

THE FEDERAL TAX OMBUDSMAN ISLAMABAD

Complaint No.1595/LHR/FE/2023

Dated: 24.03.2023* HQs, Islamabad

Mr. Hamza Hafeez,

Email: hamzahafeez634@gmail.com

... Complainant

Versus

**The Secretary,
Revenue Division,
Islamabad.**

... Respondent

Dealing Officer	:	Dr. Arslan Subuctageen, Advisor
Appraisal Officer	:	Mr. Muhammad Nazim Saleem, Advisor
Authorized Representative	:	None
Departmental Representatives	:	Mr. M. Farooq, Dy. Director (POS-II), FBR Engr. Iftikhar Ali, CM-IR (Ops), PRAL Mr. M. Zaheer Ahmed, CTO, PRAL Mr. Mehboob-ur-Rehman, SM, PRAL Mr. Kashif Javaid, PRAL

FINDINGS/RECOMMENDATIONS

The complaint has been filed against the FBR, Islamabad, in terms of Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000, for sanction of POS lucky draw amount, won in October, 2022, through balloting No.10 dated 15.10.2022 of FBR's POS lucky draw prize, but payment has not yet been received.

2. The complaint was referred to Secretary, Revenue Division, Islamabad, for comments, in terms of Section 10(4) of the FTO Ordinance, read with Section 9(1) of the Federal Ombudsmen Institutional Reforms Act, 2013. In response, the Deputy Director (POS-II), FBR, Islamabad, vide letters dated 03.04.2023, 10.04.2023 and 11.04.2023. Chief Manager-IR (Ops), PRAL, Islamabad, vide letter dated 07.04.2023, submitted replies. The Deputy Director (POS), FBR, stated that the Complainant did not win any POS prize. The Chief Manager-IR (Ops), PRAL, Islamabad, vide its reply dated

07.04.2023, stated that the issue was due to temporary system bug, which has been fixed, and the prize winner status can be checked from FBR's website.

3. During hearing, DRs from FBR and PRAL appeared and stated that only iOS (I-phone) cell phone holders received the message from PRAL, however, Android (google) cell phone holders did not receive any such messages, as the software applicable on iOS and Android is separate and independent to each other. The DR from PRAL has requested for an adjournment for provision of further detail in the matter. which was accepted. During next hearing, DRs from FBR and PRAL appeared and explained the whole fiasco and pointed out that a system bug appeared on 27.03.2023, which started reflecting the screen image of one Ms. Nishwa Anwar, who was one of the bonafide POS Lucky Draw Prize winner was visible to any individual who would enter the POS, point of sale dashboard of Tax Asaan App which impacted various Complainants, however, these individuals did not won any prize nor did they enter any PIN nor they got any biometric verification done and nor even gave their IBAN. Chief Technology Officer, PRAL, Islamabad, vide letter dated 16.05.2023, submitted that the Complainant has not won the prize in any POS balloting but due to some technical error, he wrongly saw the mirror image of the screen of POS prize winner Ms. Nishwa Anwar, CNIC 33102-3796042-4, who is actually the prize winner. The complainant is actually an iOS user and some other iOS users of the Tax Asaan App have reported the same issue but none of them completed any required actions/steps like PIN verification, NADRA Biometric and provision of IBAN after getting the winning information, hence, there was no financial loss for the parties. The issue occurred in October, 2022, balloting and mentioned winners are not included in the winners list uploaded on FBR's official website. The issue was reported on 28.03.2023 and fixed on the same date. A proper inquiry was also conducted in this regard.

4. During investigation, it transpired that to a system bug appeared, which started reflecting the mirror image of screen of one of the winner i.e. Ms. Nishwa Anwar to any individual, who would enter the POS, point of sale dashboard of Tax Asaan App. This fact has been elaborated by the Chief Technology Officer, PRAL, in his reply reproduced as under:

Cases Summary	
Source	No. of Cases
CRM	59
Mail	13
Calls	19
Total	89
Cases Detail	
140+ cases received regarding POS Prize scheme (Overall) after 15.03.2023 to 12.05.2023	
Several mails received regarding POS Prize scheme (Overall) after 15.03.2023 to 12.05.2023	
250+ calls received regarding POS Prize scheme (Overall) after 15.03.2023 to 12.05.2023	
Reply	
"Regarding the subject matter, this was a System Bug, which was faced by a small number of iOS Tax Asaan users for a short period of time. This bug was fixed quickly as soon as it was reported. The system was running smoothly within a few hours. Please note that none of the Android users were affected by this bug at all. iOS Users contacting support were told about the fixture of bug and were advised to verify if his/her Name was included in the List of Winners of POS Prize Draw for the month of October 2022 which was made available on FBR Website after Prize Draw. In case the Name is not found in the mentioned list published on FBR's Website then he/she was not POS Prize Winner."	

The failure of the system impacted various Complainants, which needed a fact-findings inquiry, which has been conducted by PRAL and the inquiry report conducted by Mr. Mehboob-ur-Rehman, Senior Manager, PRAL, is reproduced below:

"Inquiry Report

Inquiry authorized by:

Name: Muhammad Zaheer Ahmed

Role: Chief Technology Officer (CTO), PRAL

Investigator:

Name: Mr. Mehboob-ur-Rehman

Role: Senior Manager (Development), PRAL

Inquiry initiation Date: May 12, 2023

• Background to the Inquiry:

This inquiry report pertains to the issue raised by Tax Asaan Users where while viewing Tax Asaan POS Prize Dashboard, App showed that the User have won

POS Prize worth Rs. 50,000 for the month of October 2022. User claimed that they have completed the due requisites for Prize Claim and FBR is not disbursing the prize money.

- **Inquiry Details:**

Inquiry was initiated by CTO, PRAL on the subject matter for fact finding, collection of related evidence/documents or other materials on how this all happened and what the reason behind this issue. It is noteworthy that the users effected were iOS users of Tax Asaan. None on the Android users of the same App were affected at all. Complainants shared the respective screenshots of Tax Asaan App. All the users claiming to win were related to POS Prize Draw that was held in October 2022.

- **Inquiry Process & Details:**

- 1- **Examination of the Complaints & attachments as shared by complainants:**

All the complaints were received to dev team on March 28, 2023, through Email and CRM system. Screenshot shared by complainant are attached in Annex-A.

- 2- **POS Prize Draw & Claim Process:**

App was started showing data of a Winner of October 2022 in last days of March 2023 to all any user, who opened POS Prize Draw Dashboard screen. As can be seen in Annex-A, List of Winners of each Prize draw is made available on FBR's Website for users.

Post Prize Draw Process for Prize Claims requires 3 pre-requisites as mentioned below:

- Verification of PIN code (PIN Code Sent to Prize Winner through SMS right after Prize Draw and is sent through separate App/Process. Tax Asaan do not send any message to Any User/Winner at all.)
- Biometric Verification of the Winner through NADRA e-Sahulat Centres. Please note that to claim POS Prize, user needs to get his biometric done under FBR Registration Category only. General Biometric verification is not acceptable at all. List of CNICs of Winners of a Prize draw is made available in FBR Database. When a user goes to e-Sahulat Centre for POS Prize Biometric process, e-Sahulat System inquires data of User CNIC from FBR/PRAL's database, if found, the reset of the biometric verification is performed, and verification receipt is issued to user. As mentioned, only the Data of POS Prize Winners is made available in System for Biometric verification. So only winners can proceed with Biometric verification.
- After Biometric verification is reflected back to FBR database, user needs to provide his/her Bank Account's IBAN Number in Tax Asaan App.
- After IBAN update, FBR team starts processing of Prize Amount disbursement.

- 3- **Examination of Application Code:**

Application code was examined to find out how and why this issue occurred. For this history of Code Version Control repository was examined which

revealed that app was showing data of POS Prize Winner who won prize worth Rs. 50,000 in October 2022. Particulars of this Winner are as under:

CNIC: 3310237960424

Name: NISHVA ANWAR

Cell No: 00923065585177

Screenshot of this user can be seen in Annex-B. Due a logical bug; App was picking up the PrizeWinning data of above mentioned user and was showing to complainants.

4- Fact Finding:

It was found out that much more users are using Tax Asaan app on Android but none of these users faced any such bug. It was established during the investigate that the users affected by this bug were only the Tax Asaan iOS users.

Examining the screenshots shared by users, and of the Actual winners, it was revealed that date & time of the post draw process steps was same for all the users. Date and time date for each step is given below:

- Verify PIN: October 21, 2022, 10:21 AM
- NADRA Biometric Verification: October 21, 2022, 4:58 PM
- IBANB: October 21, 2022, 5:02 AM

This implies that app started showing data of actual winner to all those who opened POS Dashboard screen in iOS app in last 2/3 days of March 2023. This confirms that the mentioned bug occurred for a short period as was fixed by concerned team quickly on the same day it started reporting. Another point that supports this conclusion is that name of none of the complainants is found in the List POS Prize Draw list of October 2022 that was published on FBR website while name of the actual winner can be seen in this list.

5- Reviewing measures Taken to fix the bug and fixation timeline:

The process of the fixation was carried out in the following sequence and step:

- Quick fix for immediate remedy.
- Fixing the IOS app and Uploading on Apple App Store.
- Restricting Buggy App version after availability of updated App version on Apple App Store. Bug Fixture Timeline us as under:

Sr. No.	Description	Date/Time
1.	Quick Fix	3/28/2023 11:44 AM
2.	iOS App Deployment	Initiated at: Tue 3/28/2023 Published: Wed 3/29/2023
3.	Restricting Buggy Version	Wed 3/29/2023

Detailed Application deployment timeline can be seen in Annex-C.

Another most important point was that there was not financial impact on the complainants (which could have been there only in case of NADRA Biometric Verification) might have to bear as all the 3 prize claim requisites were already completed by the user in October 2022 i.e., within few days of the Prize Draw. As the requisites were already being shown completed, so the complaints did not need to go through any of these prerequisites.

Another point worthy of consideration is that subject Prize Draw was held in October 2033 while the complaints faced this issue in March 2023. If this

issue had been related to October 2022, and claims of the complainant were right then their names would have been in the list of the winners and they might have raised the issue 4/5 months earlier i.e. within few weeks of the October 2022 prize draw was held.

6- Issuance of Warning to Responsible Persons:

As per the inquiry findings, it was a human error. So, keeping in view, Warning is being issued to Mr. Kashif Javaid, Senior Manager, Owner of Tax Asaan development.

He is advised to make sure that no such error occurs in future otherwise stern disciplinary action will be taken which may have financial impact in the form of depriving him of Annual Increment or Deduction of Salary as recommended by competent authority.

• **Persons interviewed:**

1. Muhammad Kashif Javaid (Senior Manager Development - Mobile Applications)
2. Muhammad Usman (Manager/Team Lead iOS Development)

• **Conclusion**

Apparently, this seems to be a human error which occurred in the development process. Due to sensitivity of the Prize draw data, exact replica of such data cannot be made available on development and Test Environment. This error could not be uncovered on non-production environments during Application QC Process too and started popping up to users when this app was published on Apple Store. Senior Manager accepts the responsibility being the overall in-charge of the Apps Development team.

• **Recommendation:**

Recommendations for improvements in SDLC process:

Our technical team has been assigned the task to review the SDLC Process specifically in the wake of the above-mentioned issue and related findings and suggest the measures to ensure that no such issue arise in future.

Also, respective Team Leads will ensure that code is reviewed thoroughly to avoid any such occurrence which effects application users.

Investigator's Signature: **Sd/-**
Dated: 16.05.2023"

5. A copy of PRAL's letter dated 16.05.2023, was forwarded to the Complainant and also conveyed through a telephonic call on 23.05.2023.

Findings:

6. In view of supra, it is clear that appearance of the system bug had adversely impacted multiple taxpayers including the Complainant. This reflects neglect, inattention, incompetence and inefficiency, in the administration or discharge of duties and responsibilities of FBR and PRAL and falls under the ambit of maladministration under Section 2(3)(ii) of the FTO Ordinance, 2000.

Recommendations:

7. FBR to:

- i) direct Member (IT) to examine the fact-finding inquiry report dated 12.05.2023 referred above and reprimand all concerned PRAL officials and issue a final warning to them, to ensure that absolute quality control and bug free system integrity shall be maintained in future failing which necessary disciplinary proceedings would be initiated against them, as per provisions of law; and
- ii) report compliance within 45 days.

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

Dated: 29:5:2023

Approved for reporting