

**GOVERNMENT OF PAKISTAN  
REVENUE DIVISION  
FEDERAL BOARD OF REVENUE  
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C.No.4 (36) ITP/2013

Islamabad, the 19 July, 2013

**Circular No.6 of 2013  
Income Tax**

Subject: **FINANCE ACT, 2013 – EXPLANATION REGARDING  
IMPORTANT AMENDMENTS MADE IN THE INCOME TAX  
ORDINANCE, 2001.**

Salient features of the amendments made in the Income Tax Ordinance, 2001 through Finance Act, 2013 are explained as under:-

- **Advance tax on payment of fee to Educational Institutions**  
**[Section 236I]**

**Please Note:** Since 2013-14, as per newly inserted section 236I every educational institution is required to collect advance income tax at the rate of 5% on the amount of fee paid to an educational institution.

**38. Advance tax on payment of fee to Educational Institutions [Section 236I]**

As per newly inserted section 236I every educational institution is required to collect advance income tax at the rate of 5% on the amount of fee paid to an educational institution. The person responsible for preparing monthly, bimonthly or quarterly fee voucher or challan shall also charge withholding tax in case the fee exceeds two hundred thousand rupees annually.

The term fee includes tuition fee and all charges received by the educational institution, by whatever name called, excluding the amount which is refundable. The tax collected in this section is adjustable. The withholding agent for the purposes of this section i.e. educational institution shall also provide details in the withholding statement to be filed under section 165 to the Income Tax Ordinance,

2001.