

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

C.No.4(25)ITP/2013(Pt-1)-158795-R

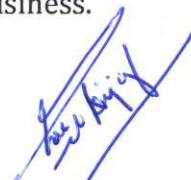
Islamabad, the November 27th, 2013

CIRCULAR NO. 13 OF 2013
(Income Support Levy)

Subject: **CLARIFICATION REGARDING BUSINESS CAPITAL FOR PAYMENT OF INCOME SUPPORT LEVY**

Clarification has been sought from the Board as to what would constitute business capital for the purposes of calculating net moveable assets for payment of Income Support Levy. Queries have been raised whether business capital would comprise entire business assets. The matter has been considered and it is clarified that valuation of moveable assets has been explained in Rule (5) of the Income Support Levy Rules, 2013. As per sub rule (2) of Rule (5) of the ISL Rules, 2013, the value of any movable asset shall, for the purposes of computing Levy, be the value as declared by the person in the wealth statement.

2. Business capital is distinct and separate from business assets. Business capital is the difference between entire business assets and entire business liabilities. Entire business assets as such, are not subject to Income Support Levy and business capital is calculated by deducting liabilities of business from assets of the business.


(Shabih ul Aijaz)
Secretary (Income Tax Policy-II)