

**Government of Pakistan
Federal Board of Revenue
(Revenue Division)**

No.C. 69(1) S-DOS/2009-138499-R

Islamabad, 5th October, 2010

To : All Chief Commissioners Inland Revenue, RTOs
All Chief Commissioners Inland Revenue, LTUs

Subject: - SECTION 122C OF THE INCOME TAX ORDINANCE, 2001 – CLARIFICATION REGARDING.

Sub section (1) of section 122C of the Income Tax Ordinance, 2001 provides that where in response to a notice issued under sub section (3) or sub section (4) of section 114, a person fails to furnish return of income for any tax year, the Commissioner may, based on any available information or material and to the best of his judgement, make a provisional assessment of taxable income or income of the said person and issue a provisional assessment order specifying the taxable income or income assessed and the tax due thereon.

2. The order so passed under sub section (1) of section 122C attains finality after the expiry of the sixty days from the date of service of order of provisional assessment and all the provisions of the Ordinance apply accordingly. However, the provisions of sub section (2) of section 122C are not applicable, if return of income alongwith wealth statement, wealth reconciliation statement and other documents as required under sub section (2A) of section 116 are filed by the taxpayer for the relevant tax year, before the expiration of sixty days.

GM (Dev) PRAL

Recd. No. 1523 (Dev)

Dated: 06/10/10

Pl. place it on FBR & RFBIR

[Handwritten Signature]
09/10/2010

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3. The representations have been made regarding the treatment of the provisional demand, where the compliance of the notices under section 114 (3) and (4) of the ordinance has been made before the expiry of sixty days from the service of the provisional assessment order and requests have been made to lay down procedure regarding this provisional tax demand raised and communicated to the compliant taxpayer.

4. In the given circumstances, it has been decided that where the compliance by the taxpayer under sub section (1) of section 122C is made before the expiration of sixty days from the service of the provisional assessment order, the provisional demand shall be taken into minus account by the Enforcement & Collection Division and an order under the proviso to sub section (2) of section 122C shall be passed by the Commissioner and communicated to the taxpayer accordingly.



(Ali Husnain)
Secretary (Domestic Operations) South

Copy for information to:-

1. **All Members of FBR, HQ, Islamabad.**
2. **The Chief Commissioner Inland Revenue, RTO, Hyderabad-** with reference to his letter No. Jud.I/CCIR/RTO/HYD/2010-11/730 dated 1st September, 2010.
3. **The General Manager (SD), PRAL, Islamabad-** with the request to please place this circular letter on FBR web for benefit of the officers/general public.
4. **Syed Masroor Hussain, B.Com, LL.B, P.G.D.P.A, Income Tax Practitioner, Room No. 31, 1st Floor, District Council Shopping Centre, Thandi Sadak, Hyderabad.**