



Karachi.

**OFFICE OF THE
COMMISSIONER INLAND REVENUE
ENFORCEMENT & COLLECTION
DIVISION-III, KARACHI.**

NO : CIT/E & CD.III/2009-2010/
Dated / 1 / 2010

OM

3256

To

✓ The Principal Officer
State Bank of Pakistan,
Karachi

Sub: TAXABILITY OF REMITTANCES MADE BY FREIGHT
FORWARDERS TO NON-RESIDENTS

Kindly refer to the above noted subject.

It has transpired that freight forwarders in the course of business remit amounts to their non-resident associates and others without deduction of tax or alternatively obtaining a certificate from Commissioner Inland Revenue. The banks are not insisting on withholding of tax or production of exemption certificate which is resulting in huge loss of revenue.

As per provisions of Income Tax Ordinance, 2001, every person paying an amount to a non-resident is required to deduct tax or to obtain exemption certificate from the Commissioner, the relevant section (152) is hereby enclosed for ready reference.

It is therefore, requested that all the banks may kindly be directed not to allow the remittances by freight forwarders either without proper deduction of tax or alternatively on presentation of an exemption certificate issued by the competent authority i.e. Commissioner Inland Revenue holding jurisdiction over them,

If you have any query in this regard please feel free to contact the undersigned on the telephone numbers given below.


(SHAISTA ABBAS)
COMMISSIONER
Tele: 99218597