

DAWN

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Changes to Workers Fund Ord set aside

By Our Staff Reporter

LAHORE, Aug 24: The Lahore High Court has struck down amendments introduced to the Workers Welfare Fund (WWF) Ordinance through the Finance Acts 2006 and 2008, declaring the changes unconstitutional.

Several companies had challenged the amendments and subsequent notices issued to them by the Federal Board of Revenue under section 221 of the Income Tax Ordinance, 2001 read with section 4 of the WWF ordinance.

The petitioner companies are liable to make payment to the welfare fund under the WWF ordinance 1971. The FBR notice issued on April 10, 2011 demanded payment of

enhanced amount after amendments were made in the WWF ordinance.

Sections 2 and 4 of the ordinance were amended vide sections 12 and 4 of Finance Acts 2006 and 2008, respectively.

The counsel for the petitioners said that the impugned amendments were unconstitutional as they fell outside the purview of Article 72(3) (a) to (g) of the Constitution.

They said these amendments could not have been introduced through Finance Acts (money bills) and could only be made through regular legislative procedure provided under Article 70 of the Constitution.

Opposing the petitions, the

counsel for FBR said that WWF was a tax. The lawyer referred to Article 73 (2) (g) of the Constitution which, he said, enlarged the scope of a money bill.

"The fund is a tax because it is a compulsory exaction of money," he said.

Justice Syed Mansoor Ali Shah on Wednesday allowed the petitions and set aside the impugned amendments introduced in the WWF ordinance and also cancelled the notices issued to petitioners by the FBR being unlawful.

However, the petitioners were liable to pay workers welfare fund under the WWF ordinance as it stood prior to the amendments, the judge wrote in the order.

