

NEWSLETTER

ISSUE MONTH - SEPTEMBER 2021

IN THIS ISSUE

Editor's Note

Chairman's message

Robust growth lends credence to the goal of achieving annual collection target

Finance minister's address at FBR HQ

Finance Minister KPK calls on chairman FBR

IREN's commendable performance in current FY-2021

Directorate of I & I, I R, Lahore and Multan unearths tax evasion of Rs. 460 Million

FBR Goodwill Ambassadors

Online export facilitation scheme through new weboc module

Editor's Note

The September, 2021 edition highlights the historic growth registered by Federal Board of Revenue (FBR) in achieving the annual collection target. The first quarter collection is a testament to FBR's commitment for achieving the set target. The Honourable Minister for Finance & Revenue, Mr. Shaukat Tarin, appreciated FBR's performance and assured his full support to FBR for Broadening of Tax Base. He resolved to provide necessary funds for digitization of initiatives like Point of Sale (POS), Track & Trace, and upgrading of IT systems and security.

For promoting a culture of tax compliance and maximize outreach, Facilitation and Taxpayer Education (FATE) Wing launched a comprehensive Income Tax Return filing campaign on the mainstream electronic and print media. In collaboration with PTA and telecom companies, bilingual text messages were sent to about 130 Million subscribers, sensitizing people at large regarding the scope & significance of filing Income Tax Returns. Furthermore, national heroes, media persons & celebrities were engaged as FBR Goodwill Ambassadors whose short video messages advocated for timely filing of Income Tax Returns and impressed upon the public to fulfil their civic duty as responsible citizens. Thus, on September 30, FBR was enabled to receive 1.9 Million tax returns and collected PKR 29 Billion tax paid with returns.

These efforts were supplemented by IREN's commendable performance throughout the fiscal year, 2021 by following a policy of zero tolerance for tax evasion. To further improve Ease of Doing Business (EODB), a new WeBOC module for Online Export Facilitation has also been introduced.



Dr. Muhammad Ashfaq Ahmed

Milestones

- New module in WeBOC for Online Export Facilitation
- Tax Advocacy for Tax compliant Pakistan through Tax Champions
- Inland Revenue Enforcement Network's commendable performance in current FY-2021
- Memorandum of Understanding inked between FBR and Bahria University
- Tax filing campaign launched successfully
- Progress with REAL Estate Associations on FATF requirements
- Trade border facilitations for Afghanistan
- E-Kachehri held in FBR HQ

Chairman's Message

The outstanding performance by team FBR during the first quarter of the current year clearly indicates that realignment and restructuring of resources to the most pressing tasks can pay dividends. FBR has so far surpassed its revenue target by PKR 189 Billion at the outset of the year which shows that it is well on its way to achieving the assigned annual target of PKR 5,829 Billion for the year.

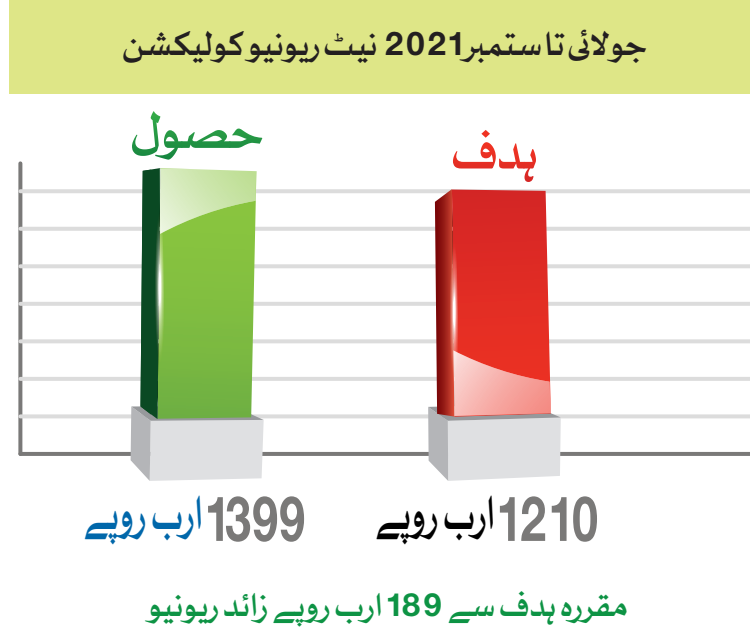
To build further on our efforts in the first quarter, much needed resources are being allocated to further strengthening and improving our information system and its security. The upgraded system will only add value to the existing operations and transactional portals but also contribute significantly to the new initiatives such as Point of Sale (POS) integration, Track & Trace System and thus ensure better coordination with various federal and provincial agencies to document our economy. In order to keep abreast of the ever changing technological landscape and provide taxpayers the best possible facilitation, such initiatives are need of the day.

Our outreach and awareness campaign for filing of Income Tax Returns was an attempt at opening a two-way communication channel between the public and FBR. Taking on board national celebrities as FBR Goodwill Ambassadors truly helped underscore the importance of filing one's Income Tax Return before the last date. This will certainly usher in a new era of tax compliance in Pakistan. The comprehensive campaign was supplemented by SMS dissemination by Telecom operators which helped in creating awareness regarding the filing of Income Tax Returns.

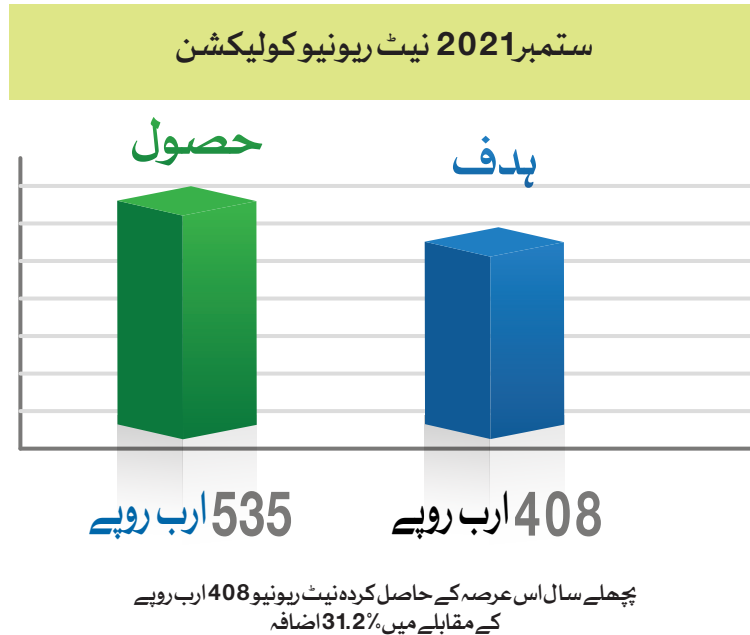
The amazing response to the media campaign has further strengthened our belief that people, by and large, are willing to discharge their national obligations as taxpayers if they are approached through the right message. I can say it with confidence that team FBR is fully geared to maximize revenue potential, broaden the tax base through digitization of processes, and thereby bridge the trust deficit between FBR and taxpayers.

FBR Registers Historic Revenue Collection Growth of 38.3% in Q1 of Current Financial Year

Federal Board of Revenue (FBR) has released the provisional revenue collection figures for the first quarter of current FY 2021-22. According to the provisional information, FBR has collected net revenue of PKR 1,399 Billion during the first quarter of the current Financial Year against the set target of PKR 1,210 Billion, exceeding by PKR 189 Billion.



On the other hand, the gross collections increased from PKR 1,059 Billion during July-September, 2020 to PKR 1,454 Billion in current Financial Year, showing an increase of 37.3 %. The amount of refunds disbursed was PKR 59.0 Billion during July-September, 2021 compared to PKR 49.0 Billion paid last year, reflecting an increase of 20.2 %. This is reflective of FBR's resolve to fast-track refunds to prevent liquidity shortages in the industry.



It is pertinent to mention that after collecting over 4,700 Billion and exceeding its assigned revenue targets set for tax year 2020-21, FBR has successfully maintained the momentum set in July, 2021. Its tax collection posted historic high growth in first quarter of current fiscal year. During first quarter, FBR has so far surpassed its revenue target by PKR 189 Billion. This spectacular performance at the outset of the year shows that FBR is well on its way to achieving the assigned target of PKR 5,829 Billion for the year despite the daunting challenges, compelling constraints posed by the corona pandemic, and sporadic tax cuts announced by the government as relief and price stabilization measures.

گراس ریونیو

جولائی - ستمبر 2021	جولائی - ستمبر 2020
1454 ارب روپے	1059 ارب روپے

پچھلے سال کے مقابلے میں 37.3% اضافہ



ریفنڈز کی ادائیگی

59 ارب روپے	جولائی - ستمبر 2021
49 ارب روپے	جولائی - ستمبر 2020

20.2% اضافہ

Government Committed to Grant FBR Complete Autonomy, says FM

The incumbent Government is fully committed to grant Federal Board of Revenue operational and financial autonomy in order to rule out the possibility of political interference and thus make it an efficient, merit-based, service-oriented and public-friendly organization. This was stated by Federal Minister for Finance & Revenue Shaukat Tarin while addressing the senior officers at FBR

Headquarters Islamabad. He appreciated last year's commendable performance of FBR regarding collection of revenue target despite challenges posed by Covid-19. He also stated that FBR was on track for achievement of this year's target of PKR 5,829 Billion as FBR had already surpassed the target with a margin of PKR 160 Billion in the first two months.



"The Broadening of Tax Base is one of the top priorities of my team for the current year and we have constituted committees comprising of private sector experts, NADRA and FBR officers who are working tirelessly." - (FM)

While elaborating the function of these committees, he added that these committees were also working on the assessment of resource constraints of FBR, especially the finances and the logistics, and they would be recommending the ways and means to overcome these constraints. "The other flagship initiative is Point of Sales Integration which aims at recoding the real time transactions at retail level and has huge potential to increase the revenue of the state," he continued.

Finance Minister also briefed about the progress on Track & Trace project which would be rolled out from November as the stay granted by one of the Honourable High Court had been vacated and he had also approved funds of PKR 432 Million for the project. Highlighting the importance of digitization of FBR, Finance Minister stated that automation in tax system would bring transparency and reduce the discretionary powers which had always been a long term demand of business community. He expressed his commitment to provide required funds for digitization and added that Technical Supplementary Grant of PKR 3.8 Billion had already been approved in the current week to upgrade the IT Systems and their security.

Commenting about Pakistan Single Window (PSW) project, he stated that under PSW, more than 70 different departments would converge on one platform for the facilitation of business community, which would promote trade in the country. He urged FBR to follow an ambitious target of taking Tax-to-GDP ratio to 20% in next 6-8 years. The Finance Minister also appreciated FBR for making significant headway towards harmonization of Sales Tax between the Federation and the Federating units under the umbrella of National Tax Council (NTC).

He appreciated the Integrated Transit Trade Management System (ITTMS) and called it a landmark project, which would connect the whole region from Central Asia to South Asia after its completion. He further stated that Anti-smuggling and counter-smuggling initiatives are one of the top most priority areas and the Prime Minister is very concerned about it. He appreciated FBR's efforts to curb smuggling despite resource constraints. He paid tributes to the sacrifices by Customs officials who laid down their lives in the line of duty. While concluding his address, he hoped that team FBR would spare no effort or avenue to not only achieve the assigned revenue target of Rs. 5.8 Trillion but also exceed the same by wide margins.

Earlier, Chairman FBR, Dr. Muhammad Ashfaq Ahmed welcomed Federal Minister for Finance & Revenue in FBR. He stated that the interactive session with the Finance Minister would provide an opportunity to the senior leadership of FBR to understand his vision and thus would help take his vision forward. Chairman FBR in his address elaborated that the government's priority was to create an enabling environment for the trade and businesses, especially for the SMEs through simplifications of laws & procedures, and to stimulate economic activity. "FBR being cognizant of this vision, has taken a number of concrete measures to translate it into reality," he added.

Chairman FBR while acknowledging the result-oriented vision of the Finance Minister stated that under his dynamic leadership, much-needed economic stability had been achieved which was rather elusive before. "Now the country is on the path to economic growth," he added. He hoped that growth trajectory would bring about prosperity, resulting in employment and economic empowerment of people.

While concluding his speech, Chairman FBR assured the Finance Minister that team FBR was fully geared towards achievement of target for this year as well. "We are on track and would not leave any stone unturned for surpassing the historic milestone of PKR 5.8 Trillion," he

KP Finance & Health Minister Calls on Chairman FBR

Khyber Pakhtunkhwa's Minister for Finance & Health, Mr. Taimur Saleem Khan Jhagra called on Chairman Federal Board of Revenue Dr. Muhammad Ashfaq Ahmed on Friday at FBR HQ. Mr. Fayaz Ali Shah, Director General, Khyber Pakhtunkhwa Revenue Authority and Ms. Anum Saeed, senior associate, also attended the meeting.

During the meeting, the matters of mutual interest between FBR and Khyber Pakhtunkhwa Revenue Authority (KPRA) were discussed. It was agreed in the meeting that both revenue collecting agencies would share data and information for realization of maximum revenue. FBR and KPRA would evolve meaningful mechanism on Agriculture Income/Tax to maximize revenue potential. Both sides agreed to iron out differences pertaining to Sales Tax on services related to four important sectors including construction, restaurants, transport & communication and toll manufacturing.

KP Finance & Health Minister hoped that both FBR and KPRA would develop an enduring system to build close cooperation for the purpose of identifying potential taxpayers and increasing revenue. Chairman FBR reiterated his commitment to develop a close working relationship between FBR and KPRA.

FBR Holds Meeting with Real Estate Associations (REA) to Discuss Progress on FATF Requirements

A meeting was held with the Real Estate Associations (REA) from all over Pakistan at Federal Board of Revenue, HQ, Islamabad. The meeting was presided over by Dr. Muhammad Ashfaq Ahmed, Chairman FBR and attended by DG DNFBPs Mohammad Iqbal. Ejaz Khan and Sardar Tahir, Chairman and President of the Federation of Realtors Pakistan, and office bearers from the Real Estate Associations from all the provinces participated in the meeting.

The Chairman FBR in his opening remarks apprised the participants about the FATF requirements in relation to DNFBPs and stressed upon collective and continued efforts by FBR and Real Estate Agents to combat money laundering and financing of terrorism.



Afterwards, the session was opened for discussion wherein the representatives of Real Estate Sector apprised FBR of their issues and asked questions in relation to implementation of FBR Regulations. DG DNFBPs responded to the questions and informed the participants that FBR would soon issue a shorter version of guidelines and a simplified Customer Due Diligence (CDD) in English and Urdu. The number of questions in the questionnaire will also be reduced as far as possible and made available to the Real Estate Agents in Urdu, he added.

Director General (DG), DNFBPs further informed that FBR would continue facilitating the DNFBPs for compliance by sending its teams to visit offices of the Real Estate Associations for assistance in filling the questionnaires. The inspections will continue to be undertaken in coordination with the real estate agents in a courteous manner.

FBR will also remain engaged with the realtors through its committee for addressing any issues. DG, DNFBPs lauded the role played by Mr. Ejaz Khan, Mr. Sardar Tahir, Mr. Ahsan Malik and others for the continued engagement with FBR and expected that the real estate agents would continue to comply with the AML / CFT regulations.

Successful Anti-Smuggling Operations by Customs

Federal Board of Revenue (FBR) has stepped up its countrywide crackdown against smuggling. On 28th September, a joint team of Collectorate of Customs Enforcement and Directorate of Intelligence & Investigation Customs, Lahore upon receipt of credible information carried out counter smuggling operations on G T Road in the districts of Okara, Kasur, Sahiwal and Lahore and apprehended eight containers loaded with smuggled fabric, tyres, milk, welding rods, juices etc worth millions of Rupees. The initial investigation revealed that the offenders were carrying fake clearance documents. Five persons have been arrested and further investigations are underway.

Chairman FBR to Review Progress of PM's Relief Package to Construction Industry

Federal Board of Revenue's Policy Wing gave a detailed briefing to the Chairman Federal Board of Revenue, Dr. Muhammad Ashfaq Ahmed about the progress made on the Prime Minister's Relief Package for Construction Industry. Mr. Afaq Ahmad Qureshi, Member IR Policy assisted by Chief IR Policy informed the Chairman that so far 1321 persons have registered themselves through the online system of FBR in 2125 projects. Out of these registered projects, 1775 are new projects whereas 350 are existing projects. The total declared investment made in these registered projects comes to PKR 493 Billion.

PM's Construction Package was introduced through Tax Laws (Amendment) Ordinance, 2020 on 19th April, 2020. The salient features of the package include fixed tax for builders and developers, immunity from probe and concessions from withholding of taxes. FBR has provided all the required facilitation to the beneficiaries of the package which include establishment of dedicated web page, a dedicated email to address inquiries and an online step by step guide for the builders and developers. Besides, a comprehensive set of FAQs for potential buyers and investors was developed which is available on FBR website. Moreover, wide publicity through media campaigns and webinar was also done to maximize the gains of this relief package.

Chairman FBR directed that Ease of Doing Business (EoDB) must be ensured to the registered projects under the PM's Package for Construction Sector. He further desired that regular update on the progress be communicated through media on weekly basis.

Currency Smuggling from Pakistan

Federal Board of Revenue (FBR) has categorically rebutted the unfounded, malicious in intent and misleading in content propaganda being advanced by some irresponsible elements that there was huge flight of dollars from Pakistan. It is further clarified that previously the bilateral trade between Pakistan and Afghanistan was carried out in US Dollars but now the same is being conducted in Pak Rupees. Furthermore, FBR has taken very stringent enforcement measures at the airports to eliminate the possibility of such an unethical practice. Pakistan Customs has made it mandatory for all passengers flying out of the country to undergo a thorough personal scrutiny and 100 % declaration of currency through an automated process in order to ward off this nefarious illegal activity. This leaves little possibility of the subject undesirable practice.

It is further reiterated that this transparent and efficient mechanism being adopted at all the airports across Pakistan is facilitating the smooth and easy movement of outbound passengers, thus significantly reducing their time and cost.

Chairman FBR Visits Torkham to Assess Cross Border Trade Facilitations

Chairman Federal Board of Revenue, Dr. Muhammad Ashfaq Ahmad accompanied by Syed Tariq Huda Member (Customs Operations) and Mr. Saeed Jadoon Member (Customs Policy) visited Torkham Border and reviewed the pace and quality of services being provided by Pakistan Customs to facilitate trade between Pakistan and Afghanistan. Immediately after his arrival, he ensured the clearance of about 1400 trucks loaded with fruit from Afghanistan which had got stuck at the border. The Customs staff assured him to accelerate the process of 100 more trucks awaiting clearance.

Earlier, he held an important meeting with traders from both sides of the border and assured them of every possible assistance by FBR in ensuring smooth and easy flow of bilateral trade. He positively hoped that the Customs staff posted there will maintain the highest standards of professional conduct in discharging their official duty.

It is pertinent to mention that FBR has issued an important circular granting special exemption from Sales Tax to the import of fresh fruit from Afghanistan. This rare concession by FBR is being appreciated by traders from both sides as a landmark decision which will certainly promote trade between the two neighbouring countries.

FBR Rolls Out Module in WeBOC System for Online Export Facilitation Scheme

Federal Board of Revenue (FBR) has successfully developed and rolled out a new module in WeBOC system for Online Export Facilitation Scheme (EFS) Authorization Application. This facility can be availed by the exporters after getting registered in the WeBOC system. In this regard, a new feature for this purpose has been added in the WeBOC menu "Export Facilitation Scheme (EFS) / Export Oriented Unit (EOU) / Manufacturing Bond (MB)". The license application, which is available in WeBOC system, is to be filled online by the respective traders / exporters. The online EFS application would be submitted to the relevant Customs formation where after initial scrutiny, it would be marked to Regulatory Authority which will further execute the approval process. In both the cases where license is approved either provisionally or finally, it will be forwarded to IOCO or EDB for the issuance of analysis certificate and message will be sent to the trader/exporter.

An additional feature has also been introduced in the WeBOC system whereby the traders can apply online for the license of Common Export House. The Common Export House will provide facility of purchasing imported intermediary goods / raw material to SMEs as well as direct and indirect exporters.

All the stakeholders that include SMEs, Exporters, Customs Agents and Ministry of Commerce immensely lauded the initiative as a tool that will provide the much needed lift to Pakistan's industry and exports, in turn creating employment opportunities and earning foreign exchange for the country.

By launching EFS module, Pakistan has achieved an important milestone envisaged in the Trade Facilitation Agreement, 2017. This initiative will remove the bottlenecks faced by Small and Medium Enterprises in exporting their goods thus playing an effective role in improving country's rating on World Bank's Ease of Doing Business (EoDB) and trading across the borders indices.

Chairman FBR Holds E-Kachehri

As a sequel to E-Kachehries held on monthly basis to comply with the directions of the Prime Minister of Pakistan, Chairman Federal Board of Revenue (FBR)/Secretary Revenue Division, Dr. Muhammad Ashfaq Ahmed held an E-Kachehri at FBR HQ on Monday to listen to the complaints and issues of taxpayers. The complainants interacted directly with the Chairman, FBR.



Chairman FBR listened to the complaints of the taxpayers and issued on-spot directions for resolution of complaints. He appreciated the suggestions put forth by the taxpayers and assured them that their suggestions would be considered for formulation of tax policies and initiatives for taxpayers. Chairman assured them that FBR was taking all possible steps to facilitate the taxpayers. He also requested the taxpayers to visit their nearest RTO and Collectorate of Customs for redressal of any problem confronted by them. Chairman FBR has already instructed the field formations to resolve all outstanding issues of taxpayers and made it clear that any negligence in this regard will not be tolerated.

فیدرل بورڈ آف ریونیو
اپنی شکایات پہنچائیں

چیئر مین ایف بی آر
ڈاکٹر محمد اشفاق احمد
تک براہ راست

عوامی مسائل کا آن لائن حل
e کچہری

پیر 27 ستمبر 2021
شام 05:00 سے 07:00 بجے
ہڈ لائن نمبر
051-111 772 772

FBR HELPLINE
051 111 772 772
www.fbr.gov.pk

Inland Revenue Enforcement Network's (IREN) Commendable Performance FY - 2021

Inland Revenue Enforcement Network (IREN) Squads of FBR, in a counter-evasion operation, has seized non duty / tax paid cigarettes (approximately 14,798,000 sticks) worth PKR 30,741,100, resulting in detection of evasion of taxes and duties of PKR 26,184,100 in the month of August, 2021. Likewise, during the period from July to August, 2021, IREN had seized 26,030,500 illegal cigarettes worth PKR 48,537,140. As such evasion of taxes and duties worth of PKR 44,786,258 was detected. This action is in pursuance to directions of the honourable Prime Minister of Pakistan against illicit sale of non-duty / tax-paid and counterfeit cigarettes.

IREN was established in September 2019 with a Chief Coordinator, Central Field Coordinator and seven regional enforcement hubs all across Pakistan, tasked to conduct raids and seizures on the counterfeit and non-duty paid cigarettes. As a part of ongoing crackdown against illicit cigarette trade country wide, all IREN hubs intensified their operation against businesses dealing in non-duty paid and counterfeit cigarettes to save national exchequer from revenue loss.

Dr. Muhammad Ashfaq Ahmed, the Chairman FBR, appreciated the performance of IREN staff. He stated that from November 1, 2021, Track & Trace System would be rolled out to monitor tobacco manufacturing across the country, and that AJK Government had approached Federal Board of Revenue to extend the scope of Track & Trace System to cigarette manufacturing units located inside AJK territory. It is expected that over the next few months, implementation of Track & Trace System and its extension into AJK, coupled with IREN's valiant drive would help overcome the menace of counterfeit, illicit and non-tax paid cigarettes in the market.

Directorate of Intelligence & Investigation, Inland Revenue, Lahore and Multan Unearths Tax Evasion of PKR 460 Million

In a drive to curb tax evasion, Directorate of Intelligence & Investigation, Inland Revenue (I&I-IR), Lahore conducted a raid on the business premises of a steel mill located at Ferozwala, District Sheikhpura and unearthed estimated tax evasion of PKR 400 Million. The steel mill was engaged in the manufacturing of steel bars ingots and billets. During the initial investigation, it was revealed that the steel mill had filed Nil Sales Tax / FED Returns for one year, however, electricity meter installed at the premises showed huge consumption of electricity during that period. On the basis of initial scrutiny of available information and after fulfilling legal formalities, a raid was carried out and relevant documents and records have been impounded. According to the initial estimate, tax evasion of PKR 400 Million is involved in the case. The record is under scrutiny at the Lahore Directorate and further legal action will be taken to recover the evaded taxes and duties.

In a similar operation, Directorate of Intelligence & Investigation, IR Multan raided on a unit located in the Industrial Estate, Multan under Section 38 and 40 of Sales Tax Act 1990. The said unit was engaged in the manufacture of Polypropylene bags. After scrutiny of record, it transpired that the said unit was blacklisted by FBR but despite that, the unit was engaged in the manufacturing of product for a long time. The Sales Tax number was also not restored by the unit. According to the initial estimate, tax evasion of PKR 60 million is involved in the case. Further legal action will be taken after the thorough scrutiny of the record under the relevant provisions of law.



In accordance with the instructions of Directorate General of Intelligence & Investigation IR, Islamabad, such operations across the country shall continue in order to detect the tax fraud and revenue leakages because FBR is committed to implement its zero tolerance policy against tax evasion.

FBR and Traders Reach Agreement-Traders Postpone Protest Call

A delegation of elected leadership of small traders led by Mr. Kashif Chaudhry, Central President Markazi Tanzeem Tajiran, Pakistan had been in contact with FBR for the last few days. The confusions of small traders, especially with reference to Tax Laws (Third Amendment) Ordinance-2021 were addressed. The final meeting took place at FBR HQs where both FBR and elected leadership of Markazi Tanzeem Tajiran, Pakistan led by Mr. Kashif Chaudhry accompanied by elected leaders from across Pakistan successfully concluded discussions where all misunderstandings and confusions pertaining to Tax Laws (Third Amendment) Ordinance-2021 were clarified. The decisions agreed were formally announced by Mr. Qaisar Iqbal, Member (IR Operations) FBR and the central leadership of traders in a joint press conference.

Member (IR Operations) informed the media that all

confusions and misunderstandings of small traders on the Tax Laws (Third Amendment) Ordinance were removed. He thanked the elected leadership of the traders community for their understanding and cooperation and also assured them that all issues regarding tax laws and any other confusion shall be clarified by mutual discussions, leaving no space for unfounded propaganda or misinformation spread by irresponsible elements on social media. Mr. Kashif Chaudhry, Central President of Markazi Tanzeem Tajiran, Pakistan on behalf of all representatives of small traders from all over the country who were also present in the press conference, announced to postpone the protest call scheduled for 27th September, 2021.



While giving clarification of Sub Section (1A) of Section 235 of the Income Tax, 2001, Member IR (Operations) FBR stated that the change in rate of advance tax on electricity bill as introduced in the Tax Laws (Third Amendment) Ordinance-2021 will not affect small traders nor any other person who is income tax filer. He further explained that this provision had been introduced for bringing non tax paying "Professionals" in the tax net. He also added that this provision will not affect commercial consumers of electricity.

The delegation representing small traders from across Pakistan was led by Mr. Kashif Chaudhry, Central President Markazi Tanzeem Tajiran Pakistan who was accompanied by Khawaja Shahid Razzaq Sakka, Patron-in-Chief, Markazi Tanzeem Tajiran Pakistan and President, Anjuman Tajiran, Faisalabad, Khawaja Suleman Siddiqui, Chairman, Markazi Tanzeem Tajiran Pakistan, Mr. Sharjeel Mir, Central President Tanzeem Tajiran Punjab, and about two dozen office bearers of Markazi Tanzeem Tajiran from Khyber Pakhtunkhwa, Baluchistan, Sindh and across Punjab. All the trade leaders unanimously announced that they will keep playing their positive role and cooperate with FBR on vital issues related to tax compliance so that the national economy gets strengthened and our beloved country becomes economically self-reliant.

Muhammad Asad Tahir Jappa Appointed as the Official Spokesperson FBR



Mr. Muhammad Asad Tahir Jappa currently posted as Chief FATE/Director Media, FBR Headquarters Islamabad, has been designated as the Official Spokesperson FBR. He comes from 29th CTP/IRS and prior to this was serving as Commissioner-IR Regional Tax Office, Sargodha.

Official Spokesperson FBR's Meeting with the Media at FBR HQ

Mr. Muhammad Asad Tahir Jappa, Chief FATE/Director Media, met the media at an orientation meeting at FBR HQ. The meeting served to emphasize that maximising the revenue potential was the core objective of the FBR's use of technology for determining the real income of the citizens through digitisation, data sharing and automation. Furthermore, it helped allay fears that under The Tax Laws (Third Amendment) Ordinance 2021, FBR had imposed any new tax on Point of Sale (POS) and electricity consumption by the general public, as only professionals would be required to pay additional advance tax under the new law.

He clarified that under the Tax Laws (Third Amendment) Ordinance 2021, the government had imposed additional advance tax on the rates ranging from 5 to 35 percent on professionals using domestic electricity connections. The professionals included accountants, lawyers, doctors, dentists, health professionals, engineers, architects, IT professionals, tutors, trainers, and other persons engaged in the provision of services.

The FBR spokesperson stated the FBR was the premier revenue collection agency of the country and has sacrificed dozens of its officers during the Covid-19 and while discharging their duties in pre-covid times.

He advised the taxpayers to timely file their Income Tax Returns to avoid penal action under the law. Under the ongoing campaign of return filing, the FBR has approached many national heroes and public figures for creating awareness among the general public. Their valued messages on tax compliance would significantly contribute to building the desired momentum of the ongoing campaign for filing Income Tax Returns pertaining to Tax Year, 2021.

FBR GOODWILL AMBASSADORS

In September 2021, the Facilitation and Taxpayers Education (FATE) wing, FBR devised a comprehensive campaign about the filing of Income Tax Return for TY-2021. In addition to a vibrant campaign launched on mainstream, electronic & print media, the FATE Wing FBR, directly and through field formations, also engaged with national heroes, media persons, social influencers, sports celebrities, showbiz stars, and religious scholars. Their short video messages, urging upon the public at large about tax compliance, went viral on social media. These video messages were, simultaneously, uploaded on the social media handles of FBR and the field formations. Undoubtedly, their voluntary involvement in this important national cause contributed significantly to the success of the campaign which resulted in a record number of returns filed and tax paid with returns. FBR acknowledges the valued contribution made by our national heroes in promoting a culture of tax compliance in Pakistan.



Mehwish Hayat



Bushra Ansari



Irshad Ahmad Arif



Anwar Maqsood



Jahangir Khan



Sami Ullah



Tauseeq Haider



Ansar Burney



Sohail Ahmad



Dr. Amjad Sohaib



Salman Abid



Muneeb Farooq



Wasim Akram



Javed Chaudary



Moulana Tariq Jamil



Shiffa Yousafzai



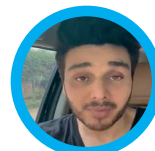
Sohail Warich



Ayesha Omer



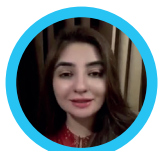
Shaan Shahid



Ahsan Khan



Mohsin Javed



Gul Panra



Mohammed Hafeez



Kashif Anwar



Shamil Khan



Qaiser Abbas



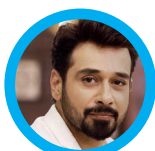
Hisham Sarwar



Qasim Shah



Sarfraz Ahmed



Faisal Qureshi



Sikander Bakht



Dr. Moiz Hussain



Khurram Manzoor



Adnan Siddiqui



Ijaz Aslam



Rashid Latif



Farrukh Shahbaz Warraich



Naseem Shah



Aleem Dar



Abdul Razzaq



Sarwat Valim



Shazia Zeeshan

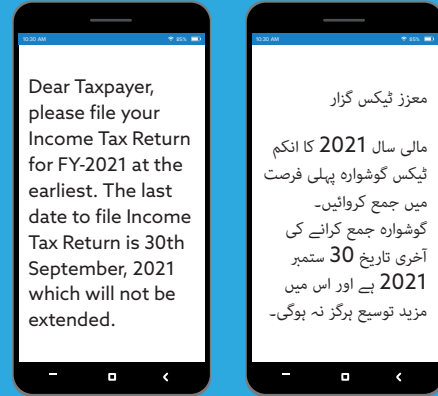
PTA & Telecom Companies Collaborating with FBR for Greater Tax Awareness and Outreach

Federal Board of Revenue (FBR) has collaborated with PTA & Telecom companies to promote greater tax awareness and outreach. In this regard the telecom companies have given their complete support in furthering FBR's outreach activities for the Income Tax Return filing campaign.

On behalf of FBR, Telecom companies sent bilingual text messages to all of their subscribers sensitizing them regarding the last date of filing Income Tax Returns. A total of 256 Million SMS messages were sent to around 128.5 Million subscribers across Pakistan. Secretary (FATE) Rashid Javaid Rana met with senior management of PTA & Telecom companies to implement the mass awareness campaign in a smooth and seamless manner.

SMS Message:

"Dear Taxpayer, please file your Income Tax Return for FY-2021 at the earliest. The last date to file Income Tax Return is 30th September, 2021 which will not be extended."



Mr. Rashid Javaid Rana Secretary (Facilitation and Taxpayer Education) presenting shields to the Senior Management of PTA & TELCOs for participating in FBR's outreach activities.

Memorandum of Understanding Inked between FBR and Bahria University

Building further on FBR vision of promoting a culture of tax compliance in Pakistan, a special signing ceremony of Memorandum of Understanding (MoU) between Bahria University, Islamabad and Federal Board of Revenue (FBR) was held at Bahria University, Islamabad.

The Memorandum of Understanding was signed by Registrar, Bahria University Mr. Shafqat Azad Commodore (Retd) and Ms. Tehmina Aamer Chief FATE, FBR .



On the occasion, Registrar, Bahria University Shafqat Azad thanked FBR for introducing this idea of promoting tax culture among youth of the country. He expressed that the training sessions would enlighten the students about the necessity of tax payment which would make them tax compliant citizens.

FBR has decided to launch countrywide awareness sessions through seminars and training sessions to promote tax culture, which will help to increase the number of taxpayers and revenue for the country. The ceremony was also attended by Mr. Rashid Javaid Rana, Secretary FATE, Mr. Adnan Akram Bajwa, Secretary PR, FBR and Dr. Sobia Shujaat, Director (Leadership Development Centre) BU, Islamabad.

FBR to Complete the Licensing of IT Service Provider Soon

Federal Board of Revenue (FBR) has issued Rules for licensing of IT Service Providers, rendering IT services to retailers undergoing integration with FBR vide SRO 1063 (I) / 2021 dated 24th August, 2021. The operationalization of licensing regime may take some time to complete the licensing process. In order to facilitate the retailers and with seamless integration, the current IT service providers will continue to provide services to their client till such time the Board notifies the licensed IT service providers.

Point of Sale (POS) drive meeting with Islamabad Restaurant Association (IRA)

Under the guidance of Chief Commissioner, Regional Tax Office (RTO), Islamabad Ms. Aiysha Khalid, a meeting was arranged with Islamabad Restaurant Association (IRA) to signify the importance of integrating the Point of Sale (POS) system. During the meeting a demonstration was also given to restaurant owners regarding the POS system. The meeting was followed by an interactive session wherein some very pertinent questions on the POS were asked which were adequately addressed/answered.



Tax Awareness / Filing of Income Tax Return Session at Allama Iqbal Open University, Islamabad

Regional Tax Office (RTO), Islamabad conducted an awareness session on filing of Income Tax return at Allama Iqbal Open University, Islamabad. It was followed by an interactive discussion resulting in some pertinent questions on the subject which were adequately addressed/answered.



Corporate Taxpayers to Adopt Digital Mode of Payment w.e.f 1st November, 2021 - FBR Considering Grant of Grace Period

Federal Board of Revenue (FBR) is considering to allow the corporate taxpayers a grace period of 40 days to switch over to the digital mode of payments w.e.f. November 1, 2021 under Tax Laws (3rd Amendment) Ordinance, 2021. The Federal Board of Revenue vide the Tax Laws (3rd Amendment) Ordinance, 2021, (the New Ordinance) has introduced significant changes to the Income Tax Ordinance, 2001 with a view to promote documentation of the economy, capture the supply chains, and broaden the tax base. The New Ordinance has restricted the scope of payments via traditional banking channels on account of expenditures exceeding PKR 250,000/- to taxpayers other than companies. Consequently, clause (1a) in section 21 has been inserted in the Ordinance whereby it is now mandatory for companies to make payments on expenditures exceeding PKR 250,000/- through digital mode only. However, expenditures on account of utility bills, freight charges, travel fair, and payment of taxes and fines would continue to be admissible either paid in cash or traditional banking instruments. The purpose behind this legislative enactment is to encourage digital payments and discourage traditional mode of transactions by the corporate sector in the first phase.

It is pertinent to mention that currently grey transactions (hiding/suppressing sales invoices and un-reconciled payments through open / revolving cheque or cash) are highly prevalent in business value chains. Almost 99% of all business transactions are on cash/cheque. Moreover, 3rd party payments are highly prevalent in organized and informal sector whereby businesses do not use their own bank accounts when making payment for supplies and tell their own customers/transaction based informal-investors to make direct payments to the principle supplier. This is highly prevalent in supply chains and has become an accepted norm. Likewise, cross cheques create financial inefficiency due to clearing period of 1-3 days. Similarly, cross cheques / open cheques do not carry the "purpose" of the payment or its relationship with the invoice. Despite many attempts to increase documentation of supply chains such as WHT and further tax, the number of unregistered distributors and retailers remains high whereby sales are suppressed and due income tax is completely avoided.

However, owing to lack of digital readiness by some corporate taxpayers immediately, FBR is considering to allow the corporate taxpayers a grace period of 40 days to switch over to the digital mode of payments w.e.f. November 1, 2021. In the intervening period, they may use the traditional banking transaction methods including cross cheques, cross bank drafts, cross pay orders, or any other crossed banking instrument showing transfer of amount from the business bank account of the taxpayer in addition to digital mode of payment as long as those are compliant with the law. In the meantime, FBR is also engaging SBP to issue necessary instructions to operationalize this important provision of law as well as encourage the banking sector to facilitate the corporate businesses to accomplish digitization within the stipulated timeframe.

FBR to Deny 60 % Input Tax to Non-Integrated Tier-1 Retailers

Federal Board of Revenue (FBR) in its drive to integrate Tier-1 Retailers across the country, has issued Sales Tax General Order No.2 of 2022 by which a system-based approach has been adopted to integrate non-Integrated Tier-1 Retailers with effect from 1st August, 2021. A list of identified Tier-1 Non-Integrated Retailers has been placed at FBR's web portal (www.fbr.gov.pk). If these identified Tier-1 Retailers fail to integrate by September 15, 2021, they would be denied credit for input tax equal to 60% claimed in the Sales Tax Return for the month of August, 2021. If, however, a Tier-1 Retailer feels that it is not a Tier-1 Retailer in terms of Section 2 (43A) of Sales Tax Act, 1990, it may get itself excluded from the list by applying to the concerned Commissioner by the 10th of every month.

The list shall be updated every month and taxpayers who remain in the List shall be considered as non-Integrated Tier-1 Retailers and their input tax to the extent of 60% shall be disallowed as per the provisions of sub-section (9A) of Section 3 of the Sales Tax Act, 1990.

FBR Rebuts Disinformation About Point of Sale (POS) Integration Drive on Social Media

Federal Board of Revenue (FBR) has strongly rebutted the malicious disinformation campaign being spread on the social media against the proposed service charge @ of PKR1 to be collected on all invoices issued by Tier-1 Retailers integrated with FBR's electronic system of real-time reporting of sales. It is being insinuated as if the rate of the service charge is 1 percent instead of rupee 1 per invoice only. This is completely baseless and untrue. The nominal service charge @ Re. 1 per invoice of whatever denomination, would be collected under section 76 of the Sales Tax Act, 1990, and utilized to promote integration of all Tier-1 Retailers, launch publicity campaign, and finance a special prize scheme for all customers who duly verify their invoices to determine the validity and genuineness of the invoices issued by the integrated Tier-1 Retailers, FBR added.

The malicious campaign appears to have been initiated by the vested interests who oppose POS integration, and those who continue to collect Sales Tax from the general public but do not deposit it with the Government Treasury. FBR has re-affirmed its resolve to continue integrating Tier-1 Retailers across the country with vigour.

FBR Grants Relaxation in Filing of Declarations Under Assets Declaration Ordinance -2019

Federal Board of Revenue (FBR) has decided to grant one-time opportunity to the taxpayers who paid their tax under the Assets Declaration Ordinance-2019 but somehow could not file their declarations. The Assets Declaration Ordinance, 2019 was promulgated on May 14th, 2019 for payment of tax and declaration of corresponding assets by June 30th, 2019. The due date was extended till July 3rd, 2019.

Taking cognizance of the hardship caused and to facilitate the aggrieved citizen taxpayers, FBR has decided to allow filing of declarations for all those citizen taxpayers /persons who deposited tax under the Ordinance within the due date i.e. July 03, 2019 but could not file their declarations due to any reason. The system has been enabled for the purpose and all taxpayers can now file their declarations between September 10th, 2021 till September 25th, 2021.

This is a special dispensation was granted under Section 7 of the Federal Board of Revenue Act, 2007.

Taxpayer Facilitation

FBR's Helpline is a free, fast & reliable service that is committed to provide the very best service to the public. FBR's Helpline not only educates the public but also provides them a forum through which the public can put forward their queries and seek resolution to most of their issues via phone, email or website.

Helpline team has been at the forefront in resolving issues that come up from time to time such as Income Tax Return information, Filing of Tax Appeals, Computerized Payment Receipt (CPR) Correction queries, Registration / De-registration (Sales Tax, Income Tax, Non Profitable Organizations (NPOs), Greenfield Status, Builder / Developer and change in particulars in profile) related queries, Designated Non-Financial Businesses & Professions (DNFBPs) registration related queries, Refund related queries and matters pertaining to Customs.

In the month of September, 2021 FBR Helpline resolved 28,563 queries from email (helpline@fbr.gov.pk) and 55,402 queries through its helpline number (051-111-772-772).

Your Contribution & Feedback

You can also be part of this newsletter by sharing contribution relevant to your office that has helped FBR propel towards its goal of becoming an organization that values a service oriented culture, where the taxpayer comes first.

Your feedback is extremely important in helping us improve the communication process between FBR and its extended family. We would like your suggestions, comments and valued advice in helping to further improve the newsletter.

You can send in your feedback to fbrnewsletter@fbr.gov.pk

EDITORIAL BOARD

Ambreen Iftikhar
Member FATE

Rashid Javaid Rana
Secretary FATE

Usman Mansur
Content Designer

Muhammad Asad Tahir Jappa
Chief FATE / Director Media

Adnan Akram Bajwa
Secretary PR / FATE