

FPCCI accuses FBR of resorting to "draconian" measures

Federation of Pakistan Chambers of Commerce and Industry (FPCCI) has accused Federal Board of Revenue (FBR) of resorting to "draconian" measures under the pretext of broadening tax net. In a letter to Prime Minister Imran Khan, FPCCI President Daroo Khan Achakzai said the Association has appreciated initiation of business friendly economic and commercial policies in consultation with the business community.

He also drew the attention of Prime Minister towards the following "harsh" steps recently initiated by FBR (i) FBR raiding teams have been given a go-ahead to conduct raids arbitrarily and unilaterally on any premises without any warrant of area magistrate prior notice or giving the accused a chance of explanation, on the pretext of leakage prior to raids.

He said that it is harassment which has created panic among the trader community as the discretionary power may be misused to serve their (raiding teams) ulterior motives. This is against the fundamental rights of a citizen and the constitution of Pakistan, he lamented.

According to Achakzai, instead of setting its own house in order and identifying black sheep in its ranks, the FBR has resorted to take "draconian" measures at the cost of business community. He said that it will serve as a disincentive for the potential taxpayers to come in the tax net and run as counter-productive to the government efforts of broadening of tax base through persuasion instead of prosecution.

FPCCI has requested the Prime Minister to issue necessary instructions to the concerned officials to do away with raids without prior notice/intimation to restore the confidence of a taxpayer in the tax law, a prerequisite for success of any scheme. According to the Association, FBR has excluded the names of those taxpayers from the Active List of Taxpayers (A TL) issued on 1-3-2019 who have filed their income tax returns by the extended due date, mainly because of overloading and slow speed of FBR system thus classifying them as non-filers.

This is against the true spirit of law and anti-facilitation measure for taxpayers who have fulfilled their responsibility as compliant taxpayers. It will also run as a counter-productive to the government efforts for broadening the tax base and documentation of economy.

Furthermore it cannot be considered reasonable that these taxpayers will be treated as "non-filers" and treating them with those non-filers who did not even bother to file returns at all and as such both should not be treated in the same manner.

"We understand that once the assessee had applied for extension of time under section 119 of the Income Tax Ordinance, 2001, it was duty of the concerned commissioner to pass appropriate order on such applications. Admittedly, no order of rejection for grant of extension of time was passed by the commissioner. Under the circumstances, it cannot be presumed that the request for extension in time to file return of income made by the taxpayer under the law stood declined U/S 119(3) by the commissioner.

"We request you to issue instructions to FBR for inclusion of the names of those taxpayers who had duly applied for extension in filing of return of income and rejection order which was not passed by the commissioner and they filed return of income by the requested due date and also those taxpayers who are registered with FBR after June 2018 and are entitled for inclusion as per SRO 831(1)/2015 of August 21 2015, in the Active Taxpayer's List issued by FBR on March 1, 2019," Achakzai added.

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