

KTBA *Karachi Tax Bar Association*

Ref : KTBA/11.2020/207

Date : NOVEMBER 30, 2020

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

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

Ch. Muhammad Tarique,
Member-IR (Policy),
Federal Board of Revenue,
Islamabad.

Dr. Faiz Illahi Memon,
Member (FATE),
Federal Board of Revenue,
Islamabad.

OBJECTIONS / RESERVATIONS REGARDING INSERTION OF SUB RULE (2A) IN RULE 74 OF THE INCOME TAX RULES, 2002 VIDE SRO No.1250(I)/2020 DATED 23-11-2020

Dear Sirs,

This is with reference to above cited subject and in furtherance to objections/suggestions invited by the Federal Board of Revenue (FBR) in view of proposed amendment by way of insertion of sub-rule (2A) in Rule 74 of Income Tax Rules 2002, issued vide Draft SRO No.1250(I)/2020 dated 23-11-2020.

In this regard, we respectfully submit that it appears that proposed amendment for service of notice via SMS on the cellphone registered in the name of such person as per record of Pakistan Telecommunication Authority (PTA) to be considered as sufficiently served is aimed exclusively for the purpose of provision of Section 134A (12) of the Income Tax Ordinance, 2001 (Ordinance) i.e. communications in respect Alternative Dispute Resolution (ADR) only.

We at the Karachi Tax Bar Association (KTBA) understand that this is altogether a distinct procedure for service of notices/orders for the purpose ADR cases with exclusivity is rather an unusual manner carved out from rest of the given process and procedures under the Ordinance for communication and service of document and is prone to create chaos among the ADR applicants, which should be avoided.

As aware that provisions of Section 218 of the Ordinance comprehensively deals with the mechanism of Service of Notices and other documents and it provides the modus operandi for the service of notices and other documents with uniformity. Further, clause (a) of sub-section (1) of Section 218 of the Ordinance essentially mandates service of a notice/order to a taxpayer in person (via registered post/courier). The suggested recourse to electronic service of notices and

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other documents under Income Tax Ordinance 2001 or corresponding Rules be taken as substituted mode where service of notice/order where in ordinary way it is not possible to serve the notice and other documents or where taxpayer is avoiding service of the same for any reason.

In view of above, KTBA strongly suggests that insertion of sub-rule (2A) in Rule 74 of the Income Tax Rules, 2002, would create confusion and would be counterproductive and therefore, should not be inserted. If at all the FBR desires to use this mode of communication for the purposes of ADR as apparent from draft notification, it may be inserted as an additional mode of intimation in addition to the existing modes as a source of a quick alert.

Thanking you,
Yours sincerely,

(Muhammad Zeeshan Merchant)

President

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C.C to :

- i. **Mr. Badaruddin Ahmed Qureshi**, CCIR, LTO, Karachi.
- ii. **Mr. Abdul Hameed Memon**, CCIR, MTO, Karachi
- iii. **Dr. Aftab Imam**, CCIR, CTO, Karachi.
- iv. **Mr. Nazir Ahmed Shoro**, CCIR, RTO-I, Karachi.
- v. **Mr. Amir Ali Khan Talpur**, CCIR, RTO-II, Karachi.
- vi. **Press and Media**