

Government of Pakistan
Revenue Division
Federal Board of Revenue

NOTIFICATION

Islamabad, the 24th August, 2024.

S.R.O. 1290 (I)/2024.- The following draft of certain further amendments in the Income Tax Rules, 2002, which the Federal Board of Revenue proposes to make in exercise of the powers conferred by sub-section (15) of section 134A of the Income Tax Ordinance, 2001 (XLIX of 2001), is hereby published for information of all persons likely to be affected thereby and, as required under sub-section (3) of the said section 237, notice is hereby given that objections or suggestions thereon may for consideration of the Board be given within seven days of publication of the draft in the official Gazette. Objections or suggestions, if any, received from any person before the expiry of the said period shall be taken into consideration, namely: -

Draft Amendments

In the aforesaid Rules, in rule 231C, —

(1) for sub-rules (1) to (15), the following shall be substituted, namely: —

“(1) Subject to sub-rule (3), this rule shall apply to all cases of disputes brought for resolution as specified in sub-section (1) of section 134A.

(2) In this rule, unless there is anything repugnant in the subject or context, —

(a) “applicant” means an aggrieved person or a class of persons in case identical issues are involved who have brought a dispute for resolution under section 134A;

(b) “Committee” means a committee constituted under sub-section (3) of section 134A; and

(c) “State-owned enterprise” shall have the same meaning as assigned thereto in the State-Owned Enterprises (Governance and Operations) Act, 2023 (VII of 2023).

(3) In the case of a state-owned enterprise, this rule shall apply to any dispute irrespective of the amount of liability of tax mentioned in clause (a) of sub-section (1) of section 134A, and it is mandatory for the state-owned enterprise to apply to the Board for appointment of a Committee if it is aggrieved.

(4) Any person or class of persons including a state-owned enterprise seeking resolution of any dispute under section 134A shall submit a written application for alternate dispute resolution to the Board in the Form as set out in Part I of the Schedule to this rule.

(5) The application submitted under sub-rule (4) shall be accompanied by —

- (a) an initial proposition for resolution of the dispute as set out in Part IA;
- (b) an offer of tax payment as set out in Part IB;
- (c) an undertaking as set out in Part IC that the applicant shall accept the decision of the Committee which shall be binding on him in all respects and that he shall on receipt of the decision immediately withdraw any and all pending litigation or cases of any kind in respect of the dispute mentioning details thereof; and
- (d) in the case of a state-owned enterprise, it shall withdraw any and all such pending litigation and cases immediately which shall be mentioned in the undertaking submitted under clause (c) of this sub-rule.

(6) The Board shall notify a panel comprising officers of Inland Revenue Service retired in BS-21 and above, chartered accountants, cost and management accountants, advocates, having minimum of ten years’ experience in the field of taxation and reputable businessmen, in

accordance with eligibility criteria specified in Part II of the Schedule to this rule.

(7) The member of the Committee mentioned in clause (ii) of sub-section (3) of section 134A of the Ordinance shall provide secretariat support to the Committee.

(8) The Committee may determine the issue and may thereafter seek further information or data or expert opinion or make or cause to be made such inquiries or audit as it may deem fit, and shall decide the dispute by majority, within forty-five days of its appointment, extendable by another fifteen days, for reasons to be recorded in writing.

(9) The decision of the Committee under sub-rule (8) shall be binding on the Commissioner when the applicant; being satisfied with the decision, has withdrawn the appeal pending before the court of law or any appellate authority in the form as set out in Part III of the Schedule to this rule and has communicated the order of the withdrawal to the Commissioner:

Provided that if the order of the withdrawal is not communicated to the Commissioner within sixty days of the service of decision of the Committee upon the aggrieved person, the decision of the Committee shall not be binding on the Commissioner.

(10) On receipt of the Committee's decision the applicant shall make the payment of income tax and other taxes as decided by the Committee under this rule and all decisions and orders made or passed shall stand modified to that extent.

(11) Members of the Committee appointed under clauses (i) and (ii) of sub-section (3) of section 134A of the Ordinance shall on decision of the application by the Committee, be paid a lump sum one-time remuneration of one hundred thousand rupees each for their services.

(12) The remuneration specified in sub-rule (10) shall be paid by the Board from its budget allocation within fifteen days of the receipt of the decision of the Committee.”;

(2) in the Schedule, —

(A) in Part I, in the title, for the expression “sub-rule (3)”, the expression “sub-rule (4)” shall be substituted;

(B) after Part I, the following new Parts shall be inserted, namely: —

“Part IA

[see clause (a) of sub-rule (5)]

An initial proposition for resolution of the dispute

To,
The Chairman,
Federal Board of Revenue,
Islamabad.

I submit following initial proposition for resolution of the dispute

- (1) _____
(2) _____
(3) _____

Yours faithfully

Signature

Name (in block letters)

NTN

Date

Part IB

[see clause (b) of sub-rule (5)]

An offer of tax payment

To,
The Chairman,
Federal Board of Revenue,
Islamabad.

I offer to make payment of income tax amounting to Rs. _____ on tax matter involved in the application filed under sub-rule (4).

Yours faithfully

Signature

Name (in block letters)

NTN

Date

Part IC

[see clause (c) of sub-rule (5)]

Undertaking

To,
The Chairman,
Federal Board of Revenue,
Islamabad.

I hereby undertake under the provisions of clause (b) of sub-section (2) of section 134A of the Income Tax Ordinance, 2001 (XLIX of 2001), read with clause (c) of sub-rule (5) of rule 231C of the Income Tax Rules, 2002, that —

- (a) I, the applicant shall accept the decision of the Committee which shall be binding on me in all respects;
- (b) I, the applicant shall on receipt of the decision immediately withdraw any and all pending litigation or cases of any kind filed by me, or on my behalf or instructions, filed by my authorized representative, in respect of the dispute as detailed below:
 - (i) _____
 - (ii) _____
 - (iii) _____
- (c) I, as Chief Financial Officer or representative of the SOE, have withdrawn all pending litigation and cases as per details given below:
 - (i) _____

- (ii) _____
(iii) _____

Yours faithfully

Signature

Name (in block letters)

NTN

Date.”;


- (C) in Part II, in clause (iv), for the full stop at the end, a semicolon and the word “and” shall be substituted and thereafter the following new clause shall be added, namely: —

“(v) An officer of Inland Revenue Service retired in BS – 21 or above has not been engaged in private tax practice any time after his retirement.”; and

- (D) in Part-III, —

- (i) for the expression “sub-section (6)”, wherever occurring, the expression “sub-section (8)” shall be substituted; and
(ii) for expression “sub-rule (8)”, wherever occurring, the expression “sub-rule (9)” shall be substituted.

[F.No.1(75)R&S/2020]


24/8/24
(Syed Mashkoor Ali)
Secretary (Income Tax Budget)