



## FEDERAL TAX OMBUDSMAN SECRETARIAT

C.No.0012/OM/2021

Dated: 09-09-2021

To,

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

Copy of Findings/Recommendations in C.No.0012/OM/2021 is enclosed herewith for Publication.

  
(Arshad Mahmood Cheema)  
Registrar

Federal Tax Ombudsman Secretariat  
Islamabad  
051-9214348

Encl: As above  
Copy to:

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

**BEFORE  
THE FEDERAL TAX OMBUDSMAN  
ISLAMABAD**

**0012/OM/2021**

*Dated: 12.03.2021 R.O. Quetta*

The Secretary,  
Revenue Division,  
Islamabad.

... Respondent

Dealing Officer	:	Mr. Justice (R) M. Nadir Khan, Advisor
Appraisal Officer	:	Mr. Shahid Ahmad, Advisor
Departmental Representatives	:	
	i)	Mr. Irfan Javed, Collector, MCC Quetta.
	ii)	Mr. Malik Muhammad Ahmed, D.C Quetta.
	iii)	Mr. Amjad Hussain Rajpar, Deputy Director, Directorate I&I-Customs, Quetta.
	iv)	Syed Muhammad Raza, Deputy Director, Directorate I&I-Customs, Quetta.
	v)	Mr. Hamid Hussain, D.C, MCC, Gwadar.

**FINDINGS/RECOMMENDATIONS**

This is an own motion investigation initiated while exercising powers conferred under Section 9(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance), to investigate systematic maladministration of transportation of Non-Duty Paid (NDP) smuggled vehicles from Baluchistan to other provinces with fake registration numbers and fake letters showing the vehicles to be owned by the high officials/parliamentarians.

2. Responding to the notices under Section 10(4) of the FTO Ordinance read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013 the Collector, MCC, Quetta submitted that in pursuance of directions of the Federal Government as well as of the Hon'ble FTO, the Collectorate had impounded/confiscated 1510 NDP vehicles of different models and categories during the last two years, by putting extraneous efforts in coordination with other law enforcement agencies (LEAs).

\* Date of registration in FTO Secretariat

3. According to the Deptt, keeping in view the sensitivity of the issue, instructions had already been notified to all the check posts working under control of the Collectorate to be more vigilant and ensure that unscrupulous persons possessing NDP vehicles do not go unchecked on the strength of fake authority letters.

4. The Directorate of Intelligence & Investigation-Customs, Regional Office, Gaddani submitted comments admitting presence, use and movement of illegal vehicles in the porously bordered and law-and-order-wise sensitive Province of Baluchistan. However, the Directorate while refuting the allegation of maladministration submitted that although the Directorate do not have any check posts, however, through special efforts 114 NDP vehicles valuing Rs. 151.52 million, were seized during the period from July-2019 to June-2020 and 18 NDP vehicles valuing Rs.37.30 million, during the period from July, 2020 to March, 2021. The Directorate assured to further optimize its efforts to impound NDP vehicles by gathering more information from its intelligence and other sources.

7 5. The Collector, MCC, Gwadar contended that customs formations in the Province of Baluchistan were working in peculiar set of circumstances owing to its topography, socio- economic and socio-political conditions. The porous borders with Iran and Afghanistan made it difficult to enforce law, in its entirety and with the passage of time capacity of the Customs Department had not been enhanced in reciprocal proportions, rather it had depleted. Moreover, it was pointed out that due to shortage of human and other resources and capacity to clamp down smuggling with full-force, the Customs department was dependent on other LEAs, such as Pakistan Coast Guards, Frontier Constabulary and Levies etc, who have been delegated powers of anti-smuggling under the

Custom Act, 1969. However, 46 NDP vehicles were seized during the period July to March 2021 as compared to 13 NDP vehicles seized during the corresponding period of 2020.

6. The Deptt clarified that smuggling of NDP vehicles is carried-out from Afghanistan and the phenomenon is more specific to Quetta city falling within the jurisdiction of MCC (Enforcement & Compliance), Quetta. The jurisdiction of this Collectorate does not include areas bordering with Afghanistan. Therefore, the flow of non-duty paid vehicles in the areas under the Collectorate is reasonably low. There is no conspicuous passage of vehicles with Government number plates in the jurisdiction of the Collectorate. The Deptt proposed that in order to curb the menace of smuggling of NDP vehicles, inter alia, there is a dire need for centralized data warehousing through computerization of records for legal imports vis-a-vis subsequent registration of such vehicles with the Provincial Excise Motor Registration Authorities across the country. However, the Collectorate has issued directions to its field staff to intercept NDP vehicles with Government/parliamentarian number plates without fail.

7. The Directorate of Intelligence & Investigation Customs, Quetta apprised that the Directorate had launched crackdown against the menace of NDP vehicles. As a result of the ongoing operation, this Directorate had seized 105 NDP vehicles during July 2020 to February 2021, as compared 66 NDP vehicles seized during the period from July 2019 to June 2020.

8. The submissions made by the Deptt manifest that menace of smuggling of NDP vehicles is continuing and these vehicles are being plied all over Baluchistan. The data provided by the Deptt revealed that number of such vehicles are increasing and it is in

the common knowledge that large number of showrooms scattered all over the Province and particularly in superb of Quetta city are running illegal business of NDP/smuggled vehicles and vehicles with fake registration numbers and some even without any registration numbers especially luxury vehicles and are being openly plied in Quetta. Admittedly the route of smuggling of NDP vehicles is Baluchistan and these vehicles are transported to other provinces and evidently, the Collectorates as well as the Directorate have not been able to stop this business which is flourishing day by day in the Province. No serious and effective measures were taken including seeking assistance of other LEAs, who too had been mandated with anti-smuggling powers under the law.

**Recommendations:**

9. FBR to

- (i) direct all Collectorates of Customs to issue bar coded NOC for registration of an auctioned vehicle for a specific station only as per choice of the auction purchaser;
- (ii) the E-Auction Module developed by the Directorate General of R & A Customs and E-Auction Rules notified vide SRO No.1174(I)/2020 dated 26.10.2020, should immediately be operationalized at all Customs Collectorates/Directorates of Intelligence and Investigation through WeBOC; and
- (iii) direct Customs wing to electronically consolidate data of all vehicles auctioned by any Customs outfit and disseminate the same to all enforcement Collectorates for its effective utilization.
- (iv) report compliance within 45 days.

Dated: 24/8/2021  
Aakash/HUK/sattii

Certified to be True

  
Deputy Registrar  
FTO Secretariat  
Islamabad

(Mushtaq Ahmad Sukhera)  
Federal Tax Ombudsman