

No taxes on mobile top-ups from today

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Cellular phone companies will implement the apex court's directives and would not charge taxes from mobile phone users from the midnight of June 13, 2018, sources confirmed to *Business Recorder*. Sources revealed that mobile phone companies have received the written order from the Supreme Court of Pakistan for suspension of taxes on mobile cards as they are now preparing to make the necessary arrangements to offer Rs 100 load on Rs 100 card as well as on easy load.

Sources said that customers will get Rs 100 as a whole on Rs 100 card without any tax deduction. According to the SC order, customers will get this relief for initial 15 days.

During this period the Federal Board of Revenue (FBR), mobile phone companies and other stakeholders will sit together to devise a new mechanism for tax deduction from those coming in the tax net.

The Supreme Court had maintained that taxes on telecom services should only be deducted from those who come within the tax net. Till a solution is found, the Supreme Court suspended all sorts of taxes, and directed the FBR to come up with proposals and mechanics that will ensure that those (poor individuals) who don't come under tax-net aren't charged any tax.

All sort of telecom services i.e. voice calls, SMS, mobile internet and value added services will be exempted from taxes.

Earlier, the Supreme Court on Monday last suspended the deduction of taxes imposed on the top-up of prepaid cards by cellphone service providers and the Federal Board of Revenue (FBR), giving both institutions two days to act on the orders. A three-judge bench comprising Chief Justice Mian Saqib Nisar, Justice Ijazul Ahsan and Justice Umar Ata Bandial, was hearing the case at the SC Lahore registry.

The court, when it was told earlier that for every cellular charge, 5.5 percent was deducted as a withholding tax, 19 percent as sales tax and another 10 percent as services charges, had described the deductions as exploitative and illegal.

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