

Ref : KTBA/12.2020/221

Date : December 28, 2020

Dr. Muhammad Ashfaq Ahmed,
Member-IR (Operations),
Federal Board of Revenue,
Islamabad.

**TAXPAYER'S PROFILE - SECTION 114A OF THE INCOME TAX ORDINANCE, 2001 –
PRESCRIBED FORM IS STILL AWAITED**

Dear Dr. Muhammad Ashfaq Ahmed Sir,

This is with reference to our earlier letter No. KTBA/11.2020/189 dated November 09, 2020 (a copy of which is attached/enclosed for the ease of reference) and also the discussion with your goodself in our meeting held in Islamabad on November 17, 2020 (relevant portion of the Minutes of Meeting are also attached/enclosed). We would also like to refer SRO. No. 1341(I)/2020 dated December 16, 2020.

We note with grave concern and regret that the 'prescribed form' as mentioned in clause (a) of sub-section (2) of section 114A of the Income Tax Ordinance, 2001 (Ordinance) has still not been issued and or made available on IRIS.

It was, though, discussed in our meeting at length and also agreed by your goodself that when the information sought under section 114A of the Ordinance is already available on IRIS in the Registration Form under section 181 of the Ordinance, this new form would simply be a repetitive and arduous exercise in the presence of the information already available on IRIS (in the form under section 181).

In addition to above, it was also discussed that as and when the Form is prescribed, the timelines available under the Ordinance would suitably be extended/amended accordingly and at least ninety (90) days time would be given from the date of the Form is prescribed. It is needless to state that for the Form to be prescribed and uploaded on IRIS, has first to be issued in draft form for public seeking comments and objections, if any, and after that only the said Form can be legally prescribed or notified.

Keeping in view the severity of the issue we, once again, request your good office to immediately take urgent measures to prescribe the said Form as soon as possible and also provide/allow proper time available under the law which is minimum for ninety (90) days which is not only the right of the taxpayers but at present also genuinely needed as, you will appreciate, the delay is not on part of the taxpayers.

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We hope and trust that your good self would do the needful at the earliest in this connection.

Thanking you,
Yours sincerely,


(Muhammad Zeeshan Merchant)

President

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Encl:

- i. Copy of Letter No. KTBA/11.2020/189 dated 09-11-2020
- ii. Relevant extract of Minutes of Meeting dated 17-11-2020

C.C to :

- i. **Mr. Muhammad Javed Ghani**, Chairman, FBR, Islamabad.
- ii. **Ch. Muhammad Tarique**, Member-IR (Policy), FBR, Islamabad.
- iii. **Mr. Asim Ahmad**, Member-IR (Information Technology), FBR, Islamabad.
- iv. **Syed Nadeem Hussain Rizvi**, Member-IR (Facilitation & Taxpayers Education), FBR, Islamabad.
- v. **Mr. Aftab Ahmed Nagra**, President, Pakistan Tax Bar Association
- vi. **Press and Media**

KTBA **Karachi Tax Bar Association**

Ref : KTBA/11.2020/189

Date : November 09, 2020

Dr. Muhammad Ashfaq Ahmed,
Member-IR (Operations),
Federal Board of Revenue,
Islamabad.

TAXPAYER'S PROFILE - SECTION 114A OF THE INCOME TAX ORDINANCE, 2001 – FORM STILL NOT PRESCRIBED

Dear Dr. Muhammad Ashfaq Ahmed Sahib,

Through this letter, we at Karachi Tax Bar Association (KTBA) want to highlight your urgent attention towards section 114A of the Income Tax Ordinance, 2001 (Ordinance), inserted vide the Finance Act, 2020 (Finance Act).

The said section has been inserted which makes it mandatory for taxpayers to electronically file Taxpayer's Profile containing various information such as bank accounts, utility connections, details of business premises, etc. and the deadlines for electronically filing the said Taxpayer's Profile Form, have been given in the law as under:

Registration Status	Last Date for Submission of Taxpayer's Profile
1. In case of persons <u>already registered</u> till date / <u>or registered before 30-09-2020</u>	Prescribed Form U/s.114A of the Ordinance to <u>submit on or before 31-12-2020.</u>
2. In case of a person registered <u>after 30-09-2020</u>	Within <u>ninety (90) days</u> of the registration

Further, failure to file the prescribed form would not only entail punitive penalty but the taxpayer would also be excluded from the Active Taxpayers List (ATL).

It is with serious concern, we note that till today i.e. November 09, 2020, the form as required to be filed as per sub-clause (a) of sub-section (2) of section 114A of the Ordinance has not been prescribed let alone its availability on IRIS.

Further, we would also like to draw your attention on the gravity of the situation, as updating the profiles of almost 2.5 million taxpayers and that too with the comprehensive information is a stupendous and a time consuming exercise for the counsels of the taxpayers and that too at the time when the counsels of the taxpayers are engrossed in filing the tax returns as well as wealth statements, the last date of which is falling due on December 08, 2020.

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

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Date : November 09, 2020

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Though KTBA fully understands that it is acutely a must exercise to be undertaken like in any developed tax regime in the world, yet the non-availability of prescribed forms and the facility of the same on IRIS is highly unexpected and rather damaging. This is coupled with the fact that with limited functionality of IRIS in these times of return filing, it is feared that IRIS may malfunction disrupting the timeliness to be adhered to for filing the income tax return and updation of Taxpayer's Profile together.

Keeping in view the severity of the issue, we request your good office to immediately take measures to prescribe the form as required U/s.114A of the Ordinance and also give directions to provide the same in IRIS for updation of Taxpayer's Profile with the directions to field offices not to issue penalty notices as the delay is not on part of the taxpayers.

Thanking you,
Yours sincerely,



(Muhammad Zeeshan Merchant)

President

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C.C to :

- i. **Mr. Muhammad Javed Ghani**, Chairman, FBR, Islamabad.
- ii. **Ch. Muhammad Tarique**, Member-IR (Policy), FBR, Islamabad.
- iii. **Mr. Asim Ahmad**, Member-IR (Information Technology), FBR, Islamabad.
- iv. **Dr. Bakhtiar Muhammad**, Member-IR (Facilitation & Taxpayers Education), FBR, Islamabad.
- v. **Press and Media**

Ref: KTBA/11.20/203

Date: November 27, 2020

Dr. Muhammad Ashfaq Ahmed,
Member-IR (Operations),
Federal Board of Revenue,
Islamabad.

MINUTES OF MEETING WITH MEMBER OPERATIONS

Dear Dr. Muhammad Ashfaq Ahmed Sahab,

This is with reference to above cited subject and in furtherance to our meeting held on November 17, 2020, at Islamabad.

Let me start by thanking you and your team for patiently hearing us and allowing us to present our point of view on various aspects of IRIS, Sales Tax issues and working of return of income in IRIS for the Tax Year 2020.

During the discussion, you had not only agreed to our view points but had also issued directions to the concerned teams along with timelines for their compliance. However, we would like to inform you that the issues still persist till today.

We trust your goodself will ensure resolution of issues as agreed upon at the earliest for which we shall remain highly grateful to you.

Thanking you,
Yours sincerely,


(Muhammad Zeeshan Merchant)
President

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Encl:

1. Annexure – "A" – IRIS Issue and Sales Tax Issues
2. Annexure – "B" – Income Tax Return – Tax Year 2020 Issues

MINUTES OF MEETING BETWEEN
FEDERAL BOARD OF REVENUE (FBR) AND KARACHI TAX BARRISTERS ASSOCIATION (KTBA)
HELD ON NOVEMBER 17, 2020, AT FBR HOUSE, ISLAMABAD

S. No.	Issues	KTBA's Suggestion	Proceedings in the Meeting
1.	<p><u>SECTION 114A, PRESCRIBED FORM AND ITS TIMELINES:</u></p> <p>The section has been inserted which makes it mandatory for taxpayers to electronically file Taxpayer's Profile containing various information such as bank accounts, utility connections, details of business premises, etc. and the deadlines for electronically filing the said Taxpayer's Profile Form, have been given in the law as under:</p>	<p><u>SOLUTION / RECOMMENDATION:</u></p> <p>Though KTBA fully understands that it is acutely a must exercise to be undertaken like in any developed tax regime in the world, yet the non-availability of prescribed forms and the facility of the same on IRIS is highly unexpected and rather damaging. This is coupled with the fact that with limited functionality of IRIS in these times of return filing, it is feared that IRIS may malfunction disrupting the timeliness to be adhered to for filing the income tax return and updation of Taxpayer's Profile together.</p> <p>Keeping in view the severity of the issue, we request your good office to immediately take measures to prescribe the form as required U/s.114A of the Ordinance and also give directions to provide the same in IRIS for updation of Taxpayer's Profile with the directions to field offices not to issue penalty notices as the delay is not on part of the taxpayers.</p> <p>The President KTBA informed that the information sought U/s.114A would be same more or less as is gathered from the taxpayer at the time of registration U/s.181 and would result in duplication.</p>	<p>The Chief (Tax Policy) informed that the form is in draft position and within five to six days it would be prescribed.</p> <p>The Member (Ops) opined that duplication is not intended and after comparison is made, appropriate amendment in law would be made.</p> <p>The Member (Ops) issued the necessary directions to issue the prescribed form at the earliest and finalize the timelines in consultation with KTBA.</p>

Registration Status	Last Date for Submission of Taxpayer's Profile
In case of persons <u>already registered</u> till date / <u>or registered before</u> <u>30-09-2020</u>	Prescribed Form U/s.114A of the Ordinance to <u>submit on or before</u> <u>31-12-2020.</u>
In case of a person registered <u>after</u> <u>30-09-2020</u>	Within <u>ninety (90) days</u> of the registration

Further, failure to file the prescribed form would not only entail punitive penalty but the taxpayer would also be excluded from the Active Taxpayers List (ATL).

It is with serious concern, we note that the form as required to be filed as per sub-clause (a) of sub-section (2) of section 114A of the Ordinance **has not been prescribed till date let alone its availability on IRIS.**