



ReveNews

ISSUE MONTH - NOVEMBER 2021



**Federal Board of Revenue (HQs), Constitution Avenue,
Islamabad**



“

If you want to raise the prestige and greatness of Pakistan, you must not fall a victim to any pressure, but do your duty as servants to the people and the State, fearlessly and honestly.

”

QUAID-E-AZAM
MUHAMMAD ALI JINNAH

April, 1948, Peshawar

Vision, Mission & Values

OUR VISION

To be a modern, progressive, effective, autonomous and credible organization for optimizing revenue by providing quality service and promoting compliance with tax and related laws.

OUR MISSION

Enhance the capability of the tax system to collect due taxes through application of modern techniques, providing taxpayer assistance and by creating a motivated, satisfied, dedicated and professional workforce.

OUR VALUES

- Integrity
- Professionalism
- Teamwork
- Courtesy
- Fairness
- Transparency
- Responsiveness

ReveNews

ISSUE MONTH - NOVEMBER 2021

IN THIS ISSUE

Editorial

Chairman's message

FBR on Pace to Meet Revenue
Collection Target of Current Financial
Year-2021

PM Inaugurates T & TS on Sugar Sector

FBR Hunts 1st Non-Tax Stamped Sugar
Consignment

Chairman FBR Holds E-Kachehri in
FBR (HQs)

ADB Delegation Meets FBR Team to
Review FBR Reforms

Initiative to Simplify of Tax Laws

Inland Revenue Enforcement Network's
Commendable Performance from
July-October, 2021

FBR Organizes AML/CFT Training
Sessions for DNFBPs

Development of Single Sales Tax Portal

Automated WeBOC Facility

Editorial

The November 2021 edition outlines the efforts of Team FBR in sustaining the pace of growth towards achieving the annual collection target. The 35.5% revenue growth in November 2021 builds further upon the outstanding collection during the first quarter. The Honourable Prime Minister, Imran Khan appreciated FBR's performance for exceeding its monthly target for the fifth consecutive month.

FBR's roll out of the Track & Trace System (T&TS), a watershed event in the development of Pakistan's economy and to bring about increased digitization and automation of the entire tax apparatus as a means to reduce opportunities for graft, coercion and theft. The Track & Trace System (T&TS) was instrumental in helping FBR hunt its first non-tax sugar assignment.

Furthermore, reforms are afoot with the aid of our partners such as Asian Development Bank (ADB) to broaden the tax base with a host of initiatives and through simplification of Tax Laws. The development of Single Sales Tax Portal and Automated facility in WeBOC are also part of the changes being ushered in through the reform process.

FBR as part of ongoing outreach to Designated Non-Financial Businesses and Professions (DNFBPs), in collaboration with United Nations Office on Drugs and Crime (UNODC), is regularly organizing capacity building training sessions on AML/CFT compliance at Islamabad, Lahore and Karachi. Likewise, World Customs Organization (WCO) also held train the trainer program for Customs officers at DGTR Karachi. All of these innovative endeavours are aimed at bringing about a sea-change in our tax culture and thus bridge the trust deficit between FBR and Taxpayers.

Chairman's Message



Dr. Muhammad Ashfaq Ahmed

It is so very reassuring to witness that Team FBR is geared towards achieving the revenue collection target set for the Current Financial Year (CFY) 2021. FBR has once

again delivered on its promise of unlocking the revenue potential of the economy with Rs. 62 Billion collection in excess of assigned monthly target of Rs. 408 Billion for the month of November, 2021. Growth in revenue collection for the fifth consecutive month is due to the untiring efforts of our dedicated team who continues to work with utmost devotion to meet the ambitious target for the second quarter starting (October to December 2021) of the CFY.

FBR's vision of an efficient and equitable tax system is taking shape through numerous reform initiatives in collaboration with various international partners. FBR successfully extended Track and Trace System for Sugar Sector for documentation of economy and broadening of tax base. This measure supplemented with strong enforcement efforts, has already started paying dividends, registering

significant growth in tax revenue collected from the sugar sector.

FBR is taking a giant leap forward in harmonization of business processes amongst the federal and provincial governments for taxpayers' facilitation. Development of Single Sales Tax Portal will reduce compliance cost and simplify tax procedures. Similarly, POS System is fast tracking the digital monitoring of Sales of Tier-1 retailers across Pakistan.

The ongoing training sessions related to anti-money laundering and terror financing on Designated Non-Financial Businesses and Professions (DNFBPs) to supervise and facilitate the DNFBPs, so that the ill-gotten proceeds of crimes cannot be stashed in the real estate, gold or precious metals and stones. For capacity building of its Customs officials, FBR, World Custom Organization (WCO), and International Narcotics and Law Enforcement Section (INL) arranged "Train the Trainer" workshops aimed at developing effective, professional and transparent law enforcement institutions in Pakistan, in line with international best practices.

E-Kachehri is now conducted each week on Friday morning to facilitate taxpayers and resolve their concerns. FBR Helpline is consistently resolving the most pressing queries of the taxpayers to facilitate the taxpayers. Team FBR is vigorously promoting a new culture of tax compliance through digitization, transparency, ease of doing business, accessibility and internal accountability.

FBR on Pace to Meet Revenue Collection Target of Current Financial Year-2021

↻ FBR Retweeted



Imran Khan ✓
@ImranKhanPTI

Congratulations to the FBR team for achieving a 35% increase in revenues in November over last year and 37% increase in the five months over last year.

Federal Board of Revenue (FBR) has released the provisional revenue collection figures for the months July-November of Current Financial Year (CFY) 2021-22. According to the provisional information, FBR has collected net revenue of Rs. 2,320 Billion during July-November of CFY 2021-22, which has exceeded the target of Rs. 2,016 Billion by Rs. 304 Billion. This represents a growth of about 37% over the collection of Rs. 1,695 Billion during the same period, last year.

While chasing the target of Rs. 408 Billion fixed for the month, the net collection for the month of November, 2021 realized Rs. 476 Billion (Rs. 68 Billion in excess of assigned monthly target) representing an increase of 35.5 % over Rs. 348 billion collected in November, 2020.

On the other hand, the gross collections increased

from Rs. 1,783 Billion during July-November, 2020 to Rs. 2,443 billion in CFY, showing an increase of 37 %. The amount of refunds disbursed was Rs. 123 Billion during July- November, 2021 compared to Rs. 88 Billion paid last year, showing an increase of 40.5 %.

It is pertinent to mention that after collecting over Rs. 4.7 Trillion and exceeding its assigned revenue targets set for tax year 2020-21, FBR has successfully maintained the momentum during the CFY. This spectacular performance in first five months of the CFY clearly shows that FBR is well on its way to achieving the assigned target of Rs. 5,829 Billion for the year despite the daunting challenges, compelling constraints posed by the COVID-19, and sporadic tax cuts announced by the government as relief and price stabilization measures.

PM Inaugurates T & TS on Sugar Sector

In a historic development, the Prime Minister of Pakistan, Mr. Imran Khan unveiled FBR's Track & Trace System on Sugar Sector. Adviser to the PM on Finance & Revenue Mr. Shaukat Tarin, Cabinet

Members, Parliamentarians, Federal Secretaries, office bearers of Sugar Mills Association, Chairman FBR Dr. Muhammad Ashfaq Ahmed and senior officers of FBR attended the ceremony.



"We have not been afraid of taking difficult decisions nor shied away from plugging loopholes by enacting legislation that restricts corrupt practices and ensures transparency and fairness."
Prime Minister.

Addressing on the occasion, the Prime Minister termed the roll out of the Track & Trace System (T&TS) a watershed event in the development of Pakistan's economy and to bring about increased digitization and automation of the entire tax apparatus as a means to reduce opportunities for graft, coercion and theft.

"It (T&TS) is an integrated, technology-based solution that will ensure accurate reporting of production

volumes through real time monitoring of manufacturing by affixation of tax stamps, improve quality control and thus ensure increased revenue collection." **-Prime Minister**

The PM generously appreciated Chairman and Team FBR for an outstanding performance in continuously achieving the assigned budgetary targets and sounded very optimistic that FBR will be able to collect Rs. 6 Trillion by the end of current financial year.

"Track and Trace System will serve as a central pillar of that economic policy and shall revolutionize tax collection across Pakistan." **Prime Minister.**



The Adviser to the PM on Finance & Revenue Mr. Shaukat Tarin, while speaking on the occasion, thanked the Prime Minister for showing his keen interest and participating in the inaugural ceremony for launch of Track and Trace System on Sugar Sector and congratulated FBR for their persistent endeavours to launch this project.

"All 78 sugar mills have signed Tri-partite agreements amongst sugar mills, consortium (licensee) and FBR at Karachi, Lahore and Islamabad." -APMF&R

He further assured the Prime Minister that through introduction of technology in tax system, FBR will be able to broaden the tax base as efforts were already afoot to collaborate with NADRA and use artificial intelligence and mathematical modelling to ascertain the potential tax return filers. He informed the audience that FBR had collected reliable information about 15 million individuals who had taxable income but were not filing tax returns. These potential filers will soon be mobilized to discharge their national obligation by becoming taxpayers.

"The FBR enforcement officials will verify the validity of the stamps through different forensic instruments. Moreover, citizens of Pakistan will also be able to check and help with enforcement by reporting any fake stamps through mobile App." -APMF&R

The Chairman FBR/Secretary Revenue Division, Dr. Muhammad Ashfaq Ahmed, in his presentation explained the scope and significance of this high-valued digital intervention. He stated that several attempts were made at introducing the Track and Trace System in Pakistan starting in 2008 and over a period of 13 years there were 5 unsuccessful attempts which failed due to lack of expertise, want of political will, corruption and other unethical practices.

"The present government took a very bold step and provided FBR with strong support to implement Track and Trace System not just on Tobacco, as previously planned but added more sectors like Sugar, Cement and Fertilizers." -Chairman FBR

The Chairman informed that FBR intends to expand the scope of TTS to other key sectors which include Beverages, Petroleum, Pharmaceuticals and Steel and soon a proposal in this regard will be submitted to Prime Minister for his approval. He positively hoped that this key intervention in Sugar Sector will yield more revenues, minimize human interaction between

FBR and taxpayers and, thus, ensure ease of doing business. He concluded by thanking Sugar Mills Association for their cooperation in rolling out this important initiative and also appreciated the technical support provided by the licensed consortium, Authentics in making this key digital intervention possible.

FBR Hunts 1st Non-Tax Stamped Sugar Consignment

Inland Revenue Enforcement Network (IREN) Squad of Directorate of Intelligence & Investigation (I&I)-IR, Hyderabad, in a major counter-tax evasion operation, has seized 172 Sugar Bags, which were found without affixation of tax stamps in a warehouse.

In compliance of STGO 05 of 2021 dated 11th November, 2021 issued by Project Director, (Track & Trace System) and specific directions of Member-IR (Operations), FBR Islamabad, and Dr Amir Talpur, Director General I&I (IR) Islamabad, the team of Directorate of I&I (IR) Hyderabad (IREN) visited area of Tower Market Hyderabad on 27th November, 2021 to check Sugar Dealers.

The IREN team visited 12 warehouses and checked stock of sugar bags manufactured by various Sugar Mills during crushing season 2021-22. The team found sugar bags manufactured by three sugar mills. Stock of 172 sugar bags manufactured by one

Sugar mill namely M/s Chamber Sugar Mills lying in the premises of M/s Gulzar & Co, Hyderabad were found without Tax



Stamps. The untaxed/ unstamped stock was taken into custody and legal proceedings were initiated against the delinquents.

It is pertinent to mention that IREN teams have conducted similar raids on Sugar dealers in Lahore, Rawalpindi but found no violation as all bags of sugar were properly stamped under TTS.

Chairman FBR has re-iterated his resolve not to allow movement of any products of TTS-covered sectors on the roads and their sale in the market which do not bear activated tax stamps.

Chairman FBR Holds E-Kachehri in FBR (HQs)

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 (HQs) to listen to the complaints and concerns 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. He reaffirmed that FBR was taking all possible steps to facilitate the taxpayers. He also advised the taxpayers to visit their nearest RTO and Collectorate of Customs for redressal of any problem confronted by them.

ADB Delegation Meets Team FBR to Review Reforms

An important meeting with Asian Development Bank (ADB) officials was held in Federal Board of Revenue (FBR) HQs to review the progress made on "FBR Reform Engagement with ADB" and the issues & challenges being confronted for effective implementation. FBR Team was led by Chairman, FBR/Secretary Revenue Division, Dr. Muhammad Ashfaq Ahmed and ADB Team was headed by Mr. John Hurley, United States' Alternate Executive Director who was accompanied by his associates.



At the very outset, the progress on Integrated Transit Trade Management System (ITTMS) was shared with the ADB delegation in the meeting. Giving specific details about Customs trade facilitation at Border Crossing Points (BCPs), FBR Team informed that facilitation of Multi-agency administration and round the clock operationalization and establishment of well-equipped import & export Custom Control Zones (CCZs) at Border Crossing Points have been ensured. Regarding Customs Trade Harmonization at BCPs, it was briefed in the meeting that the least possible human interface between entry and exit points has been ensured for an enhanced trade facilitation. Moreover, WeBOC has been integrated with Pakistan Single Window (PSW) for real time data sharing with the concerned stakeholders. The Electronic Data Interchange (EDI) is also being shared with regional economies and trading partners. Speedy electronic verification of

documents, clearance, weighing and scanning has expedited cross-border cargo movement under WTO's Trade Facilitation Agreement (TFA) for reducing Cost of Doing Business.

The visiting delegation was informed that FBR has launched the formulation of Inland Revenue Code in a bid to harmonize all inland taxation laws and maximize facilitation of taxpayers. The single Inland Revenue Code will reduce the implementation cost of FBR and reduce compliance cost for taxpayers. The ADB Team was apprised of broader revenue mobilization initiatives of FBR particularly in the realm of Pakistan Raises Revenue Program (PRR). It was informed that FBR was on its way to achieve objectives of the Program for simple and transparent tax system, effective control of taxpayers' obligations and facilitation of compliance and institutional development for efficiency and accountability.

Chairman FBR dilated upon the key initiatives of FBR which included E-Monitoring (Track & Trace System), Point of Sale (POS) Integration, establishment of Single Sales Tax Portal and similar other technological initiatives. He further reaffirmed that team FBR had done wonderfully well in the last financial year by exceeding the assigned revenue target. He informed the delegation that for the first time ever in FBR history, the country's premier revenue collection organization has adopted a

policy of clean revenue collection by not holding back a penny in refunds payable to taxpayers and not accepting any advances, as against the standing practices in the past.

The ADB team appreciated FBR's efforts to maximize revenue potential through automation and digitization and hoped that team FBR will continue to maintain its ongoing momentum to broaden the tax base through technology and thus collect maximum revenue for the people of Pakistan.

Initiative to Simplify Tax Laws

Mr. Shaukat Tarin, Adviser to PM on Finance & Revenue has launched the formulation of Inland Revenue Code in a bid to harmonize all inland taxation laws and maximize facilitation of taxpayers. It promises to ensure ease of doing business by removing multiplicity of taxing statutes and a plethora of rules & regulations devised to operationalize them.

FBR, on domestic side, implements and enforces four major tax laws:

- *The Income Tax Ordinance, 2001*
- *The Sales Tax Act, 1990*
- *The Federal Excise, 2005*
- *The Islamabad Capital Territory (Tax on Services) Ordinance, 2001*

These four statutes are supported by numerous rules, SROs, General Orders notifications. Resultantly, taxpayers have to consult practically several law books in order to engage with the tax system and pay off their tax liability. Similarly, there have been pressing demands by the civil society, lawyers' community and also superior courts who have found the above laws to be very complexed and even un-implementable.



Keeping this in view, the government has decided to harmonize all these four tax laws by merging them into one law book supplemented by single rules book in collaboration with ADB. A high level committee has been constituted consisting of eminent tax professionals from public sector and legal experts from ICAP to continuously oversee and review the draft legislation to ensure quality and correctness. The said committee would monitor the drafting of harmonized Inland Revenue Code, covering all tax laws by the end of March, 2022.

After consultation with all key stakeholders including chambers of commerce, trade bodies, tax practitioners and field formations over April & May, 2022, it will be available for presentation before the Parliament in the Budget Session, 2022 for promulgation.

Inland Revenue Enforcement Network's Commendable Performance from July-October, 2021

Implementing its policy of zero tolerance against tax evasion, Inland Revenue Enforcement Network (IREN) Squads of FBR, in a counter-evasion operation, has seized non duty / tax paid cigarettes (approximately 65,811,500 sticks) worth Rs. 156,480,112, resulting in detection of evasion of taxes and duties of Rs. 125,662,630 in the first four months of FY 2021-22. Likewise, during the month

of October, 2021, IREN had seized 16,326,000 illegal cigarettes worth Rs. 46,978,050. Likewise, evasion of taxes and duties worth of Rs. 33,366,319 was also detected. This action is in pursuance to directions of the honorable Prime Minister of Pakistan against illicit sale of non-duty/tax-paid and counterfeit cigarettes.

FBR Organizes AML/CFT Training Sessions for DNFBPs

As part of ongoing outreach to Designated Non-Financial Businesses and Professions (DNFBPs), Federal Board of Revenue (FBR) in collaboration with United Nations Office on Drugs and Crime (UNODC) organized capacity building training sessions on AML/CFT compliance at Lahore & Karachi. The representatives from FBR, Financial Monitoring Unit (FMU), National Counter Terrorism Authority (NACTA), Institute of Chartered Accounts of Pakistan (ICAP) and Ministry of foreign affairs (MoFA) were the

key-note speakers. The participants included real estate agents, jewellers, accountants and lawyers.

Mr. Mohammad Iqbal, Director General DNFBPs, highlighted that FBR as the AML/CFT regulatory authority will continue supervising and facilitating the DNFBPs, so that the ill-gotten proceeds of crimes cannot be stashed in the real estate, gold or precious metals and stones. The sessions were warmly welcomed and generously acknowledged by the participants.



Development of Single Sales Tax Portal

Building further on its ongoing drive for digitization, FBR has developed Single Sales Tax Portal. It will facilitate taxpayers and ensure ease of doing business through automation, digitization, and minimization of human interaction with taxpayers. This facility will enable taxpayers to file single monthly Sales Tax returns instead of multiple returns (6 in the past) on different portals; thereby, significantly reducing the time and cost of compliance, and thus achieving maximum efficiency. This landmark initiative has been

made possible after thorough discussions with the provincial revenue authorities of Punjab, Sindh, KPK, Baluchistan, and AJK. The system would be intelligent enough to sift and collect revenues from a single taxpayer and distribute the same among multiple revenue agencies.

The Portal would also be beneficial for tax collectors in having a 360-degrees view of taxpayers' business activities across the country in order to maximize revenue potential and ensure tax compliance.

FBR Develops an Automated Facility in WeBOC to Facilitate Businesses

In the continuation of the ongoing drive for digitization, Pakistan Customs (FBR) has developed an automated facility in WeBOC System to enable the small and medium export enterprises to acquire imported input goods from a Common Export House for subsequent exports under the Export Facilitation Scheme, 2021.

The newly introduced automated facility in WeBOC includes features of online application filing for

authorization to operate as Common Export House, authorization of common export warehouse by the regulatory collectorate and filing of import Goods Declarations (GDs) of input goods by the authorized user of Common Export House as importer. This automated system will also facilitate supply of input goods to the SMEs and other authorized buyers within a period of two years from the date of importation.

WCO Holds Train the Trainer Program for Customs Officers at DGTR

Directorate General of Training and Research (Pakistan Customs), Karachi has facilitated the conduct of COPES-CECAC 'Train the Trainer' project arranged by World Custom Organization (WCO) in collaboration with International Narcotics and Law Enforcement Section (INL), from 8th to 12th November, 2021.

The inaugural ceremony of the program was held at DGTR Karachi and was unveiled by Director General DGTR, Surraiya Ahmed Butt. She thanked WCO and INL for their support in this training and termed Train the Trainer program as an important milestone in the enhancement of capabilities of Pakistan Customs Service.

Gilles Thomas from WCO gave a detailed introduction about the COPES program highlighting the gaps that exist in the Customs Officers' professional standards and how the CECAC project would be an effort to bridge that gap by developing

an enforcement curriculum.

Later, Mark Kennedy from INL appreciated the working relationship with Pakistan Customs in the realm of training and expressed his desire to further strengthen this cooperation.



Recovery Action by Regional Tax Office, Bahawalpur

A brief ceremony was held in the office of the Chief Commissioner Inland Revenue, Regional Tax Office Bahawalpur on 05-11-2021, where the Chief Commissioner, Dr. Muhammad Sarmad Qureshi, congratulated the officers for showing dedication, commitment and professional handling of raids conducted u/s 38 & 40 of the Sales Tax Act 1990 by them, against oil mills who were not paying any sales tax on supply of cotton seed oil since July 2021.



Certificates of appreciation were awarded to Ms. Uzma Niazi Assistant Commissioner IR, Ms. Fatima Qayyum Assistant Commissioner-IR and Dr. Sharafat Abbas Shah, Assistant Commissioner-IR, for making a huge recovery of more than 24 million

in these cases. Commissioner IR Bahawalpur Zone Mr. Mumtaz Ahmed was also present on the occasion along with Additional Commissioner-IR, Mr. Muhammad Akhtar Suraj, and Mr. Imran Pervaiz, Assistant Commissioner (HQs).

Taxpayers' Facilitation/ Education

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) and queries related to Registration/De-registration (Sales Tax, Income Tax, Non Profitable Organizations (NPOs), Greenfield Status, Builder/Developer and change in particulars in

profile), Designated Non-Financial Businesses & Professions (DNFBPs) registration, Refunds and matters pertaining to Customs.

In the month of November, 2021 FBR Helpline resolved 11,011 queries from email (helpline@fbr.gov.pk) and 18,969 through its helpline number (051-111-772-772).

Your Contribution & Feedback

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

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

Editorial Board

Shahnaz Maqbool – Member FATE

Muhammad Asad Tahir Jappa – Chief FATE/ Director Media

Rashid Javaid Rana – Secretary FATE

Muhammad Alam Zaib Khan – Secretary FATE/DT

Adnan Akram Bajwa – Secretary PR/FATE

Usman Mansur – Content Designer

PICTURE GALLERY



Launching of Pakistan Single Window by Advisor to PM on Finance & Revenue on November 01,2021



First Batch of Under Training FIA officers visited FBR on November 11,2021



Pakistan Raises Revenue Program (PRRP) arranged an event on e-website FBR offices produce on November 19,2021



DGTR Customs, Karachi organized a visit of ACs (UT) to the office of Additional Home Secretary, Sindh on November 17, 2021