

**GOVERNMENT OF PAKISTAN  
(REVENUE DIVISION)  
CENTRAL BOARD OF REVENUE  
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C.No.1(1)SS(I TR)/05

Islamabad, the 19<sup>th</sup> of September, 2005

**To: All Regional Commissioners of Income Tax,  
Northern/Eastern /Central/Southern and Corporate Regions,  
Islamabad/Lahore/Multan/Karachi.**

**The Director Generals,  
Large Tax Payers Units,  
Lahore/Karachi.**

**Subject: INCOME TAX RETURN FORMS-CLARIFICATIONS REGARDING.**

I am directed to refer to the subject mentioned above and to say that various queries have been raised by the taxpayers regarding the new prescribed Return Form which are clarified as under:

- a. In Annex IID at Serial No.4, the situation of set off of business loss only for the year against income under any other head is covered, while legally both business loss and depreciation/amortization for the year can be set off against the income under any other head. In such situations, taxpayers can incorporate their own working in the space available after Serial No.4 in the said Annex.
- b. Annex IIE, IIF and IIG are not applicable in case of an individual and association of persons. However, use of these annexes by an individual and association of persons will be appreciated.
- c. In Annex IIG Serial No.3 (b)(v) or 4(e)(v), as the case may be, can be used for bifurcation of Gain/Loss on disposal of depreciable assets between income subject to final tax and normal income.
- d. As a result of short deduction/collection, if any tax is payable in respect of incomes etc. subject to final taxation, the same can be adjusted against any refund due as pre Return of Total Income, Employer's Certificate in lieu of Return of Total Income, Attachment to Employer's Certificate or Statement of Final Tax of Retailers and vice-versa.
- e. In Annex IIA and IIB, Business Code is to be filled by the Income Tax Department and not by the taxpayers (copy attached).
- f. Taxpayers deriving income from commission fall in the category of Agency of Services depending upon the facts of each case.

- g. Members of the Stock Exchanges are requested to overwrite Code 6443 as 6445 and applicable rate 5% as 0.005% in the Statement of Final Taxation (R5) and Annex XI, as the case may be.
- h. Members of the Stock Exchanges are required to disclose the purchase and/ or sale value in the column of "Receipts/ Value" in the Statement of Final Taxation (R5) and Annex XI, as the case may be.
- i. Following additional line may be inserted before Serial No.6 in Annex X, wherever necessary:

"5A. On Trading of shares Evidence of payment attached -  9439

- j. In annex V the words "Immovable Property" wherever used may be ignored.

**(Dr. Shamsuddin Qazi)**  
**Second Secretary (ITR)**

Copy for website of Central Board of Revenue, Islamabad

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