

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

'MUZAFFARABAD'

Dated: 13.02.2025

No. LD/Legis./Ord./267-78/2025. The following Ordinance made by the President on the 12th day of February, 2025, is hereby published for general information.

[Ordinance I of 2025]

An

Ordinance

further to amend the Income Tax Ordinance, 2001

Whereas, it is expedient further to amend Income Tax Ordinance, 2001 (XLIX of 2001), as adapted and enforced in Azad Jammu and Kashmir by virtue of the Azad Jammu and Kashmir Income Tax (Adaptation, Enforcement and Validation) Act, 2002 (Act IV of 2002);

And Whereas, the Azad Jammu and Kashmir Legislative Assembly is not in session and the President Azad Jammu and Kashmir is satisfied that circumstances exist which render it necessary to take immediate action;

Now Therefore, in exercise of the powers conferred by sub-Article (1) of Article 41 of the Azad Jammu and Kashmir Interim Constitution, 1974, the President is pleased to make and promulgate the following Ordinance:-

1. **Short title and Commencement.**- (1) This Ordinance may be called the Azad Jammu and Kashmir Income Tax (Amendment) Ordinance, 2025.
(2) It shall come into force at once and shall be deemed to have taken effect from 30th day of December, 2024.
2. **Amendments in the First Schedule of Income Tax Ordinance, 2001 (XLIX of 2001).**- In the Income Tax Ordinance, 2001 (XLIX of 2001), as adapted and enforced in Azad Jammu and Kashmir, hereinafter referred to as the said Ordinance, in the First Schedule, in Part I, in Division II, for the Table, the following shall be substituted, namely:-

"Type of Company"	Rate of Tax		
	Tax Year 2025	Tax year 2026	Tax Year 2027 and onwards
Banking Company	44 %	43 %	42 %
Small Company		20 %	
Any other company		29 %	

Explanation: For the removal of doubt, it is hereby declared that income of the banking companies shall be chargeable to tax for tax year 2025 and onwards at the above specified rates."

3. **Amendments in the Seventh Schedule of Income Tax Ordinance, 2001 (XLIX of 2001).**- In the said Ordinance, in the Seventh Schedule, in entry No. 6C, in sub-entry No. (6A), following amendments shall be made:-

- (a) for the figures "2022," the figures "2023" shall be substituted;
- (b) the existing explanation appearing at the end, shall be numbered as Explanation-1 and thereafter the following Explanation-2 shall be added, namely:-

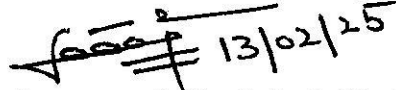
"Explanation-2: For removal of doubt, it is clarified that the term "gross advances and deposit" referred to in this sub-entry No. 6-A for the purpose of computing gross advances to deposit ratio shall be the amount of "gross advances and deposit" at the end of the accounting period and as disclosed in the annual audited accounts:

Provided that from tax year 2025 and onwards profits and gains of a banking company shall be subjected to tax rates under Division II of Part I to the First Schedule and nothing contained in this sub-entry shall apply to compute part or whole of the tax liability of a banking company."

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President

Azad Jammu and Kashmir


(Muhammad Shujahat Shabbir)
 Section Officer (Legislation)