

# **DAILY TIMES**

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## **PAKISTAN**

# **Wafaqai Mohtasib jumps into action over expat's complaint**

### **Staff Report**

MAY 8, 2019

Wafaqi Mohtasib's Secretariat Islamabad Senior Advisor (Law) and Grievance Commissioner for Overseas Pakistanis, Hafiz Ahsaan Ahmad Khokhar, took cognizance of a complaint against an allegedly unjust tax deduction.

An overseas Pakistani working in Saudi Arabia Muhammad Ashfaq had complained against the "unfair" deduction of withholding tax on withdrawal of amount exceeding Rs.50,000/- from the banks in Wafaqi Mohtasib's Secretariat.

Hearing this, Khokhar asked the Federal Board of Revenue (FBR) Islamabad to explain the tax deduction from foreign remittances bank account.

In response to Wafaqi Mohtasib's letter, FBR vide letter dated May 5, submitted a report. According to which, exemption on tax u/s 231A in case of foreign remittances was being provided in Clause 101A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 from the date of promulgation of Finance Supplementary Act, March 9.

The FBR report further explained that if the tax was still being charged in such cases, it was due to some fault in the banks' system. There was no tax applicable on the bank accounts where foreign remittances are deposited directly, it maintained.

The matter was disposed off by Wafaqi Mohtasib's Secretariat after receiving the clarification of FBR that the exemption was being granted while no tax on cash withdrawal from a bank account was applicable on foreign remittances deposited directly into such account.

Overseas Pakistanis can now heave a sigh of relief as they can withdraw their cash from such bank accounts, where foreign remittances are deposited, without paying any withholding tax.