

Access to WHT info: FBR seeks SBP's help

The Federal Board of Revenue (FBR) has decided to approach the State Bank of Pakistan (SBP) to pursue banks for reporting of person-wise and transaction-wise withholding tax information. Sources told *Business Recorder* Monday that the issue of reporting requirements for banks was discussed during the last meeting of the Tax Reform Implementation Committee (TRIC) at the FBR.

According to details, it was discussed that at present banks are not reporting person-wise and transaction-wise tax collections, under section 236P of the Income Tax Ordinance, 2001 from non-filers, on cash withdrawal under section 231A, on cash transactions under section 231AA, and on profit on debt under section 151, in their withholding tax statements.

Instead banks deposit the collected taxes under those sections as a single figure in lump sum, generating CPR declaring the persons as "various taxpayers" from whom taxes were collected. Due to non-reporting of person-wise and transaction-wise withholding tax information, FBR is facing difficulties in audit of withholding taxes in banks.

Under section 236P, advance tax is applicable on banking transactions otherwise than through cash. The section 231A deals with the cash withdrawal from banks and section 231AA is related to the advance tax on transactions in banks.

The application of the provision of section 165A (furnishing of information by banks) of the Income Tax Ordinance, 2001 also came under discussion during the meeting.

It was briefed that under the aforesaid provision, all banks are required to provide FBR certain access to information such as account holders and its transactions, particulars of deposits exceeding one million or more during preceding calendar month, loans written off exceeding one million etc. However, the Banks haven't been providing FBR the aforesaid information required under the law.

It was decided that the Chairman FBR, in meeting with SBP would request central bank to prevail upon banks, to report person-wise and transaction-wise tax collections under those sections, where tax collected from a person exceeds certain threshold. It was also decided, that the Chairman, FBR would also request the SBP to help FBR gain access to aforesaid information as well as help FBR conduct withholding audit of the banks.

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