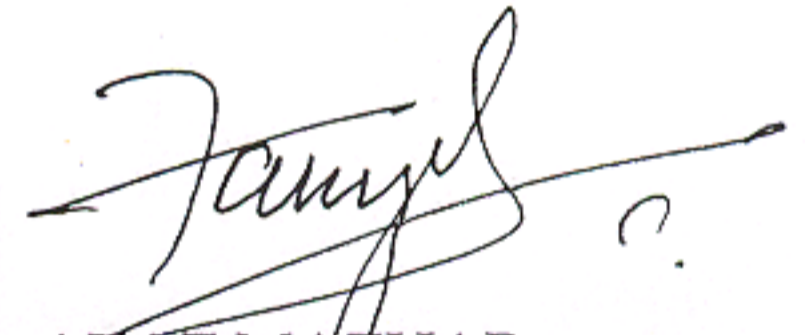


February 04, 2014

**CHIEF FINANCIAL OFFICER****TAX IMPOSED ON FLYING ALLOWANCE AND  
CONCESSIONAL PASSAGES**

1. This is with reference to the letter received from the Aviation Division bearing reference No. 4(74)/2000-F-II, dated January 24, 2014, regarding the abovementioned subject.
2. The Aviation Division, in response to a letter written to them by Pakistan Airline Pilots Association (PALPA) dated December 31, 2013, has communicated the decision of the Finance Division, wherein following has been communicated:
  - a) *The flying allowance equivalent to basic salary should be made part of the basic salary and other allowances and the gross salary should be taxed at par with the salaried class.*
  - b) *The remaining flying allowance i.e. minus the flying allowance equivalent to basic salary should be taxed @ 5% instead of 2.5%.*
3. A copy of the said letter from Aviation Division is being enclosed herewith for your ready reference and record.
4. The above said proposition is to be made effective from February 01, 2014.
5. This is being issued with the concurrence of the Special Assistant to the Prime Minister on Aviation and Chairman- PIA.



**AJAZ MAZHAR**  
**DIRECTOR- HR, A & COORDINATION**

**C.C:**

- SA TO CHAIRMAN PIA
- SA TO MD PIA
- DIRECTOR FLIGHT OPERATIONS
- GM HRM
- PRESIDENT PALPA