THE FEDERAL TAX OMBUDSMAN
ISLAMABAD

Complaint No.642/ISB/CUST/2024
Dated: 01.12.2024* HQs Islamabad

Mr. Naseer Ullah,
SNM Pakistan,
306, Ginza Center, Blue Area,
Islamabad. ...Complainant

Versus

The Secretary,
Revenue Division, ...Respondent
Islamabad.

Dealing Officer	:	Dr. Arslan Subuctageen, Advisor
Appraising Officer	:	Mr. Muhammad Nazim Saleem, Advisor
Authorized Representative	:	Complainant in person
Departmental Representatives	:	Mr. Hammad Ahmed, DC, JIAP, Karachi (through Zoom link) Mr. Ehsan Ullah Khan, IT Wing FBR, Islamabad Mr. Farhat Ullah Khan, Principal Engineer, PRAL Mr. M. Faisal Illyas for M/s Pearl Int'l, Karachi (through Zoom link) Mr. Rizwan for M/s Expost Express Freight Logistics, Karachi (through Zoom link)

FINDINGS/RECOMMENDATIONS

P

The Complaint was filed in terms of Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance), against the FBR, PRAL, Directorate General of I&I-Customs, M/s Expost Express Freight Logistics and M/s Pearl International, Karachi, for filing of fake GDs on his account.

2. Briefly, the Complainant stated in his complaint that he repeatedly reported through calls and emails to FBR, PRAL and I&I-Customs regarding fake export GDs filed against his name. However, neither the Deptt provided any written information of persons involved, nor they took any action against those involved in this fraudulent activity. The Complainant has not exported anything from Pakistan, but still from last three months, he is being compelled to accept the fake GDs in monthly sales tax returns and if he refused to claim the said fake GDs then the Deptt

*Date of registration in FTO Sectt.

would not let him submit his monthly sales tax returns. The Complainant has prayed that the directions be issued to the Deptt to investigate and remove the said fake GDs and take action against those involved.

3. The Complaint was referred to Secretary, Revenue Division, Islamabad, M/s Expost and M/s Pearl International, Karachi, for comments in terms of Sections 10(4) and 23 of the FTO Ordinance, 2000, read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response, Director (HQs), Directorate General of Reforms & Automation, Islamabad, Collector, Collectorate of Customs JIAP, Karachi, M/s Expost Express Freight Logistics and M/s Peral International, Karachi submitted comments, vide letters dated 01.03.2024, 15.03.2024 and 19.03.2024 respectively. The Director, (HQs), Directorate General of Reforms & Automation, Islamabad, stated in its comments that the instant complaint relates to filing of GDs in the name of Complainant by someone else which purportedly involves misuse of the Unique User Identification (UID) of the Complainant. In terms of proviso to Section 155F of the Customs Act, 1969, the Collector of Customs having jurisdiction is the appropriate officer to suspend the use of UID and initiate further necessary action as contemplated under the law. In terms of paragraphs 9(v) and 32 of the SRO 2301(1)/2022 dated 22.12.2022, issuance of UIDs in respect of the disputed GDs, fall within the ambit of Collectorate of Customs Appraisement (East), Karachi and Collectorate of Customs, Islamabad, respectively. The GDs have been cleared at Collectorate of Customs (Exports), Karachi and Collectorate of Customs, IIAP, Islamabad. The Collector, Collectorate of Customs JIAP, Karachi, stated in his comments that the Complainant having NTN No.3015190-2 (Company name as "SNM Pakistan") stated that fake Export GDs are being shown against his NTN while submitting monthly sales tax returns, whereas he is not exporting anything from Pakistan. Scrutiny of the list of GDs enclosed with

the complaint transpired that only 04 GDs pertain to their Collectorate. The said 04 GDs were filed by Courier Company "EXPOST under NTN No.3789928 for export of multiple courier shipments booked by different persons with distinct CNIC or NTN numbers. The data procured from M/s PRAL regarding export on NTN No.3015190 of the Complainant against the said 04 GDs transpired that the exporter name against the NTN No.3015190 is shown as "Pearl International" instead of "SNM Pakistan". Therefore, the Collectorate vide letter dated 29.02.2024 asked the courier company 'EXPOST" as to explain why the subject NTN has been used against the aforementioned GDs without authorization of the NTN holder. In response, EXPOST, vide letter dated 29.02.2024, explained that they do not ship any courier without approval of shipper. Moreover, they first feed the particulars of shipper in excel sheet and then enter the same data in WeBOC for filing export GD, therefore, the mistake has occurred due to removal of digit "Zero" in excel sheet from the start of NTN No.0301519 (Abdul Waheed) of the exporter "Pearl International" and system has fetched NTN No.3015190 (Naseer Ullah) of the Complainant with digit "Zero" at the end (Both NTNs being similar with the only difference of digit "Zero" at the start and end of NTN numbers). M/s Expost Express Freight Logistics, Karachi, stated in its comments that this was a system error and it happened during the upload excel file in the WeBOC system, as both parties' NTN are similar as M/s Pearl International NTN 0301519 and Mr. Naseer Ullah NTN 3015190. According to their shipment process procedure, they entered all shipment details in their system, which convert all data in excel sheet, but due to NTN number of M/s Pearl International start from "0" digit and excel sheet auto remove initial "0" value and after uploading the same sheet in the WeBOC system due to remove "0" value, it gone to Mr. Naseer Ullah Account. M/s Pearl International, Karachi, stated in its reply that as explained in the reply sent by their courier forwarding agent "Expost", it was merely a data entry error and they entered the correct number in WeBOC through excel sheet, however, it was changed to 3015190-2 for unknown reason or may be for system error as both the NTNs are pretty similar and only difference of "0" & "-2" at the start and at the end of the NTNs.

4. During hearing, the Complainant, DRs from M/s PRAL, FBR and the Collectorate of Customs JIAP and the representatives of M/s Pearl International and M/s Expost Express Freight Logistics, reiterated their written submissions. The Complainant has stated that his NTN is being misused without his approval and due to which his monthly return filing is adversely impacted and he is unable to file the same with no fault on his part. The representative of M/s Expost stated that they got informed in March 2024, when the Complainant informed them. DR from PRAL stated that it is not possible that an NTN can be auto changed by the electronic system itself. 20 people's Goods Declarations were being filed by the courier, only M/s Pearl International data is wrongly reflected. Autocorrect is being done by M/s Expost and the key punch operator of M/s Expost is doing that. DR from PRAL further stated that according to SOP any request for change/updation in the record of WeBOC database is authorized by the Director, Reforms and Automation, Karachi, on the approved Change Request Form (CRF) received from the Collector of the concerned GD originating Collectorate i.e. where the GD was filed (JIAP in this case). Since the Complainant M/s SNM Pakistan having NTN No.3015190-2 has clearly denied the ownership of the GDs that are being shown to him in his sales tax return and similarly M/s Expost has clearly admitted that they have committed mistakes during uploading of data into the WeBOC export GDs belonging to M/s Pearl International. It was further stated that to rectify this wrong doing done by M/s Expost, a request needs to be furnished by M/s Expost with the detailed explanation of the mistakes and wrong doings which they have committed during impugned 04 GDs filing in WeBOC system along with all the supporting documents for correction of the relevant NTN in

the record of subject GDs and submit it to the Collector of the GD originating Collectorate of Customs (JIAP) for his consideration. Since the subject 04 GDs where the NTN was incorrectly entered, pertain to the Collectorate of Customs JIAP, Karachi, therefore the CRF on the basis of the request from M/s Expost after necessary verification/examination will be prepared by the staff of said Collectorate which after approval of the Collector will be submitted online through CRF application to the Director (R&A), Karachi for necessary action at his end. After execution of CRF, the NTN in the said 04 GDs will be rectified and will be replaced with the NTN of M/s Pearl International. The sales tax return modules are integrated with WeBOC on real time basis, therefore, the subject GDs after amendment of NTN will start reflecting in the ID of M/s Pearl International and will automatically be removed from the ID of M/s SNM Pakistan.

5. The complaint has been examined threadbare. It is evident that the courier company has intentionally and knowingly misused the Complainant's NTN. However, the Complainant's NTN has been misused and this fact was informed by him to the concerned Deptt and M/s Expost and M/s Pearl International, Karachi, but to no avail.

FINDINGS:

6. In view of supra, the Deptt has failed to rectify the issue of misuse of Complainant's NTN and the Deptt needs to address and rectify this issues on priority basis where the CNIC and NTN of non-relevant individual is intentionally misused in clear violation of the provisions of Section 155D(2) of the Customs Act, 1969, by M/s Expost Express Freight Logistics in connivance with M/s Pearl International. On the other hand, the non-rectification of Complainant's NTN under the provisions of Section 155F(b), 1st and 2nd proviso and SRO 2301(I)/2022 dated 22.12.2022 leads to maladministration on the part of the Deptt in terms of Section 2(3) of the FTO Ordinance, 2000.

RECOMMENDATIONS:

7. FBR to direct:

(i) Chief (F&C) Customs, FBR, to issue an alert to all the concerned field formations of Customs to identify and rectify on priority basis the intentional misuse of unique user identifier, CNICs and NTNs of the non-relevant taxpayers while filing of GDs by various importers/exporters through PSW/WeBOC within 30 days;

(ii) direct, the Collector of Customs JIAP, Karachi, to black list M/s Expost Express Freight Logistics and M/s Pearl International and initiate necessary proceedings under the provisions of Section 155F and 156(I) of the Customs Act, 1969 by suspending the use of unique user identifier of M/s Expost and M/s Pearl International after giving them show cause notice and opportunity of being heard, as per law within 15 days;

(iii) the concerned Commissioner IRS and Collector, Collectorate of Customs (JIAP) to resolve the Complainant's contention and permit him after rectification of NTN to file his sales tax returns which were affected due to misuse of his CNIC and NTN; and

(iv) report compliance within 45 days.

(Dr. Asif Mahmood Jah)
(Hilal-i-Imtiaz)(Sitara-i-Imtiaz)
Federal Tax Ombudsman

Dated: 5 : 4 : 2024

Approved for reporting

Director
FTO Secretariat
Islamabad