



Annex-II

**Government of Pakistan**  
**Ministry of Law, Justice, & Parliamentary**  
**Affairs**  
**(Law and Justice Division)**

No.F.2(2)-/91-Pub

Islamabad, the 22<sup>nd</sup> April, 1991

The following Order made by the President on 20<sup>th</sup> April, 1991 is hereby published for general information:-

**PRESIDENT ORDER NO. 11 OF 1991**

**WHEREAS**, in pursuance of clause (1) of Article 160 of the Constitution, the President, by the Finance Division's Notification No. SRO 764(I)/90, dated the 23rd July, 1990, 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 clauses (4) and (7) 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, 1991.

(2) It shall come into force on the first day of July, 1991.



2. **Definition.-** In this Order, unless there is anything repugnant in the subject or context;

- (a) **"net proceeds"** means, in relation to any tax, duty or levy, the proceeds thereof reduced by the cost of collection, as ascertained and certified by the Auditor-General of Pakistan; 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.-** (1) The Provincial Governments shall be assigned in each financial year a share equal to eighty percent 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;
- d. Excise duties on tobacco and tobacco manufactures;
- e. Excise duty on sugar.

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	57.88%
Sind	23.28%
The North-West Frontier Province	13.54%
Balochistan	5.30%
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Total:	100.00%
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5. **Payment of net proceeds of royalty on crude oil.**- Each of the provinces shall be paid in each financial year as a share in the net proceeds of the total royalties on crude oil an amount which bears to the total net proceeds the same proportion as the production of crude oil in the Province in that year bears to the total production of crude oil.

6. **Payment of net proceeds of development surcharge on natural gas to the Provinces.**- Each of Provinces shall be paid in each financial year as a share in the net proceeds of surcharge on natural gas an amount which bears to the total net proceeds the same proportion as the well-head production of natural gas in the province in that year bears to the total well-head production of natural gas.

7. **Grants-in-Aid to the Provinces.**- There shall be charged upon the Federal Consolidated Fund each year, as grants-in-aid of the revenues of the provinces, (for the period) specified against each, the amount so specified:-

Province	Period	Amount
The Punjab	For 3 years	Rs.1000 million
Sind	For 5 years	Rs. 700 million
The North-West Frontier Province	For 3 years	Rs. 200 million
Balochistan	For 3 years	Rs. 100 million

8. **Repeal.**- Articles 2,3,4 and 5 of the Distribution of Revenues and Grants-in-Aid Order, 1975 (P.O. No.2 of 1975), and the Distribution of Revenues Order, 1983 (P.O. No.8 of 1983), are hereby repealed.

Ghulam Ishaq Khan  
President

Ihsan-ul-Haq Chaudhry  
Secretary