

RECORDER REPORT

Fixed tax scheme, CNIC condition deferred till Sept 30

ISLAMABAD: The heads and representatives of provincial trade bodies would be made part of the negotiations between the Federal Board of Revenue (FBR) and traders on the fixed tax scheme for small shopkeepers while the condition for provision of the computerised national identity card (CNIC) numbers of the unregistered buyers has already been deferred till September 30, 2019.

On the conclusion of a meeting at the FBR House here on Friday, representatives of the trade bodies told Business Recorder that it is necessary to hear the viewpoint of the provincial trade bodies. There is a provincial tax on traders as well as proposed federal tax on the basis of fixed rates. Confusion in this regard needs to be removed and the next meeting would include presidents of the traders' bodies of all four provinces.

The meeting was chaired by FBR's Member Taxpayers Audit Nausheen Amjad and attended by Seema Shakeel, Member (IR-Operations), and Dr Hamid Ateeq Sarwar, Member (IR-Policy).

Renowned tax expert Ashfaq Tola played the lead role of 'mediator' between the FBR and the traders' community.

During the meeting around 20-25 traders participated in the meeting. It was decided that a committee of around six persons should submit its viewpoints to the FBR.

Tax authorities pledged that the FBR will not take any adverse action against traders in relation to the condition of provision of CNIC numbers till September 30. The FBR will not take any negative action against the traders up to September 30, 2019. The condition of the CNIC as per Finance Act 2019 would remain intact but no adverse action would be taken against the traders till September 30.

The FBR said the committee discussed various aspects of the draft of fixed tax scheme for small traders/shopkeepers, simplified tax procedure for traders. It will come up with finalisation of the same in the present or amended form after thorough discussions and consultations.

The FBR has defined a small shopkeeper as an individual who carries out business on a premises having a covered area of less than 300 square feet but does not include a shopkeeper if he is engaged as a jeweller, wholesaler, warehouse owner, real estate agent, builder and developer, doctor, lawyer, chartered accountant or any other category specified by the FBR.

However, traders have demanded that there must be no condition of covered area and the electricity connection and everyone dealing in sales of goods and services should be treated as a small trader.

Traders have proposed that the scheme should be applicable for all traders including those in Azad Jammu & Kashmir and Gilgit-Baltistan. They want that the scheme should also be applicable for traders dealing with all types of goods, services, small and medium enterprises and cottage industry.