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FBR NEWSLETTER



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Editor's Note

by Syed Nadeem Hussain Rizvi

The April 2021 edition of FBR newsletter highlights the continuing progress FBR is making towards being one of the best service-oriented organization. Furthermore, this volume underlines the progress towards achieving its short & medium term goals.

This edition underscores FBR's efforts of meeting its revenue targets. The unprecedented margins in excess of revenue targets epitomizes FBR's transformation into one of the leading service oriented entities geared towards creating an enabling environment for business activity propelling the wheels of growth.

Federal Board of Revenue and all the four Provincial Revenue Authorities signed another Memorandum of Understanding (MOU) for a Single Sales Tax Return and Single Web Portal. This is one of the most significant components of harmonization of Sales Tax initiative currently underway between the Federation and the provinces. Clearance of first consignment for Gwadar Free Zone along details regarding automated process of scanning of cargo are also part of this edition.

Facilitation & Taxpayer Education Wing is facilitating Taxpayers through E-Kachehri, Prime Minister Delivery Unit (PMDU) and FBR Helpline.

Chairman's Message



by Asim Ahmad

Digital Transformation, **Automation** and **Big Data** are buzz words used for advocating **Business Transformation** for any organization. Embracing these concepts requires radically improving business processes with latest technology that foresees implementation of systems supported by real-time. It would ensure that there is substantial increase in productivity while enhancing taxpayer's satisfaction through Automation of Processes & Simplification of Tax Compliance procedures aiding **Ease of Doing Business (EoDB)** and most importantly designing processes & services that foster economic growth.

World Bank sponsored program "*Pakistan Raises Revenue*" is part of the reform process of achieving Business Transformation through utilization of ICT. To supplement this process the Memorandum of Understanding (MoU) signed between Federal Board of Revenue (FBR) and the Provincial Revenue Authorities paves the way for documentation of economy through a Single Sales Tax Return and Web Portal as part of its efforts for harmonization of Sales Tax initiative currently underway between the Federation and the Provinces. The automated process for cargo scanning and clearance of first consignment for the Gwadar Free Zone was made possible by utilising the ICT to improve service delivery.

Campaign against Smuggling, especially counterfeit cigarettes is in full swing and with the implementation of Track and Trace System in the next few months will help overcome the menace of counterfeit, illicit and non-tax paid cigarettes in the market.

Taxpayers are being facilitated and educated continuously through FBR's dedicated Contact Center, E-Kachehries, PMDU, Webinars and through various campaigns.

FBR's MILESTONES

- Clearance of first consignment for Gwadar Free Zone
- Successful curtailment of smuggling activities
- E-Kachehri in FBR HQ
- Pakistan Single Window Company Inaugurated
- Taxpayer
 Facilitation
- Automated process for scanning of cargo
- Meeting with World Bank Company Director
- FBR & Provincial Revenue authorities sign MOU on Single Portal/ Return for Sales Tax
- Webinar on Tax Concessions on Construction Sector

Historic growth in April, 14% growth in 10 months

Imran Khan < @ImranKhanPTI

I commend FBR efforts on achieving growth of 57% in April 2021 with collections recorded at Rs.384 bn compared to Rs.240 bn in April 2020. During Jul-Apr collections reached Rs.3780 bn - 14% higher than same period last yr. Shows our policies have led to broad-based econ revival.

8:34 AM · May 1, 2021

Federal Board of Revenue (FBR) has released the provisional revenue collection figures for the first ten months of current fiscal year. According to the provisional information, FBR has collected net revenue of Rs.3780 billion during Jul-April period, which has exceeded the target of Rs.3637 billion by more than Rs.143 billion. This represents a growth of about 14% over the collection of Rs.3320 billion during the same period last year.



other hand. On the the gross collections increased from Rs. 3438 billion during this period last year to Rs.3976 billion, showing an increase of 16 %. The amount of refunds disbursed was Rs.195 billion compared to Rs.118 billion paid last year, showing an increase of 65%. This is reflective of FBR's resolve to refunds fast-track to prevent liquidity shortages in the industry.

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مقررہ ہدف سے 159 ارب روپے زائد ریونیو

پچھلے سال اپریل کے حاصل کردہ نیٹ ریونیو 240 ارب روپے کے مقابلے میں %57 اضافہ



رواں مالی سال میں اب تک 195 ارب روپے

65% اضافہ

پچھلے سال اس عرصہ میں

118 ارب رو ی



FBR has also released the information about Tier-I retailers who have been integrated with POS system. According to the information, 10,583 sales points have been integrated with Point of Sales Linked Invoicing System.

Pakistan Customs has collected Rs. 606 billion under the head of customs duty in first ten months of FY 2020-21 against the assigned target of Rs. 507 billion and exceeded its target by Rs. 99 billion which is 20% more than the assigned target. Whereas during the month of April, 2021 an amount of Rs. 65 billion has been collected under the head of customs duty against the monthly target of Rs. 59 billion which is again 10% more than the assigned monthly target.



It is quite important to mention that an amount of Rs. 88 billion was collected more under the head of customs duty in first 10 months of current financial year as compared to FY 2019-20, despite the re-arrival of COVID-19 pandemic and has shown a growth of 17% as compared to previous financial year, which is quite remarkable.

During April 2021 smuggled goods worth Rs. 4.54 billion have been seized so far, while in April 2020 smuggled goods worth Rs. 3.43 billion were seized, thus showing a monthly increase of 32 %. Similarly, during last 10 months (July 2020- April 2021) of current financial year smuggled goods worth Rs. 48.55 billion have been seized as compared to Rs. 31 billion in Jul 2019-April 2020 of the last financial year thus showing an increase of 56 %.



FBR & Provincial Revenue authorities sign MOU on Single Portal/ Return for Sales Tax

Federal Board of Revenue and all the four Provincial Revenue Authorities signed a Memorandum of Understanding (MOU) for a Single Sales Tax Return and Single Web Portal. Signing of the MOU is one of the most significant components of harmonization of Sales Tax initiative currently underway between the Federation and the Provinces.

On behalf of FBR, the MoU was signed by Chairman FBR whereas the heads of all Provincial Revenue Authorities signed the document on behalf of their respective departments. The representatives of Khyber Pakhtunkhwa Revenue Authority (KPRA) and Balochistan Revenue Authority (BRA) were physically present in the ceremony whereas the representatives of Sindh Revenue Board (SRB) and Punjab Revenue Authority (PRA) participated virtually through Zoom.



While addressing the participants on the occasion, Special Assistant to Prime Minister on Revenue Dr. Waqar Masood Khan said that signing of the document was another step towards completion of Prime Minister's vision to make FBR fully automated. "This step will bring facilitation for taxpayers and it will help a great deal in improving the country's position on 'Ease of Doing Business Index', he added. SA to PM on Revenue further added that now persons associated with businesses would only have to file one Sales Tax Return instead of many returns. He further said that this step would help bring simplification in Tax system and procedure. He expressed commitment that other issues currently existing between FBR and Provincial Revenue Authorities would soon be resolved which would further bring ease for the business community. The Chairman FBR expressed his views about the facilitation this MOU will provide to taxpayers and that it would lead to simplification of Tax system and related procedures.

SA to PM on Revenue congratulated Chairman FBR, heads of Provincial Revenue Authorities and FBR's Policy Wing Team on achieving this significant milestone.

Chairman FBR meets World Bank Country Director for Pakistan

The World Bank Country Director for Pakistan, Mr. Najy Benhassine called on Chairman FBR Mr. Asim Ahmad, for an introductory meeting, following Mr. Asim Ahmad's recent appointment as the Chairman, Federal Board of Revenue. During the meeting the two Heads discussed the World Bank sponsored Reforms program '*Pakistan Raises Revenue*', which is a \$400 million program for domestic resource mobilization through the automation of Tax collection processes and the simplification of Tax compliance procedures.



Member Reforms, Ms. Ambreen Iftikhar and Mr. Raymond Muhulla, World Bank's Team Lead on '*Pakistan Raises Revenue*' were also present at the meeting. It was decided that the FBR Reforms team would give a detailed presentation to Mr. Najy regarding the impediments being faced by FBR, especially with regard to Component 1 of the Reforms program, covering \$320 million.

The Federal Board of Revenue is on track regarding most of the DLIs and has made good progress on automation of key business processes and signing of MOUs with various authorities for sharing of data. The Country Director, Mr Najy has agreed to look into the concerns raised by the Chairman FBR over matters which are beyond the scope of FBR's administrative authority.

Chairman FBR holds E-Kachehri in FBR HQ

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, Asim Ahmad held an E-Kachehri at FBR HQ on Friday to listen to the complaints and issues of taxpayers. The complainants interacted directly with the new Chairman FBR.



Chairman FBR listened to the complaints of the taxpayers and issued on spot directions for resolution of complaints. Chairman FBR appreciated the suggestions put forth by the taxpayers and assured them that their comments and suggestions would be considered for formulation of tax policies or initiating facilitative measures for taxpayers.



Chairman assured that FBR was taking all possible steps to facilitate the taxpayers. He also requested the taxpayers to visit their nearest RTO and Collectorate for redressal of any problem confronted by them.

Chairman FBR has already strictly instructed all the field offices to resolve all outstanding issues of taxpayers'.

Pakistan Customs clears first consignment for Gwadar Free Zone

In line with the vision and directives of the Prime Minister of Pakistan to boost exports and trade, Pakistan Customs has facilitated the clearance of the first import cum export consignment which will be further processed in Gwadar Free Zone established under China Pakistan Economic Corridor (CPEC) and later on items will be exported from Pakistan.

The first consignment consisting of metal scrap was processed and cleared by the Model Customs Collectorate, (A&F) West, Karachi and goods reached Gwadar Free Zone regulated by Model Customs Collectorate Gwadar. More shipments of raw material of the same company are under way to Pakistan which will be further used in manufacturing of goods to be exported.

The start of manufacturing and processing activity in the free zone will contribute in the development of first ever free zone of country established in Gwadar, Balochistan under China Pakistan Economic Corridor (CPEC).



According to the concession agreement signed between China Overseas Ports Holding Company (COPHC) and Gwadar Port Authority (GPA), the development and operation of Gwadar free zone is being performed by COPHC. The planned development period is from 2015 to 2030, which is divided into four phases. With import of the current consignment, the Gwadar Free Zone has practically become operational leading to the development of other economic zones under CPEC in Pakistan. The free zone will integrate and strengthen the linkage of industries between China and Pakistan. The free zone is positioned as economic development engine of Gwadar aiming to transform international trade logistics hub under CPEC. The project will create employment opportunities for local population; and will play a role of catalyst for economic growth and development of the country.

Federal Board of Revenue is committed to achieve the vision of Prime Minister and is taking such landmark steps to facilitate and provide support for swift clearance of Free Zone Cargo to prevent any possibility of loss or hardship to the export industry. Such steps shall boost exports and will result in trade facilitation by ensuring competitiveness of our exported goods in international markets.

IREN of Regional Tax Office Rawalpindi confiscates counterfeit cigarettes

Inland Revenue Enforcement Network (IREN) Squad of Regional Tax Office, Rawalpindi, in a major counter-evasion operation, has seized two trucks which were illegally transporting non-tax paid counterfeit cigarettes for supply into local market. The trucks were loaded with 300 cartons of counterfeit cigarettes of Classic Brand, and 300 cartons of counterfeit cigarettes of Kissan Brand containing 6 million cigarette sticks. Market value of the seized cigarettes comes to Rs. 18,900,000/-involving unpaid duties and taxes at Rs. 12,646,500/-. Some of the counterfeit cigarette brands are manufactured in AJK, and then transported across into Pakistani markets without payment of duty and taxes.



Dr. Muhammad Ashfaq Ahmed, Member (Inland Revenue Operations) visited RTO, Rawalpindi and met the senior officers as well as the members of the raiding squad. He also appreciated Dr. Khalid Mahmood Lodhi, Chief Commissioner, RTO, Rawalpindi and his enforcement drive to curb movement of illicit cigarettes on the roads. He also announced special reward for the members of the raiding squad and encouraged them to continue working with full commitment and integrity.



The Member also apprised the RTO, Rawalpindi IREN staff that from July 1, 2021, Track & Trace System would be rolled out to cover tobacco manufacturing across the country, and that AJK Government had approached Federal Board of Revenue to extend the scope of Track & Track System to cigarette manufacturing units located inside AJK territory. The Member further stated that FBR was in the process of drafting new rules where-under cigarette brands registered with FBR could only be sold in Pakistani markets. 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.

Pakistan Single Window Company Inaugurated

Chairman Federal Board of Revenue inaugurated the head office of Pakistan Single Window (PSW) Company in Islamabad. On the occasion, Chairman FBR lauded efforts of Pakistan Customs to roll out Pakistan Singe Window (PSW) System almost a year before its deadline of June, 2022 set under World Trade Organization's Trade Facilitation Agreement. He also appreciated Customs for reducing the project cost from initial estimates of USD 163 million to USD 67 million through indigenous development effort.

The Prime Minister had tasked Customs to complete this highly transformational project for reducing time, cost and complication while ensuring better compliances with cross border trade regulations. To ensure that this new system is timely implemented and sustainably maintained, the PSW Company has been operationalized by FBR.



The PSW Company is now enabling the Government of Pakistan to maintain complete ownership of this mission critical system of strategic national importance as it would handle entire cross border trade, related logistics and financial transactions.

Member Customs Operation S.M Tariq Huda stated on the occasion that Customs Administration was leveraging its expertise in automation for PSW to support a wide array of other public and private sector entities involved in regulation of imports, exports & transit trade. The ongoing digitization of related public sector entities under this project will substantially improve their efficiency.

PSW is instrumental for Pakistan to become a preferred route for international transit and transshipment besides it will help integrate upcoming national, regional and global single window systems. PSW will boost exports, help attract FDI and enable better integration into global value chains. It will also serve as the Trade Information Portal of Pakistan.

Automated process for scanning of cargo

Federal Board of Revenue's Pakistan Customs Wing has introduced a new automated process in WeBOC system for scanning of containerized import consignments of industrial raw materials for their speedy clearance at ports. The introduction of Non-Intrusive Inspection System by Customs was a long awaited initiative aimed at replacing physical inspection of cargo and reducing the dwell time at ports by using the latest scanning technology in line with international best practices.

The Karachi Port and Port Qasim have Customs scanning facilities installed with the assistance of Japanese Government under JICA program in addition to the scanners of the terminal operators. The Blue channel will be part of the Risk Management System (RMS) through which Customs will be able to select the consignments of containerized cargo based on RMS by using computer program targeting the suspected shipments. The system shall operate without human intervention which is designed to be based on the risk profiling and risk parameters.



The scheme is envisaged to reduce the physical examination of goods which is time consuming and costlier besides causing port congestion. The program has been implemented initially at KICT, SAPT terminals of Karachi port and at QICT, Port Qasim with effect from 19th April, 2021 for industrial raw materials and drastic reduction in clearance time of such consignments has been observed.

The World Customs Organization (WCO) recommends the scanning of suspected cargo at ports and border stations for security of supply chain under its (SAFE) Security and Facilitation Framework and Kyoto Convention. By implementing the Blue channel, Pakistan Customs will not only be able to ensure security of supply chain but also ensure correct declaration of goods and secure legitimate payment of duty and taxes by the importers. This technological intervention will support in facilitating the trade by reducing the clearance time, saving cost, and decreasing port congestion leaving positive impact on overall cargo dwell time. The program will go a long way in modernization of Customs procedures in Pakistan.

Chief Commissioner of Inland Revenue visits Rawalpindi Chamber of Commerce and Industry (RCCI)

Chief Commissioner Inland Revenue, Regional Tax Office, Rawalpindi, Dr. Khalid Mahmood Lodhi along with his team paid a visit to the Rawalpindi Chamber of Commerce and Industry (RCCI) and assured to address the issues faced by the business community. President of RCCI, Mohammad Nasir Mirza and other office bearers of the Chamber were present on the occasion.

Chief Commissioner Inland Revenue, Dr. Khalid Mahmood Lodhi said that taxpayers were the lifeline of the economy and FBR's prime objective was to strengthen the partnership with the business community and address their concerns and problems through negotiations. "COVID-19 has suppressed economic activity in the country and FBR acknowledged the business community role and have a great sympathy towards them", he added.



The Chief Commissioner welcomed RCCI budget proposals, including extension in integration of POS systems, Tax audits, updating profiles for Active Tax Payers List (ATL), recovery notices and payments on installments.. He lauded the role of the Rawalpindi Chamber in promoting trade activities, resolving tax-related disputes and raising awareness on increasing the Tax net and added that a help desk would be established at RCCI for the members and taxpayers facilitation.

He informed that automation was being introduced in FBR so that there would be less involvement of FBR collectors with the taxpayers. E-hearing rooms are being established across the country and Rawalpindi will be taken as model office for E-hearings. FBR is providing all kinds of technical support for the installation of POS systems. ADRC and integrity management committee are being reactivated to facilitate general public/ taxpayers for filing complaints against corrupt practices of officers/officials of FBR.

Earlier, RCCI President Mohammad Nasir Mirza, gave a short summary on RCCI current and future programs. He shared key concerns of the members and traders including extension in POS system, recovery notices and other related issues.

Webinar on Tax Concessions to the Construction Industry



Webinar on Tax Concessions to the Construction Industry was conducted on 30th April 2021 by Facilitation & Taxpayer Education (FATE) Wing in collaboration with the Inland Revenue Policy Wing.

The panelist for the webinar were:

- Abdul Qadir Memon, Former President Pakistan Tax Bar Association
- Dr. Najeebullah, Chief, Inland Revenue, Policy Wing
- Usman Ahmad, Second Secretary, Inland Revenue, Policy Wing
- Rashid Javaid Rana, Secretary, Facilitation and Taxpayer Education (Moderator)

The panelist discussed at length different issues of construction sector and the Tax Concessions offered by the government.

The webinar can be viewed on the following link:

Facebook: https://fb.watch/5jtpbINRLy/

YouTube: https://www.youtube.com/watch?v=rENWelvQP34&ab_channel=SecretaryPRFBR

Taxpayer Facilitation

Prime Minister Delivery Unit (PMDU)

Prime Minister Delivery Unit (PMDU) is pioneering a nation-wide complaints and grievance redressal mechanism with special emphasis on facilitation of overseas Pakistanis, women, special persons and foreigners. The primary objective of the unit is to provide citizens' an opportunity to seamlessly communicate with all government entities and have their issues resolved with priority, in accordance with the vision of the Government.

The Unit will put forward recommendations for amendment and simplification of cumbersome official procedures as evidenced from the database for the purpose of assuring public facilitation. The Unit strives to assure that the registered citizens/members on Pakistan Citizen's Portal (PCP) get every possible relief from the Government Organizations being interacted.

The citizens/members may have suggestions to put before the authorities or personal complaints and grievances or to report violations of laws by the people or to seek guidance etc. The Unit takes it as a prime responsibility to ensure that all complaints and suggestions are handled fairly and efficiently through concerned organizations.

So far PMDU Cell of FBR has worked on the resolution of 1526 complaints in the month of April.

Another feather in the cap of PMDU is the successful session of E-Khuli Kachehri conducted by worthy Chairman FBR. A golden opportunity on monthly basis for the aggrieved taxpayers to narrate their problems/issues infront of the highest office of FBR. Issues were resolved and relief was granted to the callers on the spot.

FBR Helpline (+92 51-111-772-772) (helpline@fbr.gov.pk)

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 **April**, FBR Helpline resolved **16,673** queries from email (helpline@fbr.gov.pk) and **21,860** queries through its helpline number (051-111-772-772).

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FBR appreciates the services of retiring Chairman FBR



Federal Board of Revenue (FBR) has acknowledged and appreciated the services of retiring Chairman FBR Muhammad Javed Ghani in the Board-in –Council Meeting. Special Assistant to PM on Revenue Dr. Waqar Masood and all the members of FBR attended the meeting and paid tribute to the services of retiring Chairman. On this occasion, a memento was presented to the outgoing Chairman FBR. Special Assistant to PM on Revenue appreciated the performance of Muhammad Javed Ghani as Chairman FBR.



The senior officers of FBR wished the retiring Chairman health and happiness in his coming life. Muhammad Javed Ghani thanked all the members and hoped that FBR would continue to achieve its targets under the supervision of new Chairman FBR.

Obituary - Dr. Shamsul Hadi



The Government of Pakistan announces with deep regret on the sad demise of Dr. Shamsul Hadi, a BS-21 officer of Inland Revenue Service and Chief Commissioner-IR, Regional Tax Office, Islamabad, on 16th April 2021.

Dr. Shamsul Hadi was born on 2nd April 1962. He Joined the Federal Board of Revenue on 27th March 1987.

At the time of his death, the officer was posted as Chief Commissioner, Regional Tax Office, Islamabad.

On behalf of the Government of Pakistan his dedicated services rendered to the nation were appreciated.

May his soul rest in eternal peace and may Allah give patience and fortitude to the family members to bear this irreparable loss.

Complaints Redressal regarding Corruption & Malpractices made simple



Your Contribution

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.

You can share your contribution via email @ fbrnewsletter@fbr.gov.pk

Feedback

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

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



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