

Senior lawyers object to proposed amendment to IT law

ISLAMABAD: Senior tax lawyers have objected to the proposed amendment to the Income Tax Rules, 2001, to give legal cover to the notices being served on the citizens of Pakistan for seeking requisite documents or compliance of tax laws through the SMS service.

According to a communication of Javed Iqbal Qazi, Advocate Supreme Court and chairman Pakistan Tax Advisors Association on Thursday, it is submitted with great responsibility that in a country like Pakistan where majority of the taxpayers are not well-educated, the proposed amendment as mentioned may be relied upon as one of the mode of service, and not the absolute service for taxation purposes.

This objection to the proposed amendment in rule 74 may as such be made as secondary evidence.

First, service of notice be made by courier/TCS, registered post or through process server than this mode may also be used, Javed Qazi added.

A leading Karachi-based tax expert, Asif S Kasbati, was of the view that the new insertion of Sub-rule (2A) about SMS is not likely to be successful because in 2018 issues were raised about Electronic Services though it was even better than SMS, but Electronic Service failed because the service was creating problems for the taxpayer and hence, several Bars and ICAP also raised issue against the Electronic Service.

We think that the Bars will raise their concern against the SMS notice; as it will be difficult to keep such, the SMS Notice, when mobile snatching is very common and even otherwise, it is difficult to keep an SMS trail for a long time like records for six years; and in case pending appeals at any forum, may be more too, Kasbati added.

The draft amendment proposed in rule 74 after rule (2) says: (2A) Where a person is using a mobile phone, document required to be served on that person by the commissioner or the chief commissioner shall be considered sufficiently served if sent as SMS on the cell phone registered in the name of such person as per record of the Pakistan Telecommunication authority established under Section 3 of the Pakistan Telecommunication (Re-Organization) Act, 1996 or the relevant Telecommunication Service Provider, it added.