

Ref : KTBA/06.2021/226

Date : June 17, 2021

**Mr. Asim Ahmad,**  
Hon'ble Chairman,  
Federal Board of Revenue,  
Islamabad.

**OBJECTIONS/SUGGESTIONS IN RESPECT OF DRAFT INCOME TAX RETURNS FOR SALARIED AND BUSINESS INDIVIDUALS, AOPs AND FOR COMPANIES – TAX YEAR 2021**

*Dear Mr. Asim Ahmad Sahab,*

Kindly refer to the SRO No. 730(I)/2021 (Income Tax) dated June 11, 2021 on the above subject.

It is truly commendable that draft Income Tax Return Forms in respect of Tax Year 2021 for this Year are relatively available earlier albeit the timelines are not in consistent with Rule 34A of Income Tax Rules 2002 nor approved Change Request Form (CRF) is evenly shared in order to let us track and trace the changes incorporated in the draft returns. Secondly please appreciate that returns are not available in excel format to test the computations thus requirement of User Acceptance Test (UAT) of an amended return for testing environment is also not followed as required in Rule 34A(2)(e) read with sub-rule (3) ibid.

Given that we strongly believe that any timeline for the purpose of Sec.237 of the Income Tax Ordinance, 2001, shall not take effect unless due diligence prescribed in sub-rule (3) and (4) ibid, is followed in letter and spirit. We, therefore, earnestly hope that Board will soon upload the amended return of income on IRIS portal for the purpose of UAT and time prescribed for suggestions/ objections in rules will be allowed accordingly.

Finally, we may add that practically it is impossible for any taxpayer, be it Individual, AOP or Company to file return of income particularly on the first day of July or immediately thereafter owing to following factors:

- Certificates for the purpose of Sec. 149 are issued by the employers broadly by the end of July so is the case of other Withholding Certificates by the Withholding Agents.
- Closing of books and completion of financial statements on thirtieth June is effectively impossible as Sales Tax Return for June is filed by the mid of July.

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- Mainly the taxpayer starts compiling necessary information & documents to prepare and file the returns in the first week of July and normally it takes at least a month for this purpose. As such the pace of filing of return in July is almost nil and very slow.

Before parting we also suggest that for the purpose of Section 118 of the Income Tax Ordinance, 2001, the Board shall fix the deadline to file return keeping in view the above as well.

Thanking you,  
Yours sincerely,

  
(Muhammad Zeeshan Merchant)

President

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C.C to :

- i. **Dr. Muhammad Ashfaq Ahmed**, Member-IR (Operations), FBR, Islamabad
- ii. **Ch. Muhammad Tarique**, Member-IR (Policy), FBR, Islamabad.
- iii. **Mr. Sajidullah Siddiqui**, Member (Information Technology), FBR, Islamabad.
- iv. **Mr. Aftab Hussain Nagra**, President, Pakistan Tax Bar Association.
- v. **Press and Media.**