

Pakistan Institute of Public Finance Accountants

(Established under Section 42 of the Companies Ordinance, 1984)

Constituted by: **ICAP, ICMAP, AGP**

Identification, development and imparting knowledge to provide a structure for the training of accounting professionals in the specialist areas



Newsletter

Vol. 19 Reg. No. : SS-1112

September 2006

PIPFA Board of Governors

PRESIDENT

Mr. Arif Mansur

VICE PRESIDENT

Mr. Muhammad Sharif

SECRETARY

Mr. Khalid Ali Shah

TREASURER/JOINT SECRETARY

Mr. Mirza Munawar Hussain

MEMBERS

Mr. M Azam Khan Shad

Mr. Muhammad Arif Nara

Mr. Zulfikar Ali Kadri

Mrs. Farah Ayub Tarin

Mr. Shaikh Saqib Masood

Mr. Syed Shahid Husain Jafri

Mr. Sajid Hussain

Mr. Mian Muhammad Shoab

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PUBLICATION COMMITTEE

Mr. Muhammad Arif Nara Chairman

Mr. M. Azam Khan Shad Member

Mr. Khalid Ali Shah Member

EXECUTIVE DIRECTOR

Syed Jamil Ahmed Rizvi

New Office Bearers

In accordance with clause 3 of Articles of Association, the Board elected following new office bearers on PIPFA's BOG in their 69th meeting held on September 24, 2006

- o Mr. Arif Mansur as President
- o Mr. Muhammad Sharif as Vice President
- o Mr. Khalid Ali Shah as Secretary
- o Mr. Mirza Munawar Hussain as Treasurer and Joint Secretary

Mr. Arif Mansur
President
ICAP Nonminee



Mr. Muhammad Sharif
Vice President
Elected



Mr. Khalid Ali Shah
Secretary
AGP Nonminee



Mr. Mirza Munawar Hussain
Treasurer and Joint Secretary
ICMAP Nonminee



Income Tax

Mandatory Filing of Return by NGO's/NPOs

The Regional Commissioners of Income Tax (RCITs) have the authority not to renew the 'income tax exemption certificates' of those active non-profit organizations (NPOs), institution/funds/trusts/societies not filing 'tax year 2006' returns. The filing of annual returns by these institutions has been made mandatory in budget 2006-07. The non-filers of returns would face difficulty in renewal of income tax exemption available to them. If they do not file returns, the RCITs have the powers not to renew their exemption. Sources said that NPOs/NGOs are not authorised to earn income under the law. There are certain restrictions imposed on the NGOs/NPOs, as they cannot form reserves and have to spend all the money. Therefore, there are certain areas where income tax exemption is not available to these organizations/trusts. The business income and interest income is taxable under the income tax law. Similarly, the income tax law does not allow 'Benami' donations to NGOs/NPOs. The donations must include the names of the donors, whereas the government does not accept the condition of making donations only through normal banking channels. Sources said that NGOs/NPOs have to submit the requisite documents including statements of accounts along with the returns for renewal of their income tax exemption. The Board had empowered the RCITs to register non-profit organizations (NPOs), institution/funds/trusts/societies for giving income tax exemption after necessary documentation. Under the revised rules, the NPOs/NGOs would be required to submit application to the RCIT concerned instead of the board. On receipt of an application, the RCIT would complete necessary registration formalities.



Notification Sales Tax

SRO 102(1)/2006, dated 2nd October, 2006

In exercise of the powers conferred by the first proviso to clause (46) of section 2 of the Sales Tax Act, 1990, the Central Board of Revenue is pleased to fix the values specified in column (4) of the Table below in respect of goods specified in column (2) thereof for the purpose of sales tax assessment at import stage provided that where the value at which import is made is higher than the value fixed by the Board, the value of goods shall be the value at which the import is made.

TABLE

S. #	Description	PCT Heading	C&F value per Unit US\$
(1)	(2)	(3)	(4)
1.	New PCs (personal computers) Pentium-II, III and IV	84.71	350
2.	Used PCs (personal computers) Pentium I and II	84.71	50
3.	Used PCs (personal computers) Pentium III	84.71	100
4.	Used PCs (personal computers) Pentium IV	84.71	125
5.	Used laptop computers, notebooks (Pentium I and II)	84.71	100
6.	Used laptop computers, notebooks (Pentium III)	84.71	150
7.	Used monitors 14"	84.71	30
8.	Used monitors 15"	84.71	40
9.	Used monitors 17"	84.71	50
10.	Used monitors 19"	84.71	75
11.	Used monitors 21"	84.71	100

Electronic Intermediaries Rules

The Sales Tax e-Intermediaries DRAFT Rules, 2006.

- Short title, commencement and application. (1) these rules may be called the Sales Tax e-Intermediaries Rules, 2006. (2) These rules shall apply to:
 - the persons appointed as e-intermediaries by the Board under sub-section (I) of section 52A of the Act to electronically file return and such other documents as may be prescribed from time to time, on behalf of a person registered under section 14 of the Act; and
 - The persons registered under section 14 of the Act, who opt to file their return or such other documents as may be prescribed from time to time through e-intermediaries.
 - These rules shall come into force on the first day of July, 2006.
- Definitions.** - (1) In these rules, unless there is anything repugnant in the subject or context,
 - "Act" means the Sales Tax Act, 1990;
 - "Board" means the Central Board of Revenue constituted under the Central Board of Revenue Act, 1924 (IV of 1924);
 - "computerized system" means any comprehensive information technology system to be used by the Board or any other office as may be notified by the Board, for carrying out the purposes of this Act;
 - "e-declaration" means electronically transmitted return or such other documents of sales tax, as may be prescribed by the Board from time to time;
 - "e-intermediary" means a person appointed as e-

intermediary by the Board under sub-section (I) of section 52A of the Act to electronically file return and such other documents as may be prescribed by the Board from time to time, on behalf of a person registered under section 14 of the Act;

- "e-declaration administrator" means an officer not below the rank of an Additional Collector of Sales Tax, authorized by the Board for the purpose of administration of the scheme envisaged under these rules;
 - "e-intermediary user" means a registered person who has appointed an e-intermediary to furnish such e-declaration on his behalf under intimation to e-declaration administrator.
 - "registered person" means a person registered under section 14 of the Act; and
 - "Unique User ID" means a unique identification number or password allotted by the Board to and e-intermediary for his identification in relation to electronically transmitting the return or such other documents, as may be prescribed from time to time.
- (2) All other words and expressions used herein but not defined and defined in the Act shall have the meanings respectively assigned to them in the Act.
- 3. Appointment of electronic intermediary,-** (I) A person having sufficient physical and information technology infrastructure and professional experience in the field of providing taxation services, if desirous of being appoint as e-intermediary, shall to the e-declaration administrator on the format prescribed at Annex-I to these rules for the purposes of these rules sufficient physical and information technology infrastructure and professional experience shall mean:

'Sufficient physical and information technology infrastructure', minimum requirement:

- One office having area of 200 sq ft, in the name or title of e-intermediary;
- At least 4 computer having capability of processing information;
- At least 2 scanners of reasonable quality; and
- Internet connectivity with an approved license.

Professional experience:

A firm or sole proprietorship approved to practice by the **Institute of Chartered Accountant of Pakistan** or **Institute of Cost and Management Accountants of Pakistan**;

- A person of firm approved to practice as Income Tax Practitioner Under the Income Tax Ordinance, 1979; and
 - Any other person so approved by the Board.
- (2) The e-declaration Administrator, on receipt of an application for appointment as an e-intermediary, shall inter alia, verify:-
- That the applicant possesses suitable information technology, adequate knowledge, skills, infrastructure and professional experience required for successful transmission of data or return electronically; and
 - That the applicant has never been involved in a case of tax fraud within the meaning of clause (37) of section of 2 of the Act and has never been convicted by a Court of law for an offence under any law for the time being in force.
- (3) The e-declaration Administrator, after verification, as aforesaid, shall forward the application along with his specific recommendation to the Board for appointment of the applicant as e-intermediary.
- (4) he Board, after receipt of the recommendations from the e-declaration Administrator, may appoint the applicant as an e-intermediary and issue him a Unique User ID', subject to such conditions, restrictions and limitations, as may be prescribed;



Provided that the Board may refuse to entertain an application for appointment as e-intermediary subject to granting an opportunity of being heard to the applicant.

(5) In case of any change in the particulars or information provided by the e-intermediary in the application for registration, he shall immediately inform the concerned e-declaration Administrator about such change,

4. Cancellation of appointment. - (1) where the Board is satisfied that the e-intermediary has,-

(a) Failed to comply with any of the condition prescribed by the Board; or

(b) acted in contravention of any of the provisions of the Act or these rules;

Or

(c) failed to take adequate measures for security and confidentiality of

The Unique User ID; - or

(d) been convicted in an offence under the Act or any other law for the time being in force;

May cancel the appointment of such e-intermediary after affording him an opportunity of being in force;

(2) Pending consideration whether the appointment of the e-intermediary be cancelled under sub-rule (1), the Board may suspend the appointment.

(3) An e-intermediary who intends to surrender his appointment, shall file an application to this effect to the Board, in the format prescribed at Annex-II.

(4) The Board may, on receipt of an application referred to in sub-rule (3), cancel the appointment of the e-intermediary after necessary inquiry, as it may deem proper to conduct.

5. Procedure to be followed by registered persons. - (1) A registered person desirous of furnishing e-declaration, may authorize an e-intermediary, duly appointed by the Board, to furnish such e-declarations on his behalf, under intimation to the e-declaration Administration having jurisdiction;

Provided that the registered person may, at any time revoke

authorization of an e-intermediary under intimation to the e-declaration Administration having jurisdiction and such revocation shall apply prospectively.

6. Procedure to be followed by electronic intermediary. -

(1) The e-intermediary shall digitize the data of e-declaration, duly signed by the registered person and electronically transmit the same to the computerized system in the manner prescribed under Chapter XX of the Sales Tax Special Procedure Rules, 2006, by using his 'Unique User ID'.

(2) The computerized system shall issue a provisional acknowledgement to the e-intermediary in token of the receipt and acceptance of the data transmitted.

(3) In case of non-acceptance of data by the computerized system at any stage, the e-intermediary shall be informed to correct the data and resubmit the same.

7. Responsibilities of e-intermediary. - (1) the e-intermediary user shall be responsible for accuracy of the e-declarations transmitted by him. (2) He shall be responsible for security and confidentiality of the 'Unique User ID' allotted to him, and where any e-declarations is transmission of that e-declaration shall be deemed to have been transmitted by the e-intermediary to whom such 'Unique User ID' has been allotted. (3) The e-intermediary shall retain the data relating to all e-declarations transmitted by him electronically on behalf of a registered person, for a period of three years following the date of such declarations.

8. Responsibility of e-declaration Administrator. - Without affecting the generality of the foregoing provisions, an e-declaration shall ensure compliance by e-intermediary operating within his jurisdiction including the verification about their credentials, any complaints received against the e-intermediaries and such other matters as he may deem fit.

9. Scrutiny of records. - An officer or officers of Sales Tax, authorized by the Collector in this behalf, may examine records maintained by an e-intermediary, whether electronically or otherwise, in relation to a specific transaction or to verify adequacy or integrity if the system or media on which such records are created and stored.

One-Day Conference on Corporate Governance in Banks

State Bank of Pakistan in collaboration with the International Finance Corporation (IFC) and the Pakistan Institute of Corporate Governance (PICG) organized a one-day conference on 'Corporate Governance in Banks' on Monday the 29th May 2006 at the SBP Learning Resource Center, Karachi. The conference was chaired by the Governor, State Bank of Pakistan. The conference was aimed at strengthening the corporate governance in the banking system of Pakistan. The conference was attended by foreign delegates, Board members and

the chief executives of the Banks, Development Financial Institutions (DFIs) and Micro Finance Banks (MFBs). The purpose was to get members of the Boards in loop to develop their understanding of the key issues and learn from the best international practices to enable them to play an effective role in the affairs of their bank.

In the conference, presentations and case studies were made.

PIPFA Affairs

Last Date of Submission of Examination Form is 25th October, 2006

- Forms can also be submitted with 100% late fee from October 26th to November 1st 2006.
- All students are advised to clear their coaching dues up to September 25th 2006 before submitting examination form otherwise their form will not be processed for Admit Card.

Members Directory:

The Institute is shortly publishing directory of members for general information.

Employment Opportunities:

Advanced Electronics International require immediately two accounts professional for their accounts department with below mentioned background

Requirement:

Qualification: APA with Graduation

Experience: Preferable 1 or 2 Year
Good Knowledge of Sales Tax and Income Tax

Interested person may Send resume on info@aei-co.com and waseemfawad@yahoo.com or contact on: 0333-2332689.

Admission of New Members:

Fellow Members

- | | |
|-----------------------------|------------|
| 1. Muhammad Sohail Khokhar | (FPA-12) |
| 2. Khawaja Zafarullah | (FPA-173) |
| 3. Syed Muhammad Yehya Shah | (FPA-464) |
| 4. Akhtar Hussain | (FPA-915) |
| 5. Rashid Ahmad Bhatti | (FPA-921) |
| 6. Muhammad Tariq-Ur-Rehman | (FPA-1013) |



- | | | | |
|--------------------------------|------------|----------------------------|------------|
| 7. Nadeem Butt | (FPA-1433) | 18. Syed Kazim Razvi | (APA-3851) |
| 8. Majid Iqbal | (FPA-1472) | 19. Naveed Kamran | (APA-3852) |
| 9. Ghulam Haider Chaudhry | (FPA-1570) | 20. Waqar Ali | (APA-3853) |
| 10. Shazia Tehsin Ahmad | (FPA-1722) | 21. Sajid Kareem | (APA-3855) |
| 11. Zahid Farooq | (FPA-1780) | 22. Imran Javed | (APA-3856) |
| 12. Najeeb Khan | (FPA-1817) | 23. Shabbir Ahmed | (APA-3857) |
| 13. Ansar Ali Noor | (FPA-1823) | 24. Tahir Majeed | (APA-3858) |
| 14. Zahair Amirali | (FPA-1824) | 25. Moeed Ali | (APA-3859) |
| 15. Gul Raze | (FPA-1848) | 26. Tayyab Ali Ghori | (APA-3860) |
| 16. Shahbaz Hussain | (FPA-1852) | 27. Amanullah | (APA-3861) |
| 17. Dildar Ali Bhatti | (FPA-1878) | 28. Saqib Iqbal | (APA-3862) |
| 18. Zubair Murtaza | (FPA-1898) | 29. Ghazanfar Ahmed Naseer | (APA-3863) |
| 19. Wali Mohammad Khan | (FPA-1955) | 30. Muhammad Omer Farooq | (APA-3864) |
| 20. Muhammad Younas Khalid | (FPA-1984) | 31. Wajid Rashid | (APA-3865) |
| 21. Qamar Nisar Malik | (FPA-2013) | 32. Umar Farooq | (APA-3866) |
| 22. Nadeem Gulzar | (FPA-2042) | 33. Syed Ahmed Raza | (APA-3867) |
| 23. Ali Tahseen | (FPA-2044) | 34. Hatim Rangwala | (APA-3868) |
| 24. Salman Ahmed Gill | (FPA-2058) | 35. Shahzad | (APA-3869) |
| 25. Muhammad Daud Khan Durrani | (FPA-2066) | 36. Muhammad Umar Farooq | (APA-3871) |
| 26. Muhammad Mahboob | (FPA-2087) | 37. Shafiq Ahmad | (APA-3872) |
| 27. Muhammad Arshad | (FPA-2124) | 38. Muhammad Shafiq | (APA-3873) |
| | | 39. Shahan Shams | (APA-3874) |
| | | 40. Amin Anwer Ali | (APA-3875) |
| | | 41. Asad Mahmood Usmani | (APA-3876) |
| | | 42. Adnan Zia | (APA-3877) |
| | | 43. Muhammad Yousuf | (APA-3878) |
| | | 44. Muhammad Amir Fahim | (APA-3879) |
| | | 45. Qasir Iqbal | (APA-3880) |
| | | 46. Muhammad Ali Rishi | (APA-3881) |
| | | 47. Shoaib Muhammad Khan | (APA-3882) |
| | | 48. Fahim Uddin Ahmed | (APA-3883) |
| | | 49. Shahzad Afgan | (APA-3884) |
| | | 50. Shad Hassan | (APA-3885) |
| | | 51. Khurram Ahmed Ajazi | (APA-3886) |
| | | 52. Ali Ahsan | (APA-3887) |
| | | 53. Mujahid Nisar | (APA-3888) |
| | | 54. Muhammad Rizwan | (APA-3889) |
| | | 55. Syed Asif Husain | (APA-3890) |
| | | 56. Amjad Ali | (APA-3891) |
| | | 57. Muhammad Naseem Rashed | (APA-3892) |

Associate:

1. Ahmed Tariq
2. Imran Muhammad Suleman
3. Atif Hussain Mir
4. Muhammad Iqbal Qasim
5. Nabeel Ahmad
6. Ahmad Maqsood
7. Muhammad Rizwan Zafar
8. Sohail
9. Abid Hussain
10. Zahid Noor Siddique
11. Syed Imran Haider
12. Azam Ghani
13. Asif Iqbal
14. Rizwan Rasheed
15. Imran Butt
16. Muddassar Ahmad Iqbal Hashmi
17. Muhammad Aamir Noor



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