

Introduced on 27-7-23

[AS INTRODUCED IN THE NATIONAL ASSEMBLY]

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BILL

*To provide for the establishment of the Institute of Taxation of Pakistan*

Whereas it is expedient to make provision for the regulation and promotion of the tax education and profession and to act as a think tank for the Government in matters of fiscal laws;

It is enacted as follows: --

Chapter I  
PRELIMINARY

1. **Short title, extent and commencement:** - (1) This Act shall be called "the Institute of Taxation Act, 2023".

(2) It extends to the whole of Pakistan and shall apply to all members and students of the Institute, whether in Pakistan or otherwise.

(3) It shall come into force on such date as the Federal Government may, by notification, specify.

2. **Definitions.** -- In this Act, unless there is anything repugnant in the subject or context—

- a) "**Advisory Committee**" means a committee constituted by the Council of the Institute;
- b) "**Act**" means The Institute of Taxation of Pakistan Act, 202\_;
- c) "**Annual General Meeting**" means a general meeting of the members of the Institute held within six months of the close of the accounts of the Institute;
- d) "**Branch council**" means the council of the branch as prescribed;
- e) "**Bye-laws**" means and consists of rules and regulations made under the Act;
- f) "**Chief Executive**" means the Chief Executive of the Institute; and
- g) "**Committee**" means a committee of the Institute;

- h) "**Council**" means the council of the Institute";
- i) "**Employee**" means a person in the employment and service of the Institute;
- j) "**Examination**" means and includes any assessment, appraisal, tasking and exercise conducted by the Institute towards the award of any qualification;
- k) "**Financial year**" means a period of twelve months commencing on the first day of July in any year and terminating on the thirtieth day of June in the next succeeding year;
- l) "**Fund**" means a fund maintained by the Institute for the purposes of discharging its administrative and financial obligations;
- m) "**Government**" means the Government of Pakistan;
- n) "**Institute**" means the Institute of Taxation of Pakistan;
- o) "**Member**" means a member of the Institute;
- p) "**Prescribed**" means prescribed by the Bye-laws of the Institute;
- q) "**President**" means the president of the council of the Institute;
- r) "**Regulations**" means the regulations framed under the Act;
- s) "**Register**" means the Register of the Members of the Institute maintained under the Act;
- t) "**Rules**" means the rules made under the Act;
- u) "**Student**" means the person registered with the Institute for coaching, training, or examination.

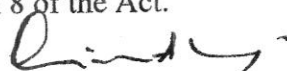
## Chapter II

### THE INSTITUTE OF TAXATION OF PAKISTAN

**3. The Institute of Taxation of Pakistan.** - - (1) The Government shall, by notification, establish an Institute to be called the Institute of Taxation of Pakistan.

(2) The Institute shall be a body corporate, having perpetual succession and a common seal, with power to enter into agreements, acquire, hold manage and, dispose of property and to sue and be sued in its name.

(3) The Institute shall be run by the council of the Institute consisting of a President and as many members as specified in section 8 of the Act.



**4. Objects of the Institute. - -**

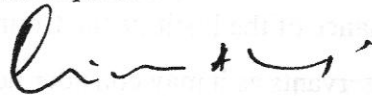
The objects for which the Institute is established shall be

- (a) to promote and advance the education of law and practice of taxation in Pakistan;
- (b) to hold examinations and to award qualifications to those who have satisfied the Examiners and the Council of the Institute as to their knowledge and ability in the subjects examined by the Institute;
- (c) to formulate a code of conduct for the members of the Institute;
- (d) to liaise with the federal and provincial revenue authorities of Pakistan in matters of tax policy and practice; and
- (e) to make recommendations to the Federal and Provincial Governments for the improvement or simplification of tax laws and practice in line with international best practices and suggest necessary transformation tools.

**5. Powers of the Council. - -** (1) The Council shall exercise such powers and perform such functions as are necessary to achieve the purposes of this Act.

(1) Without prejudice to the generality of the powers mentioned in sub-section (1) the Council shall have the power to- -

- (a) conduct qualifying examinations of the Institute and approve courses of study for such examinations
- (b) supervise and regulate the registration of students and the courses for training for such registered students and prescribe the duration of such courses of training;
- (c) prescribe categories of membership, to determine the rights, privileges, terms and conditions applicable to those categories, and to fix the fees in respect of those categories
- (d) maintain and publish a register of the members of the Institute;
- (e) prescribe and implement professional standards among members of the Institute;



- (f) prescribe and maintain a library and to encourage the publication of books and periodicals;
- (g) print and publish any newspapers, periodicals, journals, books, examination papers, suggested solutions, study packs, circulars or leaflets that are deemed desirable for the promotion of the objects of the Institute;
- (h) carry out and encourage research in the field of taxation and other related subjects and generally to promote tax education for students registered with the Institute and secure advancement of tax practitioners and academia;
- (i) approve schemes for practical training of the registered students;
- (j) award certificates, to the registered students who have, successfully passed the relevant examinations to the satisfaction of the Council;
- (k) approve institutions and professional firms for providing coaching and training to the registered students of the Institute;
- (l) establish criteria under which any local or foreign examination or training may be treated as equivalent to the examination and training prescribed for the membership of the Institute;
- (m) open, operate and close bank accounts;
- (n) borrow or raise money with or without security;
- (o) receive or collect grants and donations;
- (p) invest its funds;
- (q) employ, engage, dismiss or exercise disciplinary control over its officers and servants;
- (r) formulate a code of conduct for the members of the Institute;
- (s) affiliate with any institute, association or corporation having the same or similar objects; and
- (t) carry out any other functions considered necessary for the achieving of the objects of the Institute.

**6. Staff.** - - For the efficient performance of the Institute the Council may - -

- (a) appoint such officers and servants as it may consider necessary;
- (b) require and take from employees of the Institute such security for the due performance of their duties as it may consider necessary;
- (c) fix the salaries, fees, allowances and other conditions of service of the employees of the Institute; and

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(d) with the previous sanction of the Federal Government, fix the allowances of the President, the Vice-President, the Secretary, the Treasurer and other members of the Council and its Committees.

7. **Delegation by the Council.** - - The Council may delegate any of its functions and powers to the President or any other functionary of the Institute for the running of day to day affairs of the Institute.

8. **Management of the affairs of the Institute.** - -

(1) The management, control and administration of the affairs of the Institute shall, be vested in the Council consisting of not less than twelve and not more than twenty members of whom

- (a) four members shall be appointed by the Ministry of Finance and
- (b) remaining members shall be elected by the members of the Institute, in a manner as prescribed.

(2) The first Council of the Institute shall be the Council of erstwhile Institute of Taxation of Pakistan established under the Green Educational Trust, holding office on the day immediately preceding the date of commencement of this Act.

(3) The first Council shall hold office for a period of four years from the date of commencement of this Act. At the expiry of the period of four years the Council shall be elected in accordance with bye-laws.

(4) Office bearers of the Institute shall consist of the; President, Senior Vice President, Vice President (Executive) and Vice President (Finance) who shall be elected for one year from the elected members of the Council. The retired office bearers shall be eligible for re-election for two consecutive terms only.

9. **Powers of the President.** - - The President shall carry out the functions as prescribed and until so prescribed as may be determined by the Council.

10. **Chief Executive.** - - The President, on the recommendations of the Council, shall appoint Chief Executive of the Institute on such terms and conditions as may be specified in the appointment letter



**Chapter III**  
**ADVISORY BOARD**

**11. Advisory Board.** - - (1) There shall be an Advisory Board appointed by the Institute, which may comprise of; - -

- a) President of the Institute;
- b) Not exceeding four nominee(s) of the Government;
- c) Not less than four members amongst the eminent economists, tax experts, professional accountants, representatives of the trade bodies and members of the civil society; and
- d) Any other member co-opted by the Advisory Board.

(2) The advisory Board shall be an advisory body of the Institute and may propose appropriate recommendations and provide guidelines in matters of tax policy and planning, reforms, budget and any other matter referred to it by the Institute.

(3) The President of the Institute shall be the convener of the Advisory Board and in his absence any senior member, nominated so, shall act as convener of the advisory Board.

**Chapter IV**  
**MEMEBERSHIP**

**12. Eligibility for membership of the Institute.** - - (1) The following persons shall be eligible for the membership of the Institute - -

- (a) a person who has passed all the prescribed examinations of the Institute or has obtained exemptions and has acquired relevant practical experience; or
- (b) a person who is acceptable to the Council as an honorary member by virtue of his contributions for the profession and approved by the Council for exemption from all required modules and examinations.

(2) Following shall be the categories of the Members—

- (a) Sponsoring member
- (b) Certified Tax Adviser



- (c) Fellow member
- (d) Associate member
- (e) Affiliate member
- (f) Honorary member

(3) The criteria for each category of the membership shall be as prescribed —

**13. Register.** - - (1) The Council shall maintain a register of the members of the Institute.

(2) The Register shall include the following particulars about every member of the Institute - -

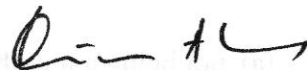
- (a) his full name, date of birth, domicile, residential and professional addresses;
- (b) the date on which his name is entered in the Register;
- (c) his qualifications;
- (d) his category of membership
- (e) whether he holds a certificate of practice; and
- (f) such other particulars as may be prescribed.

(3) The Council shall cause to be published in such manner as may be prescribed, a list of members of the Institute as on the first day of July of each year, and a copy of the list shall be published in the official website of the Institute.

(4) Every member of the Institute shall, on his name being entered in the Register, pay such annual membership fee as may be prescribed and different fees may be prescribed for each category of membership.

**14. Removal of name from the Register.** - - (1) The Council may remove from the Register the name of any member of the Institute - -

- (a) who is dead; or
- (b) from whom a request has been received to that effect;
- (c) who has not paid any prescribed fee payable by him; or



- (d) who is found to have been subject, at the time when his name was entered in the Register, or who, at any time thereafter, has become subject, to any of the disabilities mentioned in section 15, or who, for any other reason, has ceased to be entitled to have his name borne on the Register.

(2) The Council shall remove from the Register the name of any member who is not entitled to remain a member under this Act.

#### 15. Disabilities.--

Notwithstanding anything contained in section 12, a person shall not be entitled to have his name entered in or borne on the Register if he --

- (i) has not attained the age of twenty-one years at the time of his application for the entry of his name in the Register; or
- (ii) is of unsound mind and stands so adjudged by a competent court; or
- (iii) is an undischarged insolvent; or
- (iv) having been discharged of insolvency, has not obtained from the court a certificate stating that his insolvency was caused by misfortune without any misconduct on his part; or
- (v) has been convicted by a competent court, whether within or without Pakistan, of an offence involving moral turpitude and punishable with imprisonment, or of an offence, not of a technical nature, committed by him in his professional capacity unless in respect of the offence committed he has either been granted a pardon, or, on an application made by him in this behalf, the Federal Government has, by an order in writing removed the disability; or
- (vi) has been removed from the membership of the Institute on being found on inquiry to have been guilty of professional or other misconduct:

Provided that a person who has been removed from membership for a specified period shall not be entitled to have his name entered in the Register until the expiry of such period.

**16. Penalty for falsely claiming to be a member, etc.--** (1) A person shall, without prejudice to his liability to any disciplinary measure prescribed under the provisions of this Act, be punishable, on first conviction, with fine which may extend to Ten thousand rupees, and, on any subsequent conviction, with imprisonment which may extend to six months, or with fine which may extend to fifty thousand rupees, or with both, if he--

- (a) not being a member of the Institute, represents that he is a member of the Institute, or uses the titles prescribed in section 25; or
- (b) being a member of the Institute but not having a certificate of practice, represents that he is in practice, or practices as a member of the Institute.

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**17. Penalty for using the name of the Council, etc.--** (1) Save as otherwise provided in this Act, no person shall--

(a) use any name or common seal which is identical with the name or the common seal of the Institute or so nearly resembles it as to deceive or as be likely to deceive the public; or

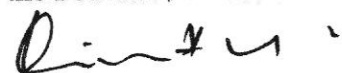
(b) grant or confer any degree, diploma, certificate or designation which indicates or purports to indicate the possession or attainment of any qualification or competence as a member of the Institute.

(2) Any person contravening the provisions of sub-section (1) shall, without prejudice to any other proceedings which may be taken against him, be punishable, on first conviction, with fine which may extend to ten thousand rupees, and, on any subsequent conviction, with imprisonment which may extend to six months, or with fine which may extend to fifty thousand rupees, or with both.

(3) **Nothing contained in this section shall apply to any University established by the law or to any institution affiliated thereto.**

(4) If the Federal Government is satisfied that any diploma, certificate or designation granted or conferred by any person other than the Institute, which purports to be a qualification as a Member of the Institute and in the opinion of the Federal Government, fall short of the standard of qualifications prescribed for such members and does not in fact indicate or purport to indicate the possession or attainment of any qualifications or competence as members similar to that that of a member of the Institute, it may, by notification in the official Gazette and subject to such conditions as it may think fit to impose, declare that this section shall not apply to such diploma, certificate or designations.

**18. Sanction to prosecute.--** No person shall be prosecuted under this Act except on a complaint made by or under the order of the Council or of the Federal Government.



**Chapter V**  
**FINANCIAL PROVISIONS**

**19. Fund.** - - (1) There shall be established a Fund to be known as the Institute of Taxation in Pakistan Fund which shall be administered and controlled by the Council.

- (1) The Fund may consist of –
- (a) grants from the Government or Governments;
  - (b) fee and charges collected and surplus accrued to the Institute; and
  - (c) any incomes earned through investments and otherwise.

**20. Other financial provisions.** - - (1) The Institute can invest moneys in the fund in any securities issued or guaranteed by the Government of Pakistan or in any other securities or deposits as may be approved by the Council

(2) The Institute shall apply all its surplus fund, if any, or other income in promoting its objects, and shall not at any time pay any dividends to its members

(3) The Council may borrow or raise money for the purposes of the Institute in such manner as it thinks fit

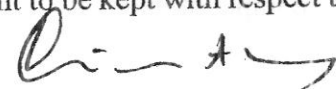
(4) The Council may sell, lease, rent, hire, exchange, mortgage, dispose of, or otherwise deal with all or any part of the property of the Institute as may be deemed expedient for the promotion of its objects subject to the conditions laid down in sub-section (3) of section 3 of the Act

(5) The Council may acquire any property movable or immovable by purchase, gift or in any other manner

(6) The Council may maintain an account in any bank or banks in Pakistan.

**21. Budget and Accounts.** - - (1) The Institute, shall before the commencement of a financial year, prepare a statement of the estimated receipts and expenditures of the Institute for the financial year in the prescribed manner and until so prescribed in the light of internationally acknowledged accounting principles and submit it to the approval of the Council

(2) The Council shall cause proper books of account to be kept with respect to:



- (a) All sums of money received and expended by the Institute and the matters in respect of which such receipts and expenditure takes place
- (b) All sales and procurements by the Institute; and
- (c) The assets and liabilities of the Institute

(3) The books of account shall be kept at the head office of the Institute or such other place or places as the Council thinks fit and shall always be open for inspection of the members of the Council

**22. Audit.** - - (1) The annual accounts of the Institute shall be subject to audit by a qualified Auditor recognised under the Companies Act, 2017 and appointed by the members in the Annual General Meeting.

(2) Within six months after the end of the financial year, annual financial statements, duly audited, shall be published and laid before the Annual General Meeting. Copy of the approved financial statements shall be forwarded to the Finance Division, other organizations and members of the Institute

## Chapter VII

### MISCELLANEOUS

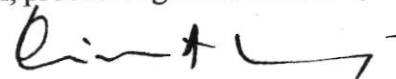
**23. Bye-laws of the Institute.** - - (1) The objects and powers of the Institute shall be carried out and exercised under bye-laws framed by the Council of the Institute from time to time.

(2) The rules made by the Council under the Act shall be subject to the approval of Finance Division, Government of Pakistan and publication in the official Gazette.

(3) The Institute shall be competent to frame and enforce regulations for the purposes of the Act.

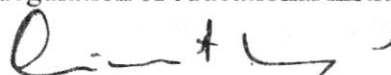
(4) The rules in particular, and without prejudice to the generality of the foregoing, may provide for all or any of the following matters:- -

- (a) the standard and conduct of examinations under this Act;
- (b) the qualifications for the entry of the name of any person in the register of members;
- (c) the conditions under which any local or foreign examination or training may be treated as equivalent to the examination and training prescribed for the membership of the Institute;
- (d) establishment, composition, term, meetings, quorum, proceedings and functions, of the

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Institute's Council or any committee or sub-committees thereof as may be established by the Council pursuant to this Act and all related matters;

- (e) classification of membership fees payable by each category of member, their admission, resignation and expulsion;
- (f) the manner in which and the conditions subject to which applications for entry in the Register of members may be submitted and all ancillary matters;
- (g) procedure for striking out the name of a member from the Register of Members;
- (h) procedure for restoration of names in the register of members and publication of names entered or removed from the register;
- (i) the manner in which election of the Council and the Branch Council may be held, resignation or vacation of office;
- (j) the powers, duties, functions and conduct of the members of the Council;
- (k) effect of dissolution of the Council and the duties and responsibilities of the outgoing President in relation thereto;
- (l) the constitution, functions and proceedings of the Branch Council;
- (m) appointment, powers, duties and conduct of the officers, agents and staff of the Institute;
- (n) regulation of training of students, training organizations and all related matters;
- (o) the regulation and maintenance of the status of professional qualifications of members of the Institute;
- (p) the conditions for grant or renewal of certificate of practice or any classification thereof;
- (q) the management of the property of the Institute and the maintenance and audit of its accounts;
- (r) the summoning and holding of meetings of the Council through virtual conferencing or otherwise, the times and places of such meetings, the conduct of business thereat, the number of members necessary to form a quorum as prescribed, the passing of resolutions in meetings or through circulation in writing;
- (s) manner and procedure for approval of resolution by circulation;
- (t) the powers, duties and functions of the President and the Senior Vice-President, Vice Presidents Executive and Vice President Finance of the Council;
- (u) the functions of the Directorate of Discipline, Board of Discipline and the Appellate Authority and the conditions and procedures subject to which such functions shall be discharged;
- (v) the terms of office, and powers, duties, functions, and other terms of service of the office bearers of the Institute;
- (w) the rules of professional and other misconduct, and the exercises of disciplinary powers over its members;
- (x) regulate the maintenance of branch offices;
- (y) prescribing the requirements and the criteria for the persons or institutions desirous of providing taxation education in Pakistan and regulation of educational institutions; and



- (z) any other matter which is required to be or may otherwise, in the opinion of the Council, be prescribed under the Act.

**24. Directives of the Institute.-** (1) The Council may issue directives not inconsistent with this Act or the bye-laws issued hereunder and a copy of such directives shall be sent to each member.

(2) In particular, and without prejudice to the generality of the foregoing, such directives may provide for all or any of the following matters:

- (a) any fees payable to the Institute by a student, members or any other person;
- (b) the conditions under which any other qualifications may be recognized;
- (c) information requiring publication and the time duration and mode of such publication;
- (d) the exercise of disciplinary powers by the Council over its employees;
- (e) code of ethics for members and students;
- (f) regulation of the members including:
  - (i) establishing, maintaining, developing and enforcing standards of practice, and standards of professional ethics;
  - (ii) establishing, maintaining, developing and enforcing standards of knowledge, skill and proficiency; and
  - (iii) regulating the practice, and maintaining competence and professional conduct of members;
- (g) guidelines relating to rights, entitlements and privileges of various categories of members; and
- (h) any other matter necessary or conducive for the advancement of the tax profession not inconsistent with anything mentioned in this Act and any bye-laws issued hereunder.

**25. Use of titles. - -**

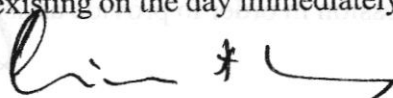
A full member of the Institute shall be entitled to use after his name the letters CTA (Chartered Tax Advisor). Fellow of the Institute shall be entitled to use after his name the letters FTA and an Associate of the Institute shall be entitled to use in like manner the letters ATA. An Honorary member shall be entitled to use the title Honorary CTA in like manner.

**26. Restrictions as to the use of titles. - -**

Subject to the provisions of the Act, and any other written law, no person not being a member of the Institute shall take or use titles or letters after his name CTA, FTA, ATA or Honorary CTA as provided for in section 25.

**27. Debts due by and payable to the Institute. - -**

All debts and liabilities of the Institute existing on the day immediately preceding the date



of commencement of this Act shall be paid and discharged by the Institute hereby established and all debts due to and subscriptions and contributions payable to the Institute, on that day, shall be paid to the Institute for the purposes of this Act.

**28. Institute may hold property movable and immovable. - -**

The Institute shall be able and capable in law to take and hold any property, movable or immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise and all such property shall be held by the Institute for the time being with full power to sell, mortgage, lease, exchange or otherwise dispose of the same.

**29. Limit of liabilities of members of the Institute. - -**

No member of the Institute shall for the purpose of discharging the debts and liabilities or for any other purpose, be liable to make any contribution exceeding the amount of the membership fees as may be due from him to the Institute.

**30. Seal of the Institute. - -**

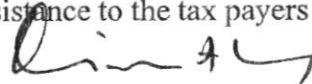
The Chief Executive shall have the custody of the seal of the Institute which shall not be affixed to any instrument whatsoever except with the authority of the Council and in the presence of at least two members of the Council who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any Person as a witness.

**30. Savings.--** All persons whose names are borne in the Register at the commencement of this Act and belonging to the Institute of Taxation of Pakistan formed under the Green Educational Trust and all other persons who may hereafter have their names entered in the Register under the provisions of this Act, so long as they continue to have their names borne on the said Register shall have the effect of having qualifications granted to them under the Act.

**31. Removal of difficulties. - -** If any difficulty arises in giving effect to or applying the provisions of this Act, rules or regulations, the Government may make such order, not inconsistent with the Act or the rules and regulations, as may be necessary to remove the difficulty.

**Statement of the Objectives**

The purpose of the subject Bill is to establish an Institute for the regulation and promotion of tax education and tax profession in order to provide assistance to the tax payers and act as a think tank



for the Government to advise in the matters of fiscal laws and tax policy and planning. The institute so created through this enactment will be helpful in providing tax education and training to aspiring tax professionals both in the private and public sectors. At the same time the institute shall also act as a store house for providing guidance in devising a smart, progressive and efficient tax system.

**SD/  
MR. QAISER AHMED SHEIKH  
Member, National Assembly**