

Ref : KTBA/08.2021/243

Date : August 09, 2021

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

SMALL AND MEDIUM ENTERPRISES – NON-AVAILABILITY OF REGISTRATION FEATURE AND SIMPLIFIED RETURN FORMS

Respected Mr. Asim Ahmad Sahib,

At the outset, we candidly acknowledge the Federal Board of Revenue's (hereinafter referred to as the "FBR") efforts to remove the anomalies with a view towards simplifying the tax laws. During the preceding year, we had witnessed simplified Returns of Income for Traders (upto Rs. 10 (M) turnover) and for Manufacturers (upto Rs. 50 (M) turnover). Likewise, during the current year, we have witnessed that not only a host of anomalies and exceptions in both Direct and Indirect Tax Laws have been addressed through Finance Act 2021, but a whole new and simplified tax regime is introduced for Small and Medium Enterprises (hereinafter referred to as the "SMEs") who are engaged in manufacturing by way of introducing Section 100E readwith subsection (59A) of section 2 and Fourteenth Schedule to the Income Tax Ordinance, 2001.

It is equally positive that in its enabling provision (Section 100E), the new tax regime for manufacturing SMEs is made applicable from the Tax Year 2021 and onwards.

However, it is not helpful that simplified return for this purpose as required under section 100E (2) *ibid*, is yet to be notified by the FBR, especially when process of filing of Return of Income for other income/business streams had timely been notified and kicked off.

We, therefore, anticipate that FBR will recognize the issue in its true spirit and a Draft of simplified return for SMEs will be notified in line with section 237 *ibid*. We have also noted that as per clause 2 of Fourteenth Schedule to the Income Tax Ordinance, 2001, SMEs are required to register with FBR on its web-portal. However, the registration feature for SMEs is yet not available on the web-portal of FBR which also needs your kind intervention.

We hope that both draft of simplified return of Return of Income SMEs and registration feature are enabled at the earliest convenience in order to facilitate the Taxpayers for timely filing of returns to fulfill their legal responsibilities.

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Lastly, we also anticipate that process of facilitation and simplifying tax laws at FBR's level will continue unabated in times to come.

Yours sincerely,


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C.C to:

- i. **Dr. Muhammad Ashfaq Ahmed**, Member-IR (Operations), FBR, Islamabad
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- iv. **Mr. Aftab Hussain Nagra**, President, Pakistan Tax Bar Association.
- v. **Press and Media.**