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Tax return filing: Corporate sector must submit compliance certificate: SECP

In a major move to ensure income tax return filing by companies, the Securities and Exchange Commission of Pakistan (SECP) has made it compulsory for the corporate sector to submit compliance certificate regarding its status of compliance with the requirements of return under Income Tax Ordinance, 2001. The SECP has issued SRO 1048 (I)/2019 on Monday to notify Companies (Submission of Information regarding Income Tax Return) General Order, 2019. The specified categories of companies would submit the compliance certificate to the SECP registrar regarding its status of compliance with the requirements of return under Income Tax Ordinance, 2001.

The SECP compliance certificate would ensure that companies would certify whether they are compliant with the requirement of filing of income tax return under the Income Tax Ordinance, 2001 for the current tax year. The SECP order shall apply to companies specified in Schedule I annexed to this Order and shall be applicable for the financial year ended/ending on or after June 30, 2019. The words and expressions used but not defined in this Order shall have the same meaning as are assigned to them in the Companies Act, 2017 (Act).

Each company specified in Schedule-I to this Order shall file a compliance certificate with the registrar in the form as specified in Schedule II annexed to this order with respect to its status of compliance with the requirements of filing of income tax return under the Income Tax Ordinance, 2001.

The compliance certificate shall be signed by the chief executive officer of the company or by the person duly authorized by the company to sign annual return. Any contravention of the requirements of this order shall be an offence liable to penalty as provided under sub-section (2) of section 238 of the Act. The first category of companies is the single member company or a private company having paid-up capital of not more than three million rupees where there is no change of particulars in the last annual return filed with the registrar and is not required to file annual return. The filing requirement for this category is that the compliance certificate be submitted as per Schedule-II within time specified in Section 130 of the Act.

The second category is the company (other than a company mentioned above) where there is no change of particulars in the last annual return filed with the registrar and is not required to file annual return. In this case, the compliance certificate would be submitted as per Schedule II shall be filed along with Form C (Annual return of companies in case there is no change of particulars since last annual return filed with the registrar).

The third category covers the companies required to file annual return, ie, where there is change of particulars in the last annual return filed with the registrar. The compliance certificate would be submitted as per Schedule-II shall be filed along with; Form A (Annual return of company having share capital) or Form B (Annual return of company not having share capital).