FBR approval compulsory before attaching bank accounts: Senate panel

While expressing concern over the attachment of bank accounts, the Senate Standing Committee on Finance has recommended that attachment of bank account should not be done without the prior approval of the Federal Board of Revenue (FBR) because of its impact on business accounts.

On Monday, a meeting of the Senate Standing Committee on Finance, presided over by Senator Saleem Mandviwalla, remarked that "at present the situation has worsen to the extent that people are closing their business accounts and making pay orders in a fear that if money was in their accounts till June 30, the FBR would attach the accounts and take hold of the money."

Mandviwalla said attaching people accounts and hold their money was no solution to any issue, therefore, "we recommend that bank accounts attachment should only be done with the prior approval of the member concerned". The committee also recommended that those selected for audit in one year must be exempted from audit for the next year after a member complained of being selected for the audit in the second consecutive year. Mandviwalla said anybody who was selected for audit for one year; his name should not even be chosen for routine audit. Member Inland Revenue (Policy) Dr Muhammad Iqbal that FBR assured the committee that necessary procedural measures would be adopted to make it possible that those are selected for audit in the one must be exempted from the audit in the next year.

The Finance Committee remained indecisive on the issue of validation of SROs issued by the FBR during the last four years as chairman of the committee said he would like to discuss the matter in an internal meeting of the committee before reaching at a decision whether or not to validate the SROs.

However, a representative of Law Division on the issue said that matter was discussed with the Law who wanted the validation clause to stay in the Finance bill as law Division fully support it.

Representative of Khyber Pakhtunkhwa Ghee manufacturers highlighted the disparity in terms of taxes to the ghee mills established in FATA and those in KP. They added that ghee mills of FATA and PATA are exempted from various taxes while on the other hand those established in KP are being liable to all taxes. Consequently, there is difference of Rs 8 per liter and urged the committee to recommend to the government either to impose income tax on ghee mills established in FATA - which also sell their ghee in KP - or to exempt their mills from income tax. The committee recommended that FBR, Law Division and ghee manufacturers should deliberate on the issue and find a way out a consensus solution to the problem.

Senator Aurangzeb Khan in his recommendations to the committee stated that the compensation packaged of Rs 400,000 was announced by the government for rehabilitation of IDP/TDPs of FATA which is totally inadequate. He said the government should give compensation of Rs 3 million for completely damaged houses and Rs 1.5 million for partially damaged houses.