

**AZAD GOVERNMENT OF THE STATE OF JAMMU AND KASHMIR**  
**Law, Justice, Parliamentary Affairs and Human Rights Department**

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“Muzaffarabad”  
Dated: 02.08.2016

No. LD/Legis-Act/231/2016. The following Act of Assembly received the assent of the President on the 04<sup>th</sup> day of July 2016, is hereby published for general information.

**Act XXVI of 2016**

**AN**  
**ACT**

to give effect to the financial proposals of Azad Government of the State of Jammu and Kashmir

**WHEREAS** it is expedient to make provisions to give effect to the Financial Proposals of Azad Government of the State of Jammu and Kashmir to consolidate and amend certain Fiscal Laws for the purposes hereinafter appearing;

It is hereby enacted as follows:

1. **Short Title, Extent and Commencement.**- (1) This Act may be called the Azad Jammu and Kashmir Finance Act, 2016.
  - (2) It extends to the whole of Azad Jammu and Kashmir.
  - (3) It shall come into force at once.
- 2- **Adaptation of the Amendments of Sales Tax Act, 1990 (Act, VIII of 1990).**- (1) In the Sales Tax Act, 1990 (Act VIII of 1990), as adapted and enforced in Azad Jammu and Kashmir, hereinafter referred to as the said Act, except otherwise legislated by an Act of the Assembly, all the amendments made in the said Act and all rules, notifications, circulars and orders made or issued thereunder, as enforced in Pakistan at any time on or after the 14<sup>th</sup> July, 2015 and before the commencement of this Act, shall also, as far as practicable, be deemed to have been made, at the same time, in the said Act, as enforced in the Azad Jammu and Kashmir by virtue of the Sales Tax (Adaptation) Act, 1993 (Act IV of 1993).
  - (2) Notwithstanding any judgment or decision of any court including Supreme Court and High Court of Azad Jammu and Kashmir, anything done, tax levied, charged or collected, proceedings initiated, notices issued, orders passed, penalties imposed, powers exercised or powers conferred on any authority on or after the 14<sup>th</sup> July, 2015, in accordance with the amendments made in the said Act, as enforced in Pakistan, shall be deemed always to have been validly done, levied, charged, collected, initiated, issued, passed, imposed, exercised or conferred and so much of such tax have not been

levied, charged, paid or collected, before coming into force of this Act, shall be leviable, chargeable and recoverable in accordance with the said amendments.

**3- Adaptation of the Amendments in Federal Excise Act, 2005.**- (1) In the Federal Excise Act, 2005, as adapted and enforced in Azad Jammu and Kashmir, hereinafter referred to as the said Act, except otherwise legislated by an Act of the Assembly, all the amendments made in the said Act and all rules, notifications, circulars and other orders made or issued there under, as enforced in Pakistan at any time on or after 14<sup>th</sup> July, 2015, and before the commencement of this Act, shall also, as far as practicable, be deemed to have been made, at the same time, in the said Act, as enforced in the Azad Jammu and Kashmir by virtue of the Azad Jammu and Kashmir Finance Act, 2005 (Act VIII of 2005).

(2) Notwithstanding any judgment or decision of any court including Supreme Court and High Court of Azad Jammu and Kashmir, anything done, tax levied, charged or collected, proceedings initiated, notices issued, orders passed, penalties imposed, powers exercised or powers conferred on any authority on or after the 14<sup>th</sup> July, 2015, in accordance with the amendments made in the said Act, as enforced in Pakistan, shall be deemed always to have been validly done, levied, charged or collected, initiated, issued, passed, imposed, exercised or conferred, done and so much of such tax have not been levied, charged, paid or collected, before coming into force of this Act, shall be leviable, chargeable and recoverable in accordance with the said amendments.

**4- Amendment in Azad Jammu & Kashmir Sales Tax (Tax on Services) Act, 2001.**-

(1) In the Azad Jammu & Kashmir Sales Tax (Tax on Services) Act, 2001 (XXIV of 2001), in Section 3, after sub-section (2), the following new sub-sections “(2-A)” and “(2-B)” shall be inserted, namely:-

“(2-A) The following provisions of the Sales Tax Act, 1990, shall apply, mutatis mutandis, to the services rendered or provided under this Act, namely:-

- a) clause (b) of sub-section (2), sub-sections (6) and (7) of Section 3;
- b) serial number 2, in column (1), and the entries relating thereto of the Fifth Schedule read with Section 4;
- c) sub-sections (2), (3), (6) and (7) of Section 13; and
- d) serial number 48, in column (1), and entries relating thereto of Table-I of Sixth Schedule read with Section 13.

(2-B) The tax levied under sub-section (1) shall not be applicable to regulatory and licensing services rendered or provided by an organization established by or under a Federal statute.”

5- **Amendment in the Azad Jammu & Kashmir Education Cess Act, 1975.-** In the Azad Jammu & Kashmir Education Cess Act, 1975 (Act IV of 1975), the following amendments shall be made:

- (i) In the said Act, in Section 2,-
- (a) sub-section (9) and (10) shall be omitted with effect from 14<sup>th</sup> July, 2015;
- (b) after sub-section (10) a new sub-section 11 shall be inserted as under:-
- “(11) **Cess on Computerized National Identity Card (CNIC),-** Rs 20/- shall be charged as Education Cess on each CNIC issued by the National Database and Regulatory Authority.”

- (ii) In the said Act, after Section 3-A, the following Sections 3-B, 3-C and 3-D shall be inserted:-

**3-B Assessment of Cess:** Where any amount of Cess is not recovered or paid, any Officer authorized by the Controlling Authority in this behalf, shall, after service of notice to show cause upon defaulter and hearing him in person, make the assessment of Cess not recovered or paid alongwith levy of penalty under Section 3 of the Act.

**3-C Appeals:** The Assessment made under Section 3-B is appealable by an aggrieved person before the Controlling Authority within 30 days from the date of assessment. The appeal may be decided after giving due opportunity of hearing.

**3-D Recovery of Cess:** Where any amount of Cess is due, the Controlling Authority or any Officer authorized by him in this behalf may recover the amount by attaching the bank accounts or attachment and sale or sale without attachment of moveable or immoveable property of the defaulter.”

6. **Amendment of Schedules –I Court Fees Act 1870.-** In the Court Fees Act 1870 (Act VII of 1870), hereinafter referred as the said Act, in the first schedule,-

- (i) The existing serial No. 1 to 8 shall be re-numbered as 5 to 12, respectively.
- (ii) Before Serial No. 5, as re-numbered above, the following serial number and their corresponding entries in column 2 and 3 shall be inserted:-

S.No	Article	Proper Fee
1.	Plaint, written statement, pleading a set off or counter claim or memorandum of appeal (not otherwise provided for in this Act) or of cross-objection presented to any Civil or Revenue Court except those mentioned in Section 3.	Seven and half per centum on the amount or value of the subject matter in dispute to a maximum of fifteen thousand rupees.

	<b>Note:</b> The amount payable under this number shall be rounded to the nearest fifty paisa.	
2.	Plaint in a suit for possession under Section 9 of the Specific Relief Act,1877	A fee of one-half of the amount prescribed in Serial No.1
3.	Application for review of judgment, if presented on or after ninetieth day from the date of the decree.	The fee livable on the plaint or memorandum of appeal.
4.	Application for review of judgment, if presented before the ninetieth day from the date of the decree	One-half of the fee livable on the plaint or memorandum of appeal.

7. **Amendment of Schedule –II, Court Fees Act 1870.**- In the said Act, in the second schedule, in column No. 3, against serial No.13, the words “Twenty rupees” shall be inserted.
8. **Imposition of Tax/Cess on Cellular Companies.**- The Cellular Companies operating in Azad Jammu and Kashmir shall also pay sales tax, service charges, education cess and any other tax or cess to be levied by the Government of Azad Jammu and Kashmir on such rates as may be prescribed, from time to time.

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**(Ch. Muhammad Nawaz)**  
Section Officer (Legislation)

