

## **KTBA concerned at FBR's password protection policy**

**KARACHI:** The Karachi Tax Bar Association (KTBA) has raised serious concerns about the Federal Board of Revenue's recently implemented password protection policy, which requires taxpayers to change their passwords every 60 days.

In a formal letter addressed to Member Inland Revenue-Policy, the new policy, which mandates password changes six times annually, was implemented without prior consultation or draft notification.

While acknowledging the importance of taxpayer password protection, the association argues that the current approach may be counterproductive to tax compliance efforts.

"The policy appears to be a reactive measure to recent sales tax frauds involving fake invoices from null or nil filers," stated Ali A Rahim, President of KTBA.

"Instead of subjecting all 5.8 million taxpayers to frequent password changes, the FBR should focus on preventing misuse of vulnerable registration numbers."

The association highlighted several key concerns, including the policy's uniform application to both income tax and sales tax payers despite their different filing frequencies.

While sales tax returns are filed monthly, income tax returns are annual, making the bi-monthly password change requirement particularly burdensome for income tax payers.

KTBA has proposed several recommendations, including: Limiting the 60-day password change requirement to sales tax payers only Implementing automatic suspension of Sales Tax Registration Numbers (STRN) after three months of non-filing Blocking STRNs where deregistration applications have been pending for over three months.