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Traders told, Govt committed to implementing agreement

ISLAMABAD: Chairman Federal Board of Revenue (FBR) Shabbar Zaidi on Wednesday assured the traders community that the government is fully committed to implementing 11-point agreement signed with them. On Wednesday, the traders' representatives met senior tax officials at the FBR House to review the progress on the implementation of the said agreement.

The traders' side was presented by Ajmal Baloch, Naeem Mir and others. The FBR chairman and FBR members were also present at the meeting.

It has been decided to convene another meeting next week at the FBR House to constitute joint committees. The process of formation of joint committees having representatives of traders and FBR will be completed by the end of month. The job of these committees will be the registration of traders, dispute resolution and other functions as decided in the agreement with bodies of traders.

According to the 11-point agreement, (1) the punitive action on sale/purchase on identity card condition has been deferred till January 31, 2020, which means deferment of CNIC condition on purchase of Rs 50,000 for three months. (2) The traders with turnover of up to Rs 100 million would pay 0.5 per cent turnover tax instead of 1.5 per cent. (3) A trader with up to Rs 100 million turnover would not become a withholding agent. (4) The annual limit of electricity bill has been increased from Rs 600,000 to Rs 1,200,000 for sales tax registration. Thus, the limit of electricity bills from Rs 50,000 monthly bill has been increased to Rs 100,000 for registration of sales tax.

(5) The government will fix limits for turnover tax for the sectors which are making low profits. The turnover tax of the sectors yielding less profit would be reviewed afresh with the consultation of the traders' committee. (6) The problems of jewellers would be resolved on a priority basis in consultation with jewellers associations.

(7) The government will review again imposed withholding tax on renewal of license of middleman (Aarthi). (8) A special desk would be set up at Federal Board of Revenue for the speedy resolution of traders' problems. An officer of BPS 20-21 would be appointed to hold meetings with traders' representatives on monthly basis. (9) An easy and simplified form would be issued in Urdu for registration of new traders/filing of income tax returns and traders committee would extend full support for registration of new traders. (10) Any shop measuring up to 1,000 square feet would be exempted from sales tax registration, which would be decided in consultation with the committee of the traders. (11) The decision of registration in sales tax of retailers who are also engaged in wholesale business would be taken in consultation with the traders' committee.