

**MINISTRY OF LAW AND PARLIAMENTARY AFFAIRS****(Law Division)***Islamabad, the 9th June, 1975*

**No. F. 24(1)/75-Pub\*.**—The following Order made by the President on the 6th June, 1975 is hereby published for general information:—

**PRESIDENT'S ORDER NO 2 OF 1975**

WHEREAS, in pursuance of clause (1) of Article 160 of the Constitution, the President, by the Finance Division Notification No. SRO 158(I)/74, dated the 9th February, 1974, appointed a National Finance Commission to make recommendations, among other matters, as to the distribution between the Federation and the Provinces of the net proceeds of certain taxes;

AND WHEREAS the said Commission has submitted its recommendations with regard to the said distribution;

NOW, THEREFORE, in pursuance of clause (4) of Article 160 of the Constitution, the President is pleased to make the following Order:—

1. **Short title and commencement.**—(1) This Order may be called the Distribution of Revenues and Grants-in-Aid Order, 1975.

(2) It shall come into force on the first day of July, 1975.

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

- (a) “net proceeds” means, in relation to any tax or duty, the proceeds thereof reduced by the cost of collection, as ascertained and certified by the Auditor-General; and
- (b) “taxes on income” includes corporation tax but does not include taxes on income consisting of remuneration paid out of the Federal Consolidated Fund.

3. **Distribution of revenues.**—The Provincial Governments shall be assigned in each financial year a share equal to eighty per cent of

the net proceeds of the following taxes and duties levied and collected by the Federal Government in that year, namely:—

- (a) Taxes on income.
- (b) Taxes on sales and purchases.
- (c) Export duties on cotton.

4. **Allocation of shares to the Provincial Governments.**—The sum assigned to the Provincial Governments under Article 3 shall be distributed amongst the Provinces on the basis of their respective population in the percentage specified against each:—

The Punjab.	60.25%
Sind.	22.50%
The North-West Frontier Province.	13.39%
Baluchistan.	3.86%
	100%
Total	100%

5. **Grants-in-aid to the Provinces.**—There shall be charged upon the Federal Consolidated Fund each year, as a grant-in-aid of the revenues of Baluchistan and the North-West Frontier Province, a sum of five crore rupees and ten crore rupees respectively.

6. **Repeal.**—Article 7 of the Distribution of Revenues Order, 1953 (GGO No. 23 of 1953), paragraphs (e) and (f) of clause (1) Article 2 of the Distribution of Revenues and Consolidation and Repayment of Loans Order, 1962 (P. O. No. 23 of 1962, and the Distribution of Revenues Order, 1971 (P. O. No. 10 of 1971) are hereby repealed.

CHAUDHRY FAZAL ELAHI,  
*President.*

*Countersigned*  
ZULFIKAR ALI BHUTTO,  
*Prime Minister.*

ABAID ULLAH KHAN,  
*Solicitor.*