



Profile Update on IRIS

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PROFILE UPDATE ON IRIS;

[Under Section 114A]

- i) In the recent Budget of June 2020, taxpayers have been required to update their NTN profile.
- ii) Provisions in this respect have been introduced under the Ordinance vide Finance Act, 2020, wherein Six(06) months' time has been given to update the profile by the end of December 31, 2020 on the IRIS.
- iii) It has been provided that all the existing business individual, AOPs and the Companies (both resident and non-resident), have to update their NTN profile with the following details: -
 - a) Bank Account(s).
 - b) Utility Connections (Electricity, Gas and Mobile Number).
 - c) Business(es) premises including all manufacturing, storage or retail outlets operated/ leased.
 - d) Type/Nature of business(es).
 - e) Such other information as may be prescribed.

The only exception are those Individuals, whose exclusive source of Income is either from
(i) *Salary* (ii) *Capital Gain* (iii) *Rental Income* OR (iv) *Interest Income*.

NEW NTN HOLDERS;

- iv) In addition to the existing NTN holders, new NTN holders are also required to update their profile, who have been divided into two (2) categories in terms of deadline by which updation is to be done.
 - a) Those who get their NTN before September 30, 2020 will have to update their profile before the end of same deadline of December 31, 2020.
 - b) Those who get their NTN after September 30, 2020 will have to update their profile within ninety (90) days of the registration i.e. if NTN is dated October 31, 2020, the deadline for updating the profile will be January 31, 2021.

Apart from the above, it has been laid-down that any change in NTN particulars will also have to be updated within the same time period of ninety (90) days of the change.

PENALTIES;

In order to enforce the compliance penal provisions have been introduced side-by-side for the following non-compliances: -

- a) Failure on the part of old NTN holder (registered upto June 30, 2020) to update their profile before December 31, 2020.
- b) Failure on the part of new NTN holders (registered between July 01, 2020 to September 30, 2020) to update their profile before December 31, 2020.
- c) Failure on the part of new NTN holders (registered after September 30, 2020) to update their profile within ninety (90) days of change.
- d) Failure to update the profile in case of any change happens within ninety (90) days of the change going forward.

Penalty will be imposed at the higher of Rupees **10,000/-** OR Rupees **2,500/-** for each day of non-updation.

REMOVAL FROM ACTIVE TAXPAYER LIST [ATL];

The Government it appears, in order to foster the compliance, has enforced a very strict measures in case of its non-compliance i.e. expulsion from the ATL. Though, the seriousness of the steps taken may duly be reflected by penal and punishment provision, the same, however, has fallen just short of the infamous "Suspension of Registration" in Sales Tax. It would not be erroneous to state that the ATL has practically been used as a tool of enforcement as if the penalties were not enough to maintain the writ of a direction by FBR.

It has been given to understand that ATL status of the following Tax Years shall be affected.

- i) Old NTN (registered up-till June 30, 2020) due date for updation; December 31, 2020;
Latest Tax Year 2020
- ii) New NTN (registered between July 01, 2020 to September 30, 2020) due date for updation; December 31, 2020;
Latest Tax Year 2020.
- iii) New NTN (registered after September 30, 2020) due date for updation within 90 days of change;
Latest Tax Year 2020

The ATL status can be restored only once after updation is done and the payment of surcharge for ATL under Section 182(A) of the Ordinance has been made as follows: -

- a. Rupees 20,000 in case of a Company**
- b. Rupees 10,000 in case of an Association of Persons (AOP); and**
- c. Rupees 1,000 in case of an Individual**

Based on the above, we have tabulated the twin monetary impact of non-updation as under:

Taxpayer	Penalty for late updation of Profile u/s. 181		Removal from ATL	Surcharge of ATL u/s. 182(A)
	Min.	Max.		
Individual	Rs. 10,000	Rs. 2,500 of each day of non-updation of Profile	Double Withholding Tax Deduction at source	Rs. 1,000
AOP	Rs. 10,000	Rs. 2,500 of each day of non-updation of Profile	Double Withholding Tax Deduction at source	Rs. 10,000
Company	Rs. 10,000	Rs. 2,500 of each day of non-updation of Profile	Double Withholding Tax Deduction at source	Rs. 20,000

Hope the above update provides a complete understanding of the new profile updation rules.

If you need any clarification in respect to the above, kindly do contact our Income Tax Team as follows;

1. Ms. Afsheen Rehman

Manager | Direct Tax

Email: afsheen.rehman@mooreshkehamufti.com

4. Mr. Ozair Malik

Senior Executive | Direct Tax

Email: ozair.malik@mooreshkehamufti.com

2. Mr. Adnan Khan

Manager | Direct Tax

Email: adnan.khan@mooreshkehamufti.com

5. Mr. Noor Muhammad

Senior Executive | Direct Tax

Email: noor.muhammad@mooreshkehamufti.com

3. Mr. Imran-ul-Haq

Assistant Manager | Direct Tax

Email: imran.haq@mooreshkehamufti.com

Thanks & Regards,