

AoPs, Foreign Government, individuals: Submission of e-enrolment form to be made mandatory

The Federal Board of Revenue (FBR) will make it mandatory for every individual, Association of Persons (AoPs), company or a foreign government required to e-file return of total income, to submit form of e-enrollment through the FBR's online system. The FBR has issued draft of certain further amendments to the Income Tax Rules, 2002 through issuance of SRO 50 (1)/2018. A tax expert explained that the FBR has sought comments regarding registration of foreign government.

Pursuant to SRO 50(I)/2018 of 23 January 2018, the Federal Board of Revenue (FBR) published draft amendments to Chapter XIII (Taxpayer's Registration) of the Income Tax Rules 2002 (ITR) requesting comments from related parties regarding registration of foreign government for the purpose of section 181 of the Income Tax Ordinance 2001. Rule 80A will be amended to provide that foreign government required to e-file return of total income will submit form of e-enrollment prescribed in Part IX of the First Schedule to the ITR through FBR's online system.

Rule 80 (3) will be altered to provide that the foreign government be treated as registered, when it is e-enrolled. Rule 80(6) will be altered to provide that the foreign government will be deemed as registered as per rule 80(3), if the Commissioner, having jurisdiction over the foreign government, is satisfied after affording opportunity to be heard that the foreign government requires registration.

Sub-rule (5) is proposed to be added in rule 80B providing that the foreign government required to be registered under sub-rules (3) and (6) of rule 80 will submit the following information and documents including its name; its registered address in the foreign country; power of attorney authorizing a company incorporated under the laws of the foreign country managing its assets and cash; name and nationality of authorized signatories of the company managing its assets and cash; name and address of its authorized representative; authority letter for appointment of its authorized representative and cell phone number of its authorized representative.

The proposed draft amendments will be considered by the FBR after 7 days of its publication in the Official Gazette. Any objection or suggestion received before the expiry of the aforementioned period will be considered by the FBR. The draft amendment is available and can also be accessed from web portal of the FBR, the tax expert added.

Following is the text of the SRO issued by the FBR: SRO 50 (1)/2018. The following draft of certain further amendment in the Income Tax Rules, 2002, which the Federal Board of Revenue proposes to make in exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), is hereby published for the information of all persons likely to be affected thereby and as required by sub-section (3) of the said section, notice is hereby given that the draft will be taken in to consideration by the Federal Board of Revenue after seven days of its publication in the official Gazette.

Any objection or suggestion which may be received from any person in respect of the said draft before the expiry of the aforesaid period shall be considered by the Federal Board of Revenue,

namely.

Draft Amendments

1. In the aforesaid Rules,-

(1) In rules 80,-

(2) For rule 80A, the following shall be substituted namely:-

" 80A, E-enrolment,- Every individual, an AOP, a company or a foreign government required to e-file return of total income shall submit form of e-enrolment as specified in Part IX of the First Schedule to these rules through Board's online system"; and

(a) for sub-rule (3), the following shall be substituted namely :-

"(3) A company, an association of persons (AOP), foreign national or foreign government shall be treated as registered when the company, AOP, the foreign national or foreign government is e-enrolled namely";-

(b) for sub-rule (6), the following shall be substituted, namely:-

" (6) A company, an AOP, foreign national or foreign government shall be treated as registered as per sub-rule (3), if the Commissioner, having jurisdiction over the company, an AOP, foreign national or foreign government, is satisfied after providing opportunity to be heard that the company, the AOP, foreign national or foreign government requires registration.";

(3) in rule 80B, after sub-rule (4), the following new sub-rule shall be added, namely:-

"(5) A foreign government required to be registered under sub-rules (3) and (6)

of rule 80 shall provide-

(a) name of foreign government;

(b) registered address in foreign country;

(c) power of attorney signed on behalf of foreign government, authorizing a company incorporated under the laws of the foreign country to manage assets and cash belonging to the foreign government;

(d) name and nationality of authorized signatories of the company managing the assets and cash of the foreign government;

(e) name and address of authorized representative of the foreign government;

- (f) authority letter for appointment of authorized representative of the foreign government; and
- (g) cellular phone number of authorized representative of the foreign government."

Copyright Business Recorder, 8/2/2018