

December 29, 2020

Tax bar concerned over delay in FBR forms

KARACHI: Karachi Tax Bar Association (KTBA) on Monday expressed concerns on the delay in issuance of form for updating taxpayers' profile, as only three days remain to comply with the mandatory requirement.

The Federal Board of Revenue (FBR) added section 114A to Income Tax Ordinance, 2001 through Finance Act, 2020, which made it mandatory for taxpayers to update their profile by providing information including bank accounts, utility connections, business addresses, type of businesses etc.

It has been made mandatory to update profile by December 31, 2020. Further, as per the ordinance on failure to update profile, the taxpayers are required to pay a penalty of Rs2,500 for each day of default from the due date, subject to a minimum penalty of Rs10,000.

KTBA President Muhammad Zeeshan Merchant, in a letter sent to Dr Muhammad Ashfaq Ahmed, Member (Operations), FBR, said the prescribed form to update the profile was not issued so far.

It was worth mentioning here that the FBR issued SRO 1341(I)/2020 on December 16, 2020 to notify draft rules for furnishing taxpayers' profile.

The KTBA said that since the form was not issued so far, the FBR should reconsider the expiry date.

Merchant said it had already discussed with the FBR that once the form was issued, a period of 90 days would be given to taxpayers for compliance.

The tax bar urged the FBR to immediately take urgent measures to prescribe the form as soon as possible and also provide proper time available under the law which was minimum ninety days.

The bar said this was not only the right of taxpayers, but also a genuine need as the delay was not on part of the taxpayers.