



FEDERAL TAX OMBUDSMAN SECRETARIAT

C.No. 0003/OM/2021

Dated: 24-08-2021

To,

The Advisor Media & Awareness,
FTO, Secretariat,
Islamabad.

Copy of Findings/Recommendations in C.No. 0003/OM/2021 is enclosed herewith for Publication.


(Arshad Mahmood Cheema)

Registrar
Federal Tax Ombudsman Secretariat
Islamabad
051-9214348

Encl: As above
Copy to:

1. MIS Manager, FTO, Secretariat, Islamabad.
2. Secretary to FTO
3. Office copy



**BEFORE
THE FEDERAL TAX OMBUDSMAN
ISLAMABAD**

0003/OM/2021

Dated: 15.01.2021 HQs, Islamabad*

The Secretary,
Revenue Division,
Islamabad.

...Respondent

Dealing Officer : Dr. Arslan Subuctageen, Advisor
Appraisal Officer : Mr. Shahid Ahmad, Advisor

Departmental Representative : Ms. Saadiya Noori, Secretary CJ, FBR

FINDINGS/RECOMMENDATIONS

This is an own motion investigation initiated through exercise of jurisdiction, conferred under Section 9(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance), to investigate systemic maladministration of the Customs Administration of FBR for failing to establish Customs Laboratories (Lab) in the Customs Collectorates as per WCO guidelines, besides failure to upgrade the existing customs lab functioning at MCC Karachi, Lahore and Faisalabad. Absence of quality laboratory facilities not only compromise collection of legitimate due government revenue but also put at risk import/export controls, environmental protection, control of dangerous goods, etc.

7 2. Responding to the notice under Section 10(4) of the FTO Ordinance, read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013 the Chief (Enforcement & Coord), FBR vide letter dated 04.08.2021, submitted that the existing Customs Lab at Karachi had been upgraded and more than ninety-five percent tests of items, such as textile fabrics, yarn, chemicals, dyes, petroleum hydrocarbons, pharmaceutical materials and metals etc. are conducted there. Few samples were, however, forwarded to other labs, like H.E.J Research Institute of Chemistry and PCSIR

- ii. to ascertain the HR requirement.
 - iii. to ascertain the financial impact, and
 - iv. estimated revenue savings.
4. Averments of the Deptt considered and case record perused.
5. Crux of the investigation is that necessary actions have been initiated by the FBR, after initiation of this investigation, through constituting a Committee on 16.06.2021, to examine the proposals for setting up modern Customs Labs in the remaining Customs Collectorates as well as upgrading the existing labs as per best international practices.

RECOMMENDATIONS:-

6. FBR to:-
- (i) expedite the task of setting up of customs labs in the remaining customs Collectorates and up-gradation of existing customs labs as per international best practices;
 - (ii) assign administrative control to Member(Customs) to save the lab officials from local pressures; and
 - (iii) a quarterly progress report to this effect be submitted to this office regularly.


(Mushtaq Ahmad Sukhera)
Federal Tax Ombudsman

Dated: 23/8/2021
MR/HUK

Certified to be True Copy

Deputy Registrar
FTO Secretariat
Islamabad