

Special Technology Zones Authority
Tax Exemptions (currently operational)

Levy	Reference of Law	Nature of exemption /tax concession	Period of Exemption
Income Tax	Clause 126EA of Part 1 of 2 nd Schedule to the income Tax Ordinance,2001	Exemption from Income Taxes on Profit and Gains	10 Year from the date of issuance of license by the STZA
Income Tax	Clause 11A (xliii) of Part IV of 2 nd Schedule to the income Tax Ordinance, 2001	Exemption from Minimum Tax on turnover @ 1.25%	10 Year from the date of issuance of license by the STZA
Income Tax	Under section 113C (8) of Income Tax Ordinance 2001	Exemption from Alternative Corporate Tax	10 Year from the date of issuance of license by the STZA
Income Tax	Clause 60DA of Part IV of 2 nd Schedule to the income Tax Ordinance, 2001	Exemption from advance collection of tax under section 148 of the Income Tax Ordinance ,2001on import of capital equipment	10 Year from the date of issuance of license by the STZA
Income Tax	Clause 103D of Part I of 2 nd Schedule to the income Tax Ordinance, 2001	Dividend income and long-term capital gains of any venture capital fund from investments in ZEs as defined in STZA Act 2021	10 Year from the date of issuance of license by the STZA to the ZE
Custom Duty	Clause 4(ii) at PCT Code 9917 of Chapter 1 to 99 of the 1 st Schedule to the Customs Act,1969	Exemption from Customs Duties on import of capital goods including plant, machinery, hardware, equipment, and software as defined in STZA Act 2021	10 Year from the date of license
Sales Tax	Clause 161 of Table-1 of the 6 th Schedule to the Sales Tax Act,1990	Exemption from Sales Tax on import of plant, machinery, equipment, and raw material for consumption of these items within STZs	10 Year from the date of license

Other Incentives (currently operational)

- Special Foreign Exchange Account as per Special Foreign Exchange Regulations for Special Technology Zones (STZs) issued by State Bank of Pakistan on Dec 11, 2020 (*Paragraph 9A of Chapter 6 of Foreign Exchange Manual of SBP*)