

KTBA protests over ex-parte tax orders against COVID patients

KARACHI: Karachi Tax Bar Association (KTBA) on Wednesday protested over ex-parte order passed by tax offices despite taxpayers, who tested positive for coronavirus, applied for adjournment.

The KTBA in a letter sent to Member Inland Revenue (Operations) of Federal Board of Revenue (FBR), said that the field formations of FBR are not considering requests from taxpayers/authorized representatives (ARs) for adjournment of hearings/compliance and are adamant to proceed ex-parte/enforce personal hearings.

“The bar has also received complaints from our members that in some of the cases, ex-parte orders have already been passed where taxpayers/ARs were observing self isolation and were quarantined for having contracted Covid-19 and were unable to attend hearing notices.”

The KTBA believes such actions of passing ex-parte orders are totally against the spirit of facilitation and will be detrimental to the image of FBR. “Additionally, passing of such orders will not achieve any objective but would not also stand test of appeals.”

The tax bar demanded the FBR of equity and fairness and urged the Member to direct field formations to refrain from passing orders where ARs / taxpayers have requested for adjournments and are isolated due to Covid-19 cases.

The Member has also been urged to direct the field formations to recall all such orders passed ex-parte in the absence of taxpayer/ARs by taking recourse of Section 122A of Income Tax Ordinance, 2001 and Section 45A of Sales Tax Act, 1990 and oblige.

As aware, coronavirus (Covid-19) pandemic has hindered the mobility of people severely across the world who now largely prefer to work/liaise online due to health reasons.

Pakistan is no exception and is currently experiencing a second wave of this malaise. Keeping in view of the rising trend Covid-19 cases, provincial governments have already issued SOPs to minimize/limit social contact and to stop the spread of Covid-19 cases.

It is worth mentioning have that the Government has very recently directed that 50 percent of the office staff shall work from home as the Covid-19 cases are rising rapidly.

The tax bar also invited the Member's attention that presently all the members of KTBA fraternity are heavily occupied in their National responsibility i.e. preparation and filing of tax returns for the Tax Year 2020.

In this situation issuance of notices (audit, monitoring, amendments etc.) with a very short compliance date is against the principles of natural justice and fair play.

It is also worth mentioning to add that Chief Commissioners Inland Revenue at Karachi had assured of their fullest cooperation and vowed to take immediate all the remedial action in the event of any mishandling for which we are grateful.

The KTBA urged the Member to direct the field formations to strictly follow SOPs issued by the government to combat the spread of Covid-19 and also direct the officers to suspend issuance of all notices till December 08, 2020 (last date of filing of returns) and where ex-parte orders have been passed (where intimation / adjournments were available) recall such orders.