

KCCI rejects FBR officials' access to account-holders' information

President of Karachi Chamber of Commerce and Industry (KCCI) Junaid Esmail Makda has urged the Ministry of Finance to withdraw the 'draconian' provisions and laws which have extended immense discretionary powers to the officers of Inland Revenue. "We believe it is a core issue, resulting in loss of productivity and mental torture to the business community," Makda said, adding: "These laws have kept a large number of potential taxpayers out of the tax regime. In fact these laws are a deterrent to broadening of tax-net and have resulted in promoting the culture of tax-evasion."

Strongly opposing the issuance of SRO 1305 (I)/ 2018 by Federal Board of Revenue (FBR), KCCI president said that by giving access to account holders information under the said SRO, efforts being made for financial inclusion would be backtracked because it would encourage cash economy due to fear of harassment.

He pointed out that under this SRO, FBR has prescribed a Cash Withdrawal Statement for banks to report information of persons who have withdrawn cash exceeding Rs 50,000 in a day and taxes deduction thereon for filers and non-filers, aggregating to Rs1 million or more during the month.

"Instead of seeking information of both filers and non-filers, it would have been appropriate to seek information of non-filers only which would have encouraged non-filers to become filers, resulting in broadening the tax net of the country," he suggested.

Referring to Karachi Chamber's clear stance against the massive discretionary powers to FBR, Makda said that present government has assured from time to time that no harassment would be done either by FBR or FIA but such SROs might lead to further harassment to the masses, including the members of the business and industrial community.

"As we firmly believe in legislations, the Karachi Chamber has always vocally opposed the SRO culture which has to be ended as it only paves way for harassment and corruption," he said, adding that if given access to account holders' details, more avenues of corruption would be opened where tax officials would start making under-the-table money by harassing people and businesses.

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