



News & Views

Jan. 2007
To
Dec. 2007
NV # 2/2009

A publication of The Income Tax Bar Association Karachi covering information on important judicial pronouncements, circulars and clarifications

Executive Committee

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UP COMING EVENT

*Members are requested to attend
discussion on*

The Finance Act, 2009

Monday 6th July, 2009

at Bar Chambers, Karachi

FROM THE DESK OF THE PRESIDENT

God helps those who help themselves.

When we talk about country, the proverb described that a country can not be viable, if the people of that country is not equip with the latest knowledge and are reluctant to work hard. A number of institutions took initiative to educate the people of Pakistan in order to make themselves strong enough who can plausibly faced any circumstances. Same action has been taken by the Income Tax Bar Association.

We all are well cognizant with the fact that the Income Tax Bar Association Karachi is the largest tax bar in the country. The foremost function of the bar is to equip the bar members as well as the readers with updated tax knowledge, which ultimately enhance the quality of the bar members. The Income tax bar arranges seminars frequently to give immense knowledge either to the bar members and readers.

The Bar has an honor to do its best to facilitate members by keeping an eye on the changes taking place in the profession. Almost all the bar members always want to keep abreast of latest and update information regarding the profession.

To achieve the above objective, it is the Bar's tradition to place before their members, news and views which contains the information about Circulars, SRO's/Notifications and the essential amendments and decisions of Supreme Courts, Honorable High Courts and Income Tax Appellate Tribunal. Now, the issue for the year 2007 is in your hands. We are quite optimistic that this issue will broaden the reader's understanding about current pronouncements and would also prove to be helpful in handling the legal issues, which leaves a positive impact on the consequences.

We feel pride that the news and views team consist of intelligent, hard working, competent and talented professionals with excellent academic background. It is needless to highlight the importance of a team work as greater triumphs cannot be attained individually, but always with the support of talented group of peoples.

In the end, I would like to assure the bar members as well as the readers that we will overcome all the issues which we envisaged before and soon be able to mitigate the deficiencies completely Inshallah. I am assuring you of our commitment for continuity of these informative publications.

Pakistan Zindabad

Najam Irshad Khan

FROM THE DESK OF THE CONVENER

By the grace of Allah, we are able to publish yet another issue of news and views which covers the period from Jan, 2007 to Dec, 2007. The current issue of the news and views covers the Circulars, SRO's/Notifications and important judgments of the Learned Income Tax Appellate Tribunal, Honorable High Courts and Supreme Court.

I am indebted to my Learned Committee members, who have the propensity to serve the bar in an excellent manner and did the same in a reasonable fashion. We received a positive feedbacks on our previous news and views release which, induced us to publish yet another issue for the guidance of the bar members, an end users, as well.

I am confident, that the current release will broaden the understanding of the reader and definitely will help to resolve all the ambiguities, they may envisage before. The Committee continuously trying to build such a system which the delays, as were in the past, will completely be eliminated. I am a sure you that, by the grace of Allah, we will achieve our optimal desires soon, Inshallah.

Regards

Mohammad Rehan Siddiqui

IMPORTANT CIRCULARS & NOTIFICATION/SROS

DIRECT TAX

CIRCULAR/SROS/ NOTIFICATIONS REFERENCE	SUBJECT	ITBAR LIBRARY REF: NO.
Circular No. 1 of 2007 Date: 02-07-2007 No. F.4(1)ITP/2007-(EC)	Explanations regarding amendment made in the various provisions of the Income Tax Ordinance, 2001 (The Ordinance) vide Finance Act, 2007.	418
Circular No. 02 of 2007 Date: 04-07-2007 No. F.4(1)ITP2007-CVT	Amendment has been made in the Finance Act, 2007 whereby CVT is not payable in respect of power of attorney, which is revocable, time bound (not exceeding 60 days) and between: Spouse, Father and son or daughter, Grand parents and grand children and Brother and sister and on import of motor vehicles.	419
Circular No. 3 of 2007 Date: 29-09-2007 No. F.4(29)ITP/2002-S-155	Clarification regarding queries in respect of rental income under section 15 and deduction of tax under section 155 of the Ordinance.	420
S. R. O. 481(I)/2007 Date: 09-06-2007	Government has directed the Banks to issue Computerized Tax Payment Receipts (CPR) to the taxpayers.	421
S. R. O. 614(I)/2007 Date: 18-06-2007	Vide the said SRO imported motor vehicles exempted from the levy of CVT.	422
S. R. O. 662 (I)/2007 Date: 28-06-2007	Electronic filing of Income tax returns and withholding tax statements become mandatory from first date of July, 2007 onwards.	423
S. R. O. 661(I)/2007 Date: 02-07-2007	Tax at the rate of two and a half per cent at the time of sale of motor car was levied. Manufacturer or authorized dealer (being withholding agent),irrespective of the date of booking or advance payment made by the purchaser, are required to collect advance tax where sale invoice is issued and delivery of motor car is made.	424
S. R. O. 669(I)/2007 Date: 02-07-2007	Advance tax on payment made to the following companies is required to be withhold under section 153 of the Ordinance, 2001 where previously it was under section 50(4) of the repealed Income Tax Ordinance, 1979 that are exempted: <ol style="list-style-type: none"> 1. Companies receiving payments for the supply of electricity and gas, and 2. Pakistan State Oil Company Limited, Pakistan Burmah Shall Limited, and Caltex Oil (Pakistan) Limited, receiving payments for the supply of petroleum products. 	425
S. R. O. 755(I)/2007 Date: 27-07-2007	The income derived by Gwadar Free Zone Company Limited, PSA Gwadar International Terminal Limited and Gwadar Marine Services Limited from Gwadar Port operations is exempt from the tax for twenty years beginning from the year in which the company is set up or commercial operation is commenced, whichever is later.	426
S. R. O. 847(I)/2007 Date: 22-08-2007	Tax deducted on payments received by a manufacturer of iron and steel products relating to sale of goods and payments on account of sale of goods by individuals or association being manufacturer of such goods being a manufacturer of such goods are out of the ambit of final tax.	427

