

Ref : KTBA/09.2020/153

Date : September 23, 2020

Mr. Muhammad Javed Ghani,
Chairman,
Federal Board of Revenue,
Islamabad.

METHOD OF FURNISHING RETURNS AS PER SECTION 118 OF THE INCOME TAX ORDINANCE, 2001

Dear Muhammad Javed Ghani Sahab,

This is with reference to above cited subject and the date of filing of return of income and statements.

In this regard, as aware, Karachi is the highest contributor of tax revenue (approximately 60%) of Pakistan. Similarly, Karachi Tax Bar Association (KTBA), is one of the largest Tax Bar Association of the Country and plays its vital role not only in creating tax awareness, dissemination of tax knowledge but is also working hand in hand with Federal Board of Revenue (FBR) towards achievement of tax targets.

With regard to aforementioned subject, we would like to submit as under:

1. That the form of return on income (both for manual and E-filing) for Business, Salaried Individuals, AOPs and Companies including wealth statement alongwith wealth reconciliation statement was prescribed vide SRO 822(I)/2020 dated September 08, 2020.
2. That the simplified return of income for retailer/traders has also been notified as per SRO 855(I)/2020 dated September 17, 2020.
3. That the time prescribed under sub-sections (2) and (3) of Section 118 of the Income Tax Ordinance, 2001 (Ordinance) read with Rule 34 of the Income Tax Rules, 2002, for manual / e-filing of Tax Return along with Wealth Statement for the Taxpayers is **Three Months (90 days) from the end of financial year** i.e. 30th September and in the case of certain Companies (special year) also the last date of the filing the Tax Return is 30th September every year. Similarly, the time prescribed for Companies is **Six Months (180 days) from the end of financial year** i.e. 31st December every year.

Cont'd...(2)

Ref : KTBA/09.2020/153

Date : September 23, 2020

Page -: (2) :-

4. That as your goodself is aware, the return of income and statement for retailers have been notified and prescribed on 08-09-2020 and 17-09-2020 respectively, your goodself would agree that only 22 and 13 days respectively are available instead of 90 days for furnishing of return of income and/or statement for retailer.
5. That we are also receiving complaints from our Members regarding preparation and computational issues for which a separate letter would be sent to your good office.
6. That your goodself would also agree that our Bar Members are working day-in and day-out in submitting the returns and statements, yet you would also appreciate that it is humanly not possible to fill and submit returns in a very short span of time considering the fact that the taxpayers are also updating their profiles as required U/s.114A of the Ordinance which is also consuming precious time.

Keeping in view of the above stated facts, we request your goodself to kindly follow the law as envisaged U/s.118 of the Ordinance and provide 90 days clear time to file return of income for which our Bar Members would remain highly grateful to you and oblige.

We would also request with your goodself to kindly take your decision before time enabling our Members to work in peace!

Your kind indulgence at your earliest convenience is requested for the sake of facilitation to the genuine taxpayers of the country who are regularly complying voluntarily to the Statute and contributing their due share in the national exchequer for the benefit of our beloved country Pakistan.

Thanking you,
Yours sincerely,


(**Muhammad Zeeshan Merchant**)

President

Mobile: 0321-8230513

E-mail: zeeshan@mmerchant.com

CC to :-

- i. **Ch. Muhammad Tarique**, Member IR-(Policy), FBR, Islamabad.
- ii. **Mr. Muhammad Ashfaq Ahmed**, Member IR (Operations), FBR, Islamabad.
- iii. **Dr. Bakhtiar Muhammad**, Member (Facilitation & Taxpayers Education), FBR, Islamabad.
- iv. **Press and Media**

Bar Chamber, Ground Floor, Regional Tax Office Building, Shahrah-e-Kamal Attaturk, Karachi – 74200

Ph: 021-99211792, Cell: 0335-3070590 Website: www.karachitaxbar.com

Email Address: info@karachitaxbar.com ktba01@gmail.com