

## **Senate body asks FBR to clip withholding agents' wings**

The Senate Standing Committee on Finance has described the withholding a nightmare, saying that government has made withholding agents to even those people who had no understanding of tax. The meeting of the Senate Standing Committee on Finance chaired by Senator Saleem Mandviwalla Friday suggested to the Federal Board of Revenue (FBR) for limiting the withholding agents to the corporate sector and "don't bring it down to the level of small traders."

The validation of SROs was again came under discussion during the meeting after FBR official sought support from the committee on the issue but the committee was reluctant to validate the SROs. Mandviwalla said "as this is a principle decision, the committee has to be cautious about taking any decision." However, he added the committee would take in principle a decision.

Chairman of the committee added the problem was created because federal cabinet meetings were not being held and decisions were being implemented with the approval of Prime Minister. Consequently a writ-petition was filed in the Supreme Court against this practice, which led to definition of the federal government. "We are the collateral damage," remarked chairman.

The committee was told that initial reaction of the law Minister was as to why this proposal seeking validation of notification/SROs issued by the FBR during the last three to four years was included in the Finance Bill 2017. Senator said that Senates Forum for Policy Research (SFPR) has also opposed the proposal for seeking validation of last three to four years notifications and wanted it to be deleted.

Chairman of the committee stated that also questioned why validation of notification/SROs was not being taken from the Federal Cabinet and stated the government wants to use the shoulder of the committee for validation of bulk of the SROs about whom it had no know how.

Representatives of Steel Melters Association also turned up in the committee to complain the government has not considered their proposal for taking action against those Melters units, which are not in the tax net. Tax avoiding by some steel melters is estimated at Rs 200 million monthly in Lahore, they said adding the government had not taken action against them despite their requests during the last two years. Representatives of the Council of Textile Sector Association blamed government measures responsible for revenue loss and decline in exports and suggested that zero rating should be implemented through an Act so that the industry should not face the problem again and again.

They also pointed out 2 percent further tax an additional burden and requested the committee to recommend to the government to for rescinding it. The committee agreed to their recommendation on 2 percent further tax, according to Mohsin Aziz. The committee meeting was also informed that the government has included some measures in the Finance Bill 2017 which should not have been made part of the Finance such as SROs power to the Federal Board of Revenue (FBR), etc.

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