

## **Press Release**

### **SEC, CBR Constitute Task Force to Formulate Corporate Tax Policy**

**Islamabad – December 27, 2004:** The Securities and Exchange Commission of Pakistan (SEC) and the Central Board of Revenue (CBR) have constituted a joint Task Force to formulate a corporate tax policy, which aims to encourage corporatization and provides for a progressive development of the corporate sector in the country.

The Task Force will be headed by Mr. Justice (retd) Saleem Akhtar, while its members include Mr. M.S. Lal, Member (P&TR), CBR; Mr. Abdul Rehman Qureshi, Commissioner, SEC; Mr. Ahmad Khan, former Member, Monopoly Control Authority; Mr. Mukhtar Ahmad Gondal, Chief (Direct Taxes Policy), CBR; Mr. Abdul Hameed Chaudhri, FCA, Lahore; Syed Mohammad Shabbar Zaidi, FCA, Karachi; and Syed Fayyaz Mahmud, Director, SEC as secretary.

The Terms of Reference of the Task Force include:

- To review the existing legal and policy regime for corporate tax with a view to developing an effective corporate tax policy aimed at enhancing corporatization and progressive development of corporate sector.
- To review the applicable tax rates; multi-tiered taxation, sales tax; Turnover Tax; Withholding Tax; Professional Tax; and the Capital Value Tax as well as the procedure for filing the tax returns by companies.
- To suggest tax reforms in various areas such as rationalization of tax rates, streamlining of sales tax refunds, extension of sales tax coverage to more sectors, documentation of entire value chains across most areas, and reduction in interface between taxpayer and tax officials.
- To examine the prospects of broadening of the tax net to unregistered enterprises so as to sustain revenue in a reduced tax rate scenario and induce the conversion of unregistered entities into corporate enterprises.
- To suggest reforms that provides effective mechanisms and a level playing field between registered and unregistered enterprises.
- To suggest viable tax administration measures for implementation of the recommended reforms.

The Task Force is required to complete its task within a maximum period of two months.