

For Members Only

Bar Chamber, Ground Floor, Income Tax Bar Building, Shahra-e-Kamal Ataturk, Karachi - 74200. Phone: 9211792 E-mail: itbarkhi@cyber.net.pk

## Newsletter Sub Committee

Arshad Siraj Memon (Convenor)

- Abdul Qadir Memon
- Zammarud H Jafri
- M Ali R Merchant
- Syed Wasim Hashmi
- Lubna Pervez



## Presidential Message

Dear Fellow members,

*If one advances confidently in the direction of his dreams and endeavors to live the life which he has imagined he will meet with a success unexpected in common hours.* The untiring team members of the current Managing Committee have proved the above quote of Mr. Henry David Thoreau true and correct. Let me congratulate Mr. Arshad Siraj Memon and his team for presenting the activities of ITBAK organized by the members of the Managing Committee during 2640 hours of current tenure in a befitting manner. **Well done!**

Dear Members, we are passing through an era where our beloved country is facing economical, social and political challenges. We all agree that this country has made us what we are today and it is our duty to pay back our debt to the nation by contributing our due share to the economy of the country. We are also duty-bound to share knowledge and with our fellow citizens and help children to grow with positive attitude. Our founder of Nation Quaid-e-Azam Muhammad Ali Jinnah said and I quote that, **History bears out that only those nations have achieved greatness, dignity and grandeur, which took collective decisions with intellect and wisdom.** We are also witnessing lot of tax reforms this year i.e., introduction of New Income Tax, merger of Excise Duty into Sales Tax and reforms within CBR. It is, therefore, incumbent on us to keep pace with the changing environment and I promise you that this Committee will leave no stone unturned to keep you abreast of such changes.

**We will make it together.... a year to remember!**

## Convenor's Note



Indeed it is an honor to be a Convenor of the Technical Assistance and Newsletter

Committee. I am extremely grateful to Mr. Abdul Qadir Memon, President, Mr. Syed Wasim Hashmi, Hon. General Sec., and Mr. M. Ali Merchant, Hon. Joint Secretary for their full support. Special thanks are due to the contributors of the articles Mr. Irfan Sadat Khan and Mr. Imran Lailani. All members are requested to send their contribution for next News letter before 31st July 2002. In the next issue, we intend to devote sufficient space for literary work of the Members. We will be grateful if the members send us their suggestions to improve this News Letter. We anxiously look forward for any suggestion in this regard. We are thankful to the sponsor, Modern Terminal Operators.



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## Election 2002

The Election for the year 2002 of the Income Tax Bar Association, Karachi was held on 16 February 2002. All the candidates who had filed the nomination papers, stood elected un-opposed. Under the leadership of **President, Abdul Qadir Memon** the following new leading force took reins:

**Mr. Saqib Masud,**  
Vice President

**Mr. Syed Wasim Hashmi,**  
Honorary General Secretary

**Mr. Muhammad Ali R. Merchant**  
Honorary Joint Secretary

**Mr. Khalid Latif**  
Honorary Librarian

## Members of the Exec. Committee

Mr. Abdul Razzak Diwan  
Mr. Ali A. Rahim  
Mr. Arshad Siraj Memon  
Mr. Haider Ali Patel  
Mr. Khawaja Mazheruddin  
Mr. M. Imtiazuddin Zuberi  
Mr. Najam Irshad Khan  
Mr. Shamsuddin S. Uraizee

Mr. Abdul Jabbar Kazi, Immediate Past President and Mr. Z. H. Jafri, Former Vice President of the Association were co-opted as members Managing Committee for the year 2002. The incoming President congratulated the out going Board Members and their leader Mr. Abdul Jabbar Kazi for their successful year.





## BAR's ACTIVITIES

### Annual dinner

The Annual Dinner was held at PC Hotel on 11th February 2002. The hon'able Chief Justice of High Court of Sindh, Mr. Justice Syed Saeed Ashhad, graced the occasion. Other dignitaries included senior judge Mr. Justice Sabihuddin Ahmed and many companion judges of hon'able High Court of Sindh, the Chairman, Income Tax Appellate Tribunal and its members, Mr.



Naiamat-ullah Khan, the City Nazim, RCIT(s) and Commissioners also attended the dinner. Mr. Justice Syed Saeed Ashhad, Mr. A Jabbar Kazi, President ITBAK, Mr. Naeem Shah, President of All Pakistan Tax Bar Association, Mr. Naiamat-ullah Khan, Syed Wasim Hashmi and Mr. Munawer Hussain Shaikh, Secretary APTBA addressed the gathering.



### Thought Provoking Session

The President, Mr. Abdul Qadir Memon along with his team, convened various informal meetings to discuss the future plans of activities. The main focus was on the active participation and efficient communication of members in all the activities. For such purpose, a general body meeting called as "Thought Provoking Session" was convened on 4th March 2002. On this occasion a full year plan was also circulated. The President briefly shared his plans with the members and forum was opened for discussion and suggestions. It was encouraging to see that members responded positively. They put forth various suggestions and narrated the difficulties faced by them. The President and his team keenly noted these suggestions and problems faced by the members. They also assured their support to achieve the goals set by the Committee.

### Meeting with the Chairman, Income Tax Appellate Tribunal

Advisory Committee of the Bar called upon the learned Chairman, Income Tax Appellate Tribunal, Mr. Inam Illahi Shaikh and discussed the difficulties faced by the members. A special reference was made to shortage of space in the present space provided for bar room, delay of time in starting the functions of few benches and timely delivery of orders etc. The learned Chairman heard the problems very patiently and assured the Bar members that their problems will be looked into and he will try to resolve the difficulties on urgent basis.

### Meetings with the Regional Commissioners of Income Tax

The members of the Executive Committee under the Presidentship of Mr. Abdul Qadir Memon had formal meetings with Mr. Shahid Jamal, RCIT Corporate Region and Mr. Akhter Jamil Khan, RCIT, Southern Region. Those meetings achieved dual purpose, i.e., introduction of new members as well as to discuss the issues of prime importance in order to remove day to day irritants. The President emphasized that the current program for monitoring of withholding of taxes should not be revenue oriented only. He informed that notices for non-filing of statements are being issued even in the case where company is dormant or expenses claimed are below the limit and he suggested that the DCIT before issuing such notices may examine the accounts to ascertain whether there is any possible default on the part of assessee or otherwise. He suggested that zone wise counters or one centralized counter may be set up between 11th and 15th of every month to collect the monthly statements. There are number of cases in which major source of income is covered under the presumptive tax regime like exporters. However, they also earn other

income viz. Interest, which they offer for tax 100% and no expenses are claimed against such receipts. In such cases he proposed that the assessment may be finalized u/s 59 A without probing the details related to receipt and expenditure of income covered under the Presumptive Tax Regime. He desired that now as the ballot has already been completed, a clear cut instruction may be given to the assessing officers to finalize the cases at the earliest. He stressed that some monitoring may be made by the RCIT Office to ensure issuance of exemption certificates within 72 working hours from the time of application. He desired that once audit has been finalized it should properly be stamped and authenticated by the audit officer. Additional audit may be avoided. He pointed out that in number of cases action u/s 66-A has been initiated without having valid grounds, such as on the plea that rate of gross profit was low etc. President also touched the issues of providing timely appeal effects, rectification of mistakes, services of orders and tax credit etc. He on behalf of his Committee Members showed his willingness to hold quarterly meeting

with the RCIT(s) and their team members to discuss the matters of mutual interest and achievement of desired goals of the association and revenue. Both the RCIT(s) assured the Bar's Committee members that the scope of the Audit under the new dispensation of law will be to check the compliance of law and tax payer will be guided and encouraged to make voluntary compliance of law. They said that directions would be given to assessing officers to avoid issuance of notices for non filing of statements in such cases where statements are not mandatory. They also agreed with suggestions for setup of zone wise counters for collection of monthly and quarterly statements w.e.f. 1st July 2002. It was assured by them to look into the possibilities of finalization of assessment u/s 59-A for the returns of income discussed supra. They said that within due course of time those cases which have not been selected for total audit will be finalized and orders will be served at the earliest. They also informed that strict action has already been taken against those officers who are issuing notices u/s 66A without lawful jurisdiction and valid grounds.



## Workshop on the Income Tax Ordinance 2001



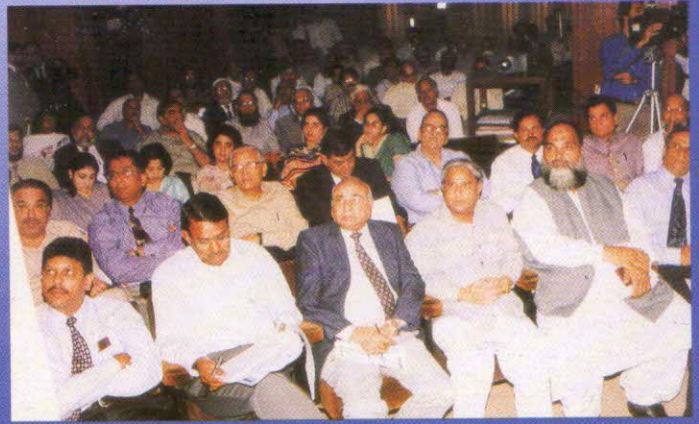
In order to understand the implications of New Income Tax Ordinance 2001, the CPE Committee under the able leadership of Mr. Saqib Masood organized a Workshop on March 18, 2002 at the New Income Tax Bar Building, Karachi. The Workshop comprised of two sessions, each followed by question answer session. Syed M. Shabbar Zaidi, FCA was invited as a facilitator while Mr. Shahid Jamal, Regional Commissioner of Income Tax Corporate Region, Syed Masood Ali Naqvi, Former President, ICAP and Mr. M Ather Saeed, Former President ITBAK were requested to be on panel for 1st session and Mr. Akhter Jamail Khan, RCIT Southern Region, Mr. Mustafa Khandwala and Mr. Fateh Ali Vellani were the panelist



for second session. While welcoming the distinguished guests and participants of the Workshop, President Mr. Abdul Qadir Memon appreciated the presence of Mr. Mansoor Ahmed, Member Coordination and Mr. Mukhtar Gondil, Chief Coordination CBR. In his address, he pointed out many discrepancies and defects in previous tax machinery. He appreciated the positive approach of present government and said that the present its will to bring reforms in this area in road of good governance. The Zaidi made his presentation on the comparative study of changes made process of assessment were the comparison of statutory provisions rationale for changes and need of new basis of audit. He also threw light on and finally submitted various Law. He also made one more "Comparative analysis on the New non Resident". The Members of the experience with the participants. The Chief Guest Mr. Mansoor Ahmed, Member Coordination CBR while summing up the Workshop appreciated the efforts put in by the ITBAK in order to elaborate the law. Enjoying the lively debate on the issue he said that the exercise of introducing this New Law was not merely to redraft but to reform the Law and still it is open for suggestions in order to remove all impediments. The workshop ended with a vote of thanks by the Honorary General Secretary, Syed Wasim Hashmi.



government has practically demonstrated order to remove impediments on the facilitator, Syed Muhammad Shabbar New Income Tax Ordinance. The in the Law of 1979 and 2001 and for the discussed at length. While explaining Syed Shabbar Zaidi also focused on ordinance and amendments on the Salary Taxation and Exemption Law suggestions to further improve this new presentation on the subject of Ordinance and special provisions for panels shared their knowledge and



## Reception in the honor of pilgrims (Hajis)

The shortest distance between a problem and a solution is the distance between your knees and the floor. The one, who kneels to the Lord, can stand up to anything. It is an honor for ITBAK, that many of its worthy members had the honor of kneeling to the Lord at Holy land as they went to perform Hajj this year. To celebrate the moments of happiness and joy, ITBAK arranged a reception in the honor of Hajis on April 4, 2002 at the Conference

Hall of New I T Bar Building, Karachi. Mr. Muneer Ahmed Ansari highlighted the significance of Hajj and its performance especially at young age. Mr. Noor Muhammad Murad hosted Lunch for members, in general and Hajis, in particular. Mr. Abdul Qadir Memon thanked Mr. Noor Mohammed Murad for hosting lunch. He thanked each and every Haji for accepting Committee's invitation to take Lunch with Bar Members.

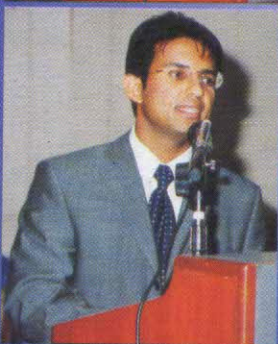


## Seminar on practical aspects of Sales Tax Act - 1990

Income and Sale are the two basic phenomena of any Fiscal statute. After discussing the New Income Tax Ordinance 2001 in the month of March deliberation on provisions of Sales Tax Law and as well as its practical aspects was much needed. The outstanding team of CPE Committee ITBA, Karachi organized a seminar on the subject on April 22, 2002 at new Income Tax Building, Karachi. Mr. Farrukh V. Junaidy and Mr. Rashid Malik were invited as learned speakers while a very senior personality of the field and our Past President, Mr. Iqbal Naeem Pasha kindly consented to be the Chief Guest at the occasion.

The President, Mr. Abdul Qadir Memon welcomed the guests. In his welcome speech he said that Fiscal laws are changing frequently. He quoted the Finance Minister and said that Budget 2002 will not only bring the New Income Tax Ordinance but there will be lot of conceptual changes also. We would witness the merger of Excise Duty and Sales Tax and the fulfillment of commitment made to the global organization regarding the reduction in Custom Duty from 30% to 25%. Mr. Memon also took this opportunity to elaborate the performance of new Body of ITBA, Karachi under his presidency. The most significant activity as vowed by him was the efficient communication, induction of nineteen new fellows, publication of two issues of "News & Views" and acquisition of additional area for Bar Room. Mr. Junaidy, FCA broadly discussed the background of Sales Tax Act, its core concept, registration requirements, determination of tax liability and recovery of Sales Tax. He said that the Sales Tax Act existed in 1947 as a provincial subject and same was adopted as "The Pakistan General Sales Tax Act, 1948". He informed the participants that tax invoice once issued can never be reverted, cancelled, rectified, amended and/ or destroyed. He emphasized government to concentrate on building up confidence of Tax Payers. Mr. Rashid Malik focused on the tax period adjustment a

### THE INCOME TAX BAR ASSOCIATION, KARACHI SEMINAR ON PRACTICAL ASPECTS OF SALES TAX ACT, 1990 ON WEDNESDAY, APRIL 22, 2002 NEW INCOME TAX BUILDING, KARACHI



made it a point that there should not be any time limit for tax adjustment. He quoted various cases from Karachi, Lahore and Peshawar and explained the Adjustment/ Refund of input tax paid on electricity, determination of input tax in case of simultaneous production of taxable and exempted supplies, adjustment of tax in case of return of goods and on diesel. He said that export of goods is zero rated but not exempted from Sales Tax. Payment of Sales Tax under amnesty schemes was also discussed by him.

After Question Answer session, addressing the participants the Chief Guest, Mr. Iqbal Naeem Pasha highlighted various facets of the Sales Tax Law. He agreed to the suggestions of the learned speakers for providing unlimited time for the Tax adjustment, as it is the inherent right of taxpayer. He desired for the submission of these suggestions to the CBR for making amendment in the law in this regard. Before extending vote of thanks by Mr. Saqib Masood, Vice President and Convenor, CPE Committee a fateha was offered for the departed souls of two senior members of the Bar, Mr. M. Ayub Khan and Mr. G M Zaidi.

### Extention of existing Bar room

The most important demand of our Bar members for extra space has been fulfilled. The members of the bar are informed that partial construction work has commenced and Inshallah in near future extension area will be utilized for the multifarious purposes. The Bar extend its gratitude to all those members of the Bar, who in the past have been making endeavors to get the extended space. On the request of Administration Committee, Mr. Muhammad Saeed, Commissioner of Zone E allocated space for Bar Room in the building of Zone "E". We are grateful to him and his team for helping us to create a history.

### Library

Under the Chairmanship of Mr. Khalid Latif, a formal meeting of the Library Committee was held, when thorough stock taking of the books was done. It was decided that members of the Bar will be requested to voluntarily contribute new books to the library. It was also decided that various organizations would be approached for contribution of books. Complete list is available in the Bar's library.

### Resource Centre

Due to hard work and complete devotion of our Hon. Secretary General, Syed Wasim Hashmi, the office of Income Tax Bar Association, Karachi has now become a Resource Centre for the members of the Bar. Being equipped with the latest communication technologies, the Resource Centre is serving as a centre of information and efficient communication for all the members of the Bar. **Well done Mr. Secretary General!**



## Reception in the honor of great achievers

Great leaders always appreciate the achievements of his team members and for an association of leaders it is more imperative to recognize the brilliant attainments of fellow members. Thus the team members of the Social Activity Committee under the guidance of Mr. M Ali R Merchant, the ITBAK aims not to leave any opportunity unattended to celebrate the successes of its members.

### Honoring Mr. Anwar Kashif Mumtaz and Mr. Muhammad Zubair

It was April 27, 2002, when two gentlemen from Paragon JC, Mr. Anwar Kashif Mumtaz and Mr. Muhammad Zubair were greeted on their achievements as Vice President, Junior Chamber International (JCI) and National President, Pakistan Jaycees (PJC), respectively by the ITBA, Karachi. With the privilege of having Mr. Qamaruddin, Director, Social Welfare Government of Sindh as the Chief Guest, Mr. Abdul Qadir Memon, President, ITBA, Karachi welcome the distinguished guests. While recalling his memories at the occasion he was proud of one of his prediction made 8 years back when he forecasted Anwar Kashif Mumtaz to be another leader of tomorrow. He admired the leadership qualities of both members and exhibited his confidence in them. While expressing his gratitude on being honored, Mr. Zubair said that PJC always focuses on individual development, as they believe in;

*If there is light in the soul there will be beauty in the Person;  
there is beauty in the person there will be harmony in the House;  
If there is harmony in the house there will be order in the Nation and  
If there is order in the nation there will be peace in the World.*

Mr. Anwar Kashif Mumtaz accredited the guidance he received from his seniors and said that his success is due to the support of many individuals who guided him throughout his career. He emphasized the need of keeping pace with the rapid development of technology to face the challenges of tomorrow. While acknowledging the excellent relationship with ITBA, Mr. Qamaruddin admired the role of young generation in social circle of the society. With the presentation of mementoes to the guests of honor the program ended with the vote of thanks by the convenor, Mr. M Ali R. Merchant.



### Honoring Mr. Zafar Aziz Osmani

One more reception was held on May 4, 2002 in the honor of Mr. Aziz Osmani on his appointment as the Member- Human Resource Management Wing, CBR. President Mr. Abdul Qadir Memon vividly recognized the high profile of Mr. Osmani in his speech at the occasion. Mr. Memon also gave an overview of the journey of success of Mr. Osmani that how he climbed the ladder of success stepping first as a Revenue Officer in the year 1971. He also took this opportunity to share his concerns regarding the taxation reforms and restructuring of CBR. According to him no reform can be brought unless the basic problems of the Reformers are addressed. He on behalf of entire membership assured cooperation to assist Government for strong and prosperous Pakistan.

He wished Mr. Osmani all the courage and strength for a successful accomplishments of tasks of Mr. Osmani and quoted Eric Hoffer; ***"It still holds true that a man is most uniquely human when he turns obstacles into opportunities."*** Addressing the audiences, Mr. Osmani thanked ITBA for honoring him and shared some of his experiences with the Members. He said that in order to win the war of survival of Pakistan, three important partners, i.e., Tax Payers, Tax Collectors and Tax Advisors/ Consultants have to play their roles equally and effectively. He urged the need of eliminating the procedural flaws in the Tax Department to make it Tax Payer Friendly Department. He declared that communication channels are being developed for Tax Payer education and he

anticipated that this will help for voluntarily compliance and promote tax culture.





## Reception in the honor of Member CBR

The ITBA invited Mr. Vakil Ahmed Khan, Member, CBR on 27 April 2002 at a cup of tea to discuss with him the implementation process of New Income Tax Ordinance 2001. Welcoming the honorable member of Income Tax CBR, President Mr. Abdul Qadir Memon said that the members of the Bar are helping through suggestions and recommendations on the basis of their experience to enable to frame a policy which is conducive to promote a tax culture. He also stated that people at Bar are striving hard to help government in genuine collection of taxes in order to give a tremendous boost to the economic growth and development of the country and to achieve the budgetary targets. He also mentioned regarding the submission of comprehensive suggestions regarding maintenance of Books of Accounts, Budget Proposals for the year 2002-03 and anticipated its acceptance by the Government. Mr. Vakil Ahmed Khan admitted that the

New Income Tax Ordinance is not yet finalized and is open for suggestions from various echelons of the society. However, he explained the process of implementation of this new Ordinance. He firmly declared that the main objective of introducing this new Ordinance is to facilitate the tax payers and not to collect extra revenue. He pointed out many discrepancies in the law and emphasized the need of eliminating them. According to him the defective communication and unsuitable attitude of non-mindful officers create hindrances in implementation of Policy. He further said that modern tax administration is designed to introduce comfortable tax culture to promote businesses in the country. In the end a bouquet was presented to him as a token of love and respect. He was accompanied by Mr. Shahid Jamal, RCIT Corporate Region. Many Past Presidents and senior members of the Bar graced the occasion. A vote of thanks was presented by Mr. Muhammad Ali R Merchant, Convenor Social Activity Committee.



## News and Views

A unique monthly publication for the Bar members has been introduced by the Members' Assistance Committee under the unmatched leadership of Mr. Haider Ali Patel assisted by his team members, Mr. Arshad Siraj, Ms Yasmin Ajani and Mr. Ali A Rahim. This publication includes the references of circulars, notifications, clarifications and synopsis of judgments of the superior courts. The members who wish to have access to Circulars and Notification, they can get the copy of the same at cost from the folder maintain by the Bar staff. Lot of appreciation has been received for this commendable job from members, other tax Bars as well as from Department.

ITBAK's

## Car parking

Boundary wall has been erected in car parking for members' cars in the Income Tax Building premises. The Convenor of the Administration Committee, Khawaja Mazheruddin and his team members has assured that soon extra space for car parking would also be made available out side the I.T Building. We request all the members to procure car stickers and display it on wind screens of your cars.

## Proposed Activities of CPE Committee

CPE Committee has planned following seminars/workshops during this tenure for year 2002:

### TENTATIVE DATES

18th June, 2002  
15th July, 2002  
12th August, 2002  
9th September 2002  
21st October, 2002  
18th November, 2002  
16th December, 2002  
14-15th February 2003

### TOPIC / ACTIVITY

New Income Tax Ordinance 2001  
( Workshop II ) & Post Budget Seminar  
Personal Health / Individual Development  
Filing of Tax Returns 2002-2003 &  
Taxation of Salaries (I)  
Filing of Tax Returns 2002-2003 &  
Taxation of Salaries(II)  
Amended Assessments/Appeals Or  
Taxation of Non-Resident  
Concept of Taxation in Islam  
E-Commerce and E-Taxation  
1st National Tax Conference

## First National Tax Conference

The Income Tax Bar Association has planned to organize the First National Tax Conference in February 2003 at Karachi. The Convenor Mr. Z. H. Jafri and his team are making every effort to make this Conference a most memorable one. It is expected that the members of various Bars from all over Pakistan would participate. The Sub Committee members are striving to have speakers and the participants from the Asia Pacific Region.





## Code of Corporate Governance Company law

On 27th May 2002 the members of the Bar gathered in the Conference Room of the Bar building to enrich themselves from the vast knowledge and experience of the speakers who were invited by the ITBAK to discuss the subject of "The Code Of Corporate Governance and Company Law". With the presence of Mr. Saleem Chamdia, Chairman Karachi Stock Exchange as the Chief Guest, Mr. Tahir Mehmood, Additional Registrar, SECP and Mr. Ebrahim Y. Sidat, Former President ICAP discussed the subjects in detail. In his deliberation, Mr. Tahir Mehmood explained the meaning of "Company" and its classification. Clarifying many misconception generally practiced in our system, he said that the Company is bound to file the Annual Return at the end of the calendar year even if it is not holding Annual General Meeting. He said that the appointment of auditors in General Body Meeting could not be reverted or changed by the Company. Mr. Saqib Masood Convenor CPE Committee presented historical perspective of Corporate Governance. Mr. Sidat focused on the need of having a Code for Corporate Governance in the country under local circumstances. While explaining the principal features of the Code he emphasized the need of a competent composition of Board of Directors for a Company. The eligibility criteria to act as a Director are very crucial. He said that under normal circumstances, the Executive Directors ratio should not exceed 75% of the Elected Directors including CEO. After Question Answer Session, the President, Mr. Abdul Qadir Memon admired the efforts of both speakers. While addressing the participants, he appreciated the successes of the youngest Chairman of the KSE, Mr. Saleem Chamdia under whose leadership the image of KSE is going up day by day. He also took this an opportunity to share the success path of his team and the targets that have been achieved so far. While concluding the session, Mr. Saleem Chamdia, who is member of ITBAK also discussed the perception of Stock Exchange and urged the need of professional investments by the professionals of the society. He said that Internet based trading is his next target to bring the KSE in line with international Stock Exchanges of the World. The program ended with a vote of thanks by the Honorary Secretary General, Syed Wasim Hashmi.



## Powers of Inspecting Additional Commissioners to revise Deputy Commissioner's order

**By: Mr. Imran Lailani**

Section 66A, has become one of the most controversial section these days. Its very language, not only gives vast direction to the Inspector Additional Commissioners but also a quick way to tax a specific portion on the basis of the income an order treated on erroneous in so far as prejudicial to the interest of revenue. A careful reading of section 66A reveals that it has an edge over section 65, where an assessing officer becomes functions officio and cannot form another opinion on an assessment already framed on particular facts and if done shall tantamount to change of opinion (2001) 84 Tax 268 (Trib). Two conditions should be satisfied i.e. erroneous and prejudicial to the Interest of revenue and looking any one of the conditions specified above shall not make an order to be revised within the parameters of the Section 66A. As the time passed, there have been some interesting development with reference to the laws of precedence which does not only give a sharp evolutionary picture but also make certain restrictions to the discretion of posers much to be used in fair and just way. Material which were not in existence at the time of assessment and came in to exercise afterwards cannot form part of the record of the proceedings for invoking jurisdiction under Section 66A (1990) PTD 914. Further more when an IAC acts as an Assessing Officer, he cannot, in respect of such assessments, exercise the powers of revision U/s 66A (2002) 84 Tax 16 (Trib) is another example of restriction of discretion. In recent days we have seen that section 66A has been invoked merely on presumption that

normal assessment would result in higher income. This particular scenario has also been white washed in (2001) 84 Tax 45. Another ingredient which put forth by the superior courts is the application of mind and any order passed by the IAC on the direction of any authority cannot find place under the umbrella of section 66A (2002) PTD 3810. Even an order passed by the IAC in addition to his duties as a DCIT will remain an order of IAC and shall not be available for his counter part IAC to invoke Section 66A. (2001) 83 Tax 551 (HC) & 2001 84 Tax 217 (Trib). Moreover, an IAC could either enhance or modify the assessment or cancel the assessment with the direction to make fresh assessment. However, initiation of penalty is beyond the scope of Section 66A (2001 84 Tax 268 (Trib). Another embargo placed with reference to Section 66A is its retrospective non applicability or to the proceedings completed under repealed Act (2001) 84 Tax 86 (H.C. Lahore). The scope of Section 66A has been further narrowed with reference to the deeming provisions of Presumptive Tax regime where deemed order cannot be equated with the actual order, hence Section 66A even cannot be invoked in these particular facts and circumstances (2002) 85 Tax 75 (Trib). Needless to mention that proceeding u/s 66A is a question of law and every case should be seen in its own perceptive with reference to the law and facts.

**Don't miss to read the article on Tax Avoidance and Tax Evasion by Mr. Irfan Sadat Khan to be published in the next issue of Newsletter.**



## Income Tax Bar Karachi's Sub Committees - 2002

In the first meeting of newly elected Committee held on 00.00.2002, following Sub-Committees were formed.

### 01) ADVISORY

- Mr. A. Jabbar Kazi (Convenor)
- Mr. Z.H. Jafri
- Mr. Abdul Razzak Diwan
- Mr. Saqib Masood

### 02) CPE & NEW INCOME TAX ORD. 2001

- Mr. Saqib Masood (Convenor)
- Mr. Arshad Siraj Memon
- Mr. Haider Ali Patel
- Mr. Iqbal Salman Pasha

### 03) MEMBERSHIP

- Mr. A Razzak Diwan (Convenor)
- Mr. Shamsuddin S. Uraizee
- Mr. Z.H. Jafri
- Khawaja Mazheruddin
- Mr. Najam Irshad Khan

### 04) BY-LAW

- Mr. Abdul Jabbar Kazi (Convenor)
- Mr. Abdul Razzak Diwan
- Mr. Z.H. Jafri
- Mr. E U Khawaja
- Mr. Munawwar H. Shaikh
- Mr. Muddasir Shah

### 05) PUBLIC RELATION & SOCIAL ACTV.

- Mr. M. Ali R. Merchant (Convenor)
- Mr. Shamsuddin S Uraizee
- Mr. Khalid latif
- Mr. Imtiazuddin Zuberi
- Mr. Najam Irshad Khan

### 06) FINANCE ORDINANCE

- Mr. Ali A. Rahim (Convenor)
- Mr. Shamsuddin S. Uraizee
- Mr. Muhammad Ali R. Merchant
- Mr. Abdul Aziz Tayabani

### 07) LIBRARY

- Mr. Khalid Latif (Convenor)
- Mr. Arshad Siraj Memon
- Mr. Haider Ali Patel

### 08) MEMBERS' ASSISTANCE

- Mr. Haider Ali Patel (Convenor)
- Mr. Ali A. Rahim
- Mr. Arshad Siraj Memon
- Ms. Yasmeen Ajani

### 09) ADMINISTRATIVE

- Kh. Mazheruddin (Convenor)
- Mr. Muhammad Ali R. Merchant
- Mr. Shamsuddin S. Uraizee
- Mr. M. Imtiazuddin Zuberi
- Mr. Ali A Rahim

### 10) TECH. SERVICE & NEWS LETTER

- Mr. Arshad Siraj (Convenor)
- Mr. Z.H. Jafri
- Mr. Muhammad Ali R. Merchant
- Ms. Lubna Pervaz

### 11) DIARY PROJECT

- Mr. Najam Irshad Khan (Convenor)
- Mr. Saqib Masood
- Mr. Shamsuddin S. Uraizee
- Mr. Muhammad Ali R. Merchant
- Mr. Abdul Aziz Tayabani

### 12) WEBSITE

- Syed Waseem Hashmi (Convenor)
- Mr. Saqib Masood
- Mr. Zubarir Ahmed
- Mr. Asif Mahmood
- Mr. Muhammad Ali. R. Merchant
- Mr. Rehan Hasan Jafri
- Mr. Haider Ali Patel

### 13) NATIONAL TAX CONFERENCE

- Mr. Z.H. Jafri (Convenor)
- Mr. Saqib Masood
- Mr. Abdul Wahid Tejani
- Mr. Abdul Razzak Diwan
- Mr. Abdull Jabbar Qazi
- Mr. Younus Rizwani Shaikh
- Mr. Munawwar H. Shaikh
- Mr. Muhammad Ali R Merchant
- Mr. Khalid Latif
- Mr. Shamsuddin S Uraizi
- Mr. Ali A Rahim
- Mr. Arshad Siraj Memon
- Mr. Hyder Ali Patel
- Khawaja Mazheruddin
- Mr. M Imtiazuddin Zuberi
- Mr. Najam Irshad Khan
- Syed Shabber Zaidi
- Mr. Khaliq-ur- Rehman
- Mr. Mustafa Khandwala
- Mr. Nasim Hyder
- Mr Farrukh V Junaidi
- Mr. Asad Ali Shah
- Mr. Roshan Zameer
- Mr. Anwer Kashif Mumtaz
- Mr. Tasaduq Hussain

### 14) BENEVOLENT FUND

- Mr. Shamsuddin S Uraizee (Convenor)
- Mr. Abdul Razzak Diwan
- Mr. Younus Rizwani Shaikh
- Mr. Muhammad Yousuf Adil
- Mr. Tariq Shekoh Khan

*President, Mr. Abdul Qadir Memon and Hon. Secretary General, Syed Wasim Hashmi are ex-officio in all the Sub Committees.*



### Felicitation

The ITBAK congratulates following members of the Bar on their success and achievements:

- + Mr. Abul Inam, President of the Sindh High Court Bar Association, Karachi for the year 2002-03.
- + Mr. Hussain A Basrai, President of Institute of Chartered Accountants of Pakistan for the year 2002.
- + Mr. Saleem Chamdia, President, Karachi Stock Exchange for the year 2002-03.
- + Mr. Mustafa Lakhani, Vice Chairman, Sindh Bar Council.
- + Mr. Anwer Kashif Mumtaz, Vice President of Junior Chamber International for the year 2002.
- + Mr. Munawar H. Shaikh, General Secretary of All Pakistan Tax Bar Association for the years 2002 and 2003.
- + Mr. Iqbal Salman Pasha, Vice President of All Pakistan Tax Bar Association for the years 2002 and 2003.
- + Mr. Muhammad Zubair, National President of Pakistan Junior Chamber for the year 2002.
- + Mr. Khalid Javeed, General Secretary of Sindh High Court Bar Association, Karachi for the year 2002.

### New Members

The Convenor, Membership Committee, Mr. Abdul Razzak Diwan on behalf of the Managing Committee welcomes following new members into the fold of ITBAK.

- |                            |                           |
|----------------------------|---------------------------|
| 1. Mr. Arif Muhammad Opal  | 11. Mr. M Qasim Ali       |
| 2. Mr. Mubarak Ali Qureshi | 12. Mr. Irfan Ghafoor     |
| 3. Mr. Usman Ali Khan      | 13. Mr. Qazi Ali Akhtar   |
| 4. Mr. M Iqbal Vohra       | 14. Mr. Abdul Wasim       |
| 5. Mian Mukhtar Ahmed      | 15. Mr. M Umer Kherati    |
| 6. Mr. Safdar Ali Qureshi  | 16. Mr. M Khalid Shekhani |
| 7. Mr. Shafi M Baloch      | 17. Mr. Abdul Shakoor     |
| 8. Syed Zafar Abbas        | 18. Mr. Nasir Ahmed Khan  |
| 9. Syed M Meraj Azeem      | 19. Mr. M Iqbal Usman     |
| 10. Mr. Qurban Ali bbasi   |                           |

### Condolence

The Bar with extreme humbleness shares the sorrow and grief on the death of the following Members and their beloved. May Almighty Allah give courage and strength to the grieved families to bear this irreparable loss of the loved ones. (Ameen)

- Members of the Bar, Mr. Nadir Raza Kazmi, Mr. Ghulam Mehdi Zaidi, Mr. M Ayub Khan and Mr. Rehmat Iqbal. • Mothers of Mr. Ehtram Ahmed Khan, Mr. Fasih uz Zaman and Mr. Iqbal Usman. • Fathers of Mr. Ghulam Muhammad, Mr. Kashif Siddiqui and Mr. Rashid Siddiqui. • Brothers of Mr. Ehtram Ahmed Khan and Mr. Saifuddin Vejalani. • Wife of Mr. Usman Ali. • Daughter of Mr. Zakaria Karim.