

Prior to June 30, 2017: SROs, notifications issued by FBR to be validated

The federal government has decided to validate all Statutory Regulatory Orders (SROs), notifications and orders issued by the Federal Board of Revenue (FBR) prior to June 30, 2017 from the federal cabinet. Sources told *Business Recorder* here on Monday that the next meeting of the federal cabinet may take up the issue of validation of all SROs and notifications issued before June 2017. These notifications pertaining to the changes in taxes rates and other procedural/legal amendments were issued by the FBR with the approval of Finance Minister Ishaq Dar in the past.

The federal cabinet will also validate SROs issued during the tenure of 2010 to June 2017 which were issued by the federal government through finance minister. In this regard, the list of the SROs issued by the FBR during this period would be tabled before the federal cabinet for approval, they added.

The sources said that the process of providing exemption and tax concessions in the Second Schedule of the Income Tax Ordinance, 2001 is subject to the prescribed procedure. In the present circumstances such process requires the approval of the federal government, which as held by the Supreme Court of Pakistan can only be the prime minister and his cabinet. Now, the process of exemptions and tax concessions can be initiated by the Federal Board of Revenue with the approval of the minister in-charge subject to approval of Economic Co-ordination Committee.

Consequently any notification issued from July 1, 2016 onwards is validated up to June 30, 2018 through the proposed amendment in Finance Bill 2017. Similar amendments have also been made in customs act, sales tax act and federal excise act, they added.

During review of Finance Bill 2017, the Senate has also recommended to the National Assembly that all the notifications and orders issued and notified in exercise of the powers conferred upon the federal government before the commencement of the Finance Act 2017, should be validated in the forthcoming meeting of the Cabinet. The members of the Senate Standing Committee also recommended for tabling all such SROs before the federal cabinet for approval in the light of judgment given by the Supreme Court of Pakistan.

Copyright Business Recorder, 13/6/2017