



**Professional  
Accountants  
Forum**

# PROFESSIONAL ACCOUNTANTS FORUM

**A Forum of all Business Professionals  
including CA, CMA, MBA, M.Com, ACCA, CIMA, CPA, CFA, CIA, CISA  
PIPFA, Diploma holders in Islamic Banking, PGDs from CIE**

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The Finance Minister  
Finance Ministry  
Islamabad

28 September 2025

Dear Hon'ble Sir

## **INCOME TAX RETURN EXTENSION REQUEST OWING TO SEVERAL REASONS**

Professional Accountants Forum (PAFO) is a guild of financial experts from all corners of the Members of professional bodies like Institute of Chartered Accountants of Pakistan, Institute of Cost & Management Accountants of Pakistan, MBA & Other Business Professionals and other reputed business and accounting institutes locally and globally.

As your Goodself is well aware as per section 118 of the Income Tax Ordinance (a) Individuals & Associations of Persons having year from 1.7.24 to 30.6.25 and (b) Companies having year-end between 1.7.24 to 31.12.24 are required to file Tax Year (TY) 2025 Return on or before 30.9.25.

**Owing to several reason as stated in ensuing paragraphs, we request your Goodself to direct FBR to issue Circular on 29 September 2025 about General extension for at least till 31 October 2025 plus and announcement on Electronic & Print Media to avoid over 5 million extensions, letter & emails, when IRIS is not likely to be working.**

### **1 Return Forms Final Deadlines missed by FBR & PRAL**

Considering Rule 34A(2)(e), (3) & (4), the FBR was supposed to issue the Final return Forms SRO by 1.1.25 but late by over 6 months, as evident from below:

1.1 Delayed 8 types of categories of Electronic which were issued vide SRO 1562 dated 18.8.25.

1.2 So-Called Simplified Electronic IT Return Forms for Salaried Individual, etc (not having business income) was issued vide SRO 1561 of 18.8.25.

### **2. Flood, Rain & Slow, Internet Speed and related Effects**

2.1 Torrential rain affected the whole country in August & early September 2025.

2.2 Devastating Flood affected KPK, Punjab & Sindh during August till this request letters.

2.3 Owing to above two issues, in August & partly now too, Internet Speed Issue in the entire country, inspite of Govt Digitization efforts.

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2.4 Owing to above three issues, there is Cash Flow crunch in the Economy as a ground reality, though Govt is claim improvement in constant improvement in Economy and Inflation reduction.

2.5 The above four matters affected Offices for several days and Office work too.

### **3. IRIS and FBR Policy Issues**

3.1 IRIS was either not working at all OR very slow for several days in September 2025.

3.2 Change on to showing Fair Market Value of Property was incorporated in late September and upon PTBA & KTBA objections removed the same on 26.9.25, just 4 days before the deadline.

3.2 IRIS is likely to be working very slowly from 29.9.25 & 30.9.25 **as the Taxpayers face this issue almost every year**; as we understand that IT speed system issues are still not fully resolved.

### **4 Similar Deadlines of 30.9.25 or near Deadlines lead to load on IRIS**

4.1 Annual Sales Tax Return deadline on 30.9.25 &

4.2 E-Invoicing & Integration deadline for Public Companies, Other Companies having turnover of over One billion, etc is 15.10.25 viz near to 30.9.25.

### **5 Return Quantity matters**

5.1 As per Former FM Shaukat Tarin, there were 15M Non-Filers data with FBR as per video (click on the link to watch video). As per News Clipping of 29.6.21 , the Former FM stated that there are 15M Potential Taxpayers.

5.2 As per Former SA to PM Dr Waqar Masood stated earlier that there are 7.4M expected Non-Filers in Press .

5.3 Having stated above, **we expect that minimum 10M returns** will be filed for TY 2025.

5.4 We reiterate the PM ordered FBR to Immediately Bring 4.5 Million Non-Filers into Tax Net on 5.7.24 in addition to 5.4M NTN holder. **Though ATL reached at 8.1M till 26.9.25 and about 43.62% increase over last year**, which is highly appreciated (however, income tax collections from new taxpayer has not increased to this %, hence, may be checked via FBR).

### **6. Expected returns filed and Non-Compliance issues**

6.1 **We anticipate less than 30% would have been filed, even if keep the bench mark of 8.1 million of TY 2024.** In line of its proper disclosure and declaration, the remaining time is not sufficient for the tax filers to arrange their payment of tax and file their proper and correct declarations even though 90% of the demand has already been paid by the tax filers by way of withholding taxes and advance taxes.

6.2 Considering the aforesaid circumstances, we strongly acknowledge the contributions of the tax filers whose names are appearing in the latest ATL, by giving them relief if by any chance they are unable to file their tax returns before the deadline of filing i.e. 30.9.25.

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6.3 We are of the view the aforesaid granting one month extension will enhance the tax filers confidence on the Government, reduce the trust deficit and they will reiterate their commitment to Pakistan by paying their due shares of taxes, even at the cost of their depleting financial health.

## **7. FBR & PRAL Differences and PRAL Closure by December**

7.1 **PM orders PRAL closure in 6 months (Attachment 3235.1)** owing as the government had also taken a foreign loan in 2019 to upgrade technology systems, but all deadlines have since lapsed.

7.2 The government has been attempting to modernise the FBR's information technology infrastructure, set up new data centres, and implement an automated income tax refund system with the help of a \$400 million World Bank loan. Out of the \$400 million, \$80 million was earmarked for technology upgradation. However, the systems could not be upgraded due to divided responsibilities and authority as Two FBR wings. Reforms and Information Technology, were looking after affairs, diluting both authority and responsibility.

7.3 PM had then further instructed that a new organisation should be composed of top-notch professionals and should have full functional and financial autonomy. He ordered that the new body must serve as the pivot for FBR's digital transformation and provide world-class, end-to-end user experience for both the FBR and taxpayers.

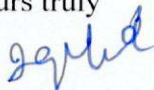
7.4 However, it will be challenging for the government to establish a **whole new organisation by December** this year to seamlessly take over PRAL's responsibilities without disrupting tax-related functions. This is especially difficult given that authorities failed to hire a chief information security officer for PRAL despite multiple attempts.

7.5 Sources said PM Sharif had instructed that PRAL's new data centres be inaugurated soon. The FBR had targeted August 14 for the launch, but the servers are not yet ready, and there is a possibility the PM may not be able to inaugurate fully equipped centres on Independence Day.

7.6 PM reaffirmed news that PRAL to be Shutdown by December 2025. Hence, it is recommended to ensure it should not affect returns and statements filings

In view of all that has been stated above, extension of filing income tax return for the TY 2025 till at least 31 October 2025 is requested well before the deadlines via FBR Circular on 29.9.25 and announcement on Electronic & Print Media to avoid over 5 million extensions letters, emails, etc, when IRIS is not likely to be working.

Yours truly



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CC: FBR Chairman  
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