



THE PAY-AS-YOU-EARN SCHEME ACT, 1973



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THE PAY-AS-YOU-EARN SCHEME ACT, 1973.

¹Act No. XXXI OF 1973

[9th February, 1973]

An Act to provide for introducing a scheme for the import of machinery and equipment on credit for establishing certain industrial Units and enterprises.

WHEREAS it is expedient to provide for introducing a scheme for the import of machinery and equipment on credit for certain industrial units and enterprises;

It is hereby enacted as follows:—

1. Short title and commencement.—(1) This Act may be called the Pay-As-You-Earn Scheme Act, 1973.

(2) It shall come into force at once.

2. Definitions. In this Act, unless there is anything repugnant in the subject or context,—

(a) "Prescribed" means prescribed by the Scheme or the rules made under this Act; and

(b) "Scheme" means the scheme brought into force under section 3.

3. The Scheme.—(1) The Federal Government may prepare and, by notification in the official Gazette, bring into force a scheme, to be known as the Pay-As-You-Earn Scheme, for the import of machinery and equipment on credit for the establishment of an industrial unit or enterprise and requiring that the cost of the machinery or equipment so imported, and such other charges in foreign exchange as may be prescribed, shall be met from out of the export earnings of such industrial unit or enterprise.

(2) The Scheme may specify, among other things, the categories of industrial units or enterprises for the establishment of which machinery or equipment may be imported under the Scheme, the proportion of export earnings which may be utilized by an industrial unit or enterprise for meeting charges in foreign exchange, the procedure for sanctioning of projects and scrutiny of list of importable machinery, and the terms and conditions of foreign credits.

4. Power to make rules.—(1) The Federal Government may, by notification in the official Gazette, make rules² for the administration of the Scheme.

(2) Any rules made under sub-section (1) may provide that an industrial unit or enterprise shall,—

(a) if it fails to repatriate to Pakistan any foreign exchange which it is required by the Scheme to repatriate ; or

¹ For Statement of Objects and Reasons, see Gaz. of P., 1973, Ext., Pt. III, p. 259.

² For the Pay-As-You-Earn Scheme Rules, 1973, see S.R.O. No. 223(I)/73, dated 20-2-73, Gaz. of P., 1973 Ext., (Islamabad), Pt. II, p. 298.