

## **Time limitations, FBR allows condonations up to Dec 31, 2020**

Islamabad: Federal Board of Revenue has issued a combined order to allow general condonations of time limitations upto December 31, 2020 contained under the Income Tax Ordinance, 2001, Sales Tax Act, 1990 and Federal Excise Act, 2005, which were expired on June 30, 2020 for making tax assessment.

The FBR has issued an order here on Wednesday, which has given extra time to the tax officials of the field formations to make tax assessment against the taxpayers.

Through this order, in exercise of powers under section 214A of the Income Tax Ordinance, 2001 limitation has been condoned for finalizing issues pertaining to Tax Year 2014, finalizing cases which have been remanded by the appellate authorities and finalizing cases under section 122 where notice stood issued prior to 30th June 2019. Whereas, under section 11(5) of the Sales Tax Act, 1990 limitation of five years for issuance of show cause notice expiring on 30th June 2020 has been condoned to 31st December 2020. Similar is the condonation under the Federal Excise Act, 2005.

When contacted, Mudassar Shujaiddin, Tax Lawyer at Tax Forum explained that this is the first instance of such a mass level condonation and the object and purpose is not any relief to the taxpayer rather to gain extra six months for initiating and finalizing assessment proceedings upto 31st December 2020.

He pointed out that FBR Head Office as well as field offices were not officially closed even for a single day during the lockdown and working continuously throughout though with lesser attendance by the staff.

He observed that the reason given in the order of situation created by COVID-19 resulted into lockdown and slow-down of economy is self-contradicting. If the economy had slowed down then why the taxpayers are to be penalized for that even in those cases where during the normal period of limitation the show cause notices have not been issued. He opined that this issue would definitely go to the higher judiciary through writ petition and is not likely to withstand the judicial review.