



FEDERAL TAX OMBUDSMAN PAKISTAN

ANNUAL REPORT 2020



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وَلَا يَظْلِمُ رَبُّكَ أَحَدًا

آیه 49 سوره کهف

**“And Your Lord does
injustice to no one”**

Holy Qur'an 18:49



Quaid-e-Azam Muhammad Ali Jinnah
Founder of Pakistan

FTO PRESENTED ANNUAL REPORT 2019 TO HONOURABLE PRESIDENT OF PAKISTAN

Federal Tax Ombudsman, Mr. Mushtaq Ahmad Sukhera, presented Annual Report 2019 to Dr. Arif Alvi, the Hon'ble President of Pakistan, on 14th July 2020, and apprised him about the performance of the FTO office during 2019.



The Honourable President appreciated the role of FTO in resolving complaints of the taxpayers against the maladministration of Tax Authorities, as well as using Own Motion powers to unearth malpractices in the taxation system. He also appreciated establishment of Information Technology (IT) based complaint registration system to facilitate the aggrieved taxpayers.

The Honourable President expressed his satisfaction over the optimum utilization of traditional and digital media by FTO Office to promote awareness among the taxpayers, computerizing services of his office using IT-based Complaint Management Information System (CMIS), and establishment of paperless office environment in FTO Secretariat and Regional offices. He advised the FTO to circulate the copies of Annual report to members of the legislature, which was done immediately after the meeting.

The Honourable President assured his full support to the institution of FTO in the discharge of its duties and functions.

WE BELIEVE AND SERVE

Mandate

“To investigate, diagnose, redress and rectify maladministration of Tax Functionaries”

Vision

“To promote efficient and corruption free tax system”

Mission

“To protect taxpayers’ rights”

Values

- Integrity
- Efficiency
- Transparency
- Fairness

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CHAPTER

FOREWORD

Institution of Federal Tax Ombudsman (FTO), was created in the year **2000**, through “Establishment of the Office of Federal Tax Ombudsman Ordinance, 2000” to provide a credible system, capable of delivering expeditious and cost-free redressal services to the persons aggrieved of maladministration of Tax Functionaries.

As reported in the Annual Report **2019**, we had envisioned a course of action leading to evolving this Institution as a dynamic service delivery organization during the coming year. We planned our focus on the following areas for **2020**:

- Enhancing efficiency to handle complaints;
- Own Motion initiatives to improve governance in Tax Administration;
- Inspections of Tax Offices where complaints of persistent maladministration were reported;
- Advising FBR regularly on systemic issues breeding malpractices; and
- Utilizing maximum potential of IT in prompt disposal of complaints in an environment of paperless business processes.

With relentless efforts, this office was able to enhance its performance during the year **2020**. However, due to Covid-19 pandemic, we fell marginally short of our targets and expectations in some areas. Our outreach activities were greatly hampered due to observing the health protocol of social distancing.

The overall achievement was the trust of taxpayers in us and the utmost dedication/hard work of our team. The FTO greatly appreciates the efforts put in by the Secretary, Registrar, Advisors, Staff and FBR management in facilitating to resolve the problems of taxpayers and assures all stakeholders to perform even better in future.

(Mushtaq Ahmad Sukhera)
Federal Tax Ombudsman

INSTITUTION OF FEDERAL TAX OMBUDSMAN- CREATION AND DEVELOPMENT

Historically, first Ombudsman office was established in Sweden in 1809, to safeguard the rights of citizens by establishing a supervisory agency independent of the executive branch to provide relief to aggrieved persons against corruption, injustice, whim, nepotism and ill practices. Since then not only this concept has transformed, but up till now, it has been adopted by about 150 countries.

In Pakistan, the 1973 Constitution provided for the establishment of the office of Federal Ombudsman. Accordingly, this institution was created through the Establishment of the Office of Wafaqi Mohtasib (Ombudsman) Order, 1983 (President's Order No.1 of 1983) to diagnose, investigate, redress and rectify any injustice done to a person due to mal-administration of government functionaries.

A perusal of Annual Reports of Wafaqi Mohtasib from 1998 to 2000 revealed that third largest area of complaints was related to Finance Division after Water and Power Division and Communication Division. To handle the complexity and diversity in the tax-related complaints, the need was felt to create a separate Ombudsman institution to deal with maladministration of Federal Board of Revenue (FBR). Therefore, institution of Federal Tax Ombudsman (FTO) was established in the year 2000.

The "Establishment of the Office of Federal Tax Ombudsman Ordinance, 2000", provides for the appointment of the Federal Tax Ombudsman to diagnose, investigate, redress and rectify any injustice done to a person against maladministration of the functionaries administering tax laws. To further strengthen the effectiveness of Federal Ombudsmen Institutions, another law, "The Federal Ombudsmen Institutional Reforms Act, 2013" was enacted to enhance the role of the Federal Ombudsmen to provide speedy and expeditious relief to the aggrieved citizens and promote good governance.

The FTO Secretariat is located in Islamabad with Regional Offices in Karachi, Lahore, Peshawar, Quetta, Faisalabad, Gujranwala and Multan.

Present Federal Tax Ombudsman Mr. Mushtaq Ahmad Sukhera (08.09.2017 to date) is also the President of the Forum of Pakistan Ombudsmen and General Secretary of The Organization of Islamic Countries Ombudsman Association (OICOA).

Hallmark of grievance redressal system of FTO is the speedy and cost-free resolution of taxpayers' grievances. Institution of Federal Tax Ombudsman is striving hard to meet the highest standards of performance in service delivery expected from it.

Since its inception, the following Hon'ble persons served as Federal Tax Ombudsmen before Mr. Mushtaq Ahmad Sukhera.



Mr. Justice (R) Saleem Akhtar
(19.09.2000 to 18.09.2004)



Mr. Justice (R) Munir A. Sheikh
(08.12.2004 to 07.12.2008)



Dr. Muhammad Shoaib Suddle
(03.06.2009 to 10.07.2013)



Mr. Abdur Rauf Chaudhry
(10.07.2013 to 08.09.2017)

FTO'S TEAM OF ADVISORS DURING 2020



Ms. Sarwat Tahira Habib
Secretary
FTO Secretariat



Mr. Mushtaq Ahmed Sukhera
Federal Tax Ombudsman
Pakistan



Mr. Arshad Mahmood Cheema
Advisor /Registrar



**Mr. Justice (R) Muhammad
Nadir Khan**
Advisor Incharge Quetta



Mr. Justice (R) Mansoor Ahmad
Advisor (Legal)
Islamabad



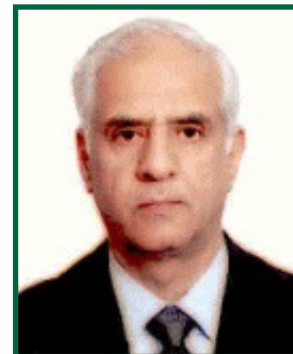
Mr. Nisar Ahmed
Advisor (Monitoring)
Islamabad



Mr. Tariq Ahad Nawaz
Advisor (Research)
Islamabad



Ms. Mahbooba Razzaq
Advisor (Income Tax)
Islamabad



Dr. Arslan Subuctageen Advisor
(Customs)
Islamabad



Mr. Fazal Yazdani Khan
Advisor (Customs) Lahore



Mr. Abdur Rehman Dogar
Advisor Incharge Lahore



Mr. Nazir Ahmad Gajana
Advisor (Income Tax) Lahore



Mr. Tauqueer Akbar
Advisor Incharge Faisalabad



Mr. Saleem Raza Asif
Advisor Incharge Multan



Dr. Sarfraz Ahmad Warraich
Advisor Incharge Gujranwala



Mr. Shahid Ahmed
Advisor (Customs) Karachi



Mr. Manzoor Hussain Kureshi
Advisor Incharge Karachi



Mr. Abdul Wadood
Advisor Incharge Peshawar

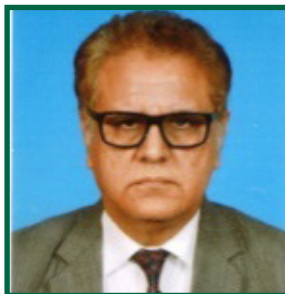
Officers who served and remained with us during part of 2020



Syed Pervaiz Ali Shah
Advisor (Income Tax)
Lahore



Mr. Ghazanfar Hussain
Advisor Incharge
Gujranwala



Syed Ayaz Mahmood
Advisor (IT)
Karachi



Khawaja Umar Mehdi
Advisor (Customs)
Lahore

Chapter 1

HIGHLIGHTS OF PERFORMANCE



HIGHLIGHTS OF PERFORMANCE

Performance highlights of the year **2020**, with comparison to the previous year, are given below:

Overview of the Year

Year	Complaints		Own Motion Cases		Inspections	Total	Complaints/ Cases Disposed of	Balance at the End of Year
	Fresh	Carry Forward	Fresh	Carry Forward				
2019	2510	284	202	174	01	3171	2633	538
2020	3332	383	18	154	01	3888	3555	333

Complaints Disposed of During and After Investigation

Year	Total Complaints (Fresh + Carry Forward)	Complaints Disposed Of		Total	Balance
		During Investigation	After Investigation		
2019	2794	723	1688	2411	383
2020	3715	633	2777	3410	305

Complaints Processed; Accepted, Rejected, Withdrawn

Year	Total Complaints (Fresh + Carry Forward)	Accepted	Rejected	Withdrawn	Total	Balance
2019	2794	1854	326	231	2411	383
2020	3715	2489	470	451	3410	305

Recommendations Acceptance Ratio

Year	Complaints/Cases Disposed of	Accepted By FBR and Complainants	%age of Acceptance Ratio
2019	2633	2473	93.92%
2020	3555	2845	80.03%

Recommendations Challenged Ratio

Year	Complaints/ Cases Disposed of	Challenged In		Total	%age Challenged
		Review	Representation		
2019	2633	65	95	160	06.08%
2020	3555	93	617	710	19.97%

Recommendations Implementation Ratio

Year	Complaints/ Cases Disposed of	Cases Requiring Implementation		%age of Implementation
2019	2633	2281	1884	82.59%
2020	3555	2586	2255	87.20%

Ratio of Recommendations Pending For Implementation at the End of the Year

Year	Complaints/Cases Disposed of	Cases Requiring Implementation		%age of Pending Implementation against Complaints Disposed of
2019	2633	2281	397	17.40%
2020	3555	2586	331	12.80%

Refund Claims Decided/Paid (Rs. Millions)

2019	5864.94
2020	8242.45

Average Time Taken For Disposal of Complaints

2019	57.00 days
2020	68.43 days*

Own Motion Cases

Year	Fresh	Carry forward	Total	Disposal	Balance
2019	202	174	376	224	152
2020	18	152	170	142	28

Inspections

2019	01
2020	01

Out-Reach and Awareness Sessions

2019	87
2020	35**

Research and Analysis Work

Year	Reports	Budget Proposals	Recommendations for Improving Tax Administration
2019	2	7	25
2020	1	13	35

* Due to observance of physical distancing on account of COVID-19 health protocols; more time was consumed.

** Due to observance of physical distancing on account of COVID-19 health protocols; fewer sessions were conducted.

Chapter 2

DETAILS OF PERFORMANCE



DETAILS OF PERFORMANCE

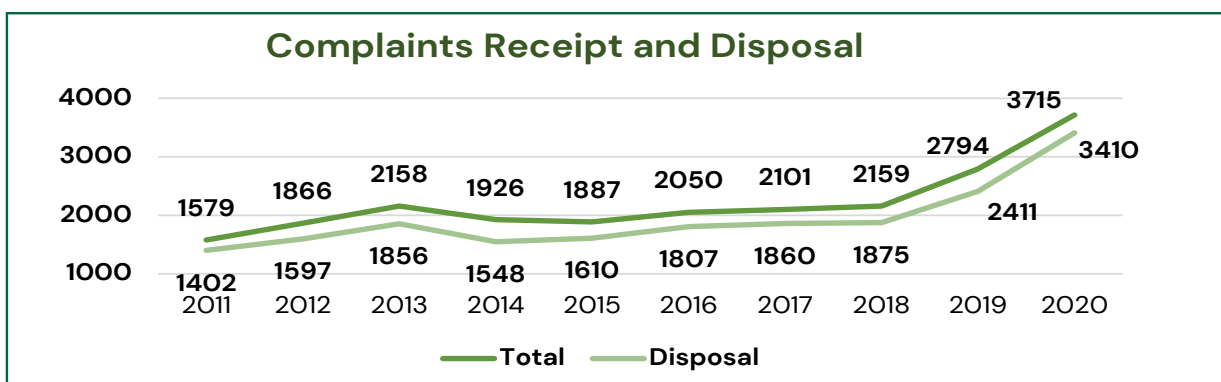
Throughout the year **2020**, office of FTO continued its policy of self-assessment and benchmarking to improve service delivery. Although Covid-19 had upset some areas of performance, however, overall picture was better than the previous year. Details of performance of FTO office during **2020**, along with brief analysis are given below:

Complaints (Receipt and Disposal)

Record No. of complaints were registered and disposed of during **2020**. A visible increase in trend is evident vide Table-1 and its graph below.

Table-1

Year	Complaints		Total	Disposal	Balance
	Fresh Receipts	Carried Forward			
2011	1390	189	1579	1402	177
2012	1689	177	1866	1597	269
2013	1889	269	2158	1856	302
2014	1624	302	1926	1548	378
2015	1509	378	1887	1610	282
2016	1768	282	2050	1807	243
2017	1858	243	2101	1860	241
2018	1918	241	2159	1875	284
2019	2510	284	2794	2411	383
2020	3332	383	3715	3410	305

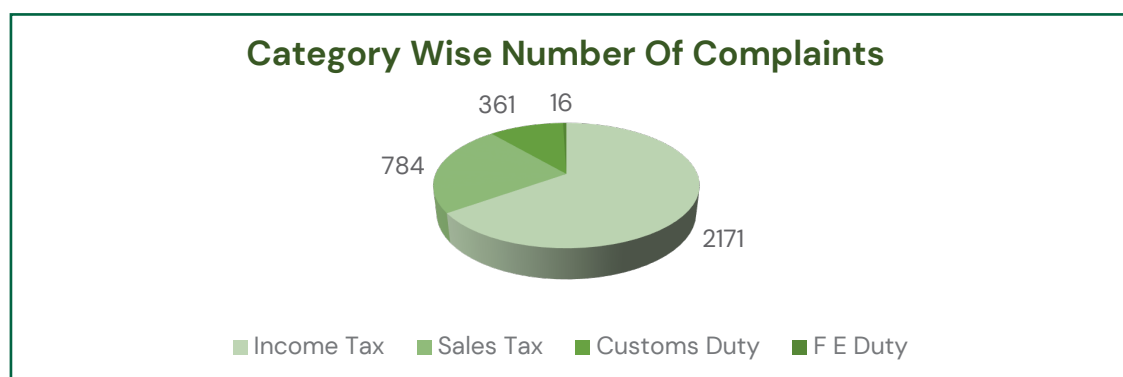


Category-wise Number and Percentage of Fresh Complaints

Category-wise breakup of total fresh Complaints with percentage is shown below in Table-2. It indicates that the number of Complaints in the category of Income Tax constitute **65.16%**, which is more than all other Taxes put together.

TABLE-2

Category	No. of Complaints	%age
Income Tax (IT)	2171	65.16%
Sales Tax (ST)	784	23.53%
Customs Duty (CD)	361	10.83%
Federal Excise Duty (FED)	16	00.48%
Total	3332	100.00%



Types of Complaints

Table-3 to Table-6 below, show the types of complaints filed in the categories of Income Tax, Sales Tax, Federal Excise Duties and Customs Duties, during **2020**.

TABLE-3 (Income Tax)

Types of Complaints	No. of Complaints	%age
Refund Related Issues	1534	70.66%
Maladministration; faulty orders, notices etc	590	27.14%
Unnecessary Notices	01	00.04%
Others	46	02.12%
Total	2171	100.00%

TABLE- 4 (Sales Tax)

Types of Complaints	No. of Complaints	%age
Refund Related Complaints	592	75.51%
Maladministration; issues in orders, service of notices, registration etc.	150	19.13%
Unnecessary Notices	16	02.04%
Others	26	03.32%
Total	784	100.00%

TABLE-5 (Federal Excise Duty)

Types of Complaints	No. of Complaints	%age
Refund Related Complaints	11	68.75%
Maladministration; issues in orders, service of notices etc.	3	18.75%
Others	2	12.50%
Total	16	100.00%

TABLE-6 (Customs Duty)

Types of Complaints	No. of Complaints	%age
Refund Related Complaints	191	52.90%
Maladministration; smuggling and auction matters etc.	142	39.33%
Complaints on Unnecessary Notices	03	00.83%
Others	25	06.92%
Total	361	100.00%

Category-wise Disposal of Complaints

During the year under report, 3332 complaints were received and 383 were carried forward from the previous year. While 18 cases were added through

Own Motion action and 155 cases were carried forward from previous year in the category of OM and Inspection cases. Out of total of 3888 complaints/cases, 3555 were disposed of either at initial stage of investigation or after completion of investigation. Category-wise break up is given in Table-7, below:

TABLE-7

Type Of Tax	Complaints		Own Motion		Total Complaints/ Cases	Disposal	Balance
	Fresh	Carry Forward	Fresh	Carry Forward			
IT	2171	230	01	23	2425	2245	180
ST	784	117	11	128	1040	935	105
FED	16	4	0	0	20	19	1
CUS	361	32	6	4	403	356	47
Total	3332	383	18	155	3888	3555	333*

Region-wise Distribution of Complaints/Cases and Disposal

Region-wise distribution of cases dealt with fresh receipts, carried forward and Own Motion is given in the table-8 below:

TABLE-8

Region	Total Complaints/ Cases	Disposal	Balance
Karachi	1244	1145	99
Lahore	691	603	88
Multan	512	484	28
Gujranwala	425	411	14
Islamabad (including Abbottabad)	384	322	62
Faisalabad	281	266	15
Peshawar (excluding Abbottabad)	186	173	13
Quetta	165	151	14
Total	3888	3555	333*

*Out of pending balance of **333** cases, **28** were Own Motion cases and **264** complaints were not older than 60 days. Only 41 cases were pending on 31.12.2020, due to problems in conduct of investigations on account of COVID-19, which stood finalized at the time of preparation of this report.

Historical Trend of Findings/Recommendations Challenged

Historical trend of Representations and Review petitions filed against FTO's Recommendations, since **2011** is given below in Table-9:

TABLE-9

Year	Total Findings	No. Of Reviews Filed	No. of Representations Filed	Total Orders Challenged	%age
2011	1402	53	211	264	18.83%
2012	1597	66	153	219	13.71%
2013	1856	56	237	293	15.79%
2014	1548	72	167	239	15.44%
2015	1610	118	117	235	14.60%
2016	1807	103	189	292	16.16%
2017	1860	48	174	222	11.94%
2018	1880	64	73	137	07.29%
2019	2633	65	95	160	06.08%
2020	3555	93	617	710	19.97%

Breakup of Findings/Recommendations Challenged

Table-10 below provides a breakup of Representations and Review petitions filed by different aggrieved persons during **2019** and **2020**:

TABLE-10

Applicant	Review Petitions		Representations		Total	
	2019	2020	2019	2020	2019	2020
FBR	21	17	70	573	91	590
Taxpayers	44	76	25	44	69	120
Total	65	93	95	617	160	710

Acceptance/Rejection Ratio of Representations

Ratio of acceptance/rejection of Representations decided by the Honourable President of Pakistan during **2019** and **2020** is given in Table-11:

TABLE-11

Representations	2019		2020	
	Total	%age	Total	%age
Rejected	60	83.33%	88	85.44%
Accepted	9	12.50%	2	1.94%
Withdrawn	2	2.78%	12	11.65%
Modified	1	1.39%	1	0.97%
Total	72	100.00%	103	100.00%

It is evident from Tables-9, 10 and 11 above, out of **617** Representations, **590** were filed by the Department. **103** Representations were decided during **2020**, out of which **88** were rejected and only **2** Representations were accepted. This not only shows that the department often filed frivolous Representations but is also proof of the qualitative and merit-based disposal of complaints by the FTO.

Acceptance/Rejection Ratio of Review Petitions

Acceptance/rejection status of Review petitions decided during 2019 and **2020** is shown below in Table- 12, below:

TABLE-12

Review Petitions	2019		2020	
	Total	%age	Total	%age
Rejected	47	74.60%	61	85.92%
Accepted	12	19.04%	5	7.04%
Withdrawn	4	6.34%	5	7.04%
Total	63	100.00%	71	100.00%

Higher rejection ratio of Review petitions filed by the complainants/FBR during 2020 is also manifestation of the fact that initial Recommendations were prepared following stipulated laws and regulations and no lapse or irregularity was noticed during Review proceedings.

Average Time Taken For Disposal of Complaints

The FTO Ordinance 2000, provides a time limit of **60** days for disposal of a complaint. FTO office strives to dispose of complaints in the shortest possible period. Time taken for disposal of a complaint is counted from the date of registration of a complaint in the FTO office and it includes the time taken:

- by the FBR and its field offices for filing of reply/comments;
- by the complainant in case of filing a rejoinder;
- referring the rejoinder to the FBR for further comments;
- proceedings, including hearings;
- drafting of Findings/Recommendations; and
- approval of Recommendations.

Comparative statement of average time taken for disposal of complaints is given in Table-13 below:

TABLE-13

Year	Average Time Taken for Disposal of Complaints	
	Working Days	Total Days
2019	41.00	57.00
2020	48.61	68.43

COVID-19 badly affected the disposal time of complaints, mainly due to inability of lawyers and complainants to attend hearings on account of observing health protocols of social distancing or travel restrictions. This office facilitated hearings on video calls or Skype, but still the pandemic had obstructed the smooth conduct of investigations.

Implementation Status:

Comparison of implementation status on the Recommendations of FTO during **2019 and 2020**, is given below in Table-14:

TABLE-14

Description		2019	2020
Carried Forward From Previous Year		186	397
Fresh Implementable	Complaints	2020	2127
	Representations	63	46
	Review Petitions	12	16
Implementable Recommendations		2281	2586
Recommendations Implemented		1884	2255
Recommendations Pending at the End of Year		397	331

As seen from the Table above, Recommendations in **2255** complaints were implemented by the FBR during **2020**, compared to **1884** during **2019**. It may be pointed out that normally a time of **45** days is allowed for implementation, while in **216** cases, time allowed for implementation did not mature because those were decided after **mid-November 2020**.

Refund/Duty Drawback Claims Decided and Paid

Intervention of FTO has become greatly helpful in expediting the settlement in delayed refund/duty drawback cases. Table-15 shows the number of refund/duty drawback cases and amount settled on the Recommendations of FTO.

TABLE-15

Year	No. of Refunds/Duty Drawback Claims	Amount of Refund (Rs. Millions)
2015	41	734.80
2016	366	2,672.75
2017	593	3,244.90
2018	711	6,986.39
2019	716	5864.94
2020	781	8242.45

Chapter 3

INSTITUTION BUILDING AND VISION FOR 2020



INSTITUTION BUILDING AND VISION FOR 2020

Institution of Federal Tax Ombudsman was created to check the maladministration of Tax Functionaries. Being a complex work impinging upon revenue, this institution kept on developing a strong and robust capacity during 2020.

2. Following is a summary of measures taken to improve the performance of this office during 2020.

Information Technology (IT)

We had already achieved considerable progress in the area of IT, which was reported in the Annual Report 2019. Yet there was still a lot of scope in further harnessing the power of IT in the working of the FTO office. During 2020, following progress was achieved:

- Software firewall platform was updated from windows (ISA) to Linux (pfSense) which was more secure and reliable.
- Differential backup of data scheme was created to back up the important data of official work.
- Migration/updation of WIFI network band from **2.4GHz** to **5GHz** band was done to enhance the local area network connectivity.
- Development of Urdu version of FTOs website is in final Quality Assurance (QA) stage. It will be active very soon.
- An internal software audit activity was carried out to improve CMIS functionality and reporting.

Table below shows that complaints have started pouring in through media and online inlets.

MODE	No. of Complaints	%age
Through R&I branch / Post	2631	78.96%
Online	683	20.50%
Mobile App.	18	0.54%
TOTAL	3332	100.00%

Monitoring

FTO's Office had designed and piloted an online Monthly Performance Review (MPR) system in early **2018**. With constant improvement since then, it has now evolved into a complete IT solution for monitoring and performance review. It has capability of recording and reporting moment-by-moment developments in the processing of complaints and tracking delays to arrive at remedial measures through real-time feedback to the senior management. This self-contained part and parcel of a comprehensive "Complaint Management Information System (CMIS)" also serves as a database and Management Information System (MIS) to provide information on all required aspects of complaints processing for MPR.

First regular MPR meeting through video conferencing was held in **March 2018**, which afterwards became a regular feature during subsequent months / years. During these MPR meetings, detailed discussions on monthly targets and achievements were held on video link with concerned officers and results of proceedings were also disseminated to all concerned in the shape of written minutes about decisions/directives of the FTO.

Performance review was based on the achievements and responsibilities of all the Advisors/Officers of FTO and concerned focal persons of FBR. It was dove-tailed with prescribed timelines and SMART (Specific, Measurable, Acceptable, Relevant and Time-bound) Key Performance Indicators (KPIs) based on CMIS database and revolved around the following indicators of MIS and complaint processing at various stages:

1. Compliance with the FTO directives given during MPR meetings;
2. Status of Advisor-wise cases under investigation, implementation and pending beyond internal due date i.e **45** days after registration of complaints;
3. Status of Advisor-wise fresh institution of complaints (Target vs. Achievement);
4. Advisor wise status of Own Motion cases under Investigation and imlementation;
5. Advisor wise status of cases under Implementation;
6. Advisor wise status of outreach sessions during the month;
7. Status of using CMIS by Advisors and Focal Persons of FBR.

With the passage of time, the MPR system has evolved into the most important tool in the FTO office for timely and effective intervention for improvement in the performance of FTO's relief providing mechanism.

Media Management

During COVID-19 pandemic, where many institutions all over the world with IT capacity, switched to online operations, the Federal Tax Ombudsman Secretariat also used IT platforms for public awareness and advocacy campaign.

The activities included designing awareness campaign, curating relevant content to reach out to the target audience, creating contents for publication (newsletter, press release), social media and webpage content etc; monitoring and responding to target audience through social media.

Continuing with this multi-layered awareness program, the quarterly published e-newsletters of FTO organization were being regularly circulated to government offices, trade bodies, Chambers of Commerce & Industry (CC&I), Tax Bar Associations (TBAs) and Pakistani Missions abroad. Upon the directions of the Honourable President, copies of **Annual Report 2019** were additionally shared with the members of Parliament and Provincial Assemblies.

Capitalizing upon the significance of digital medium of communication, the existing and potential taxpayers were reached out through e-mails, SMS texts and social networking websites. The availability of facility of filing online complaints on the website of the FTO Office and dedicated android application 'Wafaqi Tax Mohtasib (FTO) Mobile App' on Google Play Store are the measures that have increased the easy accessibility of the public to FTO office. During **2020**, **680** applications were received online and 18 through mobile application. Mobile application was hit **23909** times on Google Play Store (possibly for download or awareness).

FTO gave equal importance to the traditional means of disseminating information through press releases to leading newspapers and TV news channels to keep the general public abreast of activities and success stories of FTO Institution. The awareness campaign continued during **2020**, by placing information boards in the offices of various CC&Is, TBAs, FBR and its field offices and in the branches of commercial banks in nine major cities of Pakistan.

Advertising Agencies were appointed for launching awareness campaign through print, electronic and social media. A Public Service Message with

time duration of 20 seconds was designed for airing on all the TV channels via Pakistan Electronic Media Regulatory Authority (PEMRA). However, in the wake of Corona pandemic, the campaign was put on hold and now it is being planned to be carried out in the next year i.e. 2021.

Outreach Programs

Enhanced emphasis was planned on disseminating information about functions and services of FTO and the simple procedure involved in redressal of grievances of taxpayers through more outreach programs. However, due to requirements of social distancing in dealing with Covid 19 pandemic, the schedule could not be adhered to. Yet the FTO himself and Advisors held such sessions wherever and whenever possible, with strict observance of safety protocols. Details are given in the relevant chapter.

Way Forward and Vision For 2021

A lot of progress was made in various areas as stated above. Performance in many areas showed significant improvement despite limitations posed by Covid-19. We aim to continue pursuing the course of action leading to ultimate goal of a clean, transparent and efficient Tax Administration through further improving our systems as well as by recommendations to FBR and taking action against maladministration through Own Motion initiatives, and Inspections.

We have set the targets for Own Motion initiatives, Inspections, outreach activities, and reducing time to decide the cases. Adjustments and additions in the team of Advisors have been made purely on the criterion of competence, history of hard work and integrity. We hope to enter into a new era of enhanced performance and interaction with FBR for better Tax Administration.

We look forward to engage female entrepreneurs and academic institutions to increase awareness about FTO services.

Chapter 4

PROMOTING GOOD GOVERNANCE – INTERACTION WITH FBR



PROMOTING GOOD GOVERNANCE – INTERACTION WITH FBR

In order to promote good governance in Revenue Division/FBR, a proactive three-pronged strategy, conceived in **2018** was continued during **2020**. The strategy was based on the following three pillars of intervention in addition to routine handling of complaints:

1. Taking Own Motion notice on issues of high importance in safeguarding the revenue, curbing maladministration and facilitating taxpayers.
2. Conducting inspections of the offices of FBR field formations where complaints of persistent malpractices are reported.
3. Research and analysis for identifying systemic problems to advise FBR for adopting corrective measures.
4. Following is a brief account of actions taken under the above strategy:

OWN MOTION NOTICES

Section 9(1) of the FTO Ordinance empowers FTO to investigate, *inter alia*, on his Own Motion, any allegation of maladministration on the part of Revenue Division or any tax employee. Accordingly, several Own Motion cases, highly important to Tax Administration, involving systemic issues and large revenue losses were initiated/finalized during **2020**. Detailed briefs on such cases are given in the chapter of “Selected Findings and Recommendations”. These included the following:

1. Denial of Benefit of Assets Amnesty Scheme to many Taxpayers;
2. Evasion of Tax on Agriculture Income;
3. Presence of Non-Customs Paid (NCP) vehicles on roads;
4. Large Number Of Vehicles Stuck Up At Ports Due To Non-Clearance/Auction;
5. Bogus Sales Tax Refunds.

INSPECTIONS

Adherence to office procedures and state of pendency or timely disposal can promptly be gauged through regular inspections. Although there

were Directorates of Inspection in the hierarchy of FBR, apparently inspection regime was not working properly. Therefore this office invoked powers vested in it under Section 17 of the FTO Ordinance 2000, for conducting inspection of Tax Offices, where instances of persistent maladministration were reported.

Acting upon a complaint of allegation of wrongdoing of RTO administration especially CCIR, Addl Commissioner HQ, and other officers / officials of RTO, Faisalabad in establishment of cigarette squads and illegal proceedings related to cigarette seizure, the Federal Tax Ombudsman constituted an Inspection Team under section 17(1) of FTO Ordinance, 2000. The Report is being finalized.

Regular Advisory Notes to FBR on Systemic Issues

During 2020, this office identified several areas requiring attention for improvement in Tax Administration and forwarded recommendations either as stand-alone advice, part of formal Findings, Recommendations or as budget proposals to FBR. Those included, though not limited to the following:

INCOME TAX

On the Income Tax side, delays in refunds, coercive recoveries through attachment of bank accounts, completed returns, static tax base, and irritating audit activities were still found to be major areas of concern for the taxpayers/complainants. Following recommendations were made/reiterated to FBR:

Delays in Refunds: Inattention and delays in disposal of refund claims was the main problem of taxpayers. It harboured corruption and created a liquidity crunch for entrepreneurs along with raising the cost of doing business. Therefore it was recommended to FBR that any shortcoming in the documents should be intimated within a specified period to the applicant of refund and facility of tracking status of refund be also considered. Following budget proposals were also sent:

- Amount of disputed refunds should be paid after it is allowed at the stage of second appeal;
- The refund payment ought to be dovetailed with magnitude of amount as most claims fall in the category of less than Rs. 0.100 million, delay in grant of which caused a trust deficit in the fairness of FBR;
- Section 170(5)(b) of the Income Tax Ordinance, 2001, was a hurdle to

create a streamlined refund procedure and was proposed to be deleted from the Income Tax Ordinance 2001.

FBR has informed that they have started work on a module of automated refunds of Income Tax to resolve important issues including delay in the pattern of FASTER module of Sales Tax. Moreover, performance of the enforcement/refund processing officers has already been linked with the accomplishment of assigned tasks.

Coercive Recoveries: Coercive recoveries through attachment of bank accounts without notice and subsequent delay in restoring the account, hits the taxpayers very hard. It was recommended that notices should be issued with bar code and time limit may be prescribed for ensuring the de-sealing of bank accounts of taxpayers/assesses after resolution of issue. Following measures were also suggested as budget proposals:

- Restrict the use of power to attach bank accounts unless the case under litigation has been established at least in the first appellate stage;
- Adherence to service of Bar-Coded notices to eliminate possibility of abrupt attachment of bank accounts for recoveries and hasty ex-parte decisions;
- Shortest time limit may be prescribed in the statute to ensure de-sealing of bank accounts of taxpayers/assesses.

According to FBR, it is mandatory not to issue Income Tax related notice without Bar Code. The mechanism of automatic stay of demand by paying 10% of demand also exists under all IR laws.

However, FTO constantly receives complaints on coercive recoveries and issues appropriate Recommendations.

Income Tax Returns: This office recommended simplification of returns forms in consultations with small taxpayers along with availability of option of filing the returns in Urdu. Similarly, an option to file the returns manually with facility provided by the FBR to upload on line data was also proposed.

According to FBR, simplified Income Tax Returns for salaried, small traders having turnover up to 10 Million, manufacturing Small & Medium Enterprises (SME's) having turnover up to 50 Million have been issued.

Fixed Sunset Date for Return Filing: It was recommended that FBR should devise some system so that sunset date of filing return is not extended but late filing may be allowed with certain incremental penalty for delay in filing per month or any part of it.

In 2020, last date of 8th December was not extended. According to FBR, Income Tax Return making rules have been issued. Though these are applicable for Tax Year 2022 but FBR is following this for Tax Year 2021 and return forms would be available by 1st July (to be submitted within due date without extension on last date).

Returns Filing by the Employees of Government and Autonomous Bodies for Broadening of Tax Base (BTB): It was proposed that FBR may approach the concerned Authorities/Establishment Division, to issue instructions to bind the heads of government departments, autonomous bodies and large scale public sector organizations to get the certificate of filing of returns by their employees falling in the tax net at the end of the last date and to link their promotion/annual increments with mandatory return filing.

Audit: Regarding audit, it was proposed to rationalize its parameters so that more focus should be laid on large entities rather than small taxpayers. Moreover audits should also include investigative work to detect the evasion through a study of input/output standards of utility bills and production capacity of machinery etc. Several cases for audit should in line with capacity of FBR to complete the audit in a year.

SALES TAX

On the Sales Tax side, the most pressing issues were related to maladministration in registration and allied matters (including fake registrations) and sanction of fraudulent refunds.

Registration Related Matters: In order to stop misuse of registration for issuing fake invoices, immediate disabling of the registration was proposed in electronic system as soon as the application for de-registration was received. Sales Tax Registration of commercial importers was proposed to be allowed only to Income Tax filers along with other necessary cautions (i.e. declaration of Pakistan Customs Tariff (PCT) headings of the products they trade in) to check bogus registration. Following budget proposals were also sent to FBR:

- to provide for immediate disabling of the registration in electronic system, pending final de-registration, as soon as the application for de-registration was received;
- to prescribe a list of documents/records to accompany the de-registration applications for the purpose of sub-rule (2) of rule 11; and
- suitable amendment to be made in rule 12(a)(vii) so that the Commissioner shall issue the orders of revocation of suspension within two weeks from the last date prescribed for issuance of show cause notice.

FEDERAL EXCISE DUTY

On the Federal Excise Duty side, evasion of duty through concealing purchase of raw materials/production of finished goods in records was found to be the major issue:

Electronic Monitoring: In order to provide electronic monitoring and tracking in the Sales Tax and Federal Excise Duty regime, both Sales Tax Act 1990 and Federal Excise Act, 2005 were amended and new sections were introduced. It was recommended that FBR needed to develop the requisite capability for monitoring activities of registered persons and invoke it frequently in respect of units with risky profile or suspicious repute.

CUSTOMS

On the customs side, the issues of grave concern included smuggling, misdeclarations, under-invoicing and non-transparent auctions.

Smuggling: In order to effectively check the smuggling, it was recommended that criminal prosecution should be initiated against the persons/owners of the showrooms involved in business of Non-Duty Paid (NDP) vehicles, fuel pumps of smuggled oil and storage godowns of other smuggled items, from whom the NDP goods were recovered as provided in the Customs Act, 1969 read with the Prevention of Smuggling Act, 1977.

Misdeclarations: Installation of scanners on the ports was recommended to be given top priority. It was emphasized that if government invested herself in this project, it will raise the potential of higher revenue and more effective check on misdeclaration of description or quantity of imported goods.

So far two scanners have been added at Karachi Ports in addition to one already installed there. Two scanners have also been installed at Jamrud and Torkham, Peshawar.

Under-invoicing: It was recommended to provide a mechanism in law for cross-matching of value declared on export documents of exporting station to import documents at importing station.

Non Transparent Auctions: FBR was asked to prescribe Model Auction Rules for auction through electronic means and prepare/operationalize an auction module in the WeBOC system to bring transparency and efficiency in the auctions.

According to FBR, under the WeBOC-Glo initiative (an enhanced version of WeBOC), an electronic auction module has been developed and deployed in the system. This module envisages online registration of bidders who can bid for all auctionable goods displayed on website by the Customs authorities. Pilot is being run at Karachi Port (South Asia Port Terminal only).

Trade Facilitation: In view of constant complaints about delayed clearance at the border stations, generators should be provided on priority for speedy passengers/goods clearances and maintenance of IT and infrastructure support.

Human Resource (HR) Strategy

Faulty HR policies included faulty performance evaluation, no job rotation, non-focused training, weak internal controls, corruption and nonexistent internal accountability. FBR needed to develop a set of comprehensive performance measures, which could provide a benchmark on operational activities within each key functional area of the Tax Administration. In this context following measures were recommended:

Performance: As a first step, the targets for collection through Indirect Taxation mode (such as Withholding or Advance Taxes) and assessment / return based collection of Income Tax may be segregated to judge the performance of Tax Officers on the basis of real assessments and Broadening of Tax Base (BTB).

According to FBR performance of officers is monitored holistically.

Job Rotation: It was recommended that a tenure-based policy for lower and middle-level functionaries should be implemented strictly to ensure transfer to other sections/offices after a term of three years without posting them again on the same slot for at least next three years.

Training: It was emphasized to FBR that a need-based training strategy was required not only at the time of entry into service but throughout the career in the form of refresher courses. Special modules should be developed for periodic training of staff posted in sections of assessment, audit, compliance and enforcement etc., to acquaint them with the budgetary changes, amendments in law and decisions of FTO and higher judiciary.

Internal Controls: Periodic inspections were most effective tools to assess the state of performance in the offices. A lot of instances of maladministration, delay and inefficiency etc., could be checked and rectified through periodic inspections. Therefore inspections regime by supervisory officers and Directorates of Inspections should be made more active and functional.

Integrity Management and Incentives: It was recommended that multiple sources should be used to evaluate the integrity of functionaries and determine their suitability for postings, transfers and monetary incentive in the form of allowance equal to one basic pay. Moreover, this incentive should be used on the basis of performance rather than across board benefit. Performance evaluation should be given due weightage at the time of posting, training abroad and especially at the time of promotion.

Accountability: For effective accountability time-bound completion of disciplinary action against officials involved in gross misconduct or corruption was recommended. It was recommended that in all cases where fake verifications stood established, criminal as well as disciplinary action should be taken against officials who were found involved in collusion with the fraudsters to claim bogus refund claims on fake documents.

According to FBR, an Integrity Management Cell (IMC) has been created at FBR headed by Chief Collector Customs (North) for strengthening Internal Accountability mechanism in FBR. Incharge of IMC will be directly reporting to the Chairman FBR. Regional Integrity Committees (RICs) have also been established at field levels.

INFORMATION TECHNOLOGY BASED SOLUTIONS

Several proposals were sent to FBR to improve its IT structure, capacity and integrity, which are as follows:

Integrated Risk Management System (RMS): At FBR, the inter-wing and intra-wing communication needed improvement and steps towards seamless integration. Lack of interface between operational software used by Customs and Inland Revenue Service (IRS) ventilated all types of misdeclarations and fraud. Therefore for fast track and real-time cross-checking, Integrated RMS linking FBR's all operational softwares for continuous profiling through monitoring & analysis of all transactions, operations and declarations of different categories of taxpayers was recommended. Feedback mechanism for incorporating data of cases processed manually, through audit, detections by other internal and external agencies like Post Clearance Audit (PCA), Directorate of Intelligence, Auditor General of Pakistan etc., was recommended to be linked to taxpayers' profile for risk assessment.

Real-Time Updating of Data/Modules: Many scams had resulted due to late updating of data or changes in modules after amendment in laws or changes in exemptions or rate of taxes. It was recommended to form a dedicated enforcement IT team to focus on ensuring incorporation of such changes in all modules/softwares, which have integrated linkages.

Third-Party System Audit: It was recommended that periodic third party evaluation of all of the FBR softwares against the benchmark of international best practices should be made a regular feature.

GENERAL

Recommendations were also made to reduce the trust deficit between the taxpayers and FBR/Government through following measures:

Taxpayer's Bill of Rights: In many countries, taxpayers have been protected against arbitrary and unfair treatment by Tax Administration through Charter or Bill of Tax Payers' Rights. This office sent a set of proposals on the subject to FBR and had been reminding time and again about the importance of this law, which was long overdue and needed prompt attention to ensure fair and equal treatment to taxpayers. The proposal was also repeated at the time of sending budget proposals.

Alternate Dispute Resolution (ADR): It was learnt that taxpayers were not showing interest in availing ADR forum provided by FBR. One of the reasons for

disinterest could be that FBR was also a party in the dispute. In order to make available a neutral forum, it was proposed that ADR function may be entrusted to FTO. The proposal was also repeated at the time of sending budget proposals.

OTHER ISSUES OF CONCERN

Some other issues of concern were also communicated to FBR in writing as well as during meetings with the FBR hierarchy. These included:

Objection on the Jurisdiction of FTO: It was repeatedly noticed that objection on the jurisdiction of FTO was raised as a common practice even in cases, where the limitations did not apply. FBR hierarchy was sensitized about it to exercise judicious restraint in this regard.

Harassment: Victimization of persons, who lodged complaints before FTO was also very common. This was discussed with FBR senior hierarchy for issuing appropriate instructions to all field units to refrain from vindictive actions against such complainants.

Unnecessary Filing of Representations: Unnecessary filing of representations on the settled points of law and procedure, particularly when action against Tax Officials was recommended on account of neglect, inattention, delay, incompetence, inefficiency, ineptitude and corrupt motives, was another issue of concern. This not only went counter to principal of accountability, but it delayed the redressal of grievances of complaints with haemorrhage to revenue and continuation of maladministration. This issue was repeatedly taken up with FBR.

BUDGET PROPOSALS SENT TO FBR

Based on the experience from day to day work and recommendations of the Advisors and Advisory Committees, several budget proposals were sent to the FBR. Some of those proposals not covered earlier are as follows:

Deficiency in Online System: In the online system of filing of returns etc "IRIS" did not have any prescribed format for filing refund application. It was proposed that Section 170 of Income Tax Ordinance, 2001, may suitably be amended to remove this anomaly.

Restoring Powers of Commissioner Income Tax (CIR) to Rectify the Orders on Request of Taxpayer: Section 122A of the Income Tax

Ordinance 2001 provided a mechanism to the CIR to *suomoto* call for record of any proceedings. However, when the taxpayer approached the CIR, he summarily rejected the request of the taxpayer on the ground that the power had to be applied by him *suomoto*. It was proposed that section 122A of the Ordinance may be amended to include the following words after the word “*suomoto*”

“or on application filed by the taxpayer, after recording valid reasons/evidence”

Penalty for Non-Compliance of Orders of Appellate Authorities:

There was no penalty regarding non-compliance to the orders of appellate authorities. It was proposed that penal provisions may be added so that action could be taken against the officers who did not give appeal effect in such cases.

Broadening of Tax Base (BTB): There was a dire need to broaden the tax base. It was proposed to do legislation to:

- Bring those in tax net who pay more than certain amount of With Holding Tax (WHT), for Broadening of Tax Base (BTB); and
- There should be an incentive of Rs 1,000 for filing a return, to be paid as cash payback in the bank account of the filer. This will start the process of documentation of households and their earning levels at national level.

IT Exemption to be Area Wise instead of Domicile

Wise: Tax exemption available to former FATA /PATA areas, now part of Khyber Pakhtunkhwa, earlier available to the relevant areas was given to the persons having domicile of the said areas. It was proposed that exemption on the basis of area, which has been deleted, may be reconsidered because taxation on the basis of domicile could result in abuse of the process of law.

FBR made the required amendment in the law through Finance Bill 2020-2021.

Tax Evasion on Transfer of Property: FBR was collecting advance / adjustable Withholding Tax on the sale and purchase of immovable property u/s 236C and 236K of Income Tax Ordinance, 2001 and Capital Value Tax (CVT) to the extent of Islamabad Capital Territory (ICT). All the three above referred sections of law were, however, followed by an “Explanation” which did not adequately cover the definition of “persons” responsible to collect Advance /Adjustable Tax and CVT to the extent of ICT, for all internal transfers of property, which was either not placed before the Registrar of properties or not reported to the concerned Tax Offices, and/or transfer fee charged by

the management was not declared to Tax Authorities. Recommendation along with amendment duly drafted by the FTO office to cover missing links was sent to FBR for rectification in law.

Issuance of Show Cause Notice in Federal Excise Law: There was no provision regarding time limit to issue show cause notice for seized goods which resulted in inordinate delays to dispose of the cases. It was proposed that the law may be suitably amended to provide a time limit for issuance of show cause notice.

Allowing More Than One Bank to Receive the Duties/Taxes: Only a few designated branches of National Bank of Pakistan (NBP) were allowed to receive payment of Duties/Taxes. It was proposed that FBR may allow deposit of Duties/Taxes in all those branches of NBP and commercial banks, which have connectivity for transmission of data to main or designated branches for onwards transmission to FBR system.

According to FBR, it had provided a mechanism of E-payments through accounts of Alternate Delivery Channels (ADC). All corporate entities had been required to use the ADC channel w.e.f. 01.08.2020

Chapter 5

FTO'S ENGAGEMENTS WITH IMPORTANT STAKEHOLDERS



FTO'S ENGAGEMENTS WITH IMPORTANT STAKEHOLDERS

Federal Tax Ombudsman has participated in several meetings and outreach activities during 2019. However, due to Covid-19 prevalence in 2020, the schedule was restricted to a few safe meetings, where SOP could be observed. Following is the synopsis of a few of such activities undertaken by the FTO himself during 2020.

ANNUAL ADVISORS' CONFERENCE - 2020

Annual Advisors' Conference 2020 was held on January 13, 2020, at FTO Secretariat, Islamabad. It was an occasion to take stock of the performance of the previous year and lay down the roadmap of action for the year ahead.

Federal Tax Ombudsman warmly welcomed the participants. He explained the aims and objectives of the conference and expressed hope that the event would provide opportunity to pave the way forward for befitting planning and setting targets for the year 2020.

The Registrar gave a detailed presentation on performance of all offices. It was noted by the Chair that the overall performance of the investigation officers remained quite appreciable as a 29% increase in fresh receipts of complaints and 40% increase in disposal of complaints was noted, compared to previous year. The FTO desired that Advisors should ensure further vigorous follow up of their cases for implementation.

Assistant Advisor (Projects/Monitoring) reported that the status of using CMIS dashboard by the contact persons of FBR and FTO's Advisors had been 100% during 2019 as compared to last year percentages of about 52% to 61% for various parameters. FTO appreciated the efforts of all Advisors, their staff and Monitoring/IT teams with the direction to maintain the same strictly in future. Status of Outreach Sessions was also discussed and the FTO, while appreciating the modest effort of the Advisors, emphasized more effort in this area.

Manager (MIS) presented salient features of new mobile interactive website by revamping the FTO secretariat's old website. FTO appreciated the efforts and advised that new website should facilitate visitors to easily opt for Urdu and English version of the website. He also emphasized that the new website should be "user friendly" and must have latest the feature with appropriate technological support of international standard.

After presentations, all the Advisors from Regional Offices were invited to give their comments on the issues discussed at the conference. An open, threadbare and fruitful discussion took place and following directions were given by the FTO for further improvement in the performance:

- All the Advisors must strive to achieve their quarterly and annual targets relating to all the performance indicators which shall be regularly monitored in the Monthly Performance Review meetings and next annual Advisors' Conference 2021;
- More efforts were needed for outreach programs to enhance the awareness and number of fresh complaints;
- After expiry of period given in the findings for implementations of Recommendations, defiance proceedings be initiated without delay; and
- In order to legally strengthen the findings, relevant provisions of the FTO Ordinance and case laws be invariably referred to and relevant paras be reproduced. The FTO especially advised all the Advisors to always keep in mind the recent decisions of the President which upheld FTO's recommendations.

In the end, the FTO thanked all the participants and once again appreciated efforts of all the Advisors, Officers and staff of the FTO offices.

INAUGURATION OF FACILITATION DESK IN THE PREMISES OF ISLAMABAD CHAMBER OF COMMERCE AND INDUSTRY

To facilitate the business community, Islamabad Chamber of Commerce & Industry (ICC&I) wanted to set up a Facilitation Desk of Federal Tax Ombudsman in its premises, which was formally inaugurated by Mushtaq Ahmad Sukhera, Federal Tax Ombudsman during a ceremony held at ICC&I on 10/09/2020.

After the inauguration of the facility, The Honourable FTO held a meeting with office bearers and members of executive committee of ICC&I Islamabad.

Mr. Muhammad Ahmed, President ICC&I welcomed Honourable guest, Secretary FTO secretariat and the audience. He lauded the grievance redressal system of FTO and informed that ICC&I was striving to provide maximum facilitation to its members in business promotion. According to him the establishment of FTO Facilitation Desk at the chamber was another right step in that direction. Several issues were also highlighted by him and other members. Participants took a keen interest in the proceedings and several proposals to reform the Tax System and administration were made by them.

Federal Tax Ombudsman in his address appreciated the efforts of ICC&I for providing better facilities to its members by setting up facilitation desks of various organizations including FTO. It would help in resolving their issues with FBR functionaries. He apprised them about the performance of his institution. He said that protecting the interests of taxpayers was the key priority of his organization and FTO was providing relief to taxpayers by carrying out independent investigations about the maladministration of Tax Functionaries.

It was a pleasant surprise for the audience to know about increase in cases handled, reduction in time of disposal of complaints and effectiveness of implementation of decisions. Audience greatly appreciated the multi-pronged approach of FTO (Research, Own Motion and Inspections) for system reforms.

CHAIRMAN FBR CALLED ON FTO ON 15.07.2020

Chairman FBR, Mr. Muhammad Javed Ghani called on the FTO in his office, on 15.07.2020. Many issues relating to reforms were discussed between them, which included the problems in the registration & de-registration and sealing & de-sealing of bank accounts of the taxpayers/assesses with suitable recommendations. It was emphasized that field formations should show responsiveness to refund or other applications, and if there was any shortcoming in the documents, it should be intimated to applicant immediately. A wide range of issues on reform and relief measures in the law and functioning of Tax System was discussed.

Later on, a formal letter containing proposals for improvement in Tax Administration was also sent to Chairman FBR as a reminder on the subjects discussed and also those, which were forwarded in the past to the FBR.

VISIT OF FTO TO THE PRAL HEADQUARTERS

Federal Tax Ombudsman visited the head office of Pakistan Revenue Automation (Pvt.) Ltd. (PRAL) on 4/11/2020, where CEO PRAL, Mr. Muhammad Gohar Ahmed Khan along with his team welcomed the FTO and gave briefing on the working of PRAL.

General Manager PRAL Mr. Ahmad Nawaz, gave introduction about the setup and performance of PRAL. Relevant interjections were made by the FTO and different members of the team, whenever an occasion arose. He explained about the modules, which were completed, and under process in WEBOC. On the question of system's capacity during peak days of the filing of the returns, PRAL management informed that they had upgraded the hardware, which was now capable of handling pressure of uploading data during peak hour/day. Federal Tax Ombudsman discussed the issues relating to smuggling

of mis-declared items through green channel. He advised the PRAL to assist FBR to update risk parameters. Similarly, in the IRIS module, the Federal Tax Ombudsman apprised the PRAL about the shortcomings of monitoring and reporting system of Commissioner Appeals.

On the subject of registration and broadening of Tax base, the Federal Tax Ombudsman gave his input for adopting more verification measures and seeking help from the data by WAPDA and Sui gas authorities, to identify the potential taxpayers. He appreciated the work done in constant updating of end-to-end automation in FASTER module of refunds, especially the response to the Taxpayers through SMS. The Federal Tax Ombudsman emphasized the integration of data sources and various modules used by FBR. He shared with the participants Findings of some successful investigations, where due to some deficiencies in the systems, led to malpractices and revenue loss. The Federal Tax Ombudsman particularly pointed out the design fault of the software for Assets Amnesty Scheme, which resulted in non declaration of thousands of undeclared assets. In the end, the FTO thanked the PRAL team and urged them to design/develop comprehensive system of interconnectivity of data from all sources and its easy accessibility/use by the Tax Officials to collect more tax and make the system more transparent and efficient to eradicate malpractices.

VISIT OF SPECIAL ASSISTANT TO PRIME MINISTER ON REVENUE, MR WAQAR MASOOD KHAN TO FTO OFFICE

Special Assistant to Prime Minister (SAPM) on Revenue, Dr. Waqar Masood Khan, visited the office of Federal Tax Ombudsman on 26/11/2020, to discuss the matters relating to tax affairs.

The Federal Tax Ombudsman apprised the Hon'ble guest about the efforts, which the FTO office has been putting in to contribute towards transparent, effective and efficient working of the Tax machinery by giving suitable recommendations on the complaints of the aggrieved taxpayers or through advisory letters. The FTO also told the SAPM about the "Own Motion" initiatives and Inspections to curb the malpractices in the field offices of the FBR. He emphasized that his office has been regularly sending proposals for addressing the systematic issues in the Tax regime. He specially mentioned the areas of Human Resource Management, Accountability, Key Performance Indicators (KPIs) and their reflection in the Annual Performance Reports. According to him, the revival of inspection regime was necessary to ensure monitoring of performance of field officers. A compilation of proposals for improvement of Tax Administration was also sent to the SAPM after his visit.

The Hon'ble guest apprised the audience about the steps, which the government was taking to utilize the data of the Withholding Taxes for improvement in the collection of Direct and Indirect Taxes. He also informed about the sharing of data maintained by NADRA and correlating these to utilities and properties. He appreciated the efforts of the FTO office for contributing to the national cause of ensuring implementation of tax laws and assured of his support to the endeavours of FTO.

ADVISORY COMMITTEES

Unlike the past precedent of one Advisory Committee, Federal Tax Ombudsman formed three Regional Advisory Committees for maximum participation and more lucid discussions on problems in the regional context. Primary purpose of Advisory Committees was to create a pool of experts for sharing their perspective on taxation and FBR related issues.

Meeting of Advisory Committee (Headquarters) of Federal Tax Ombudsman was held on 18th August 2020 in the conference room of Federal Tax Ombudsman Secretariat (Hqrs) Islamabad. It was attended by the team of FTO Advisors and several members of the Committee. In view of Covid-19 related travelling constraints, members from Peshawar were provided with the facility in the Regional Office, Peshawar to participate online in the meeting through video conferencing.

While addressing the audience, FTO told them about achievements of his organization. He explained that in the past, focus of work was limited to individual complaints. However, he expanded the scope of jurisdiction fully per with his mandate under the FTO Ordinance, 2000, by initiating Own Motion cases, Inspections and Research work to tackle the systemic issues in administration of Tax System. With his new team of dedicated Advisors having established professional competence and integrity, complaints were being disposed of in the shortest time, followed by ensuring the implementation of the decisions made thereon.

The participants dilated upon the problems faced by them and made several suggestions/proposals to improve functioning of FBR, which were later on forwarded to FBR for necessary action.

Chapter 6

ACTIVITIES OF FORUM OF PAKISTAN OMBUDSMEN AND INTERNATIONAL OMBUDSMAN ASSOCIATION



ACTIVITIES OF FORUM OF PAKISTAN OMBUDSMEN AND INTERNATIONAL OMBUDSMAN ASSOCIATION

FORUM OF PAKISTAN OMBUDSMEN

The Forum of Pakistan Ombudsmen (FPO) was established on April 16, 2011 as a non-governmental, apolitical, independent and professional forum for Ombudsmen in Pakistan. The forum was established to improve coordination, promote capacity building of the Institutions of Ombudsmen and to reach out to Ombudsmen of foreign countries. Mr. Mushtaq Ahmad Sukhera, Federal Tax Ombudsman is the President of the Forum.

Scheduled conferences during the year were cancelled and some moved online because of the COVID-19 pandemic. Physical meetings were replaced virtually to some degree and the FTO office participated in few such conferences/training sessions.

24th meeting of FPO

24th meeting of FPO was held on 12th of October 2020, at Wafaqi Mohtasib Office, which was chaired by the President of the Forum, Mr. Mushtaq Ahmad Sukhera, Federal Tax Ombudsman. Several issues of mutual interest were discussed during those meetings, primarily to enhance inter institution cooperation.

ORGANIZATION OF ISLAMIC COUNTRIES OMBUDSMAN ASSOCIATION (OICOA)

The participants of the conference on “Networking of Ombudsmen in the Organization of Islamic Countries (OIC) Member States” held on 28 – 29th April 2014 in Islamabad (Pakistan), emphasized that Islamic concept of accountability should be promoted as top priority in the OIC and suitable institutional arrangements be devised for sharing knowledge, experience, and ideas to strengthen the institutions of the Ombudsman in OIC Member States. To achieve above objectives, it was unanimously agreed by the participants that an association, named as “OIC Ombudsman Association (OICOA)”, be established with its Secretariat at Islamabad (Pakistan).

The Federal Tax Ombudsman was elected as President of the Steering Committee to formulate the by-laws of OICOA. In this regard, 1st meeting of Steering Committee was held from 28th to 29th April, 2015 in Islamabad. Later on, after approval of by-laws in the conference held on November 17th-19th, 2019 in Turkey, the OICOA moved from its formative stage to operational mode. Pakistan was assigned the seat of General Secretary of OICOA, permanently. In the light of by-laws, consequently Federal Tax Ombudsman was elected as the General Secretary of the OICOA.

1st Meeting of the Board of the OICOA

The 1st meeting of the Board of the OICOA was held online (via Zoom) on 14 October 2020 due to the COVID-19 pandemic. The Ombudsman Institution of Turkey was the online host. Arrangements for holding a training session by Turkey and continuation of such sessions in other countries were discussed.

In the end, Mr. Şeref Malkoç Chief Ombudsman of Turkey, thanked all participants in his closing speech, terming the meeting as very productive because important proposals were received.

Second Meeting of the Board of the Ombudsman Association (OICOA):

The Second meeting of Board of OICOA about training activities was also held online (via Zoom) on 02 December 2020. Once again the online host was the Ombudsman Institution of Turkey. Members from Iran, Morocco, Azerbaijan, and Pakistan (Federal Tax Ombudsman) participated in the meeting. Decisions were made by the Board regarding training activities such as target groups, training schedules and time duration.

First Online Training Session Organized By OICOA:

The First online training session was conducted by Mr. Yalcin Akten, Head of Training Department of the Ombudsman Institution of Turkey. His presentation encompassed synopsis of The Ombudsman Institution of Turkey, overview of the Complaints Management Process and types of decisions, preliminary examination and receipt/disposal of complaints.

The training provided a great deal of knowledge to all the Ombudsmen institutions ineffective complaint handling, implementation of recommendations, policies and practices to strengthen the role of Ombudsmen in curbing the maladministration by government functionaries.

Chapter 7

OUTREACH AND AWARENESS ACTIVITIES OF ADVISORS



OUTREACH AND AWARENESS ACTIVITIES OF ADVISORS

During 2020, FTO's team of Advisors planned to intensify the outreach and awareness campaign. A target of **eighteen (18)** sessions per Advisor was set for 2020. Due to COVID-19 SOPs of social distancing and avoiding large gathering, the desired target could not be achieved, yet the Advisors were able to address **Thirty-five (35)** sessions, observing all safety protocols of wearing masks and ensuring small gatherings. Some of the sessions were addressed jointly by more than one Advisor to interact on all categories of taxes under one roof.

In these sessions, the Advisors explained the domain, aims and objectives of institution of FTO to the audience. They were also apprised of procedure of filing of complaint, various steps of investigation, issuance of Findings and the implementation of Recommendations. Participants were also informed about the efforts made to decide the complaints expeditiously. They were informed about country-wide awareness and advocacy campaign launched by the FTO Secretariat with the core objective to spread awareness of the grievance redressal mechanism to instil confidence amongst the taxpayers in the institution of the FTO. The participants were motivated to utilize services of this forum through identification of cases that fell within the domain of maladministration. Endeavour was also made to alleviate apprehensions of the participants regarding vindictive actions of FBR field formations against the complainants. During the question-answer sessions, the audience expressed their views/concerns on many issues. Some of these are being highlighted in the next paras. Here it is also pointed out that questions/observations echoed the exact diagnosis of systemic issues, made by FTO throughout these years and were constantly conveyed to FBR.

The participants were apprised of the usefulness of the forum through its cost-free, transparent and impartial investigation and implementation procedure. The participants showed keen interest in the institution of FTO, and few admitted that they did not know about the existence of such grievance redressal mechanism.

Many of them expressed their intent to avail the services of FTO in future, if needed, and spread the information about FTO to others. Brochures, newsletters and pamphlets containing complaint filing procedures along with Form "A" were also distributed among the participants. They were informed about the performance and efforts made by the FTO for the convenience of the taxpayers.

Following are the highlights of outreach activities undertaken by Advisors during 2020.

Head Office, Islamabad

Five (05) outreach and awareness sessions were conducted by Mr. Tariq Ahad Nawaz and Ms. Mahbooba Razzaq, Advisors, in Islamabad:

1. Outreach session with Custom Clearing Agents, Islamabad by Mr. Tariq Ahad Nawaz on 29.01.2020.
2. Outreach session with the Educational Sector by Ms. Mahbooba Razzaq on 31.01.2020.
3. Outreach session with Importers of Customs, Islamabad by Mr. Tariq Ahad Nawaz on 24.02.2020.
4. Outreach Session by M Tariq Ahad Nawaz, prior to Opening of FTO Desk in CC&I Islamabad on 10.09.2020
5. Outreach session with Rawalpindi Chamber of Commerce & Industry by Mr. Tariq Ahad Nawaz on 23.10.2020.

Regional Office, Peshawar

Eight (08) outreach and awareness sessions were conducted by Mr. Tariq Ahad Nawaz Advisor (Research), and Mr. Abdul Wadood, Advisor Incharge Regional Office Peshawar:

1. Outreach session with the PAF Rear Headquarters by Mr. Abdul Wadood on 22.01.2020.
2. Outreach session with Peshawar Tax Bar Association by Mr. Abdul Wadood and Mr. Tariq Ahad Nawaz on 12.02.2020.
3. Outreach session with representatives of Markazi Tanzeem Tajran KPK by Mr. Abdul Wadood on 03.03.2020.
4. Outreach session with Custom Clearing Agents at Custom House Peshawar by Mr. Adbul Wadood and Mr. Tariq Ahad Nawaz on 11.03.2020.
5. Outreach session with Custom Clearing Agents by Mr. Tariq Ahad Nawaz and Mr. Abdul Wadood on 15.07.2020 in Customs House Peshawar.
6. Outreach session with Transit Trade Custom Clearing Agents at office of Directorate of Intelligence and Investigation (I&I), Peshawar by Mr. Tariq Ahad Nawaz and Mr. Abdul Wadood on 22.07.2020.

7. Outreach session with members of Markazi Tazeem-E-Tajiran, Peshawar by Mr. Tariq Ahad Nawaz and Mr. Abdul Wadood On 13.08.2020.
8. Outreach session with executive committee of Sarhad Chamber Of Commerce & Industry, Peshawar by Mr. Tariq Ahad Nawaz on 14.10.2020.

Regional Office, Lahore

Eight (08) outreach and awareness sessions were conducted by Mr. Abdur Rehman Dogar, Advisor Incharge, Syed Pervaiz Ali Shah, Advisor(IT) and Mr. Fazal Yazdani Khan, Advisor (Customs), Regional Office, Lahore:

1. Outreach session with Chunian Bar Association and Trade Union by Mr. Abdur Rehman Dogar on 19.02.2020.
2. Outreach session with Kasur Bar Association and Trade Union by Mr. Abdur Rehman Dogar on 21.02.2020.
3. Outreach session with Lahore Trader Union (Pharmaceutical) Ferozepur Road by Syed Pervaiz Ali Shah on 25.02.2020.
4. Outreach session with Pattoki Bar Association and Trade Union by Mr. Abdur Rehman Dogar on 26.02.2020.
5. Outreach session with Judges of Special Courts, Session Courts-II, Lahore by Mr. Abdur Rehman Dogar on 27.02.2020.
6. Outreach session with office bearer's/members Of Traders Federation and Bar Association Tehsil Sharaqpur Sharif, District Sheikhpura by Mr. Abdur Rehman Dogar on 13.03.2020.
7. Outreach session with members of Lahore Chamber of Commerce & Industry Lahore by Mr. Abdur Rehman Dogar and Mr. Fazal Yazdani Khan on 13.03.2020.
8. Outreach session with Judges of Banking Courts, Lahore by Mr. Abdur Rehman Dogar and Syed Pervaiz Ali Shah on 18.03.2020.

Regional Office, Faisalabad

Four (04) outreach and awareness sessions were conducted by Mr. Tauqeer Akbar, Advisor Incharge Regional Office, Faisalabad:

1. Outreach session with the members of Business Associations, Faisalabad, by Mr. Tauqeer Akbar on 28.01.2020.

2. Outreach session with members of Anjuman-e-Tajran, Faisalabad by Mr. Tauqeer Akbar on 27.02.2020.
3. Outreach session with the members of Industrial Association, Small Industrial Estate Faisalabad by Mr. Tauqeer Akbar on 12.02.2020.
4. Outreach session with the members Faisalabad Tax Bar Association by Mr. Tauqeer Akbar on 04.11.2020.

Regional Office, Multan

Three (03) outreach and awareness sessions were conducted by Mr. Saleem Raza Asif, Advisor Incharge Regional Office, Multan:

1. Outreach session with the Chemists Association, Multan by Mr. Saleem Raza Asif on 30.01.2020.
2. Outreach session with the Okara Tax Bar Association, Okara by Mr. Saleem Raza Asif on 11.02.2020.
3. Outreach session with Sahiwal Tax Bar Association, Sahiwal by Mr. Saleem Raza Asif on 11.02.2020.

Regional Office, Karachi

Seven (07) outreach and awareness sessions were conducted by Mr. Manzoor Hussain Kureshi, Advisor Incharge, Syed Ayaz Mahmood, Advisor (IT), Mr. Shahid Ahmad, Advisor (Customs) Regional Office, Karachi:

1. Outreach session with the delegation from Pakistan Stock Exchange Broker's Association by Mr. Manzoor Hussain Kureshi, Mr. Shahid Ahmad and Syed Ayaz Mahmood on 27.01.2020.
2. Outreach session with the delegation from Federal B Area Association of Trade and Industry by Mr. Manzoor Hussain Kureshi, Mr. Shahid Ahmad and Syed Ayaz Mahmood on 31.01.2020.
3. Outreach session with the delegation from North Karachi Association of Trade and Industry by Mr. Manzoor Hussain Kureshi, Mr. Shahid Ahmad and Syed Ayaz Mahmood on 06.02.2020.
4. Outreach session with the delegation from Pakistan Towel Manufacturers Association by Mr. Manzoor Hussain Kureshi, Mr. Shahid Ahmad and Syed Ayaz Mahmood on 25.02.2020.
5. Outreach session with office bearers of Pakistan Bedwear Exporters Association by Mr. Manzoor Hussain Kureshi, Mr. Shahid Ahmad and Syed

Ayaz Mahmood, Advisors Regional Office Karachi on 18.03.2020.

6. Outreach session with Kotri Trade And Industry by Mr. Manzoor Hussain Kureshi on 16.03.2020.
7. Outreach session with Jamshoro Chamber Of Commerce & Industry by Mr. Manzoor Hussain Kureshi on 16.03.2020.

Some of the proposals made during these meetings, which were later on sent to FBR are as under:

- Officers against whom serious inquiries were pending, may be removed from key assignments till finalization of their cases.
- There should be timelines at every step of process to complete the clearance of goods, and in the case, if any delay is caused by Customs officer, he should be held accountable.
- One window operation should be introduced by harmonization of all taxes at common parameters for the facilitation of the taxpayers.
- FBR was disclosing the amount of pending claims only since 2014. It should disclose factual amount, taking into account the refunds stuck up since period prior to 2014.
- FBR should develop Research and Development system for identifying facilitative approach in tax matters and Broadening of Tax Base (BTB).
- After the examination of goods imported through Gwadar port to Karachi, Importers faced different types of checking by the different agencies on the way to Karachi. It was proposed that once the container was cleared, a seal should be affixed at the port and no interference should be allowed on the way to disturb the importers.

ACTIVITIES OF FEDERAL TAX OMBUDSMAN AND HIS TEAM – IN PICTURES



Forum of Pakistan Ombudsmen



Annual Advisor's Conference, 2020



Federal Tax Ombudsman chairing the Annual Advisors Conference



Meeting with the SAPM on Revenue Mr. Waqar Masood Khan



Federal Tax Ombudsman chairing the meeting of Advisory Committee



Federal Tax Ombudsman inaugurating the FTO Desk in ICC&I

AWARENESS SESSIONS BY THE ADVISORS



Mr. Tauqeer Akbar, Advisor Incharge Regional Office, Faisalabad
with Members of Anjuman-e-Tajran, Faisalabad



Mr. Saleem Raza Asif, Advisor Incharge, Regional Office, Multan
with the Chemists Association, Multan.



Mr. Fazal Yazdani Khan Advisor Customs, Regional Office Lahore, with office bearers
and members of Lahore Chamber of Commerce & Industries, Lahore.



Mr. Tariq Ahad Nawaz Advisor Customs FTO Seretariate, Islamabad and Mr. Abdul Wadood Advisor Incharge Regional Office, Peshawar, with Members of Custom Clearing Agents at Custom House Peshawar.



Syed Pervaiz Ali Shah conducting an awareness session with judges of banking courts, Lahore.



Mr. Manzoor Hussain Kureshi Advisor Incharge Karachi, Mr. Shahid Ahmad Advisor Customs and Syed Ayaz Mehmood Advisor IT with delegation of Pakistan Towel Manufacturers Association



Mr. Abdur Rehman Dogar Advisor Incharge Regional Office, Lahore with office bearers and members of Bar Association & Traders Federations, Tehsil Chunian district Kasur



Mr. Abdul Wadood Advisor Incharge Regional Office, Peshawar, with Members of Custom Clearing Agents at Custom House Peshawar



Mr. Sarfraz Ahmed, Advisor Incharge, Regional Office, Gujranwala, with office bearers of Gujranwala Chamber of Commerce & Industry

Chapter 8

SELECTED FINDINGS AND RECOMMENDATIONS



SELECTED FINDINGS AND RECOMMENDATIONS

Complaint redressal mechanism of FTO provides relief to the public and taxpayers, aggrieved of maladministration of tax officials. FTO Ordinance also empowers FTO to take Own Motion cognizance of maladministration. An account of a few Findings and Recommendations issued during 2020, is given below for the benefit/guidance of public/taxpayers and FBR officials.

Own Motion Case No. 0011/OM/2020

Dated: 08.01.2020

Refusal to Allow the Benefit of Amnesty Scheme

The Government of Pakistan announced an Assets Amnesty Scheme 2019 through the promulgation of a Presidential Ordinance in 2019. The scheme was meant to accord an opportunity to the Taxpayers to declare their undeclared assets and unexplained expenditures both local and abroad for the purpose of documentation of the economy. It was brought to notice of FTO that cases of thousands of taxpayers were lying pending with the FBR. These Taxpayers had deposited the tax worth billions of rupees, but couldn't file the declarations of assets in time due to choking of FBR portal on the last day of the scheme. Therefore they had been denied to avail the said Tax Amnesty Scheme.

The department informed that the system was fully responsive and functional. It was also contended that that filing of the declaration of assets u/s 3 of the Ordinance was a prerequisite for availing the scheme and not the payment of tax, as proviso to sub-Section (1) of Section 6 of the Ordinance allows to pay taxes even up till 30.06.2020. Hence the disputed declarations had rightly been rendered ineligible from availing the scheme.

On appraisal of submissions of both sides and evidence on record, it came to light that IT system of the department suffered technical problem leading to slow/reduced responsive capacity. Moreover the contention of the FBR that uploading of the declaration was a *sine-qua-non* and prerequisite for availing of the scheme, was not found carrying weight, particularly when not only Section 10 of the Ordinance, provided that deposit of such tax shall not be refundable, but also the e-FBR system continued allowing the declarants to

generate Payment Slip Identification (PSID)/Computerized Payment Receipt (CPR) and the banks were accepting the money from them.

Following Recommendations were sent to FBR to:

- 1. make arrangements and facilitate the filing of declarations in respect of all the aggrieved persons by invoking the provisions of Section 17 of the Ordinance;*
- 2. update the IT system of the department which requires thorough review and efficient improvement.*

Own Motion Case No. 0012/OM/2020

Dated: 09.03.2020

Country-Wise Presence of Non-Customs Paid (NCP) Vehicles

An Own Motion investigation was initiated to investigate the issue of Non-Custom Paid (NCP) vehicles, plying across the country, apparently because of neglect, inattention and ineptitude of anti-smuggling units of Customs field formations. Occasional seizures of smuggled goods and vehicles were reported in the print and electronic media but an effective strategy to curb the menace of smuggled automotive vehicles appeared to be missing. Many of these vehicles were found not registered with Provincial Excise.

The FBR contended that treating those vehicles as NCP which were not registered with the excise department was not correct. There was a tendency for avoiding registration of legally imported luxury vehicles due to higher registration fees/taxes, besides fear of receiving notices from FBR or when they intend to sell the same to enable the new buyer to get the vehicle registered as first owner.

Other arguments related to difficulties in carrying out anti-smuggling operations on unfrequented routes. But an inescapable conclusion resulting from the investigation was that although efforts were being made by Customs to curb the menace of smuggling of NCP vehicles, the situation was in no way satisfactory. Hence, the best option was to block the entry of such vehicles at both, the formal and informal entry points

It was recommended that FBR to direct:

- 1. the Chief Collectors (South), (North) & (Central)*

and the Director General Customs (I&I) to take strict action against smuggling of NCP vehicles at the lawful entry points;

2. prepare a mechanism in consultation with law enforcement agencies blocking the entry of smuggled vehicles at the already identified unfrequented/nonconventional routes;

3. form specific anti-smuggling squads throughout the country for NCP vehicles and monitor their performance closely at senior levels.

Own Motion Case No. 0013/OM/2020

Dated:03.07.2020

Port Congestion Due to Delay in Auction of Uncleared Vehicles

An Own Motion investigation of systemic maladministration was initiated to investigate the situation of substantial number of new/used vehicles stuck up at Karachi Port due to non-clearance. Reportedly these vehicles were imported under Personal Baggage, Transfer of Residence or under Gift Schemes in violation of SRO 52(1)/2019 dated 15.01.2019 issued by the Ministry of Commerce.

Section 82 of the Customs Act, 1960 (the Act) required that in case, goods were not cleared from the port within twenty days of arrival, these should be removed from the port and sold in auction. But It appeared that FBR had failed to put in place a system whereby vehicles not cleared from the port were not timely listed in the auction schedule, which was prima facie a systemic issue of maladministration.

In response to the notice issued by FTO the Collectors, Model Customs Collectorate (MCC) Appraisalment and Facilitation (West) and (East), Karachi contended that the Ministry of Commerce had prescribed that Duty and Taxes on such vehicles should be paid out of foreign exchange arranged by Pakistani Nationals themselves or local recipient showing bank encashment certificate of conversion of foreign remittance to local currency. Few importers and customs clearing agents aggrieved with these conditionalities challenged the same in the Hon'ble High Court of Sindh, and the Hon'ble Court had restrained the department from

putting 169 vehicles for auction. Remaining vehicles were in the process of verification/clarification from Ministry of Commerce (MOC), under criminal proceedings in FIR or due to lack of reasonable bid/offer.

It was recommended to FBR to direct:

- 1. the Collectors, MCC (Appraisement & Facilitation), East and West, Karachi to expedite the auction of remaining stuck-up vehicles by proactively and continuously pursuing the cases pending in the Courts;*
- 2. the Chief Collector, Appraisement & Facilitation (South), to monitor the progress of disposal of vehicles lying at Karachi Port and to ensure speedy disposal of vehicles;*
- 3. the Directorate of Reforms and Automation to examine the proposal of developing an auction e-module under the WeBOC software to expedite disposal of un-cleared consignments;*
- 4. the E-Auction Rules notified vide SRO 1174(1)/2020 dated 26.10.2020, be implemented;*
- 5. the Collector, MCC Appraisement & Facilitation (East) and (West), Karachi to pass on information about the bidders who participated in auctions on regular basis to respective IRS field formations.*

Own Motion Case No. 0015/OM/2020

Dated: 21.08.2020

Bogus Sales Tax Refunds

An Own Motion investigation was initiated to investigate irregularities committed by the FBR field formations while processing and sanctioning of bogus Sales Tax refunds, involving preparation of fake and flying invoices.

In response to the notice of the FTO, the department contended that the matter of fake Sales Tax registrations and issuance of dubious refunds based on fake and flying invoices was rampant in the years 2012 to 2015. However, after the launch of Sales Tax Real-time Invoice Verification System (STRIVE) in July 2016, the issue of fake invoices

had been addressed at large. Besides, the registration procedure was changed requiring the applicant for biometric verification, which minimized the possibility of fake registration. It was further contended that various measures i.e. suspension/blacklisting, post-registration and post-refund audits, flagging of dormant units as inactive, system checks by PRAL and registration of FIRs/criminal proceedings in multiple cases were also taken.

It was recommended to FBR:

- 1. to regularly conduct desk audit to cross-match the data declared by Registered Persons at the time of filing Annex-A and Annex-C;*
- 2. direct the field formations to initiate criminal proceedings against the person(s)/registered person(s) found involved in committing tax fraud; and*
- 3. ensure application of relevant provisions of Pakistan Penal Code along with provisions of Section 21 and 37A of the Sales Tax Act, 1990 while dealing with cases of fake invoices.*

Complaint No. 0996/KHI/CUST/2020

Dated: 19.03.2020

Undervaluation of Pigments

A complaint was filed against the Collectors, MCC Appraisalment & Facilitation (East), and (West), Karachi for failing to detect import of inorganic chrome pigments against fake Certificate of Origin and under-invoicing. The complainant cited nine Goods Declarations (GDs) already filed and assessed during the period from October to December 2019, to substantiate her allegation.

In response to notice of FTO, the Collectors, MCC Appraisalment & Facilitation (West) and (East), Karachi contended that Certificate of Origin is required under Rules of Origin, in cases where concession or exemption is claimed under various Free Trade Agreements/Preferential Trade Agreements at the time of filing of GD. Otherwise the Certificate of Origin is not a mandatory requirement for the importers, except if so specifically provided under any condition of the Import Policy Order. They also contended that during the period from October to December

2019, GDs of inorganic chrome pigments were imported on the basis of applicable value as per data available of identical goods imported by various importers from UAE. Yet the Assessment Alert was issued to assessing as well as examination staff, for strict vigilance in respect of imported inorganic chrome pigments and the process of verification of the allegations regarding circumvention of origin had also been initiated.

In view of foregoing, it was recommended to FBR:

1. to seek information from the Director General, UAE Customs under mutual legal assistance agreements for verification of origin of goods;
2. to direct the Directorate General of Post Clearance Audit (PCA) to carry out post-import transaction verification of all relevant GDs so as to satisfy the accuracy and authenticity of declared import values on the basis of export documents/ information obtained through Commercial Counselors posted in South Korea and UAE;
3. to direct the Director of Customs Valuation to check accuracy of values declared by the importers and determine custom value for assessment of inorganic chrome pigments in terms of Section 25A of the Act;
4. to direct the Chief Collector (Appraisement-South), to ensure finalization of investigation expeditiously and take appropriate action in cases where mis-declaration is established; and
5. to recommend to the Ministry of Commerce to frame and enforce Rules of Origin in respect of goods suspected of circumvention and import from free ports which are not covered under Preferential Trade Agreement. Also, make it mandatory to furnish Certificate of Origin from respective country of manufacture duly verified by the respective government.



Chapter 9

SELECTED DECISIONS OF THE HONOURABLE PRESIDENT OF PAKISTAN ON REPRESENTATIONS



SELECTED DECISIONS OF THE HONOURABLE PRESIDENT OF PAKISTAN ON REPRESENTATIONS

According to section 32 of the FTO Ordinance, the Revenue Division or any person aggrieved by a Recommendation of the Federal Tax Ombudsman may, within thirty days of the Recommendation, make a Representation to the President, who may pass such order thereon as he may deem fit.

An account of some decisions by the Honourable President of Pakistan on the Representations filed by the FBR or complainants is given below:

Representation Preferred By FBR against Orders of FTO in Complaint No. 2305/GWL/IT/2019 Dated 24.02.2020

A complaint was filed before FTO, against non-issuance of refund and allegedly unjust selection of Tax Year 2011 for audit under Section 177 of the Income Tax Ordinance 2001 (the Ordinance).

The complainant was a non-resident, settled in Oslo Norway. According to the Authorized Representative (AR), the complainant was not engaged in any business whatsoever in Pakistan, except deriving income from letting out property on which Tax due was deducted and deposited by the tenant in the Government Treasury.

The learned FTO disposed of the complaint vide Order dated 20.09.2019, with Recommendation to FBR to direct the Commissioner-IR Sialkot Zone to process the complainant's return of income for Tax Year 2011 in terms of Proviso to Section 122C(2) of the Ordinance as per law. -

However, as soon as the complainant applied for refund, the department issued notice selecting tax year 2011 for audit under Section 177 of the Ordinance. According to the AR, under Section 177(1) of the Ordinance, the Commissioner could not call for record or documents after expiry of six years from the end of tax year to which it relates.

On consideration of the matter, the learned FTO made the following Recommendation on 24.2.2020:

"FBR to-

- 1. call for explanation of the Commissioner-IR, Gujrat Zone, RTO Sialkot for initiating time barred audit proceedings for Tax Year 2011 against the express statutory Proviso to sub-Section (1) Section 177 of the Ordinance, just to victimize a "non-resident" for claiming tax credit and take appropriate action, as per law;*
- 2. direct the commissioner-IR, Gujrat Zone to. recall the time barred audit proceedings dated 22.11.2019 under Section 177(1) of the Ordinance;*
- 3. rectify the order dated 08.11.2019 and allow credit of tax recovered through attachment of bank account for Tax Year 2011, in terms of Section 221 of the Ordinance. and issue refund so determined, as per law."*

FBR/Agency filed Representation against the above order. The case was processed in concerned wing of the President Office and on perusal and appreciation of documents on record, it was noted in the Presidential order that

"The FTO had rightly summarized the findings of the case as under:-

Deliberate failure to allow credit of Tax recovered through attachment of the Bank account and withholding the refund and then initiating time barred proceedings for the Tax Year 2011 under Section 177 (1) of the Ordinance is perverse, arbitrary, unjust, biased, oppressive and exercise of powers for improper motive, which does tantamount to maladministration, under Section 2(3)(i) (b)& (d) of the FTO Ordinance."

It was further noted that:

"no justification had been made out to upset the view of the FTO. Therefore, there was no ground for interference with the decision of the learned FTO which was based on sound reasoning. The Representation was thus devoid of

any merit and is liable to be rejected”.

Accordingly, the Hon'ble President had been pleased to

*(a) reject the instant Representation of the FBR and to
(b) uphold the impugned findings/recommendations of
the learned FTO.*

Representation of FBR against Order of the FTO in Complaints

No. 0176, 0178, 0179, 0182-LHR/IT/2020 Dated 19.03.2020

Four identical complaints were filed against non-issuance of refund for tax years 2016 to 2019, which were disposed of through a single consolidated Order by the FTO. According to one of these complaints, the refund arose on account of excess deductions made by the principal company on purchase of cement. The complainant also filed refund applications on the prescribed format followed by reminders. However, despite repeated efforts of the complainant, the department failed to timely pass orders under Section 170(4) of the Ordinance.

After hearing both parties and perusal of available record, the learned FTO passed the following Orders.

“FBR to direct the Commissioner-IR, Zone-I, RTO-11, Lahore to complete the verification and dispose of refund applications for Tax Years 2016 to 2019, after providing the Complainant opportunity of hearing, as per law.

FBR filed a representation against the above order. The case was processed in concerned wing of the President Office and on perusal and appreciation of documents on record, it was observed in the Presidential order that the preliminary objection invoking Section 9(7) of the Ordinance was dealt by the FTO as follows:-

Sofar as preliminary objection regarding bar of jurisdiction raised under Section 9(2)(b) of the FTO Ordinance is concerned, the same is misconceived as in the complaints in hand, matter does not pertain to assessment of income or determination of tax liability but failure of the Deptt

to dispose of refund applications within the statutory period The Departmental Representative (DR), however, while pressing the above-mentioned decisions of the Hon'ble President of Pakistan, as well as the judgment of Hon'ble Lahore High Court, Lahore in Reference No 48 of 2011 kept on challenging the jurisdiction of this Office. Thus, the preliminary objection stands ruled out'

It was also noted in the said order that delay in disposal of refund applications within the statutory limit was evident. Therefore the Presidential order noted:

"Be that as it may the recommendations of the learned FTO are only to the extent to "direct the Commissioner-IR, Zone-I RTO Lahore to complete the verification and dispose of refund application for Tax Years 2016 to 2019 after providing the complainant opportunity of hearing as per law, within 45 days. It is merely a reiteration about the duty of the Departmental authority to decide the matter as per law. The Agency has the lawful powers to decide the matter on its merits in accordance with the law. There is thus no valid justification to assail the order of the learned FTO. In such circumstances, the representation is liable to be rejected.

Accordingly, the Hon'ble President has been pleased to reject the instant Representation of the Agency-FBR".

Representation against the Order Passed By FTO In Complaint No. 0951 /ISB/CUST/2017 Dated 08.02.2018

A complaint had been filed against the Collector of Customs, MCC, Islamabad for failing to refund bank guarantees of Rs. 2.969 million and Rs. 0.277 million, submitted by the complainant despite failing to finalize provisional assessments under Section 81 of the Customs Act, 1969 (the Act).

The FBR contended that MCC never detained the consignment and it was on the request of the importer that provisions of Section 81 of the Act had been invoked. Since it was an issue of valuation with bar on the jurisdiction of

the FTO, therefore the FTO had issued following Findings/Recommendations:

“As narrated above The complainant’s matter related to assessment of duty/taxes, in terms of Section 81 of the Act, hence bar on jurisdiction of this forum under Section 9(2)(b) of the FTO Ordinance is applicable. The complaint is, therefore rejected. Case file be consigned to record.”

The complainant filed a representation against the above order, which was disposed of by the Hon’ble President in the following words:

“Needless to be mentioned that this representation has been filed by Complainant repeating the content of the pleading already made before the learned FTO. Nothing turns on the same as it fails to answer the reasoning of learned FTO and not even contain denial of the factual observations for his impugned decision. No grounds stand with the decision of the FTO. Undoubtedly, FTO’s decision is based on sound reasoning and supported by law. Thus, the representation is devoid of any merits and is liable to be rejected. FTO impugned findings/recommendations do not warrant any interference. Resultantly, FTO findings are sustainable and unexceptional having no illegality or improbability. Accordingly, the President has been, pleased to reject the instant representation of the Complainant namely M/s Syed International and the impugned findings/recommendations of learned FTO are upheld.”

Representation of FBR against Order of the FTO in Complaint No. 2050/LHR/CUST/2019 Dated 21.01.2020

A complaint was filed by M/S Akhlaq Associates, Lahore, against the Collector, MCC (Appraisement), Lahore for illegally blocking his National Tax Number (NTN) and initiation of recovery proceedings without due process of law.

In response to notice of FTO, the Collector, MCC (Appraisement),

Lahore submitted that the complainant exported carpets to USA. However, subsequently due to an audit observation the Collectorate issued Demand-cum-Show Cause Notice to the complainant for recovery of outstanding dues of Rs. 1.007 million, which was not decided for seven years.

The Agency asserted, *inter alia* that since the complainant had not responded to notice, therefore the Agency temporarily blocked his NTN.

On due consideration and hearing of both parties, the learned FTO passed the following Order, asking FBR to:

- 1. Direct the concerned authorities to restore the NTN of the complaint as per law;*
- 2. Pass an appealable Order after affording opportunity of hearing to the complainant within a period of 30 days,*
- 3. Fix responsibility against the officials responsible for this criminal delay in adjudging liability qua the Complainant for seven long years and take appropriate disciplinary action against the delinquent(s).*

The instant Representation was made by the Agency against the above Order of the learned FTO. From the perusal and appreciation of the background of the matter, concerned wing of President office noted that the learned FTO dealt with the case as follows:-

"It is evident from the record that on the basis of Audit Observation pointed out by the DG, DRRA vide draft Para No. 168/Cus, the Collectorate issued Demand-cum-Show Cause Notice dated 09.03.2012 under Section 32(3A) of the Act, to the Complainant. The Complainant responded to the Show Cause Notice on 20.02.2012 and 09.09.2013 and the case was fixed for hearing at different dates but liability against the Complainant was not determined in terms of sub-section (4) of Section 32 of the Act, despite lapse of more than seven years. It is observed that the FBR, vide Notification SRO.886(1)/2012 dated 18.07.2012, created Collectorates of Customs (Adjudication) but the Executive Collectorate did not opt to forward the

case to Adjudication Collectorate. The Department had issued Demand-cum-Show Cause Notice under Section 32(3A) of the Act, but had not adjudged any liability against the Complainant. It is evident that the Department had not fulfilled its statutory obligation in determining any liability against the Complainant and, therefore, the Department had acted beyond its mandate by blocking NTN of the Complainant, without adjudging any liability. Even otherwise, the Customs Department had no legal authority to block NTN of any defaulter as these powers lie with the IRS."

During the course of the hearing, the learned Counsel representing the FBR produced an order passed by the Additional Collector-I (Appraisement), Lahore dated 25.02.2020 and stated that the matter has been dealt with judicially and there is nothing left to be pursued or agitated against the complainant and urged for the expungement of recommendation No.3, of the order of the learned FTO dated 21.01.2020.

The Representation was disposed of as follows:

"Suffice it to observe that the matter has been dealt with by the learned Additional Collector now and the grievance of the Complainant stand redressed (that is why lie is not present/represented to pursue the matter). This aspect of the matter may be dealt with accordingly, at the Departmental level.

Accordingly, the Hon'ble President has been pleased to (a) reject the instant Representation of FBR-Agency and to (b) uphold the impugned recommendations of the learned FTO."

Representation Filed By FBR against Order of the FTO Dated 27.02.2020 in Complaint No. 0130/OM/2019

An Own Motion investigation was initiated by the FTO to investigate irregularities committed by the FBR field formations in processing and sanctioning of bogus Sales Tax Refunds (STR) during the period 2011-14

identified by the Directorate General I&I-IR of FBR. The “Red Alerts” were issued to the field formations concerned but neither any action was initiated against the fake claimants nor their connivers within the department, who were involved in bogus registration, processing and sanctioning of fraudulent refunds and issuance of refund cheques, nor was any action proposed against the related officers/officials of bank branches and PRAL Management.

On consideration of the matter, the learned FTO issued following recommendations:

“FBR to–

- 1. direct the Chief Commissioner-IR, RTO-II, Karachi to identify the officers/Officials who failed to scrutinize the dubious claims filed on the basis of fake/flying invoices and take appropriate criminal/disciplinary action against them;*
- 2. initiate appropriate action including criminal proceedings leading to prosecution of RP and recovery or amount of Rs. 8.557 million, swindled from public exchequer through claiming inadmissible input tax.”*

FBR/Agency filed a Representation before the Hon’ble President of Pakistan. The case was processed in concerned wing of the President Office and perusal and appreciation of documents on record, it was noted that the concerned officials remained indolent regarding failure to retrieve huge loss of revenue by not initiating action against the culprits. Even after initiation of investigation by the learned FTO, the Department seemed disinclined to take any action to retrieve the amount involved and initiation of any proceedings against the registered persons. It was also strange that the Directorate General I&I-IR FBR and its field offices, after conducting such laudable efforts of detecting fraudulent activities and issued Red Alerts to the field formations but did not pursue the matter to its fruition.

According to body of the decision, “a strange stance of the Department is that red alert letters were inter-departmental correspondence to which the FTO could not have any access nor he could rely upon the same. But in raising such an objection it is being overlooked that the learned FTO is empowered under S/9 of the Ordinance (XXX V/2000) to investigate any allegation of

maladministration and can lay hand on any document/ call for the production of any record/ correspondence in the process.

It was also noted therein that from the perusal of the representation signed by the Commissioner (Inland Revenue), Zone-IV, Regional Tax Office-11, Karachi filed with the approval or blessing of the Federal Board of Revenue, it is evident that utmost effort has been made to object to the jurisdiction of the learned FTO despite quoting the preamble of FTO Ordinance, 2000 and S/9(1) which empowers him to diagnose and investigate the allegations of mal-administration of the functionaries administering the tax laws. In taking notice of tax evasions and pointing out the bogus refunds/ claims on motion investigations the learned FTO has acted within the domain of the law empowering him to perform such functions. The Representation is therefore liable to be rejected.

The Representation was rejected as follows.

"As no order adversely affecting the rights of petitioner/ department has been made by which it would be legitimately aggrieved. Accordingly, the Hon'ble President has been pleased to reject the instant Representation of the Agency-FBR."

Chapter 10

PUBLIC RECOGNITION AND FEEDBACK



PUBLIC RECOGNITION AND FEEDBACK

Over the period of time, the FTO institution has emerged as a trusted oversight body against maladministration of the Tax Functionaries. This office regularly received letters of thanks from Taxpayers, whose grievances were redressed. The work of Federal Tax Ombudsman was also lauded in the print and electronic media. Some of those letters, frames of electronic media and News clippings are reproduced as under:

TAXES
KIBRA ASSOCIATES
Sales Tax / Custom / Central Excise Consultant

Ref #: AFT/FTO-2555/1/A/20 Dated: 16th Oct, 2020

The Federal Tax Ombudsman
Regional Office,
Islamabad.

Sub: Withdraw the Complaint No.FTO-2555/ISB/ST/2020 of M/s. Al Falah Textiles.

With reference to the above complaint which has been disposed by the department in this regard vide this submissions, undersigned apprise you that our grievances has been redressed after your intervention have not left any issue unresolved as are mentioned in our client M/s. Al Falah Textiles complaint.

We are very thankful to honourable Federal Tax Ombudsman after your intervention our client refund claim RPO's amount have been credit in our declared bank account. So, the above complaint may kindly be closed. We will ever remainfull to you and having best regard.

Thanking you
Kibra Associates.

Copy for information:
M/s. Al Falah Textile.
STRN: 3277876145192

Office No. 506, 5th Floor, Asia Pacific Trade Centre, Rashid Minhas Road,
(Near Askari-IV) Block #19, Gulistan-e-Jauhar, Karachi. Tel: 021-34177334 - 336-337
E-mail: tariq@kibraassociates.com - tariqst1990@gmail.com

TAXES
M & D ASSOCIATES
SALES TAX & INCOME TAX ADVISOR

DATE: 09th Oct/2020

BEFORE THE FEDERAL TAX OMBUDSMAN

The Federal Tax Ombudsman
Head Office,
ISLAMABAD.

Sub - F.T.O Complaint No.FTO- 2668/ISB/ST/2020 M/s. LEATHER NTEX

With reference to our above complain the respondent has **RESOLVED** our all issues. Now our grievances has been addressed in compliance to your order by the respondent and have not left any issue unresolved as are mentioned in Our complain. So the above complaint may **withdrawn**.

We hereby very much thanks full to you and having best Regard.
Thanking you

M&D ASSOCIATES

Office # M-10, Mezzanine Floor, Park View Apartment, Block 13-A, Adjacent Usmania Restaurant,
Gulshan-e-Iqbal, Karachi. Ph: +92 (21) 3496 0053
Email: consultant.dm2002@gmail.com / md.associates.pk@gmail.com

**Special Assistant to the
Prime Minister on Revenue**
Tel: (051) 9219214
Fax: (051) 9215105
D.O.No.1(1)SAPM/202C Islamabad, the 16th December, 2020

My Dear *Sukhera Salibi*

I am writing to gratefully acknowledge the compendium of recommendations and research studies your office has compiled to help improve tax administration in the country. I truly appreciate the efforts and hard work that have gone in its preparation.

2. I assure you that this compendium would receive my attention and serious consideration for appropriate action.

With regards,

(*Waqar Masood Khan*)
Waqar Masood Khan

Mr. Muehtaq Ahmac Sukhera,
Federal Tax Ombudsman,
Federal Tax Ombudsman Secretariat,
5-A, Constitution Avenue,
Islamabad

17/12/20

TAXES
KIBRA ASSOCIATES
Sales Tax / Custom / Central Excise Consultant

Page 11

FTO Complaint No. FTO-2249/ISB/ST/2020

Ref #: NI/786-001/U/20 Dated: 18-09-2020

The Federal Tax Ombudsman
Regional office
Islamabad.

Sub: Withdraw the FTO Complaint No.FTO-2249/ISB/ST/ 2020 of M/s. Nabiba International.

With reference to the above complaint which has been processed fully attendant our all claims mention in above complaint by the Sales Tax department in this regard vide this submission undersigned apprise you that our grievances have been redressed after willingly sympathy intervention of the Honorable FTO especially we are very grateful to honorable FTO Islamabad issue esteemed favorable the instruction in compliance to instruction to the respondent and have not left any issue unresolved as are mentioned in our client M/s. Nabiba International complaint.

We withdraw our complaint and we hereby much thankful and we will ever pray for your long life and prosperity please.

Thanking you
Kibra Associates.

Copy for information:
M/s. Nabiba International.
STRN: 1750590005628

Office No. 506, 5th Floor, Asia Pacific Trade Centre, Rashid Minhas Road,
(Near Askari-IV) Block #19, Gulistan-e-Jauhar, Karachi. Tel: 021-34177334 - 336-337
E-mail: tariq@kibraassociates.com - tariqst1990@gmail.com

No. PS/MIN/L&DD/250/2020
SARDAR HASNAIN BAHADAR DRESHAK
 MINISTER FOR LIVESTOCK & DAIRY DEVELOPMENT
 DEPARTMENT, PUNJAB

Dated Lahore, 5th October, 2020

042-99214771
 042-99214772

Dear Sir,

I have received Annual Report 2019 of Federal Tax Ombudsman (FTO). It gives me immense satisfaction that FTO is committed towards rectification of system/ administrative malpractices of tax authorities. FTO's role in providing instant and cost free services to the affectees is highly laudable.

This document is a testament of Government's efforts in providing transparent and effective system to curb the malpractices which exist in our system.

I sincerely appreciate the efforts of your department for bringing much need change required to resolve complaints of general public and publishing a factual report.

Regards,

(HASNAIN DARESHAK)

MR. ARSHAD MAHMOOD CHEEMA,
 Registrar,
 Federal Tax Ombudsman Secretariat
 Islamabad

22-10-20

NATIONAL ASSEMBLY OF PAKISTAN

RIAZ FATYANA
 Chairman
 Standing Committee on
 Law & Justice

No.1 (1)/2020-CSC (L&J)/631
 Islamabad, the 30th September, 2020

Dear Cheema Sahib,

Hope this letter will find you in the best of health and happiness.

Thank you for sending the Annual Report of the Federal Tax Ombudsman, Pakistan for the calendar year 2019. I am sure, Federal Tax Ombudsman is striving hard to resolve all complaints of the existing and prospective taxpayers and provide relief to the public by carrying out independent investigations about maladministration by functionaries administering the federal taxes.

I am pleased to notice that Federal Tax Ombudsman is accomplishing great things.

Best regards,

Yours sincerely,

(RIAZ FATYANA)

Mr. Arshad Mahmood Cheema,
 Registrar,
 Federal Tax Ombudsman Secretariat,
 Islamabad

Office: Room # 408, 4th Floor, SBP Building, NADRA Headquarters, G-5, Islamabad.
 Office Tel & Fax: 051-9245699, Cell: 0300-6555555, T.T. Singh: 046-3700700-1
 Email: riaz.na13@na.gov.pk Website: www.riazfatyana.com.pk

Telephone: 9252323
 9252324

Principal Information Officer
 Government of Pakistan

Press Information Department

No. 1(5)/2020-PIO

September 14, 2020

Subject: **ANNUAL REPORT OF THE FEDERAL TAX OMBUDSMAN PAKISTAN 2019**

Please refer to your letter No. Lib.02(04)/FTO/2020, dated 9th September 2020, attaching therewith a copy of Annual Report of the Federal Tax Ombudsman, Pakistan for the calendar year 2019.

Thank you for sending me a copy of the subject report. No doubt, the role of Federal Tax Ombudsman in resolving complaints of the tax payers as well as unearthing irregularities in the taxation system is very important and worth appreciating.

The efforts made by the FTO in achieving the set goals as well as suggestions and recommendations made in the subject report are commendable.

(Shahera Shahid)

Mr. Arshad Mahmood Cheema,
 Registrar,
 Federal Tax Ombudsman Secretariat,
 Islamabad.

22-10-20

By No. 90
 Date: 15/9/2020
 Office of the Director (Admin)

Banking Mohtasib Pakistan

October 09, 2020

Mr. Mushaq Ahmed Sukhera
 Federal Tax Ombudsman
 Islamabad.

Dear Sir,

Annual Report 2019

A copy of Annual Report of the Banking Mohtasib for the year ended December 2019 is forwarded herewith for your information and record. This is the fifteenth Annual Report of Banking Mohtasib Pakistan. As usual the report has been abridged to the extent that it respects the sanctity of the Bank and Customer relationship.

With regards,

Yours sincerely,

(Farhat Shahid)
 Senior Advisor

Banking Mohtasib Pakistan Secretariat: 5th Floor Shaheen Complex M.R. Kiyani Road, Karachi.
 Tel: 92-21-99217334-38, Fax: 92-21-99217375, E-mail: info@bankingmohtasib.com.pk, Website: www.bankingmohtasib.gov.pk

ELECTRONIC MEDIA COVERAGE

President lauds Federal Tax Ombudsman's role

Date: 18th July 2020

صدر مملکت ڈاکٹر عارف علوی / ملاقات
اسلام آباد: صدر مملکت عارف علوی سے وفاقی ٹیکس محتسب مشتاق احمد سکھیرا کی ملاقات
وفاقی ٹیکس محتسب کی سال 2019 کی کارکردگی رپورٹ صدر مملکت کو پیش
عوام کو سستے اور تیز انصاف کی فراہمی اولین ترجیح ہے، صدر عارف علوی
ٹیکس گزاروں کو ریلیف دینے کیلئے ٹیکس محتسب کے قانون میں مزید بہتری کی گنجائش ہے، صدر
ٹیکس محتسب نے سال 2019 میں 2510 شکایات وصول کی درمیان

صدر مملکت سے وفاقی ٹیکس محتسب مشتاق احمد سکھیرا کی ملاقات
عوام کو سستے اور تیز انصاف کی فراہمی اولین ترجیح ہے، صدر مملکت
ٹیکس محتسب کی 82 فیصد سفارشات ایف بی آر نے نافذ کو ایڈیشنل سیکریٹری
ٹیکس محتسب نے سال 2019 میں 2510 شکایات وصول کی درمیان

صدر عارف علوی / ملاقات
وفاقی ٹیکس محتسب کی 2019 کی کارکردگی رپورٹ صدر مملکت کو پیش
عوام کو سستے اور تیز انصاف کی فراہمی ترجیح ہے، صدر عارف علوی
صدر نے ٹیکس محتسب کو مزید فعال بنانے کیلئے بھرپور تعاون کا یقین دلایا
ٹیکس محتسب کی 82 فیصد سفارشات ایف بی آر نے نافذ کرائیں، بریکنگ

عوام کو سستے اور تیز انصاف کی فراہمی اولین ترجیح ہے، صدر ڈاکٹر عارف علوی
ٹیکس دہندگان کو ریلیف دینے کیلئے ٹیکس محتسب قانون میں بہتری کی گنجائش ہے، صدر مملکت
وفاقی ٹیکس محتسب کے کردار کے بارے میں آگے بڑھنے کیلئے صدر ڈاکٹر عارف علوی
اسلام آباد: صدر ڈاکٹر عارف علوی سے وفاقی ٹیکس محتسب مشتاق احمد سکھیرا کی ملاقات
وفاقی ٹیکس محتسب نے 2019 کی کارکردگی رپورٹ صدر مملکت کو پیش کی
صدر مملکت کی از خود نوٹس سے ٹیکس نظام میں بے قاعدگیوں کی نشاندہی کی تقریر
صدر مملکت کا ٹیکس گزاروں کیلئے بلا معاوضہ خدمات اور ریجسٹریشن کی پالیسی پر بھی اظہار اطمینان

اسلام آباد: صدر مملکت عارف علوی سے وفاقی ٹیکس محتسب مشتاق احمد سکھیرا کی ملاقات
اسلام آباد: وفاقی ٹیکس محتسب کی 2019 کی کارکردگی رپورٹ صدر مملکت کو پیش
ٹیکس سسٹم میں بے قاعدگیوں کی نشاندہی پر صدر کی وفاقی ٹیکس محتسب کی تقریر
ٹیکس محتسب کی بلا معاوضہ خدمات اور ریجسٹریشن کی پالیسی پر صدر کا اظہار اطمینان
عوام کو سستے اور تیز انصاف کی فراہمی اولین ترجیح ہے، صدر مملکت عارف علوی
ٹیکس محتسب کے قانون میں مزید بہتری کی گنجائش ہے، صدر عارف علوی

Tax Amnesty Scheme

Date: 4th August 2020

ایف بی آر نظام میں خرابی، 12 ہزار افراد کو اسٹے ظاہر کرنے میں ناکام، ایف بی آر
12 ہزار افراد افسران کی نااہلی سے اسکیم سے فائدہ نہ اٹھا سکے، ایف بی آر
ایف بی آر سسٹم میں فالت نہ ہونے کا سو وقت قابل اعتبار نہیں، ایف بی آر
مدت میں خلاف قانون خفیہ توسیع سسٹم میں خرابی کی عکاس ہے، ایف بی آر
2.6 ارب کا ٹیکس، مستثرین کی اسکیم سے فائدہ اٹھانے کی دلیل ہے، ایف بی آر
ایف بی آر 12 ہزار مستثرہ افراد کو اسٹے ظاہر کرنے کی سہولت دے، ایف بی آر
ایک سال بعد بھی ایف بی آر مستثرین کی شکایات کے ازالے میں ناکام، ایف بی آر
شنوائی میں ایف بی آر اہلکار آرڈیننس کی تشریح میں ناکام رہے، ایف بی آر
ٹیکس ایمنسٹی اسکیم قابل عمل بنانے میں افسران کی غفلت ہے، ایف بی آر

بریکنگ نیوز
ٹیکس ایمنسٹی اسکیم، وفاقی ٹیکس محتسب کی ایف بی آر مختلف چارج شیٹ
12:41 PM

ایف بی آر / اسکیم
ٹیکس ایمنسٹی اسکیم، وفاقی ٹیکس محتسب کا اعلامیہ
ایف بی آر کے آن لائن سسٹم میں خرابی کی وجہ سے 12 ہزار افراد اسٹے ظاہر کرنے نہ کر سکے، ایف بی آر
12 ہزار مستثرہ افراد ایف بی آر افسران کی نااہلی کی وجہ سے اسکیم سے فائدہ نہ اٹھا سکے، ٹیکس محتسب
ایف بی آر کے سسٹم میں فالت نہ ہونے کا سو وقت قابل اعتبار نہیں ہے، وفاقی ٹیکس محتسب
ایف بی آر کی آن لائن سسٹم کو مزید بہتر بنانے میں وفاقی ٹیکس محتسب
اسٹے ظاہر کرنے کی مدت میں خلاف قانون خفیہ توسیع آن لائن سسٹم میں خرابی کی عکاس ہے، ٹیکس محتسب
2.6 ارب روپے کا جمع شدہ ٹیکس، مستثرہ افراد کی اسکیم سے فائدہ اٹھانے کی دلیل ہے، ٹیکس محتسب

وفاقی ٹیکس محتسب کو ایف بی آر پر تحفظات
03:00 PM
105881

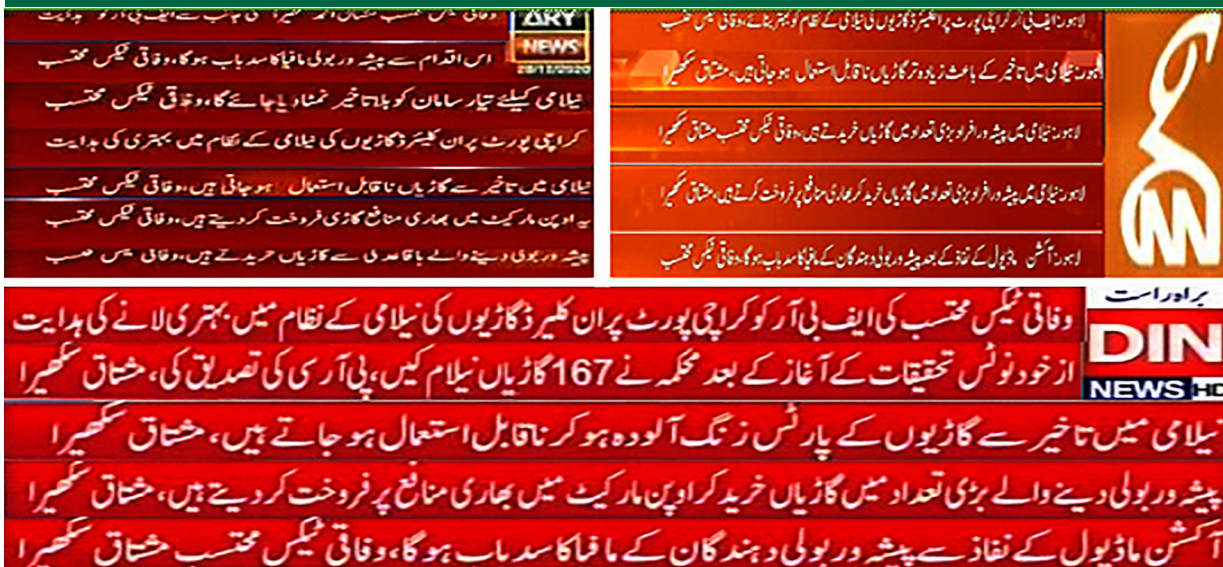
FTO's visit of PRAL HQs Islamabad

Date: 9th November



Expedite the process of auction for the stranded vehicles at Karachi port

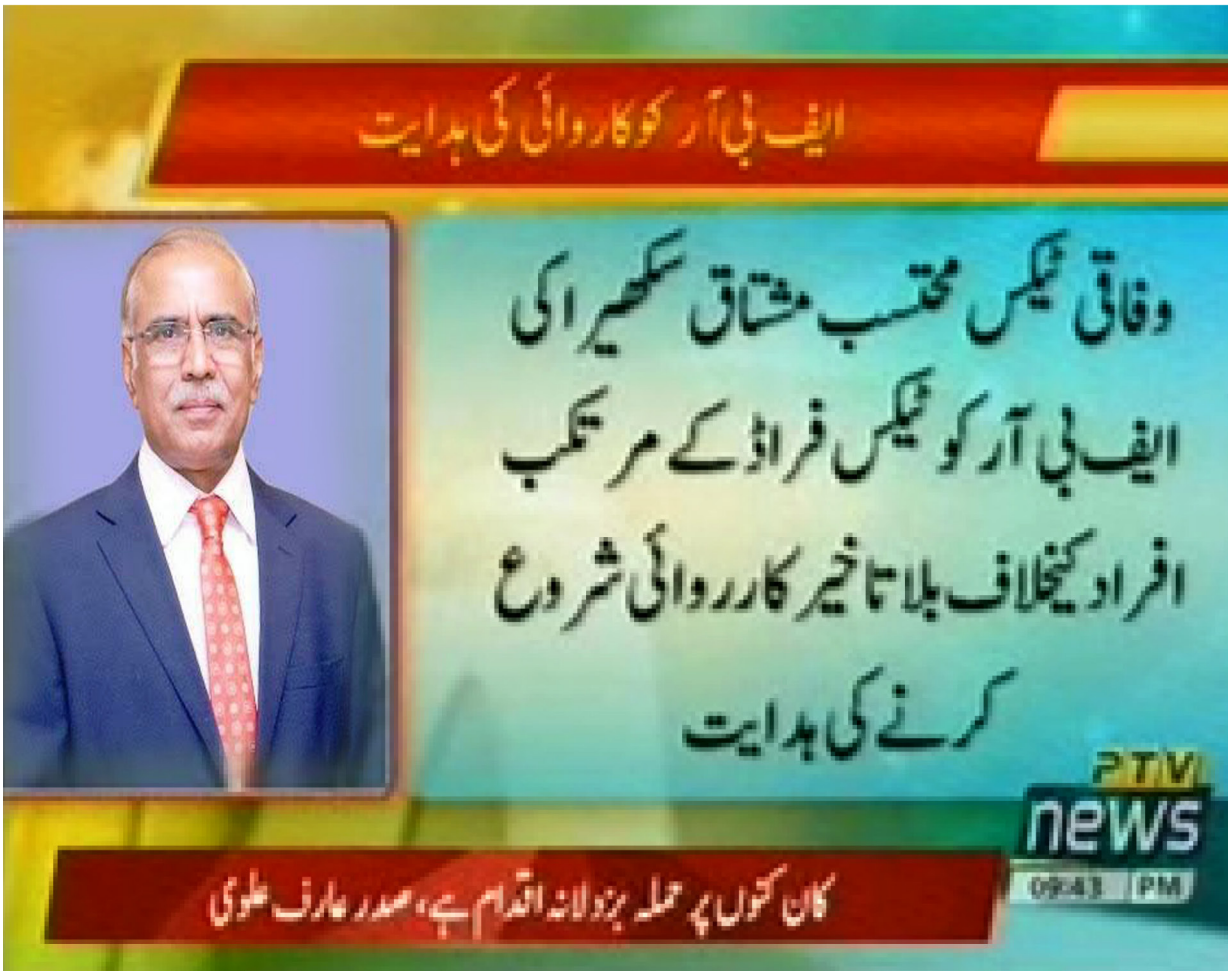
Date: 28th December 2020



Criminal proceedings against entities involved in bogus tax refunds
Date: 4th January 2021



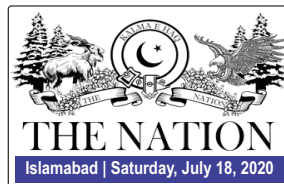
وفاقی ٹیکس محتسب کی ایف بی آر کو ٹیکس فراڈ کے مرتکب افراد کی خلاف ورزیاں کی ہدایت
مقصد متحدہ سرے رجسٹرڈ افراد کو یو گس رقوم ریفنڈ ہو سکے، وفاقی ٹیکس محتسب
پاکستان پینل کوڈ کی متعلقہ دفعات کے اطلاق کو یقینی بنایا جائے، وفاقی ٹیکس محتسب
جعلی رسیدوں کے معاملات نمٹاتے ہوئے سیلز ٹیکس ایکٹ کی دفعات کے اطلاق کو یقینی بنایا جائے



وفاقی ٹیکس محتسب کی ایف بی آر کو ہدایات جاری
ٹیکس فراڈ میں ملوث افراد کی خلاف ورزیاں شروع کی جائے، وفاقی ٹیکس محتسب
جعلی رسیدوں پر متعلقہ دفعات کا اطلاق یقینی بنائیں، وفاقی ٹیکس محتسب
ایف بی آر نے ایسی ٹیکس چوری پر کارروائیوں کا آغاز نہیں کیا، ٹیکس محتسب
جعلی سیلز ٹیکس رجسٹریشن سے غبنے کی کوششیں ناکافی ہیں، وفاقی ٹیکس محتسب

PTV world TAX OMBUDSMAN MUSHTAQ SUKHERA DIRECTS FB
FOR ISSUING FAKE TAX INVOICES: TAX OMBUDSMAN
TO TAKE CRIMINAL PROCEEDINGS AGAINST THOSE INVOLVED IN TAX FRAU
FRAUDULENT ENTITIES OBTAINED SALES TAX REGISTRATIO
FOR ISSUING FAKE TAX INVOICES: TAX OMBUDSMAN

PRESS COVERAGE



Alvi stresses need to sensitise public about FTO efficacy

ISLAMABAD: While appreciating Federal Tax Ombudsman's role in resolving taxpayers' complaints against maladministration of tax authorities and in unearthing irregularities in taxation system, President Dr. Arif Alvi has emphasized the need to create more awareness on the forum's efficacy through traditional and digital media.

Talking to Federal Tax Ombudsman Mushtaq Ahmad Sukhera who called on him here Friday, the President emphasized the need to create more awareness about the efficacy of the forum by utilizing the traditional as well as digital media.

The president expressed his satisfaction over the proper utilization of traditional and digital media by the FTO Office to promote awareness among the taxpayers regarding free services for redressal of complains and efforts to digitalize FTO office using IT based Complaint Management Information System (CMIS).

He also eulogized the development of a mobile phone application to facilitate the taxpayers in complaint registration process as well as establishment of paperless office environment in FTO Secretariat.

He noted there is a room for improvement in the law of Federal Tax Ombudsman to make this institution more effective in order to provide speedy justice to the taxpayers.

He assured his support to the institution in the discharge of its duties and functions.

Federal Tax Ombudsman Mushtaq Ahmad Sukhera presented report on performance of FTO office during 2019 along with comparative figures of last five years, which showed significant growth in almost all measurable indicators of performance from 2015 to 2019.

President Arif Alvi was apprised that sanction and payment of stuck up tax refunds of Rs. 5864.94

million were facilitated to the taxpayers and 82.59% recommendations made by the FTO Office were implemented by FBR and its subordinate officers during 2019. He apprised the president that the majority of the taxpayers' complaints were about grievances in the assessment processes which was not the FTO's mandate.

However, improvement in the law of FTO office would empower it to look into such matters.

The Federal Tax Ombudsman reported that during 2019, FTO office received 2510 fresh complaints and 202 own motion cases involving huge revenue and glaring maladministration, were registered.

After adding 458 complaints carried over from previous year and some inspection report based cognizance, all registered cases totalled to 3171.

Out of these, 2633 complaints were disposed of during the year 2019, compared to 1880 complaints redressed during the calendar year 2018.



Tax Amnesty Scheme (Assets Declaration Ordinance 2019): FTO's ruling gives relief to 12,000 taxpayers

ISLAMABAD: Federal Tax Ombudsman (FTO) has issued a judgment to give relief to 12,000 taxpayers who had deposited Rs2.6 billion tax under the Tax Amnesty Scheme (Assets Declaration Ordinance 2019) but unable to upload their declarations on the last date due to failure of the FBR's online system. The FTO recommendation states that almost a year has elapsed but FBR has taken no measure to address grievances of the aggrieved taxpayers despite the fact that FBR has been well aware of the failure of the system, thus 12,000 taxpayers suffered because of the inadequate arrangements made by the FBR to address the expected load on its online system.

The FBR had contended in its reply to the FTO that filing of declaration of assets was a prerequisite for availing the scheme and not the payment of tax

and FBR's online system was fully functional, and the complainants never accessed the FBR website. However, FBR also contended that there was pressure on the system.

During the hearing, the president of Pakistan Tax Bar Association (PTBA) contended that FBR's online system was non-responsive and choked and this fact has been confirmed by then FBR chairman Shabbar Zaidi statement on electronic media. PTBA contended that FBR's contention and data regarding no fault in the system is not reliable as the declaration portal, being the first step to reach on the FBR's website was denied due to load of the system. PTBA provided to FTO the screenshots of the unavailability of access to the online system, which they had also provided to FBR a day after the last date.

FTO observed that since the FBR has failed to ensure smooth functioning of

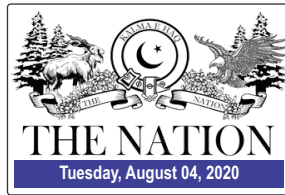
its online system to facilitate the prospective declarants who asserted that depositing of tax on their part was their bona-fide act that they actually intended to avail the amnesty scheme, therefore, it amounts to incompetence and inefficiency, on part of the FBR officials. The purpose of Tax Amnesty Scheme was to create the culture of documented economy, economic revival and tax compliance but non-responsiveness of the FBR's e-portal deprived the declarants to avail the scheme, FTO added.

FTO report states that FBR had realised its fault in handling the situation and surreptitiously allowed the extension in time for submitting declaration that was against the provisions of the ordinance and contention of the FBR that uploading of the declaration was a prerequisite for availing of the scheme,

does not carry weight particularly when Section 10 of the Ordinance, provided that deposit of such tax shall neither refundable nor adjustable. The FBR officials failed to appreciate the provisions of the ordinance.

The FTO has recommended the FBR to make arrangements and facilitate the filing of declarations in respect of all the aggrieved persons by invoking the provisions of Section 17 of the Income Tax Ordinance; update the IT system of the FBR which requires thorough review and efficient improvement and report compliance within 45 days.

According to the findings of the FTO, inefficiency, negligence and incompetence of the Department officials in designing the system, making adequate arrangements and failure to give full effect to the provisions of the Ordinance does amount to maladministration.



Federal Tax Ombudsman visits head office of PRAL

ISLAMABAD:- Federal Tax Ombudsman Mushtaq Ahmad Sukhera has termed the understanding of the tax laws while developing an integrated information system for taxation as vital.

Federal Tax Ombudsman made these remarks while visiting the head office of Pakistan Revenue Automation (Pvt) Ltd (PRAL) where he held a meeting with CEO PRAL Muhammad Gohar Ahmed Khan and his team. Senior advisors of Federal Tax Ombudsman Secretariat and FBR officials were also present on the occasion.

GM PRAL gave Federal Tax Ombudsman introduction about the setup and performance of PRAL, however interjections were made by different members of the team whenever an occasion arose. He explained about the modules, which were completed, and under process in WEBOC. The GM PRAL also explained the issues relating to the rollback and PRAL processing in carrying forward issues in FASTER system. On the question of load bearing capacity of the system during the peak days of the filing of the returns,

PRAL management informed that they had upgraded the hardware, which is now capable of handling pressure of work at any peak hour.

On the Refund Management System, the Federal Tax Ombudsman discussed with them the issues found out during the investigation relating to the smuggling of mis-declared items from the green channel. He advised the PRAL to

help FBR in specifying better risk parameters.

Similarly, in the IRIS module, the Federal Tax Ombudsman apprised the PRAL about the shortcomings of monitoring and reporting system of Commissioner Appeals. On the subject of registration and broadening of Tax base, the Federal Tax Ombudsman gave his input for adopting more verification measures and seeking help from the data by WAPDA and Sui gas authorities, to identify the potential taxpayers.

He appreciated the work done in constant update of end-to-end automation in FASTER module of refunds, specially the response to the taxpayers through SMS.

The Federal Tax Ombudsman emphasized on integration of data sources and various modules used by FBR.

He shared with participants examples of number of successful investigations where due to some deficiencies in the, big scams were unearthed. He particularly focused on the issues relating to the flaw in system and design for Tax amnesty scheme. Federal Tax Ombudsman urged the PRAL team to be more vigilant and proactive while designing the system to eradicate tax evasion and other malpractices.

He emphasized that system should be able to identify taxpayers so that the tax base is broadened for realization of full revenue potential.



ٹیکس کیلئے ایک مربوط انفارمیشن سسٹم تیار کرنا ہوگا: مشتاق سکھیرا

وفاقی ٹیکس محتسب کا پاکستان ریونیو اتھارٹی میں لمیٹڈ کے ہیڈ آفس کا دورہ، جی ایم کی بریفنگ

اسلام آباد (دنیا رپورٹ) وفاقی ٹیکس محتسب مشتاق احمد سکھیرا نے کہا کہ ٹیکس کیلئے ایک مربوط انفارمیشن سسٹم تیار کرنا ہوگا، ان خیالات کا اظہار انہوں نے پاکستان ریونیو اتھارٹی میں (پرائیویٹ) لمیٹڈ (پرائیویٹ) کے ہیڈ آفس کے دورہ کے موقع پر گفتگو کرتے ہوئے کیا۔ سی ای او پرائیویٹ محمد غور احمد خان نے اپنی ٹیم کے ہمراہ اجلاس کی میزبانی کی۔ جنرل منیجر پرائیویٹ نے وفاقی ٹیکس محتسب کو کارکردگی سے آگاہ کیا۔ ریفرن جمع کروانے کے آخری دنوں میں نظام کا بوجھ اٹھانے کی صلاحیت کے سوال پر پرائیویٹ نے انتظامیہ بتایا کہ انہوں نے ہارڈ ویئر کو اپ گریڈ کیا ہے۔ جو اب کسی بھی وقت کام کے دباؤ سے نمٹنے کے قابل ہے۔ وفاقی ٹیکس محتسب نے مکمل ٹیکس داہندگان کی شناخت کے لئے مزید تصدیق کے اقدامات اپنانے، واپڈا اور سوئی گیس حکام کے اعداد و شمار سے مدد لینے کے لئے اپنی تیار ویز شیز کیں۔ انہوں نے ایف بی آر کے ذریعے استعمال کردہ ڈیٹا کے ذرائع اور مختلف ماڈیولز کے انضمام پر زور دیا۔



FBR told to expedite 500 vehicles auction

KARACHI: The Federal Tax Ombudsman (FTO) has directed the Federal Board of Revenue (FBR) to expedite auction of around 500 non-cleared vehicles stranded at Karachi Port.

The vehicles have been imported under personal baggage, transfer of residence or gift schemes in violation of a statutory regulatory office (SRO) issued by the ministry of commerce.

According to Customs Act, if goods are not cleared from the port within 20 days of arrival, these should be removed from the port and sold in auction.

The FTO's order states: "Failing to

timely arrange auction of vehicles lying un-cleared prima facie is a systemic issue of maladministration and it appears that FBR had failed to put in place a system whereby vehicles cleared from the Port are not timely listed in the Auction Schedule."

The delay in auction would make most of these vehicles unserviceable due to rusting of bodies, running down of tyres and batteries, pilferage of parts, etc, besides creating congestion at the port.

After the FTO launched an investigation, the department concerned auctioned 167 vehicles but over 500 cars

are still awaiting auction.

It was also observed during the investigation that a small number of so-called professional bidders regularly purchased a large number of vehicles and then sold these vehicles on a huge profit in the open market.

It was observed that 62 bidders purchased 167 vehicles auctioned from July to November, while 20 bidders purchased 117 vehicles.

The FTO order says that "perusal of data reflects that some bidders had frequently participated in auctions, thus, casting serious doubts on transparency of the auction

proceedings." The FBR has recently devised a new "online bidding procedure" to enable people to purchase goods digitally from the customs department. However, it has not yet been implemented as its E-Auction module is under development.

The FTO has recommended to the FBR to ensure the examining of the proposal pertaining to developing of an E-Auction module to expedite disposal of un-cleared consignments.

The FBR has also been recommended to ensure the implementation of the E-Auction Rules notified on Oct 26.

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FTO takes action against delay in refunds under FASTER

ISLAMABAD: The Federal Tax Ombudsman (FTO) has taken prompt action on hundreds of complaints filed by exporters against the delay in payment of sales tax refunds under the Fully Automated Sales Tax e-Refund System (FASTER).

Sources told Business Recorder that the Federal Board of Revenue (FBR) had received recommendations of the FTO Office in a large number of complaints to pay admissible amount of refunds to the exporters, who had duly filed annexure-H form (stock statement) with sales tax return forms. Out of total complaints filed by the exporters with the FTO, around 70-80 percent were related to sales tax.

The FBR has also received instructions from the FTO Office to submit the compliance report within 45 days period, they added. The exporters have lauded the efforts of the FTO Office on taking prompt action in issuing appropriate orders to the FBR.

The exporters of five leading sectors were required to submit annexure-H form (stock statement) with sales tax return for receiving sales tax refunds into their bank accounts within 72 hours under the FASTER system, but due to delay in payments, the exporters approached the FTO for redressal of their grievances.

When FASTER was launched, the FBR claimed that refunds under the FASTER would be paid without any human intervention. The FASTER system is so fast that the refund payment order would be generated without approval of the Chief CASTRO, said the FBR chief Sales Tax and Federal Excise (Policy).

The exporters would themselves declare about the taxable purchases and actual consumption of input goods used in exports under the stock statement to be filed under annexure-H of the sales tax monthly return. The process of filing of sales tax claim (with

annexure - H) and credit of the verified amount into the exporters' bank account would take 72 hours. The experience of the FBR with the State Bank of Pakistan (SBP) shows that the SBP credits the amount into the exporters account within 24 hours of the issuance of advice by the FBR.

The sales and purchase description have to be streamlined through description matching, the FBR officials said when the system was launched. The FBR is optimistic that the refund amount may be credited even less than 72 hours into the exporters' bank account in the future. The FBR claimed that it had fulfilled the promise of the business community for speedy payments of refunds under the new system. After withdrawal of the sales tax zero-rating facility on local sales, the major apprehension of the business community was timely payment of refunds. The issue has been timely addressed through implementation of

the FASTER system.

As soon as refund claimant files annexure-H (stock statement) with the return, the FBR will consider that the claim has been duly submitted and start processing of refund claims through the FASTER system, and the verified amount of claims would be credited directly into the exporters' account within 72 hours, the senior sales tax official stated.

The FBR has also chalked out the "internal risk-based parameters", which would be applied on refund claims. The FBR said that the data provided in the monthly return would be treated as data in support of refund claim, and no separate electronic data would be required to be provided.

The amount specified in column 29 of the return, as prescribed in the form STR-7, will be considered as amount claimed, once the return has been submitted along with all prescribed annexes thereof, the FBR officials added.

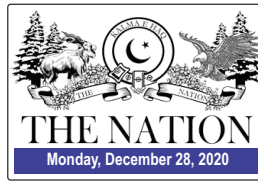
FTO directs FBR to expedite auction of non-cleared vehicles at Karachi Port

Islamabad-Federal Tax Ombudsman (FTO) has directed FBR to expedite the auction of substantial number of non-cleared stranded vehicles at Karachi Port which were imported in violation of SRO issued by the Ministry of Commerce. The subject vehicles were imported under Personal Baggage, Transfer of Residence or under Gift Schemes. According to Customs Act, if goods are not cleared from the Port within twenty days of arrival these should be removed from the port and sold in auction.

Federal Tax Ombudsman's Own Motion decision states that failing to timely arrange auction of vehicles lying un-cleared prima facie is a systemic issue of maladministration and it appears that FBR had failed to put in place a system whereby vehicles cleared from the Port are not timely listed in the Auction Schedule. Delay in auction would make most of these vehicles unserviceable due to rusting of bodies, running down of

tires and batteries, pilferage of parts etc besides creating congestion at Ports. Subsequent to the initiation of Own Motion investigation, the concerned department auctioned one hundred sixty seven (167) vehicles and pursued the verification of Proceed Realisation Certificate (PRC). However, over 500 cars are still awaiting auction. It was also observed during Own motion investigation that a small number of so-called professional bidders purchased large number of vehicles regularly and then sell the same on huge profit in the open market. It was observed that 62 bidders purchased 167 vehicles auctioned during the period from July to November 2020, while 20 bidders purchased 117 vehicles. Perusal of data reflects that some bidders had frequently participated in auctions, thus, casting serious doubts on transparency of the auction proceedings. FBR had recently devised new "online

bidding procedure" to purchase goods digitally from Customs Dept. However, it has not yet been implemented due to E-Auction module being under development. In this regard, Federal Tax Ombudsman has recommended FBR to ensure the examining of the proposal pertaining to developing of an E-Auction module under the WeBOC software to expedite disposal of un-cleared consignments. FBR has been further recommended to ensure the implementation of the E-Auction Rules notified vide SRO 1174(I)/2020 dated 26.10.2020. FTO office has recommended FBR to ensure the availability of the data relating to bidders who participated in auctions on regular basis and sharing it with the respective IRS field formations. It is expected that after implementation of E-Auction module, the goods ripe for auction would be disposed off without delays. The mafia of professional bidders would be addressed.



FBR درآمدی گاڑیوں کی نیلامی بہتر بنائے: وفاقی ٹیکس محتسب

لاہور (نمائندہ ایکسپریس) وفاقی ٹیکس محتسب (ایف ٹی او) مشتاق احمد سکھیرا نے ایف ٹی او کی روایت کی ہے کہ وہ کراچی پورٹ پر ان کیلئے ڈیپنسی گاڑیوں کی نیلامی کے نظام میں بہتری لائے جو وزارت تجارت کے جاری کردہ ایس آر او کی خلاف ورزی کرتے ہوئے درآمد کی گئیں۔ یہ گاڑیاں ذاتی سامان، رہائش گاہ کی منتقلی یا ٹرانسپورٹ کے تحت درآمد کی گئیں۔ کسٹمر ایکٹ کے مطابق اگر سامان آنے سے بیس دن کے اندر پورٹ سے کلیئر نہیں ہوتا تو اسے بندرگاہ سے ہٹا کر نیلامی میں فروخت کرنا چاہیے۔



بندرگاہ پر کلیئر نہ ہونے والی گاڑیوں کی نیلامی کا نظام بہتر کر دیا حکم

بروقت نیلامی میں ناکامی کا مسئلہ ہے۔ وفاقی ٹیکس محتسب مشتاق احمد سکھیرا اسلام آباد (خصوصی بیورو رپورٹ) وفاقی ٹیکس محتسب مشتاق احمد سکھیرا نے ایف ٹی او کی روایت کی ہے کہ وہ کراچی پورٹ پر ان کیلئے ڈیپنسی گاڑیوں کی نیلامی کے نظام میں بہتری لائے جو وزارت تجارت کے جاری کردہ ایس آر او کی خلاف ورزی کرتے ہوئے درآمد کی گئیں۔ یہ گاڑیاں ذاتی سامان، رہائش گاہ کی منتقلی یا ٹرانسپورٹ کے تحت درآمد کی گئیں۔ کسٹمر ایکٹ کے مطابق اگر سامان آنے سے بیس دن کے اندر پورٹ سے کلیئر نہیں ہوتا تو اسے بندرگاہ سے ہٹا کر نیلامی میں فروخت کرنا چاہیے۔ وفاقی ٹیکس محتسب کے ان خود نوٹس کے تحت فیصلے میں کہا گیا کہ کلیئر نہ ہونے والے گاڑیوں کی نیلامی کا بروقت بندوبست کرنے میں ناکامی کا مسئلہ ہے اور ایسا ظاہر ہوتا ہے کہ ایف ٹی او ایک ایسا نظام وضع کرنے میں ناکام رہا جس کے تحت بندرگاہ سے کلیئر نہ ہونے والی گاڑیاں بروقت نیلامی کیلئے درج نہیں ہو پائیں۔ نیلامی میں تاخیر کے سبب گاڑیوں کے پارٹس کی زنگ آلودی، ٹائروں اور بھریوں کے خراب ہونے اور بندرگاہوں پر بھیڑ پیدا ہونے کے باعث زیادہ تر گاڑیاں ناقابل استعمال ہو جاتی ہیں



کراچی پورٹ پرانے کلیئرڈ گاڑیوں کی نیلامی کا نظام بہتر کریں، وفاقی ٹیکس

ذاتی سامان، رہائش گاہ کی منتقلی یا گفٹ سکیموں کے تحت درآمد گاڑیاں بیس دن میں کلیئر نہ ہوں تو نیلام ہونی چاہئے بروقت نیلامی میں ایف بی آر کی ناکامی بدعنوانی کا منظم ایشو، نظام درست کیا جائے: از خود نوٹس کے تحت فیصلہ

اسلام آباد (نئی بات رپورٹ) وفاقی ٹیکس محتسب مشتاق احمد سکھیرا نے ایف بی آر کو ہدایت کی ہے کہ وہ کراچی پورٹ پرانے کلیئرڈ گاڑیوں کی نیلامی کے نظام میں بہتری لائے جو وزارت تجارت کے جاری کردہ ایس آر او کی خلاف ورزی کرتے ہوئے درآمد کی گئیں۔ یہ گاڑیاں ذاتی سامان، رہائش گاہ کی منتقلی یا گفٹ اسکیموں کے تحت درآمد کی گئیں۔ کسٹمز ایکٹ کے مطابق، اگر سامان آنے سے بیس دن کے اندر پورٹ سے کلیئر نہیں ہوتا تو اسے بندرگاہ سے ہٹا کر نیلامی میں فروخت کرنا چاہئے۔ وفاقی ٹیکس محتسب کے از خود نوٹس کے تحت فیصلے میں کہا گیا ہے کہ ان کلیئرڈ گاڑیوں کی نیلامی کا بروقت بندوبست کرنے میں ناکامی بدعنوانی کا ایک سسٹمک مسئلہ ہے اور ایسا ظاہر ہوتا ہے کہ ایف بی آر ایک ایسا نظام وضع کرنے میں ناکام رہا ہے جس کے تحت بندرگاہ سے ان کلیئرڈ گاڑیاں بروقت نیلامی کے لئے درج نہیں ہو پاتیں۔ نیلامی میں تاخیر کے سبب گاڑیوں کے پارٹس کی زنگ آلودگی، ٹائروں اور میٹریوں کے خراب ہونے اور بندرگاہوں پر بھیڑ پیدا ہونے کے باعث زیادہ تر گاڑیاں ناقابل استعمال ہو جاتی ہیں۔



ٹیکس فراڈ کے مرتکب افراد کی خلاف بلاتا خیر کارروائی کا حکم

وفاقی ٹیکس محتسب نے ایف بی آر حکام کو ہدایت جاری کر دیں

کراچی (نیوز رپورٹر) وفاقی ٹیکس محتسب (ایف بی آر) کویشن کی کمی ہے۔ ان کویشن کو وفاقی ٹیکس محتسب نے مشتاق احمد سکھیرا نے ایف بی آر کو ہدایت کی ہے کہ وہ ٹیکس فراڈ کے مرتکب افراد کی خلاف بلاتا خیر کارروائی شروع کریں۔ ٹیکس پوری کے معاملے میں جرم نامہ اور تقریراتی کارروائیوں کا وفاقی ٹیکس محتسب نے ایف بی آر کو ہدایت کی ہے کہ جعلی آغاؤں کی تہم اہم ایسے جرم نامہ کی صرف سلائیٹس رجسٹریشن ریمڈر کے معاملات نمٹاتے ہوئے سلائیٹس ایکٹ 1990 کی دفعات 21 اور 37A کے بشمول، پاکستان پیٹریل کوئی رجسٹرڈ جعلی فلائنگ انوائس جاری کرنے کے جرم کا مرتکب ہو تو اسے بلاک کر دیا جائے اور "مناسب قانونی کارروائی" سے مراد کارروائی کی جائے۔ "مناسب قانونی کارروائی" سے مراد ایف بی آر آئی بیڈ فارمیٹوں کے ذریعہ ہونے والی پشلیٹنگوں کی قطعاً رجسٹریشن کا کارروائی صرف ایک کے تحت سلائیٹ اقدامات تحقیقات کے دوران مشاہدہ کیا گیا جعلی سلائیٹس انوائس جاری کرنے کے لئے فراڈ میں ملوث اداروں نے سلائیٹس کی رجسٹریشن اس طرح کی ہے کہ ایف بی آر کے استعمال سے جعلی رجسٹریشن کی تیار اور حاصل کی تاکہ دوسرے رجسٹرڈ افراد کو بوس قوم ریفرنڈ ہو سکے اور اس کے بعد ٹیکس (liability tax) کو کم کیا جاسکے۔ ایف بی آر کے نوٹس پر متعلقہ محکمہ نے وضاحت دی کہ جعلی اور فائنگ انوائس پر چھٹک ریفرنڈز اور جعلی سلائیٹس کی رجسٹریشن کی اجرا کا معاملہ سال 2012 سے 2015 کے دوران غیر معمولی تھا تاہم اب ایسے معاملات سے نمٹنے کی 21 دفعات کے خلاف ہیں۔



بندرگاہ پر کلیئر نہ ہونے والی گاڑیوں کی نیلامی کا نظام بہتر کریں، حکم

بروقت نیلامی میں ناکامی بدعنوانی کا مسئلہ ہے: وفاقی ٹیکس محتسب مشتاق احمد سکھیرا

اسلام آباد (خصوصی نیوز رپورٹر) وفاقی ٹیکس محتسب مشتاق احمد سکھیرا نے ایف بی آر کو ہدایت کی ہے کہ وہ کراچی پورٹ پرانے کلیئرڈ گاڑیوں کی نیلامی کے نظام میں بہتری لائے جو وزارت تجارت کے جاری کردہ ایس آر او کی خلاف ورزی کرتے ہوئے درآمد کی گئیں۔ یہ گاڑیاں ذاتی سامان، رہائش گاہ کی منتقلی یا گفٹ سکیموں کے تحت درآمد کی گئیں۔ کسٹمز ایکٹ کے مطابق، اگر سامان آنے سے بیس دن کے اندر پورٹ سے کلیئر نہیں ہوتا تو اسے بندرگاہ سے ہٹا کر نیلامی میں فروخت کرنا چاہئے۔ وفاقی ٹیکس محتسب کے از خود نوٹس کے تحت فیصلے میں کہا گیا کہ کلیئر نہ ہونے والی گاڑیوں کی نیلامی کا بروقت بندوبست کرنے میں ناکامی بدعنوانی کا مسئلہ ہے اور ایسا ظاہر ہوتا ہے کہ ایف بی آر ایک ایسا نظام وضع کرنے میں ناکام رہا ہے جس کے تحت بندرگاہ سے ان کلیئرڈ گاڑیاں بروقت نیلامی کے لئے درج نہیں ہو پاتیں۔ نیلامی میں تاخیر کے سبب گاڑیوں کے پارٹس کی زنگ آلودگی، ٹائروں اور میٹریوں کے خراب ہونے اور بندرگاہوں پر بھیڑ پیدا ہونے کے باعث زیادہ تر گاڑیاں ناقابل استعمال ہو جاتی ہیں۔

Chapter 11

COMPLAINT FILING PROCEDURE



COMPLAINT FILING PROCEDURE

The complaint filing procedure is very simple. Complaint can be filed personally or through courier service, email, online, Android Application (Wafaqi Tax Mohtasib) and fax. Complainant may file a complaint on Form "A" available free of cost in the Head office and Regional offices and website [www.fto.gov.pk]. HYPERLINK "<http://www.fto.gov.pk/>". Form "A" also contains the solemn affirmation of the complainant for the following:

1. That previously no complaint on the subject was filed;
2. That a Representation to a senior officer of the Revenue Division or any of its Collectorates/RTOs in respect of the allegations contained in the complaint was filed, but either or no reply thereto was given within a reasonable time or the application was unjustly turned down; or
3. No representation was filed.
4. That the matter is not subjudice before any court of competent jurisdiction, tribunal, board or authority.

The jurisdiction of the Head office and Regional offices is specified in the Schedule of FTO Investigation and Disposal of Complaints Regulations, 2001. The FTO may direct that a complaint falling within the territorial jurisdiction of one Regional office be investigated at any other Regional office, or the Head office.

The complainant is assisted in filing the complaint by the FTO staff, if such assistance is requested.

Online Filing of Complaints:

The procedure for filing and tracking online complaints is as under:

- Open FTO website www.fto.gov.pk;
- Click on Online Complaint System;
- Click on File a New Complaint or Track Already Filed Complaint;
- Fill in the required fields/data and click on Save button;

Online Filing of Complaints through Android Application:

The procedure for filing and tracking online complaints is as under:

- Search “ Wafaqi Tax Mohtasib(FTO) Mobile App in play Store.
- Install “Wafaqi Tax Mohtasib(FTO) Mobile App.
- Click on File a New Complaint or Track Already Filed Complaint.

Who Can File A Complaint?

Any person aggrieved by maladministration of any functionary of the Revenue Division/FBR may file a complaint. Definition of maladministration has been provided in section 2(3) of the Establishment of the Office of Federal Tax Ombudsman Ordinance, 2000, according to which “maladministration” includes,–

1. a decision, process recommendation, act of omission or commission which;
 - a. is contrary to law, rules or regulations or is a departure from established practice or procedure, unless it is bona fide and for valid reasons; is perverse, arbitrary or unreasonable, unjust, biased, oppressive, or discriminatory;
 - b. is based on irrelevant grounds; or
 - c. involves the exercise of powers, or the failure or refusal to do so, for corrupt or improper motives, such as bribery, jobbery, favouritism, nepotism, and administrative excesses;
2. neglect, inattention, delay, incompetence, inefficiency and ineptitude, in the administration or discharge of duties and responsibilities;
3. repeated notices, unnecessary attendance or prolonged hearings while deciding cases involving –
 - d. assessment of income or wealth;
 - e. determination of liability of tax or duty;
 - f. classification or valuation of goods;
 - g. settlement of claims of refund, rebate or duty drawback; or
 - h. determination of fiscal and tax concessions or exemptions;
4. willful errors in the determination of refunds, rebates or duty drawbacks;
5. deliberate withholding or non-payment of refunds, rebates or duty drawbacks already determined by the competent authority;

6. coercive methods of tax recovery in cases where default in payment of tax or duty is not apparent from record; and
7. avoidance of disciplinary action against an officer or official whose
8. order of assessment or valuation is held by a competent appellate authority to be vindictive, capricious, biased or patently illegal.

Cognizance can also be taken by the FTO on receipt of reference from the:

1. Hon'ble President of Pakistan;	2. Senate;
3. Hon'ble Supreme Court of Pakistan;	4. National Assembly;
5. Hon'ble High Courts; and	6. Own Motion.

Geographical Locations for Hearing of Complaints:

Complaints are heard at the FTO HQ at Islamabad, Regional offices at Karachi, Lahore, Gujranwala, Multan, Faisalabad, Quetta, and Peshawar. The same can be heard through video link as well.

Acknowledgement of Complaints:

All the complaints are promptly acknowledged by the FTO HQs and its Regional offices online, by email, by courier service or by hand, as the case may be. The deficiencies of requisite documents, if any, are intimated to the complainants. Para-wise comments of the FBR or its field formations are obtained and forwarded to the complainant to enable him to file rejoinder and prepare his case. During hearing of the complaint, fair opportunity is provided to the complainant as well as the agency, so that the complaint could be disposed of in the light of laws, rules and regulations and no injustice is done to either side.

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Mr. Tariq Ahad Nawaz
(Advisor, Research)



Mr. Arshad Mehmood Cheema
(Advisor / Registrar)



Mr. Ikhtlaq Ahmed
(Deputy Director, Registration)



Mr. Mukhtar Hussain
(Deputy Director, Monitoring)



Ms. Sana Noor
(Assistant Advisor, Personnel)



Ms. Zoyina Ali Pasha
(Assistant Advisor, Research)

YOU CAN REACH US



<https://www.facebook.com/ftopakistan>



<https://twitter.com/TaxOmbudsman>



Wafaqi Tax Mohtasib (FTO) Mobile App



03340544460



info@fto.gov.pk



<http://www.fto.gov.pk>

CONTACT ADDRESSES



5-A, Constitution Avenue, Islamabad

فیدرل ٹیکس مختص سیکرٹریٹ ہیڈ کوارٹر اسلام آباد: 5-A کانسٹیٹیوشن ایوینیو، اسلام آباد

Tel: 051-9212316, 9217767, Fax: 051-9205553

E-mail: info@fto.gov.pk Web: www.fto.gov.pk



Regional Office Karachi

4th Floor, Shaheen Complex, M.R Kayani Road, Karachi.

ریجنل آفس کراچی: چوتھی منزل، شاہین کمپلیکس، ایم آر کیانی روڈ، کراچی

Tel: 021-99213589-90, Fax: 021-99213583 E-mail: ftokhi@fto.gov.pk



Regional Office Lahore

Bungalow No.186-A Scotch Corner, Upper Mall, Lahore.

ریجنل آفس لاہور: ہنگہ نمبر: A-186 سکاچ کورنر اپر مال، لاہور

Tel: 042-99201894, Fax: 042-99201893 E-mail: ftolhr@fto.gov.pk



Regional Office Peshawar

House No. 9-A-B/2, Old Jamrud Lane, University Town, Peshawar.

ریجنل آفس پشاور: مکان نمبر: 9-A-بی، 2 اولڈ جمروڈ لین یونیورسٹی ٹاؤن پشاور

Tel: 091-9224200, Fax: 091-9224201 E-mail: adminpwr@fto.gov.pk



Regional Office Quetta

1st Floor, Mashriq Plaza Opposite FC HQ, Hali Road, Quetta.

ریجنل آفس کوئٹہ: پہلی منزل، مشرق پلازہ کے سامنے ایف سی ایچ او، ہال روڈ، کوئٹہ

Tel: 081-9202653, Fax: 081-9202841 E-mail: ftoqta@fto.gov.pk



Regional Office Faisalabad

House No. 35, Canal Park, East Canal Road, Faisalabad.

ریجنل آفس فیصل آباد: مکان نمبر: 35، کینال پارک، ایسٹ کینال روڈ، فیصل آباد

Tel: 041-9230241, Fax: 041-9230244 E-mail: ftofaisalabad@gmail.com



Regional Office Multan

House No.04, Street 06, Income Tax Colony, Bosan Road, Multan.

ریجنل آفس ملتان: مکان نمبر: 40، گلی نمبر: 06، انکم ٹیکس کالونی، بوسن روڈ، ملتان

Tel: 061-9330448, Fax: 061-9330449 E-mail: ftoMULTAN@gmail.com



Regional Office Gujranwala

House No.68, Climax Gaudam, G.T. Road, Gujranwala.

ریجنل آفس گوجرانوالہ: مکان نمبر: 68، کلکس گودام، جی ٹی روڈ، گوجرانوالہ

Tel: 055-9330589 Fax: 055-9330589 E-mail: fto.gwl@gmail.com

کی بابت ٹیکس گزاروں کے مسائل کا حل اور سنگٹ روکنا شامل ہیں۔ ہمارا ارادہ ہے کہ ہم دیگر اہم بدانتظامی میں بھی از خود نوٹسوں کا زیادہ استعمال کریں۔

ج۔ ایف بی آر میں تساہل اور بدعنوانی کے فروغ کی ایک وجہ سینئر آفیسرز کا ماتحت عملے کے دفاتر کا معائنہ نہ کرنا بھی ہے۔ ہم ایف بی آر کی توجہ بھی اس طرف مبذول کروا چکے ہیں۔ تاہم اب ہمارا ارادہ ہے کہ ہم خود بھی ایسے دفاتر کا معائنہ کریں جہاں بدعنوانی کی شکایات عام ہوں۔ ہم اس ضمن میں 2019 اور 2020 میں کچھ انسپکشن کر چکے ہیں اور اب ہمارا ارادہ یہ ہے کہ ہم 2021 میں زیادہ سے زیادہ انسپکشن کریں۔

د۔ ہم تحقیق اور تجزیے کا کام جاری رکھیں گے اور حسب معمول ایف بی آر کو Issue Systemic کی نشاندہی بھی کرتے رہیں گے۔

ہ۔ فیصلوں کی وقعت تب ہی ہوتی ہے جب ان پر عملدرآمد بھی ہو۔ اس ضمن میں ہم نے 2020 میں کافی توانائی صرف کی ہے۔ ہم عملدرآمد کی شرح کو 87.20% کی سطح پر لاپچکے ہیں۔ ہماری کوشش ہوگی کہ 2021 میں اس شرح میں مزید بہتری لائی جائے۔

و۔ کمپیوٹر اور میڈیا کا میدان بہت وسیع ہے۔ ہم کوشش کریں گے کہ اس سعی میں مزید جدت اور تنوع متعارف کرائیں۔

ز۔ ہم عوام تک رسائی کی مہم میں ایک بار پھر زیادہ فعال کردار ادا کریں گے۔

7- وفاقی ٹیکس محتسب کا نظام اندراج شکایات و دادرسی

ا۔ شکایت درج کرنے کا طریقہ نہایت سہل ہے۔ شکایت، بذریعہ خط، ای میل، آن لائن یا فیکس کی صورت میں فارم ”A“ پر درج کرائی جاسکتی ہے۔ سمارٹ فون پر Registration Complaint FTO کی سہولت مہیا ہونے کے بعد موبائل فون سے بھی شکایت درج کرائی جاسکے گی۔ شکایت ہر وہ شخص یا اس کا باقاعدہ نمائندہ دائر کر سکتا ہے، جسے ایف بی آر کے کسی بھی ملازم کے خلاف اپنے ساتھ کی گئی بدانتظامی یا بدعنوانی کی شکایت ہو۔

ب۔ شکایت کے ساتھ بیان حلفی دینا ضروری ہے کہ اس سے پہلے اس موضوع پر کوئی شکایت درج نہیں کرائی گئی۔ اور یہ کہ کسی شکایت پر ایف بی آر نے خود اب تک کوئی کارروائی نہیں کی۔ مزید برآں یہ کہ یہ معاملہ کسی مجاز عدالت میں بھی زیر غور نہیں ہے۔

ج۔ شکایات کی وصولی کی فوری رسید جاری کی جاتی ہے۔ شکایت پر ایف بی آر سے رپورٹ منگوائی جاتی ہے۔ جس کی نقل، شکایت کنندہ کو فراہم کرنے کے بعد مزید جوابات کی روشنی میں فریقین کو سماعت کے لئے بلوایا جاتا ہے۔ اور قانون قاعدے کے مطابق شکایت کے ازالے کے لیے مناسب سفارشات جاری کی جاتی ہیں۔

مشاق احمد سکھیرا
وفاقی ٹیکس محتسب

وفاقی ٹیکس محتسب صاحب نے بذات خود بھی اس مہم میں حصہ لیا۔ انہوں نے ICC&I اور PRAL کے ہیڈ کوارٹر کا دورہ کیا اور ایف بی آر کے اعلیٰ عہدیداروں، ٹیکس گزاروں، تجارت کے نمائندہ گان اور وکلاء برادری کے نمائندوں سے کئی ملاقاتیں کیں۔

4۔ سفارشات

1۔ نظام کی بہتری کے لیے تجاویز

ا۔ ایف بی آر کو ٹیکس نظام کی بہتری کے لیے کئی تجاویز بھیجی گئیں۔ یہ تجاویز تحقیق، صنعت و تجارت کے نمائندوں سے ملاقاتوں اور شکایات کے تجزیے کے بعد خاصی سوچ بچار کے بعد ٹھوس بنیادوں پر مبنی تھیں۔ ان میں ایف بی آر کے ملازمین کی تربیت سے لیکر تبادلوں، ترقیوں اور دیانتداری پر زور شامل تھا۔

ب۔ Technology Information اور کمپیوٹرائزیشن میں بہتری کی تجاویز کے علاوہ ٹیکس چوری روکنے اور ٹیکس گزاروں کی تعداد میں اضافے کے لئے نگہداشت (monitoring) کی اہمیت کو اجاگر کیا گیا۔

ج۔ ٹیکس ریٹرنز کی ساخت اور فائل کرنے میں سہولت سے لیکر ٹیکس گزاروں کے حقوق کے قوانین وضع کرنے کے مشورے دیے گئے۔

د۔ ریفرنڈ کے معاملات کو خوش اسلوبی اور فوری طور پر نمٹانے کے لئے تجاویز دی گئیں۔

ه۔ درآمدات میں دھوکہ دہی سے بچنے کے لیے مال چھڑوانے کے کمپیوٹر نظام میں بہتری کی تجاویز بھیجی گئیں اور سکلینگ مشینیں لگوانے پر زور دیا گیا۔

2۔ بجٹ تجاویز

ہر سال کی طرح 2020 میں بھی ایف بی آر کو کئی ایک بجٹ تجاویز بھیجی گئیں۔ یہ تجاویز ایڈوائزر صاحبان کے تجربے کی روشنی میں مرتب کی گئی تھیں۔ ان تجاویز کا مرکزی محور ٹیکس گزاروں کی سہولت کے ساتھ ساتھ ٹیکس سسٹم کو محکم کرنے کا عنصر بھی شامل تھا۔

5۔ ایڈوائزر کی کمیٹی

سال 2020 میں اسلام آباد میں مقیم ایڈوائزر کی کمیٹی کی میٹنگ بھی منعقد کی گئی شرکاء میں مختلف طبقہ مہارت کے لوگ شامل تھے۔ جنہوں نے کئی قابل قدر تجاویز دیں۔ بعد میں ان میں سے کئی ایک تجاویز کو ایف بی آر بھی بھجوائی گئیں۔

6۔ سال 2021 کے اہداف

پچھلے سال کی طرح ہم نے سال 2021 کیلئے بھی بصیرت افروز اہداف طے کیے ہیں۔ جن کے چیدہ چیدہ خدوخال درج ذیل ہیں۔

ا۔ شکایات کے ازالے کے لیے قانون کے تحت 60 دن کی مدت دستیاب ہے۔ ہم 2020 میں کورونا کے باوجود اس مدت کو اوسطاً 48 ایام کار پر لا چکے ہیں ہمارا اگلا ہدف اس مدت کو مزید کم کرنے اور لوگوں کو اس ادارے کی طرف زیادہ تعداد میں راغب کرنا ہے۔

ب۔ ہم نے بہت سے اہم از خود نوٹس لیے ہیں۔ ان کی وجہ زرعی ٹیکس کی آڑ میں انکم ٹیکس کی چوری، ایف بی آر کے کمپیوٹر سسٹم میں نقص کے باعث ایمنسٹی اسکیم

مجموعی کارکردگی: 2020 کے دوران ہماری کارکردگی کے چیدہ چیدہ نکات حسب ذیل درج ہیں:-

1- تحقیق اور تجزیے

شکایات کے تجزیے سے یہ بات سامنے آئی ہے کہ لوگوں کے زیادہ تر مسائل انکم ٹیکس سے تعلق ہیں، اور ان میں بھی ریفرنڈا اہم ترین مسئلہ ہے۔ سیلز ٹیکس کے ضمن میں بھی ریفرنڈا کا مسئلہ نمایاں ہے۔ وفاقی ٹیکس محتسب کی طرف سے ایف بی آر کو ان مسائل پر نہ صرف انفرادی فیصلوں میں بلکہ عمومی سفارشات کی صورت میں بھی مناسب ہدایات اور رہنمائی فراہم کی جاتی رہی ہے۔

2- ادارہ سازی

2020 میں ہماری توجہ صرف شکایات کی ازالے تک محدود نہیں رہی ہیں، بلکہ ہم نے ادارے کو مضبوط بنیادوں پر استوار کرنے کے لیے کئی اقدامات بھی کئے۔ ان میں سے چند اہم اقدامات کا اجمالی ذکر درج ذیل ہے۔

ا۔ ادارے کی اہمیت اجاگر کرنے کے لئے پرنٹ اور الیکٹرانک میڈیا کے استعمال پر زور دیا گیا۔ ادارے میں ہونے والے کام کے بارے میں آگاہی کے لیے سہ ماہی Letter News-E کا اجرا جاری رکھا گیا۔ اس کے علاوہ book Facein, Linked اور Wikipedia پر وفاقی ٹیکس محتسب کے ادارے کا تعارف کرایا گیا۔

ب۔ عوام تک رسائی کے لیے SMS سروس جاری رکھی گئی۔

پ۔ شکایات کے اندراج، اور انکی Tracking کے لئے Application Phone Mobile کا استعمال شروع ہو گیا ہے، جو ہر قسم کے اینڈ رائیڈ سمارٹ فون پر دستیاب ہے۔

ج۔ ویڈیو کانفرنسنگ کو موثر طور پر استعمال کیا گیا۔ شکایات کی شنوائی سے لیکر دفتری امور کے لیے میٹنگز تک، ہر جگہ ویڈیو کانفرنس کو نمایاں اہمیت حاصل رہی۔ ہر مہینے ایڈوائزر صاحبان سے ویڈیو کانفرنس کے ذریعے کارکردگی کا جائزہ لینے کی روایت جاری رکھی گئی۔

د۔ بہتر LAN work کے ذریعے دفتری امور اب کاغذی کارروائی کی بجائے بڑی حد تک کمپیوٹر پر ہی کئے جاتے ہیں۔

ہ۔ System Information Management Complaint کے ذریعے اب شکایات کے ازالے کے سارے مراحل، بذریعہ کمپیوٹر ہی ایک سے دوسری جگہ ترسیل کئے جاتے ہیں۔ گویا یہ ادارہ اب عملی طور پر Paperless ماحول میں کام کر رہا ہے۔

3- عوام تک رسائی

وفاقی ٹیکس محتسب اور انکے ایڈوائزرز نے سال بھر کو رونا کے باوجود، عوام تک رسائی کی بھرپور مہم چلائی۔ ایڈوائزرز نے پشاور، اسلام آباد، لاہور، گوجرانوالہ، فیصل آباد، ملتان اور کراچی میں مختلف جگہوں پر میٹنگز کیں اور حاضرین کو وفاقی ٹیکس محتسب کے قانون کا طریقہ کار اور دستیاب سہولیات سے آگاہ کیا گیا۔ انہیں شکایات کے ازالے کے لئے طریقہ کار بھی بتایا گیا۔

ریفنڈ کلیموں پر فیصلے/ ادائیگی (Millions Rs.)

5864.94	2019
8242.45	2020

شکایات کے ازالے کیلئے اوسط ایام

ایام		سال
کل ایام	ایام کار	
57.00 ایام	41 ایام	2019
68.43 ایام	48.1 ایام	2020

از خود کیسز

سال	تازہ کیسز	پچھلے سال سے زیر التوا کیسز	ٹوٹل	فیصلے	بقیہ
2019	202	174	376	224	152
2020	18	152	170	142	28

ایف بی آر کے دفاتر کی انسپکشنز

01	2019
01	2020

عوام تک رسائی اور آگاہی کے جلسے اور میٹنگز

87	2019
35	2020

تحقیق اور تجزیے کا کام

سال	رپورٹس	بجٹ کے لئے تجاویز	ٹیکس انتظامیہ کو بہتر بنانے کے لئے ایف بی آر کو بھیجی گئی سفارشات
2019	2	7	25
2020	1	13	35

شکایات پر کارروائی برائے ازالہ، مسترد شکایات، واپس لی گئیں شکایات

سال	ٹوٹل شکایات (تازہ + پچھلے سال کی بقیہ شکایات)	منظور کی گئی	مسترد کی گئی	واپس لی گئیں	ٹوٹل	بقیہ
2019	2794	1854	326	231	2411	383
2020	3715	2489	470	451	3410	305

سفارشات کی قبولیت کا تناسب

سال	نمٹائی گئیں شکایات	ایف بی آر اور شکایت دہندگان کے طرف سے قبول کیے گئے فیصلے	قبولیت کا تناسب
2019	2633	2473	93.92%
2020	3555	2845	80.03%

سفارشات پر اعتراضات/چیلنج

سال	نمٹائی گئیں شکایات	شکایات کو چیلنج کیا گیا		ٹوٹل	چیلنج کا تناسب
		برائے نظر ثانی	صدر پاکستان		
2019	2633	65	95	160	6.08%
2020	3555	93	617	710	19.97%

سفارشات پر عمل درآمد کا تناسب

سال	نمٹائی گئیں شکایات	قابل عمل سفارشات	سفارشات پر عمل درآمد	عمل درآمد کا تناسب
2019	2633	2281	1884	82.59%
2020	3555	2586	2255	87.20%

سال کے اختتام پر زیر التواء مقدمات کا تناسب

سال	نمٹائی گئیں شکایات	قابل عمل سفارشات	عمل درآمد کیلئے زیر التواء سفارشات	زیر التواء عمل درآمد کا تناسب
2019	2633	281	397	17.40%
2020	3555	2586	331	12.80%

وفاقی ٹیکس محتسب پاکستان

کارکردگی کی نمایاں جھلکیاں

تعارف

وفاقی ٹیکس محتسب کا ادارہ سال 2000ء میں وجود میں آیا تھا۔ اس ادارے کے قیام کا مقصد ٹیکس گزاروں اور عوام کو ایک ایسے نظام کی فراہمی تھی جس کے ذریعے ایف بی آر کے اہلکاروں کی بدانتظامی کے خلاف فوری اور بلاخرچ انصاف مہیا کیا جاسکے۔

پچھلے بیس سالوں میں یہ ادارہ اپنے فرائض کی انجام دہی میں کما حقہ کامیاب رہا ہے۔ اس ادارے کا مرکزی دفتر اسلام آباد میں ہے۔ جب کہ ذیلی دفاتر کراچی، کوئٹہ، ملتان، فیصل آباد، لاہور، گوجرانوالہ اور پشاور میں واقع ہیں۔

سال 2020ء کے دوران اس ادارے نے 3555 شکایات کا ازالہ کیا۔ اگرچہ فیصلہ کرنے کے لیے قانون کے تحت ساٹھ (60) دنوں کا وقت معین ہے۔ مگر اوسطاً ہمارے فیصلوں میں 48 ایام کار فی فیصلہ لگے۔

اس عرصے میں تقریباً 87.20% فیصلوں پر عمل درآمد بھی کروایا گیا۔

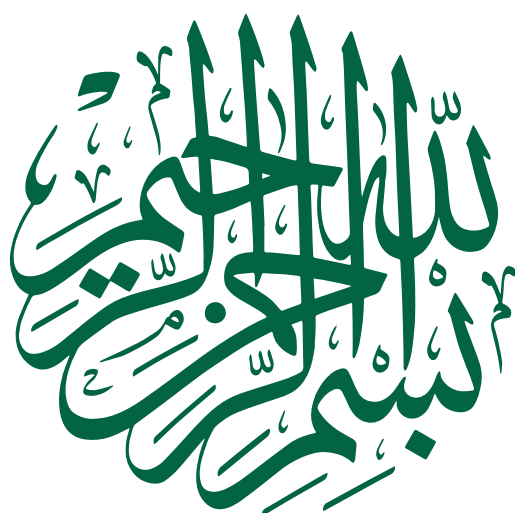
سنہ 2019 کے مقابلہ میں سنہ 2020 کے دوران وفاقی ٹیکس محتسب کے دفتر کی کارکردگی کی چیدہ چیدہ جھلکیاں ذیل میں دی گئیں ہیں۔

مجموعی جائزہ

سال	شکایات				ٹیکس دفاتر کا معائنہ	ٹوٹل	مقدمات نمٹائے گئے	بقیہ مقدمات
	تازہ شکایات	پچھلے سال کی بقایا شکایات	تازہ کیس	پچھلے سال کے بقایا کیس				
2019	2510	284	202	174	01	3171	2633	538
2020	3332	383	18	154	01	3888	3555	333

تحقیقات کے دوران اور اس کے بعد نمٹائی گئیں شکایات

سال	ٹوٹل شکایات (تازہ + پچھلے سال کی بقایا شکایات)	شکایات نمٹادی گئیں		بقیہ
		تفتیش کے دوران	تفتیش کے بعد	
2019	2794	723	1688	383
2020	3715	633	2777	305





وفاقی ٹیکس محتسب حکومت پاکستان

سالانہ رپورٹ 2020

5-A, Constitution Avenue Islamabad

Telephone: 051-9212316

Fax: 051-9205553

E-mail: info@fto.gov.pk

Web: www.fto.gov.pk

5-A شاہراہ دستور، اسلام آباد

فون: 051-9212316

فیکس: 051-9205553

ای میل: info@fto.gov.pk

ویب سائٹ: www.fto.gov.pk