



Federal Tax Ombudsman Newsletter

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FTO Directs FBR & FIA to Take Action Against Officials for Illegal Gold Trade

Hon'ble Federal Tax Ombudsman (FTO), in a suo moto case, has recommended to the FBR and FIA to initiate inquiry against all the officers, departments and importers/exporters involved in misuse of imports- cum- exports' facility in respect of gold, jewellery and other precious metals resulting in massive loss of revenue to national exchequer. The FTO finding reveals that gold worth billions

supplied as partial advance payment, by the foreign buyer to be used in the manufacture of jewellery to be exported. The exporter is required to export eligible and authorised items within 120 days from the date of import. Under Self-consignment scheme export of gold jewellery is made from locally procured gold and gemstones and sale proceeds are realised in foreign exchange. According to the scheme the



of rupees was either not exported against imported gold or was exported against fake form-E.

The FTO observed that the export promotion scheme did not put in place institutional mechanism to stop abuse of entrustment scheme/self-consignment scheme regulated through concessional SROs issued by the Ministry of Commerce. As a consequence, the importers-cum-exporters deceived the departments with impunity especially in cases where concession available under the entrustment scheme/self-consignment scheme was misused.

The entrustment scheme provides facility for export of jewellery against imported gold

registered exporter shall apply to the TDAP for export authorisation. The sale proceeds shall be realised within 120 days from the date of export and the commercial banks shall ensure that sale proceeds are repatriated in full within 120 days; otherwise, commercial banks shall inform State Bank of Pakistan as well as to TDAP.

The FTO observed that during special audit, the Directorate General of Internal Audit detected serious irregularities relating to Customs Collectorate of MCC, Peshawar, MCC (Export), Port Qasim, Karachi, MCC, Islamabad and MCC (Preventive), Lahore.

It was observed that repeated exports were made by exporters. (Continued on Page 5)



PERFORMANCE (Period: 08.9.2017 to 30.6.2019)

Hon'ble Federal Tax Ombudsman

Complaints Received

2014	2015	2016	2017	2018	2019 (up to June)	Aug 2018 – June 2019
1624	1509	1768	1858	1918	1475	2422

Complaints disposed of including carry forward from previous year/years

2014	2015	2016	2017	2018	2019 (up to June)	Aug 2018 – June 2019
1548	1610	1807	1860	1880	1309	2002

Average time for disposal of complaints (in days) (Required time; 60 days)

2014	2015	2016	2017	2018	2019 (Up to May)
53	63	49	47	45	51

Own Motion Cognizance cases Initiated

2014	2015	2016	2017	2018	2019 (Up to June)	Aug 2018 – June 2019
0	0	0	0	179	203	373

Own Motion Cognizance cases disposed of

2014	2015	2016	2017	2018	2019 (Up to June)	Aug 2018 – June 2019
0	0	0	0	3	163	163

Refunds facilitated by FTO (amount in Rs. Millions)

2014	2015	2016	2017	2018	2019 (Up to May)
538.9	735	2672.75	3244.90	6986.39	3192.99 (Tentative)

Representations in which the Honourable President of Pakistan, upheld the Recommendations of FTO

2014	2015	2016	2017	2018	2019 (Up to June)
43.72%	77%	53.9%	56.40%	62.69%	77.8%

Implementation (No. of cases)

2014	2015	2016	2017	2018	2019 (Up to June)	Aug 2018 – June 2019
1374	1412	1684	1669	1603*	541	718

* 151 cases did not mature for implementation till 31.12.2018.

INSTITUTION BUILDING

The incumbent FTO after taking oath of the office on September 8, 2017, undertook number of measures to make this institution efficient, credible and effective to discharge its functions in a way to meet its statutory objectives so that, it contribute significantly towards checking the maladministration and promoting good governance.

Major steps taken included the following:

1. Rationalizing the work load: Most of the complaints are received in Karachi, Lahore and Multan offices followed by Islamabad and Faisalabad. Due to very limited work, regional offices at Abbottabad and Sukkur were closed during fourth quarter of year 2017 and work transferred to Peshawar and Karachi respectively. In order to further rationalize the work and facilitation to tax person, Regional office Gujranwala was established during the month of December 2017.

2. Building a professional team: Institutional capacity building received due attention as five fresh Advisors were hired on contract through an open and competitive process. The selection process was spearheaded by the FTO himself. Strict criterion of merit, based on professional competence and integrity was observed with transparency in the selection of new advisors.

Number of advisors was brought down from 27 to 16 in line with the work load requirements. It not only saved money but also led to better management.

3. Monthly video conferences and monitoring of implementation/progress: Improved MIS software was utilized to monitor the implementation status of recommendations. Video Link was extensively used to conduct video conferences with FTO's Regional offices to eliminate time and space barriers. Interviews, monthly performance review meetings and hearing of Review petitions and own motion cases were conducted through video link facility. With the passage of time ongoing feature of video conferencing on the progress and issues in implementation was intensified and monthly review of progress with all Advisors through video conference became a regular feature.

4. Intensifying outreach activities: Special emphasis was laid on disseminating information about functions and services of FTO as well as the procedures involved in redressal of grievances of Taxpayers, through more vigorous outreach programs. During 2017, seven (7) teams consisting of senior officers of FTO organized awareness workshops on the dispute resolution mechanism of FTO's institution for

PERFORMANCE (Period: 08.9.2017 to 31.5.2019)

Hon'ble Federal Tax Ombudsman

members of Chambers of Commerce and Industries, entrepreneurs of medium and small scale enterprises and traders' associations at Islamabad, Mardan, Sargodha, Haripur, Gujranwala, Bhawalpur and Hyderabad. During 2018, FTO and his team of Advisers went full stretch on outreach and awareness campaign. There was greater interaction between FTO's institution and members of Chambers of Commerce and Industry, Traders' Associations, and Tax Bar Associations etc. A total of thirty nine (39) sessions were conducted during the year at various stations. Federal Tax Ombudsman, himself undertook and participated in a number of outreach activities during 2018. Visit of Federal Board of Revenue, Islamabad, Customs House Karachi, office of Pakistan Apparel Forum (PAF) Karachi, Gujranwala Tax Bar Association, office of Pakistan Textiles Exporters Association (PTEA) Faisalabad, Sialkot Chamber of Commerce & Industry, Multan Chamber of Commerce & Industry (MCCI), and Summer Camp organized by Lahore Tax Bar Association, held in Islamabad, are few such example. In these meetings he emphasized to pay the taxes honestly on the part of Taxpayers and transparent, service oriented attitude of Tax collectors for overcoming the trust deficit between the two.

5. Complaint Management Information System (CMIS) and Paperless environment: CMIS was improved to meet efficient handling of complaints, which automated the processes like registering new complaints, managing existing complaints, automatic escalation of unresolved complaints, managing complaint's status, handling of complaints by respective persons/ departments. The system resulted in paperless environment in the chain of grievance redressal from the complaint lodging/handling to implementation.

6. Harnessing media to improve service delivery: In order to exploit the potential of different media platforms, an organized media campaign was started consisting of E-Newsletter, Social Media accounts, SMS campaign and increased online presence. Following steps were taken:

- Quarterly E-Newsletter was introduced in October 2018, to keep all the stakeholders abreast with latest news and developments in FTO's relief providing mechanism.

- In order to reach out to public and make them aware about mandate and services of FTO's relief providing mechanism, Facebook, LinkedIn, Wikipedia and Twitter pages of FTO office have been created. To make the awareness campaign more focused SMS campaign was started to reach out to Taxpayers and general public.

- A mobile application was developed for registration of

complaints, through which complainants can register their complaints from their Android, Windows and Apple based hand held devices, and also check status of their complaints using the same mobile app.

- Improved MIS software was utilized to monitor the implementation status of Recommendations.

ACTIONS AND RECOMMENDATIONS FOR IMPROVEMENT IN TAX ADMINISTRATION

Traditionally the office of FTO used to handle individual complaints against maladministration of tax functionaries. However many categories of grievances have certain deep rooted causes requiring system reforms. Once the generic causes are identified, a wholesome solution can put the groups of individual complaints at naught. Enabling provisions already existed in the FTO Ordinance, 2000. However, these remained dormant earlier. For the first time the incumbent FTO invoked these provisions to devise a three pronged proactive strategy as under:

- To establish a Research cell for identifying and analyzing the systemic issues and making suitable recommendations to FBR for reforms;
- To initiate "own motion" cognizance in maladministration involving systemic problems and huge revenues losses; and
- To deploy the tool of inspections of few selected tax offices where existence of persistent maladministration was reported.



FBR Clarification**Foreign Currency Bank Accounts**

Non-resident Pakistanis not
Required to be Filers,
FBR Clarifies upon FTO's Prompt

The Federal Board of Revenue (FBR) and State Bank of Pakistan (SBP) have conveyed to the Federal Tax Ombudsman (FTO) that non-resident individuals are not required to be "filers" for opening foreign currency bank accounts in Pakistan. This has been declared by Federal Tax Ombudsman (FTO) Mushtaq Ahmad Sukhera in an own motion (OM) investigation against systemic maladministration of the Department (Deptt) whereby the non-resident aspirants before opening a foreign currency account were required to file returns of income.

According to the order, precisely, a large number of non-resident citizens of Pakistan origin were facing hardship in operating their foreign currency bank accounts maintained in Pakistan. They were required to file returns of income, at the time of opening of bank accounts, on an interpretation issued by the State Bank of Pakistan (SBP) vide Circular letter No. 5 dated 12th April 2018 read with Protection of Economic Reforms (PER) (Amendment) Ordinance 2018. The treatment was prima facie in violation of the express provisions of Section 114 of the Income Tax Ordinance 2001 (the Ordinance) whereby the non-residents were not under an obligation to file returns of their foreign income. Thus on account of conflicting interpretations, the non-residents foreign currency account holders had to go through this hardship.

The matter was sent for comments to the secretary Revenue Division. In response thereto, the FBR submitted comments of the Member (IR-Policy) FBR. It was contended that it is the "resident individual who is required to file return of income under Section 114 as defined in terms of section 82 of the Ordinance." It was further contended that cumulative reading of section 114 of the Ordinance, PER (Amendment) Ordinance, 2018 and the SBP's Circular No. 05 dated 12th April 2018, clearly shows that a non-resident was not required to be a "filer". The bank authorities might have some internal administrative issue, which can 'only be resolved by the SBP. The deputy director SBP also submitted comments vide letter dated April 19, 2019, contending that keeping in view the issue, a clarification had been issued by the Director Exchange Policy Department (EPD) SBP to all authorised dealers (banks). Evidently, the issue was related to the banks misinterpretation of law, which has duly been clarified by the SBP vide EPD Circular' Letter No. 7 dated 19th April 2019, contents whereof are reproduced below:

"Attention of authorised dealers is invited to the second provision of sub-section of the Section (5) of the PERA 1992 which Inter alia, states that: "Provided that no cash shall be deposited in an account of citizen of Pakistan resident in Pakistan, unless the account holder is filer as defined in the Income Tax Ordinance, 2001.

"It has come to our notice that some authorised dealers are not allowing non-residents to open and maintain foreign currency accounts on the pretext that they are not appearing as "filer" in the Active Taxpayer's List of FBR. "However, it is evident from the aforementioned Proviso that the instructions, contained therein, are not applicable to non-residents".

**Appreciation Letters
Online Recommendations****Syed Faizul Hassan Gilani (AR)**

Sir,

This is in response to your notice No. 0310-0313/20194-imp. Dated 07-05-2019.

On behalf of my client it is stated that.

1 The Federal Board of Revenue (FBR) issued refund voucher for the amount of R.s.16,19,469/- for the tax years 2014 to 2017

2 By means of this letter we would like to thank Honorable Federal Tax Ombudsman that because of his intervention we succeeded to receive long awaited refunds from Federal Board of Revenue.

3 it is further stated that we don't want any further action in this regard.

Thanking You,
Syed Faizul Hassan Gilani (AR)

Qaiser Jadoon

Dear Sir,

I have received income tax refund for year 2015 after lodging complain through Federal Tax Ombudsman. Rest for year 2016, 2017 & 2018 online refund application and with all evidences have been forwarded to Mr Abdullah Income tax Office Silk Plaza Mansehra road Abbottabad.

Your stern follow up will be highly obliged.

Regards
Qaiser Jadoon
Area Sales Manager d
Meezan Bank Ltd Abbottaba

Hassan Rathorhe

Excellent work being done by FTO. Received my 5 year old refund from FBR within a month of filing complaint with FTO. Highly impressed. Keep up the good work.

FTO Directs FBR to Take Action Against Officials Involved in Smuggling of NDP Vehicles

Hon'ble Federal Tax Ombudsman (FTO) has recommended it to FBR to direct Chief Collector (Enforcement) Quetta to examine seizure reports of Non Duty Paid (NDP) vehicles and take disciplinary action against officials who failed in exercising their powers against smuggling of NDP vehicles and providing protection to offenders.

The FTO has recommended it to FBR to direct Chief Collector (Enforcement) Quetta to form task force for action against smuggling of NDP vehicles by regularly conducting raids on the showrooms and to ensure that all seizures in future be made complying legal requirements, including criminal prosecution against the persons/owners of the show rooms from whom the NDP vehicles are recovered. According to the details the FTO in a suo moto case investigated wide spread reports of presence of show rooms dealing in Non Duty Paid (NDP) smuggled vehicles on main roads of Quetta and further transportation of NDP vehicles to other parts of the country. Notices were issued to the Secretary, Revenue Division, Inspector General Frontier Constabulary and Deputy Inspector General of Police to submit comments.

Being dissatisfied by the comments and progress in the matter, the FTO observed that serious efforts needed to be made to eradicate

this menace. The submissions made by the department as well as by the directorate, police and FC reflected that menace of smuggling of NDP vehicles, its business and being openly plied not only in Balochistan but all over the country is an undisputed fact. The actions taken by the department seem to be having no effect.

The FTO observed that the data provided by MCC Quetta and Directorate reflects that influx of NDP vehicles instead of decreasing has increased due to lack of deterrence as no action is taken against the smugglers or the individuals involved in the business of NDP vehicles as a result it encourages smuggling and business of NDP vehicles. At this juncture, it is observed that in all cases the accused are stated to be unknown so much so, the recoveries made from showrooms are also shown to have been made from unknown individuals.

According to FTO findings the reports submitted by the department indicate that the department takes benefit of smuggling vehicles to achieve revenue target, therefore, no action is taken against smugglers and individuals involved in business of NDP vehicles, fearing that action may adversely affect inflow of smuggling of vehicles making it difficult for the department to achieve its revenue targets.



Continued from page 1 (Import & Export of Gold)

Admittedly, foreign exchange was not repatriated against Forms-E which subsequently turned out to be fake. Ignoring the said fact, there is no explanation that how subsequent exports were allowed when it was evident that foreign exchange was not repatriated within the specified period. This reflects the negligence, inattention and ineptitude in discharge of duties and responsibilities. It is rather strange that the Collectorates had failed to recover the adjudged amount of fine imposed on the clearing agents, who are, otherwise, licensee of the Department. Perusal of the record shows that either no stay had been granted or the period for stay of order under appeal had been lapsed. But the department had not initiated recovery proceedings for which no explanation could be advanced. This again reflects negligence, inattention, inefficiency and ineptitude in discharge of duties and responsibilities by

concerned officers/officials of the Department which are tantamount to maladministration. The position emerged on the basis of information provided by TDAP and SBP, reveals that there is a gap between the value of import and value of export and lack of data synchronisation relating to data provided by the TDAP and SBP. It appears that the TDAP has not put in place any mechanism of monitoring and reporting of exports and imports taking place under SRO 760(I)2013 dated 02.09.2013. In the absence of authentic and complete data of import and exports under the said SRO, no meaningful analysis can be carried out.

The FTO recommended to the FBR to direct the chief collectors (North), (Central), and (enforcement) South to initiate departmental enquiry to ascertain the officers/officials and take disciplinary action against those found involved in illegal/inadmissible imports/exports.

FTO Directs FBR to Develop Framework for Identifying Ghost Manufactures to Stop Tax Evasion

Honble Federal Tax Ombudsman (FTO) has held the Federal Board of Revenue's systems and rules responsible for massive misuse of sales tax zero-rating facility available to manufacturers-cum-exporters under SRO 1125(I)/2011. In a major move to check misuse of zero-rating regime by manufacturers-cum-exporters sectors, the FTO has further directed the FBR to conduct audit of all manufacturers who availed the benefit of SRO 1125(I)/2011 to verify their manufacturing status.

In a case of own motion investigation of FBR's systemic maladministration, the FTO has further directed the FBR to introduce institutional and systemic reforms in the zero-rating regime and address failure of the FBR to timely check registration of persons misusing the "manufacturing status".

The FTO has categorically declared that the Inland Revenue authorities have totally failed to take timely action in integrating the registration module in IRIS system thereby providing opportunity to the unscrupulous elements to take advantage of the weaknesses in the registration procedure of the sales tax department. The FTO has further held the FBR responsible for review of sales tax registration rules and risk parameters used for granting registration, which lead to misuse of manufacturer status by registered persons.

The FTO has directed the FBR to develop a comprehensive risk management framework in the working of IRIS based Sales Tax Registration Rules and revisit the approved risk engine and scores to mitigate the possibility of any misuse of "manufacturer status" by the registered persons.

The FBR has been directed to arrange audit of all manufacturers, who availed the benefit of SRO 1125(I)/2011 to find out whether "manufacturer status" was granted after fulfillment of requisite conditions and in cases of irregular approvals of "manufactures status" fix responsibility on the dealing staff for proceedings under E&D Rules and take necessary measures under law/rules for recover of losses caused to government revenues.

The FBR should direct PRAL and Directors to of Reforms and Automation (Customs) to develop and implement system/software for live date synchronization with WeBOC regarding sales tax registration to ensure blacklisted and suspended registered persons (RPs) are not able to import and get undue benefit of SRO 1125(1)/2011 and direct all Commissioners to conduct half yearly physical verification of all units registered in their jurisdiction as "manufacturer" to verify existence of manufacturing facility of all such units.

The FTO took notice of reported news that ghost entities registered as manufacturers with fictitious addresses, being setup only for tax evasion by claiming benefit of SRO 1125(1)/2011 dated 31.12.2011. These fraudulent entities not only evaded sales tax in respect of imported fabrics but were involved in issuance of fake invoices for claiming sales tax refund as the FBR had failed to build robust system whereby such fake registration could had been avoided. Once these fraudsters are registered as "manufacturers" by the Local Registration Office of the RTO concerned, the benefit of

SRO 1125(1)/2011 dated 31.12.2011 is extended by the Customs Department at the time of import on the basis of profile available on FBR's website.

According to the findings of the FTO, the review of Sales Tax Registration Rules and risk score weightage assigned to the risk parameters employed in the registration process which lead to misuse of manufacturer status by registered persons for the purpose of tax evasion.

The FBR vide SRO 494 (1)/2015 dated 30th June, 2015 showed that the IRIS based Sales Tax Registration module failed to timely incorporate the provisions of revised registration rules.

The requisite changes in IRIS were incorporated after nine months vide SRO 227 (1)/2016 dated 21st March, 2016.

The FTO observed that the FBR had failed to take timely action in integrating the registration module in IRIS system thereby providing opportunity to the unscrupulous elements to take advantage of the weaknesses in the registration procedure of the sales tax department. Moreover, modification in the registration module was carried out after nine months of the revision of Sales Tax Registration Rules, but evidently no exercise was carried out by the field formations to verify that the existing manufacturers were registered in conformity with the provisions of revised rules, the FTO added.

وفاتی ٹیکس محتسب

ٹیکس سے متعلق شکایات کے فوری، منصفانہ، بلا معاوضہ حل کا آئینی ادارہ

کیا آپ ٹیکس حکام کی بدانتظامی سے پریشان ہیں؟ تو ہم مہیا کرتے ہیں اسکا فوری، بلا معاوضہ حل صرف 60 دن میں۔

پورے اعتماد سے بغیر وکیل خود اپنی شکایات متعلقہ اٹھم ٹیکس، سیلز ٹیکس، کسٹم اور فیڈرل ایکسائز حکام درج کروائیں۔ ٹیکس حکام سے مت گھبرائیں۔ بلا خوف ہم سے رابطہ کریں۔

بدانتظامی

آپ لائن، مای، ہیل، موبائل یا دفتری اوقات میں شکایت گزار خود بھی درخواست جمع کروا سکتے ہیں۔ متعلقہ دستاویزات کی تفصیل اور مزید معلومات کیلئے ہماری ویب سائٹ www.fto.gov.pk پر جائیں۔

051-82229533 email: info@fto.gov.pk وفاقی ٹیکس محتسب، اسلام آباد

ftopakistan taxombudsman 93330544660

ہیڈ آفس

لاہور	کراچی	کوئٹہ	پشاور	فیصل آباد	مٹان	گوجرانوالہ
ایف ٹی او، لاہور، پلاٹ نمبر 1، سیکشن 10، ڈی ایچ ایس، لاہور۔ 051-3333 3333	ایف ٹی او، کراچی، پلاٹ نمبر 1، سیکشن 10، ڈی ایچ ایس، کراچی۔ 021-3333 3333	ایف ٹی او، کوئٹہ، پلاٹ نمبر 1، سیکشن 10، ڈی ایچ ایس، کوئٹہ۔ 091-3333 3333	ایف ٹی او، پشاور، پلاٹ نمبر 1، سیکشن 10، ڈی ایچ ایس، پشاور۔ 031-3333 3333	ایف ٹی او، فیصل آباد، پلاٹ نمبر 1، سیکشن 10، ڈی ایچ ایس، فیصل آباد۔ 061-3333 3333	ایف ٹی او، مٹان، پلاٹ نمبر 1، سیکشن 10، ڈی ایچ ایس، مٹان۔ 033-3333 3333	ایف ٹی او، گوجرانوالہ، پلاٹ نمبر 1، سیکشن 10، ڈی ایچ ایس، گوجرانوالہ۔ 061-3333 3333

Cell Numbers, Email IDs of Strangers used in Taxpayer Registration Electronic System , FTO Told

Pakistan Revenue Automation Limited (PRAL) CEO has reported to the Hon'ble Federal Tax Ombudsman (FTO) that mobile phone numbers and email addresses of strangers have been used in FBR's taxpayer registration electronic system, in a complaint of massive irregularities and misuse of Active Taxpayer List (ATL) facility, causing huge revenue loss to the national exchequer.

FTO has unearthed massive irregularities in the taxpayer registration system of FBR. FTO observed a serious loophole in the 'IRIS' module being exploited by the unauthorized and unscrupulous persons for their ulterior interests at the cost of innocent taxpayers and national exchequer.

It was cited in a landmark order issued by the FTO on the complaint by Zeeshan Shahid referred through Advocate Waheed Shahzad Butt. The FTO in its order has stated that by not pressing the condition of cell number of the CNIC holder, the department has opened floodgate for the unlawful and unauthorized persons to exploit the user free IRIS system for their nefarious designs.

Tax expert told this correspondent it is categorically reported by the CEO PRAL to FTO in the following unambiguous manner "The person got registration through IRIS system with email "" and a cell number, whose owner is one Ahmed Ali as per mobile data. When contacted tax lawyer Waheed Shahzad Butt, he told this correspondent "Quite surprisingly it was categorically stated by Rehmatullah Wazir, the then Member (Taxpayers Audit), in a report submitted on Automatic Selection for Audit under Section 214D that 428,830 returns belonging to taxpayers with NIL tax paid/NIL turnover but no one in FBR is willing to consider the aspects of potential planned tax evasion seriously." The lawyer has also forwarded a synopsis of potential revenue loss due to active connivance of FBR/IRIS/PRAL functionaries.

Waheed further added that the circumstances and highly suspect sequence of events discussed supra raise many questions and strongly suggest foul play by PRAL functionaries.

The FBR has been recommended to ensure that at the time of registration, the taxpayer should provide his own cell phone number duly registered in his name at least thirty (30) days prior to the registration also his/her email that also required in the original user free "IRIS" module, FTO ordered. Hon'ble Federal Tax Ombudsman has proposed reforms in the tax system to expand tax net and facilitate taxpayers. He also urged the business community to approach his office for the resolution of complaints about income tax, sales tax, customs and federal excise duty.

Addressing traders and industrialists during a meeting at the Sarhad Chamber of Commerce and Industry (SCCI), Hon'ble FTO said his office was taking steps to resolve the issues of taxpayers and address their complaints by carrying out independent investigations about tax maladministration.

He said the he would continue to play its important and effective role against the discriminatory attitude and unjust decisions with taxpayers. He said the tax system should be made simple and easy to increase the government's revenue. **(Daily Business Recorder)**

FTO Directs FBR to Initiate Disciplinary Proceedings Against Zonal CIR, Sialkot

Federal Tax Ombudsman has directed FBR to initiate disciplinary proceedings against Zonal CIR, Sialkot for passing order which was contrary to law, procedure, established departmental practices and exercise of power for corrupt motives to extend huge illegal benefit to the complainant and causing substantial loss of revenue to the state.

According to the details the complainant Qaisar Mehmood, who had availed Tax Amnesty Scheme (TAS), filed a complaint before FTO against Zonal CIR/DCIR Sialkot for making amendment in assessment for the year 2013. FBR by taking action under section 122(1) of Income Tax Ordinance, 2001, completed amendment of assessment proceedings on account of unexplained/concealed credit entries in his bank account.

In response to notice of the FTO the FBR submitted reply and the action of the assessing officer was justified as unexplained credit entries had been taxed after allowing the amount claimed in the TAS. It was, however, reported by the CIR that order passed by the DCIR had been set-aside.

In order to ascertain the true position, FTO Office perused the record which revealed certain illegal acts/glaring discrepancies. It has been found that contradictory comments had been submitted by the department.

According to the report it is also pertinent that CIR stated during the investigation that the DCIR had framed assessment strictly in accordance with law whereas same was set-aside by the CIR himself by invoking provisions of section 122A of the ordinance. While investigating the case the FTO office found that some collusive arrangement was arrived at, amongst the complainant and Zonal CIR about filing of the appeal and complaint and then withdrawal of both. The Federal Tax Ombudsman observed that CIR, Sialkot Zone, has not only gone beyond his jurisdiction but the mechanism has also been ignored.

The file of CIR office was consulted which shows that an application for revision under Section 122A of the Ordinance was filed on 18.10.2018 and on the same date appeal filed before the CIR (Appeals) and complaint before FTO was stated to be withdrawn. Whereas actually on 18.10.2018, neither any appeal was pending before the CIR (Appeals) nor any complaint before FTO.

Appeal before CIR (Appeals) was actually filed on 29.10.2018 and the complaint before FTO on 30.10.2018. The only inference which can be drawn is that some collusive arrangement was arrived at, amongst the Complainant and the Zonal CIR on 18.10.2018, about filing of the appeal before CIR (Appeals) and the complaint before FTO and then withdrawal of both.

The CIR had also mis-stated that he has framed assessment under the directions and guidance of CCIR, Sialkot.



وفاقی ٹیکس محتسب

ٹیکس سے متعلقہ شکایات کے فوری، منصفانہ، بلا معاوضہ حل کا آئینی ادارہ
وفاقی ٹیکس محتسب کا کردار

▶ ٹیکس سے متعلق شکایات کا ازالہ

▶ ٹیکس حکام اور ٹیکس گزاروں کے مابین اعتماد میں اضافہ

▶ ٹیکس نیٹ میں اضافے سے قومی معیشت کا استحکام

اب ٹیکس معاملات میں نا انصافی، بدانتظامی اور بدعنوانی سے پریشان ہونے یا ان معاملات سے بچنے کے لئے وکلاء کو بھاری فیس ادا کرنے کی ضرورت نہیں۔ وفاقی ٹیکس اتھارٹی، بشمول انکم ٹیکس، سیلز ٹیکس، کسٹم اور فیڈرل ایکسائز سے متعلقہ شکایات کے فوری اور منصفانہ حل کے لئے وفاقی ٹیکس محتسب کی خدمات بلا معاوضہ دستیاب ہیں۔



آن لائن، ای میل، کوریئر یا دفتری اوقات میں شکایت گزار خود بھی درخواست جمع کروا سکتے ہیں۔ متعلقہ دستاویزات کی تفصیل اور مزید معلومات کیلئے ہماری ویب سائٹ www.fto.gov.pk پر جائیں۔

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