

Ref : KTBA/09.2023/095
Date : September 29, 2023

Malik Amjad Zubair Tiwana
Chairman,
Federal Board of Revenue,
Islamabad

Dear Mr. Chairman

LACK OF RESPONSE TO ONGOING IRIS 2.0 ISSUES

This is the 4th letter of the series of letters sent by Karachi Tax Bar Association (“KTBA”) along with the Zoom Meeting which the representatives of PTBA, KTBA and other Tax Bar Associations had with your designated team of FBR and PRAL on September 07, 2023.

2- I, on behalf of the members of my Bar, which in turns represent million of taxpayers in the country, would like to place on record grave disappointment over the patent lack of apathy and commitment in addressing the critical IRIS issues raised by the members of KTBA earlier. It is not less than regretful that despite repeated assurances and promises, the genuine concerns remain unattended even as of today.

Situation on the ground:

3- Our members are grappling with incorrect computational issues and errors in the return, which has resulted in undue pressure and sleepless nights for them. The gravity of the situation is of such a nature that it has directly impacted on our ability to file accurate returns, which has contributed to a huge pile of pending returns.

On the Contrary:

4- It is disheartening to note that FBR, which is supposed to be listening to its taxpayers and to their counsels, rather chose to mock them by displaying on its official website that everything is perfectly fine with the Software, and it is completely free of glitches and continues to propagate that there will be no extension of time. This comes in stark contrast to the objective and contents of not only our three (03) letters but to the dozens of letters of our Tax Bars in the Country.

5- Sir, this behavior from a regulator breeds not only frustration but cultivates mistrust, which should be nipped right here. It is not erroneous on the part of the taxpayers and their counsels to expect the department to respond with empathy and responsibility rather than taking a stand and that too in the completely opposite direction.

Purpose of this letter:

6- This is not an Extension request letter from the Karachi Tax Bar Association. The solitary purpose of this letter is to tabulate hereunder once again the issues, both legal and technical, which were highlighted earlier and those which have cropped up afterwards, for your perusal and consideration, which should not miss your necessary attention.

7- Dear Sir, you are requested to be considerate to pay heed to the fact that the complaints and the letters should not simply go unheard, which have been raised and written by number of Tax Bars of the Country.

Tabular Format:

8- In order to save time and space to ensure your readership the IRIS 2.0 issues are not being narrated and reproduced and instead have been jotted in a tabular format. The majority of the issues persist in the IRIS 2.0 system and have not only hindered the filing process but also exposed the inadequacies of its implementation. These issues have been raised repeatedly in our earlier letters and highlighted during the Zoom meeting, yet they remain unresolved. The current status of these issues is a stark reminder of the lack of commitment to rectify these problems:

SUMMARY OF ISSUES RAISED BY KTBA IN ITS EARLIER LETTERS		
S. NO.	ISSUES	CURRENT STATUS
1.	Failure to allow return revisions	STILL PENDING.
2.	E-Intermediary data in client returns	STILL PENDING.
3.	Incomplete "MIS Data"	STILL PENDING. 1. <u>IMPORT Data and Tax U/s. 148 is still not available</u> which previously was available. 2. In some cases of "Multiple Challans" the CPR is not reflected in the MIS. 3. Corrected CPRs are not reflected in the MIS.
4.	No Reply Option in case of Appeal Effect Notices issued by Tax Officers	STILL PENDING.
5.	Rectification application can be filed only once in a Year	STILL PENDING. 1. <u>Second Rectification Application</u> is not allowed. 2. There are multiple proceedings which may require more than one rectification.
6.	Major Security Issue – Previous Login Session is automatically opened.	STILL PENDING.
7.	NON-RESIDENTS – Last Year's Wealth is still appearing / not editable.	STILL PENDING.
8.	Non-availability of Data U/s.116A (inner columns)	STILL PENDING.

9.	Salary Income with One-off Service Receipt, IRIS is asking to file Profit & Loss Account, Balance Sheet and Attachment of Accounts.	STILL PENDING.
10.	In Final / Fixed / Minimum TAB – Dividend U/s. 150 is showing at “0%” and “35%” which is not in accordance in law.	NEW ISSUE / PENDING.
11.	In the SME Return, there is no tab to show tax deducted U/s.153 or other sections.	NEW ISSUE / PENDING.
12.	In the Verification Tab , in case of <u>Companies and AOP</u> , the entity's name and registration number is appearing which is locked as well.	STILL PENDING.
13.	In case of AOP's in <u>Members Tab</u> , the position/status of the member is appearing as Director instead of Partner or member, which is factually incorrect.	NEW ISSUE / PENDING.
14.	In case of Death of an Individual, the last return of the deceased taxpayer is required to be filed by the legal heirs; hence in the verification tab name and CNIC of the legal heir should be allowed to put-in, as the deceased person cannot verify the Return. But the Electronic Return automatically picks the name and CNIC if the Taxpayer in verification Tab.	NEW ISSUE / PENDING.

Please Note

9- This may appear that the total number of issues for which this hue and cry has been made are only fourteen (14). However, there are dozens of other issues, which cannot be covered in this letter, but which continues to plague the system.

WAY FORWARD:

ZOOM Meeting

10.1- You are requested to direct for another Zoom Meeting, where all the legal and technical concerns can be explained and discussed with. The taxpayers of our Country deserve a system that functions efficiently and effectively.

No more Modifications:

10.2- You are also lastly requested to give directions to stop making any further changes and modifications to the IRIS 2.0 unless the same is discussed with the stakeholders (tax bars) and after issuance of the requisite SROs. This is otherwise a serious legal lacuna and maladministration on part of FBR.

Legal time frame:

10.3- In light of the above, I earnestly request your office to remove the errors and glitches mentioned above and at the same time would request your office to adhere with the provisions of Section 118 of the Income Tax Ordinance, 2001 whereby giving ninety (90) days to file returns of income is a statutory requirement and is a right of taxpayer. I implore you to make this decision promptly and rescue your taxpayers from the miseries and challenges of IRIS 2.0.

It is strongly expected that you will take cognizance of the urgency of this matter and take swift action to bring the necessary corrections.

Regards,



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President

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C.C. to:

- i. **Mr. Afaque Ahmed Qureshi**, Member (Inland Revenue - Policy), FBR, Islamabad.
- ii. **Mir Badshah Khan Wazir**, Member-IR (Operations), FBR, Islamabad.
- iii. **Mr. Nasir Khan**, Member (Information Technology), FBR, Islamabad.
- iv. **Dr. Muhammad Amir Malik**, Chief Executive Officer / Chairman BOM, PRAL, Islamabad.
- v. **Mr. Rana Munir Hussain**, President, Pakistan Tax Bar Association.
- vi. **Press Media**