exhibitions (shows) for such cinema have been held, the proprietor of the cinema shall be eligible, at his option for refund of the entertainments duty paid by him for shows not held, or to have the same set off against future payment of entertainments duty;

(e) If a proprietor fails to pay the aforesaid duty within the stipulated period, he shall be liable to pay, in addition to the amount of such tax, a penalty not exceeding a sum of rupees five thousand per day;

(f) Government may by notification amend the Schedule so as to add any entry thereto or modify or omit any entry therein.”;

(ii) after section 15. the Schedule to this Ordinance shall be added.

Amendment of Ordinance IX of 1965.

5. (1) In the Provincial Motor Vehicles Ordinance, 1965, for section 32, the following shall be substituted:-

“32 (1) The sale and transfer of ownership of any motor vehicle registered under this chapter shall be in such manner as may be prescribed.

(2) If any person fails to get such sale or transfer registered within the prescribed period the penalty equal to transfer fee for every defaulting month shall be charged.

Amendment of Sindh Finance Act XV of 1975.

6. In the Sindh Finance Act, 1975, section 8, including Explanation thereof shall be omitted.

Amendment of Sindh Act VII of 1977.

7. In the Sindh Finance Act, 1977, in section 8, for sub-section (1), the following shall be substituted:-

“(1). There shall be levied a tax on hotels to be called the hotel tax on advalorem basis at the rate of seven and half percent of room rent per lodging unit per day as specified below:-

- | | | |
|-----|--|--|
| (a) | in the case of a hotel charging one hundred rupees or above but not exceeding one thousand rupees. | On sixty percent of the total number of lodging units. |
| (b) | in the case of a hotel charging exceeding one thousand rupees. | On seventy percent of the total number of lodging units.”. |

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8. In the Sindh Finance Act, 1994, section 8, including Explanation thereof shall be omitted.

Amendment of
Sindh Finance
Act XIII of
1994.

SCHEDULE
(See section 4)

THE SCHEDULE
(See section 6-A)

S.No.	Classification of cinemas	Rate of Tax per day
1.	Karachi City (Air-conditioned) Star, Lyric, Nasheman, Afshan, Rino and Bambino Cinemas	2000
2.	Karachi City (Air-conditioned) other than mentioned at Sr.No1	1000
3.	Karachi City (Non-Air-conditioned)	500
4.	Hyderabad City (Air-conditioned)	750
5.	Hyderabad City (Non-Air-conditioned)	500
6.	Interior Sindh (Air-conditioned)	400
7.	Interior Sindh (Non-Air-conditioned)	200
8.	Touring Talkies, open air cinemas in interior of Sindh and mini cinemas	Nil

Karachi:
Dated: the 30th June, 2001.

MOHAMMEDMIAN SOOMRO
GOVERNOR OF SINDH

SAYED GHULAM NABI SHAH
SECRETARY TO GOVERNMENT OF SINDH
LAW DEPARTMENT

KARACHI: PRINTED AT THE SINDH GOVERNMENT PRESS
(1250) 30-6-2001 (OFFSET)