



# Hand Book

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OPERATING PROCEDURES  
FOR  
DEPOSIT OF FEDERAL TAXES  
IN GOVERNMENT TREASURY

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**Compiled**

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## Acknowledgements

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## Preface

Federal Board of Revenue (FBR) administers the taxes imposed / levied by the Federal Government. The duties and taxes deducted, collected and required to be paid under relevant provisions of the respective laws are deposited in the State Bank of Pakistan and in authorized branches of National Bank of Pakistan. Payment / deposit procedure for Government Revenues is provided under Treasury Rules of the Federal Government, as amended from time to time. Enabling provisions exist in the relevant tax legislations/rules.

In order to streamline the system of deposit of tax and to facilitate the tax payers in deposit of tax, in getting the credit for the tax deposited by them and for timely processing of their claims for refunds, wherever due, Federal Board of Revenue launched the Collection Automation Project (CAP) in collaboration with State Bank and National Bank of Pakistan. It envisages complete automation of the process of deposit of tax, as part of overall Tax Reforms Strategy and effort to enhance services to the Taxpayers for facilitating them in meeting various tax obligations.

In past also, there was a set procedure regarding deposit of Income Tax, Customs Duty, and Federal Excise Duty & Sales Tax that was consistently followed. The new system will replace the existing manual system of tax deposit through bank Challans.

FBR signed the Document of Understanding with NBP in March 2005 to develop simplified / re-engineered business processes for tax collection, for daily consolidated national / branch wise revenue collection reports and electronic disbursement to LTUs / RTOs for further processing. NBP has provided Software Application for front end, whereas M/s PRAL has developed Applications / utilities to meet the back office requirements of FBR. Details and procedures remained constantly under discussion during implementation phase. All stakeholders were kept on Board. In the light of experiences gained and on specific requests of the stakeholders, this SOP has been developed as a consolidated document regarding payment/deposit of federal taxes administered by FBR.

This document incorporates tax deposit procedure with a limited reference to the relevant legal provisions and is essentially a guide for all concerned. The Board realizes that Collection Automaton Project and ongoing initiatives of FBR like electronic filing of Returns/Statements and proposed ITMS, envisage IT enabled environment. Besides, there are certain other critical areas that certainly need to be addressed to fully meet the desired objectives of the Collection Automation Project. It is being issued as a formal guidance of stakeholders with ultimate objectives of the project, read along-with suggested work around for certain procedures in the transitory environment. There would be a need for a short term strategy for the interim period in which the existing system of issuing multiple copies of Challan/CPR may be continued. Processes to be followed in this regard are explained in Chapter 7

All stakeholders favoured the Board with their valued comments as to adaptation of specific procedure. This SOP will be further reviewed after consolidation of the processes and in the light of feed back after implementation of the proposed system.

These instructions are being circulated to the management of SBP, NBP, CGA, FBR/its field offices and other stake holders for strict compliance. These are to be read in conjunction with Treasury Rules and the other Rules and Regulations of the Government on the subject and established past practices. The purpose is to consolidate and document the operating procedures to help implement the CAP as an efficient and effective



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tax payment system that provides an environment that supports voluntary payment of taxes through convenient mode in accordance with the FBR's policy of facilitation of taxpayers and expectations/ requirements of all concerned.

An electronic payment gateway project is underway which envisions facilitating the taxpayer through Alternate Delivery Channel (ADC). The project has been initiated and agreed to in principle. The modalities are currently being worked out which will be added to this document and intimated to all concerned as soon as they are finalised.

Aamir Z Chaudry,

Member (IMS)

Federal Board of Revenue



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## 1. Introduction

Taxes collected by Federal Board of Revenue are deposited in SBP/NBP as provided in the Treasury Rules of the Federal Government and relevant tax laws. They are being followed consistently.

The Federal Board of Revenue has launched the Collection Automation Project, which envisages issuance of Computerized Payment Receipts (CPR). To enforce the CPR, necessary amendment has been made by Finance Division in the Treasury Rules in terms of Notification issued under file No. 5(1) Exp-III/2006 dated 15th June, 2006 (Annex-1). FBR has also notified the same in pursuance of above Notification by Finance Division. (Annex-2). This document is being circulated to facilitate the implementation of change.

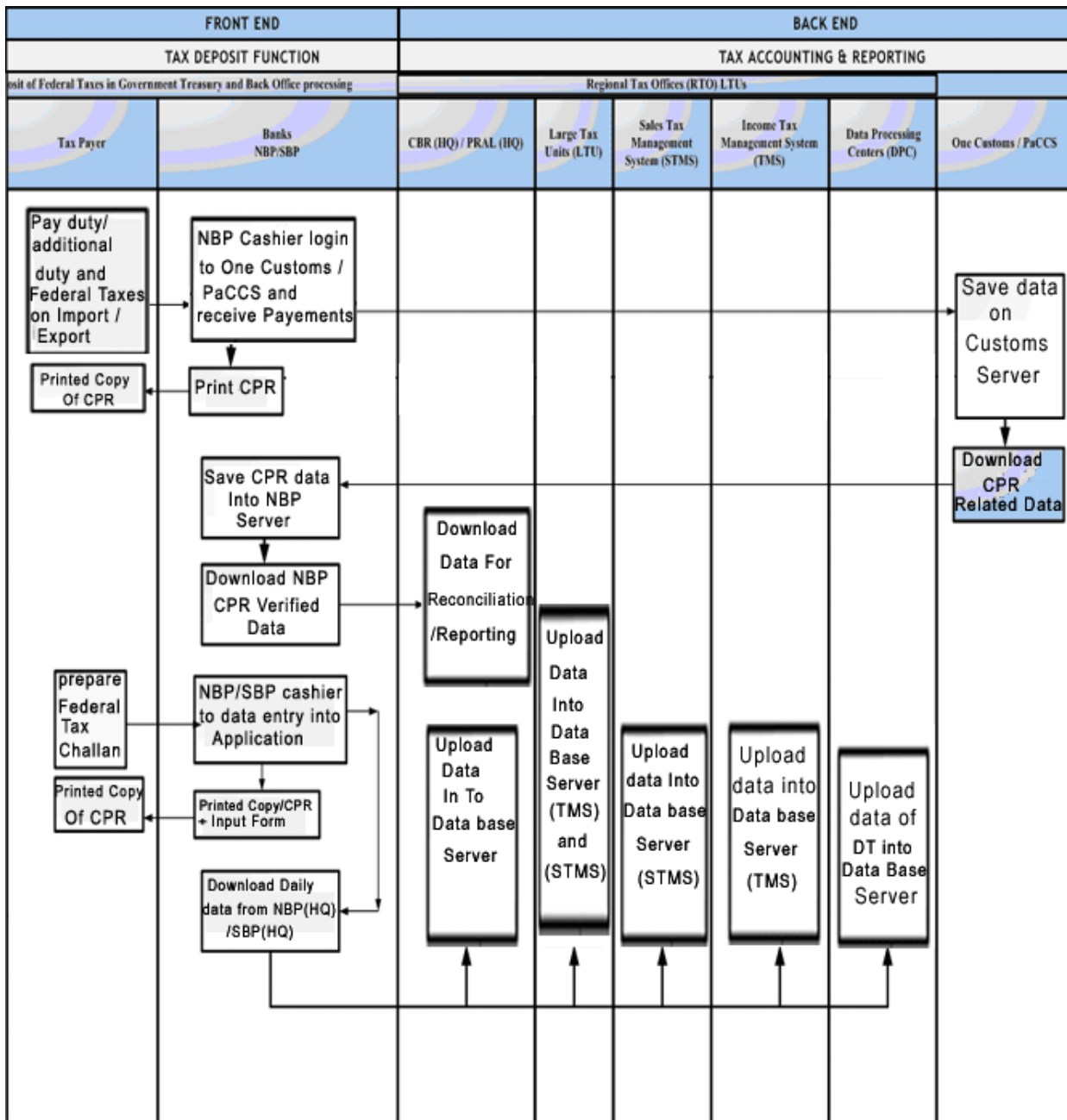
The other important purpose of this Hand book is to provide guide lines and procedures in writing for handling of various tax deposit activities. They apply to the Federal taxes administered by FBR, related stake holders, departments and the Banks etc.

Tax deposit, for the purposes of this document, includes the following;

- Receipt of federal taxes by the Banks through cash and other modes.
- Off site management of taxes deposited.
- Maintenance of daily record of transaction for a period of 06 months from the end of the relevant financial year.
- Security and integrity of the system and privacy/secretcy of taxpayer's data under respective tax laws.
- Preparation and secure transmission of data to FBR.
- Generation of MIS reports by PRAL as per requirements of various wings of FBR.
- Periodic reconciliation of collection.
- Procedure for recording and processing of revenue deposit that enables any transaction to be traced from receipt.
- Timely transfer of funds to SBP/ settlement of tax deposit by NBP.
- Timely transfer of data to FBR.

Overall business process including the front-end activities at the bank's counters and back office processing by respective stakeholders are graphically depicted as follows:-





Normal procedure of tax deposit has been explained 1st, whereas transition management (Annex-13), common deviations and related general matters have been dealt with in the latter part of the document and annexes. Procedures described here are for guidance, but without restriction on the Banks etc as to their operational requirements and for overall improvements in the Collection Automation Project.

Since processes of payment of various taxes are different, therefore, in this SOP, each tax has been dealt with separately. The sequence of operations, processes and data flows has also been stated at length.

## 2. Deposit of Income Tax

Under the Income Tax Ordinance 2001 (the Ordinance), payment / deposit of tax by the Taxpayers has, inter alia, been classified into the following major categories:-

- i) Payment of tax in Advance u/s. 147.
- ii) Payment of tax against Demand u/s. 137.
- iii) Tax deposited with the Return u/s.113.
- iv) Tax deducted / collected at source under various withholding provisions contained in Part-V of the Ordinance and deposited through a single input form or by multiple payment mechanism.
- v) Miscellaneous payments like penalties, additional taxes, appeal fees and surcharges etc.

At present, the tax is paid / deposited through Tax Payment Challan (Annex--3). The same has been replaced by a Computerized Payment Receipt (CPR) to be issued by SBP and NBP on a prescribed format (Annex- 4). Detailed procedure for payment / deposit of tax is being explained here-in-after.

Hence forth, the taxpayer shall prepare a single copy the prescribed input form. Mandatory information to be provided by the taxpayers on the Input Form that must be filled in by the taxpayers includes the following:-

- i. Name / Business Name and Address of Taxpayer. In case of withholding agent, names and addresses, NTN / CNIC of 'payees' also to be provided.
- ii. LTU / RTO Name
- iii. Tax Year
- iv. Payment Type
- v. Salary Month (For payments U/S 149)
- vi. Payment Section and Payment Section Code
- vii. NTN / and / or CNIC Number( in the cases of individual tax payers)
- viii. Amount of Tax Paid, in figures and words

Payment Sections have been indicated on the back page of the input Form (Annex-3) for convenience and ready reference of the tax payers. This form is available on FBR's Web site



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(www.FBR.gov.pk), in the RTOs and has been provided by FBR on help desks also and in the authorized Branches. The said fields are mandatory and no payment / deposit of tax will ordinarily be accepted by the Bank without incorporation of these particulars on the Input Forms. Detailed instructions are in the chapter, “Common Deviations “.

### **Payment mechanism**

- **In Advance**
  - Directly by Taxpayer – through a single input form
  - Through withholding mechanism – by the Withholding Agents;
    - On a single input form
    - By Multiple input forms
- **Against Demand** – through a single input form
- **With the Return** – through a single input form
- **Other payments** like penalties, additional taxes and appeal fees etc. – through single input form
- **Withholding Taxes**
  - Tax withheld from various payments is paid by Withholding Agents through;
    - Separate input form for each “payee”, or
    - Through a composite input form for all “Payees”
    - The number of “payees” could be up-to ten (10) or multiple i.e. more than 10. In case the “payees” are up-to 10, the single input form may be used by the withholding agent on the space provided for 10 persons or separate Input Form may be used for each taxpayer. Similarly in the cases of multiple taxpayers, tax is deposited either through separate input forms or through a single one for all “payees”

The procedure for each situation has been explained separately.

## **2.1. Deposit of Income Tax in the Bank through single input form.**

Normally, tax payments are made through single input form, except where tax is deducted by a Withholding Agent from payments to the vendors/employees etc. Procedure for deposit through single input form and sequence of operations will be as follows:-

- Taxpayer presents Income Tax Input Form at Bank's Counter.
- Input NTN or CNIC of Individual taxpayers and NTN/ Registration/ Incorporation Number in the case of Companies/AOPs.
- If NTN (as input) is verified against NTN Master Index, Taxpayer's Name and Address will appear on the screen.
- Check the Name on screen against as mentioned on Input Form.
- Check Taxpayer's Business Name as mentioned on Input Form.
- Check Taxpayer's Address as mentioned on Input Form.
- Status of Taxpayer appears on screen after the NTN is verified from Master Index.
- Where NTN has been verified from NTN Master Index, Name of LTU / RTO will appear after the input of Taxpayer's NTN.
- Input Tax Year as given on Input Forms.
- Input Tax "type" as given on Input Form. Payment Section Code and Payment Section will automatically appear.
- Input mode of payment. Input details of Cheque / Pay Order number, if applicable.
- Input the amount to be paid (in numbers).
- Amount in words appears automatically.
- In case payment in cash, save data and Print CPR.
- Stamp and sign CPR.
- Hand over CPR to Taxpayer.
- In case the tax is deposited through Clearing, issue Token on the prescribed format.
- After clearance of the payment, CPR will be issued and handed over to the tax payer.

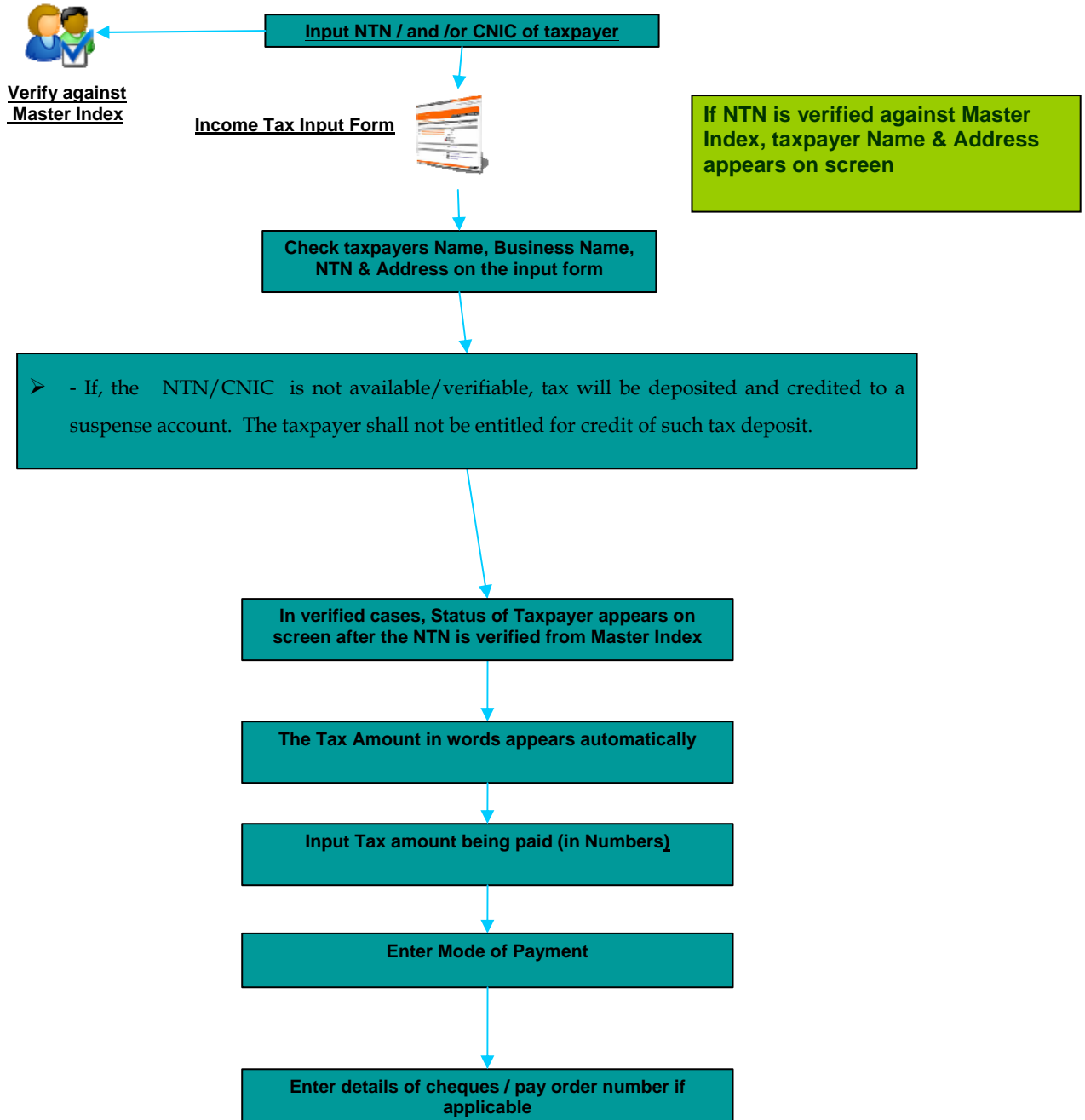


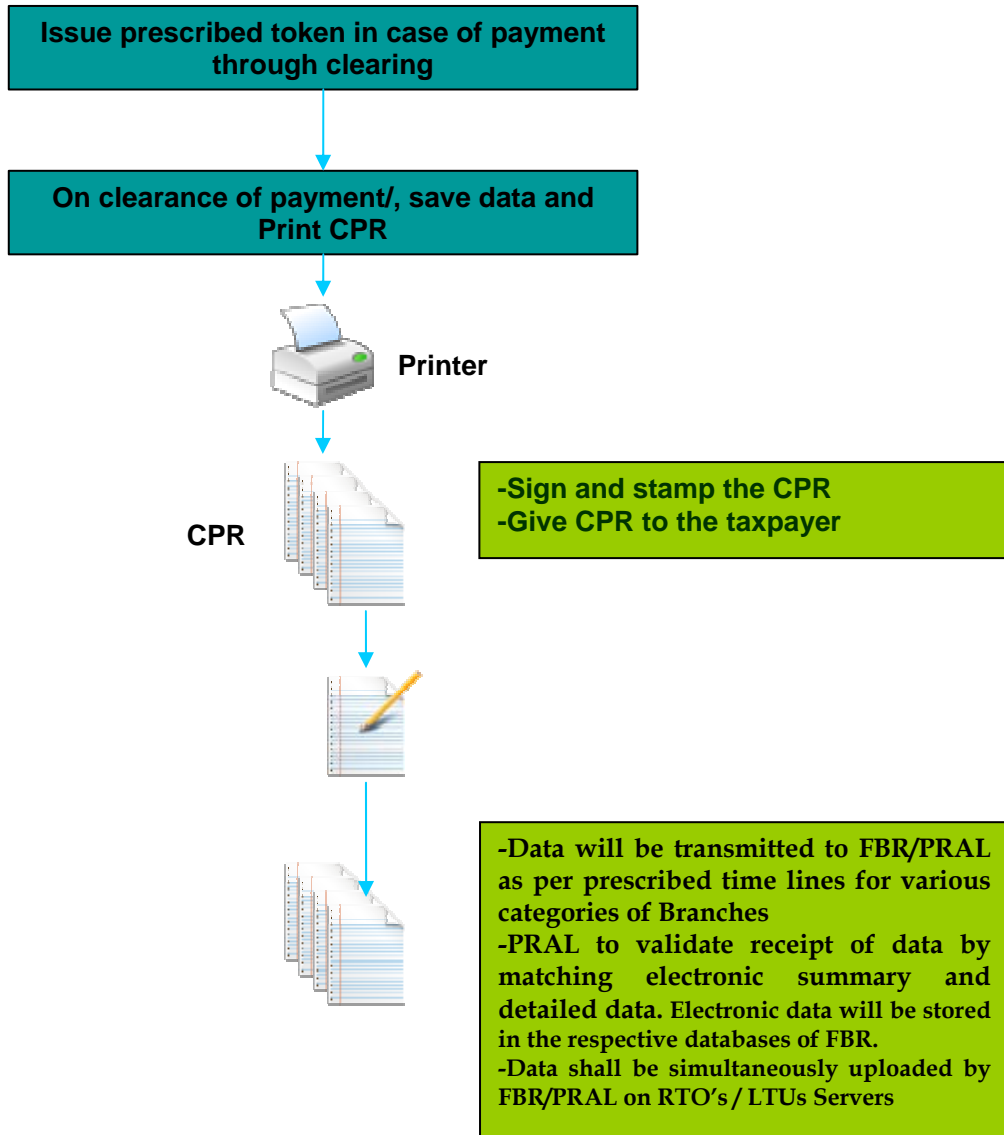
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- Data will be transmitted to FBR/PRAL as per prescribed time lines for various categories of Branches (presently within 24 /48 and 72 hours, as the case may be).
  - PRAL to validate receipt of data by matching electronic summary and detailed data.
  - Electronic data will be stored in the respective databases of FBR.
  - Data shall be simultaneously loaded by FBR/PRAL on respective field formation's Servers.
  - If, the NTN/CNIC is not available/verifiable, tax will be deposited and credited to a suspense account. The taxpayer shall not be entitled for credit of such tax deposit.

**Note:**

- In some situations, tax payers adjust the tax deducted by withholding agents (from payments to them) against advance tax liability. Procedure for such deposits of tax has been explained in section on Treasury functions.
- The Bank officials will exercise due care at the time of input of various fields to ensure accuracy.
- The Taxpayers should check the CPR for accuracy before leaving the counter, as ultimate responsibility of correct payment lies with the taxpayer by virtue of copy of CPR, he has been given as "Receipt"

## 2.2. Normal Process Flow - Single input forms(Challan)







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### **2.3. Deposit of Tax Withheld by the Withholding Agents (Prescribed Persons)**

Tax collected / deducted under the withholding regime of the Ordinance (Annex-5) is deposited by the Withholding Agents in the Bank in the following situations:

- i. Where number of “payees” is up to 10.
- ii. Where number of “payees” is multiple i.e. more than 10

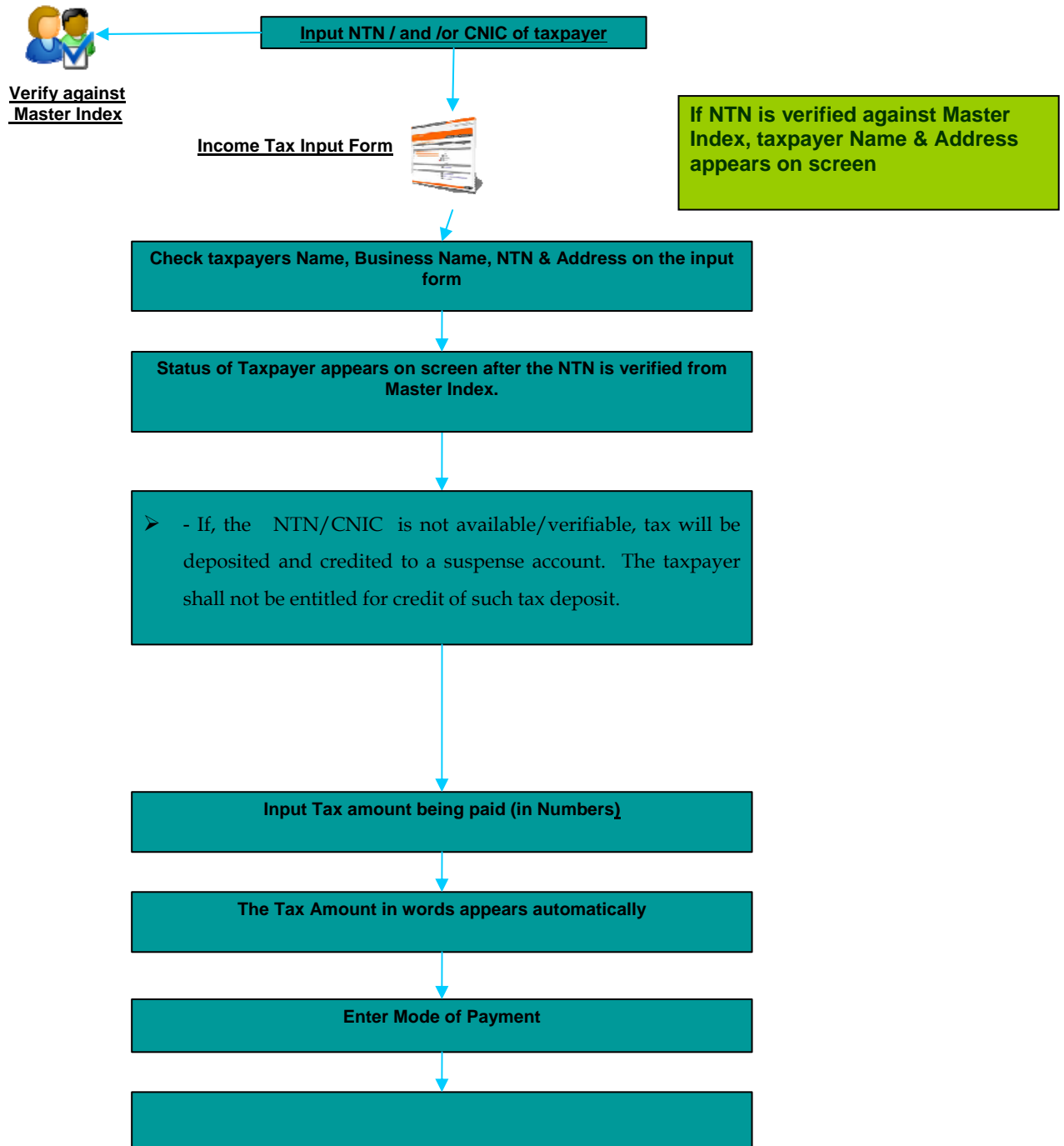
The Withholding Agents deposit the tax either by preparing separate “Input Forms” for each tax payer or through a single/composite input form for all the “payees”. Each position is explained as follows

### **2.4. Deposit of tax through separate Challans(up-to 10) & Process Flow**

In case of deposit of tax through separate challan for each “payee”, the procedure for deposit tax and the process will be the same as indicated in Para 2.1/2.2



## Process Flow



## **2.5. Deposit of tax by Withholding Agents where number of “payees” is up to 10 & tax is deposited through one composite Input Form.**

The Withholding Agents shall:-

- Prepare the Input Form (IT 31-A revised) in hard/ soft form.
- The Input Form shall be presented to the Bank. The Bank will input the data on the system, strictly in accordance with the Input Form presented by the withholding agent.
- In case of soft copy, the Bank will upload data from the soft copy provided by the tax payer.
- Input NTN and CNIC / Registration Incorporation Number of Taxpayer.
- If NTN (as input) is verified against NTN Master Index, Taxpayer’s Name and Address will appear on the screen,
- If NTN of the “payee” is not verified, CNIC to be obtained. If both the NTN and CNIC are not available, tax may be deposited by the Withholding Agent. No credit will however be allowed to the payees in respect of such tax deposits.
- The Bank will generate one copy of the CPR and hand it over to the taxpayer.
  - In the cases where tax is deposited through Clearing, a token will be issued on the prescribed form.
- After clearance of the payment by the Bank, CPR will be issued and the rest of the procedure will be the same.
- Data will be transmitted to FBR/PRAL as per prescribed time schedule for various categories of Branches, who will apply validation checks.
- Electronic data will be stored in the respective databases of FBR.
- Data shall be simultaneously uploaded by FBR/PRAL on RTO’s / LTU’s Servers

**Note:**

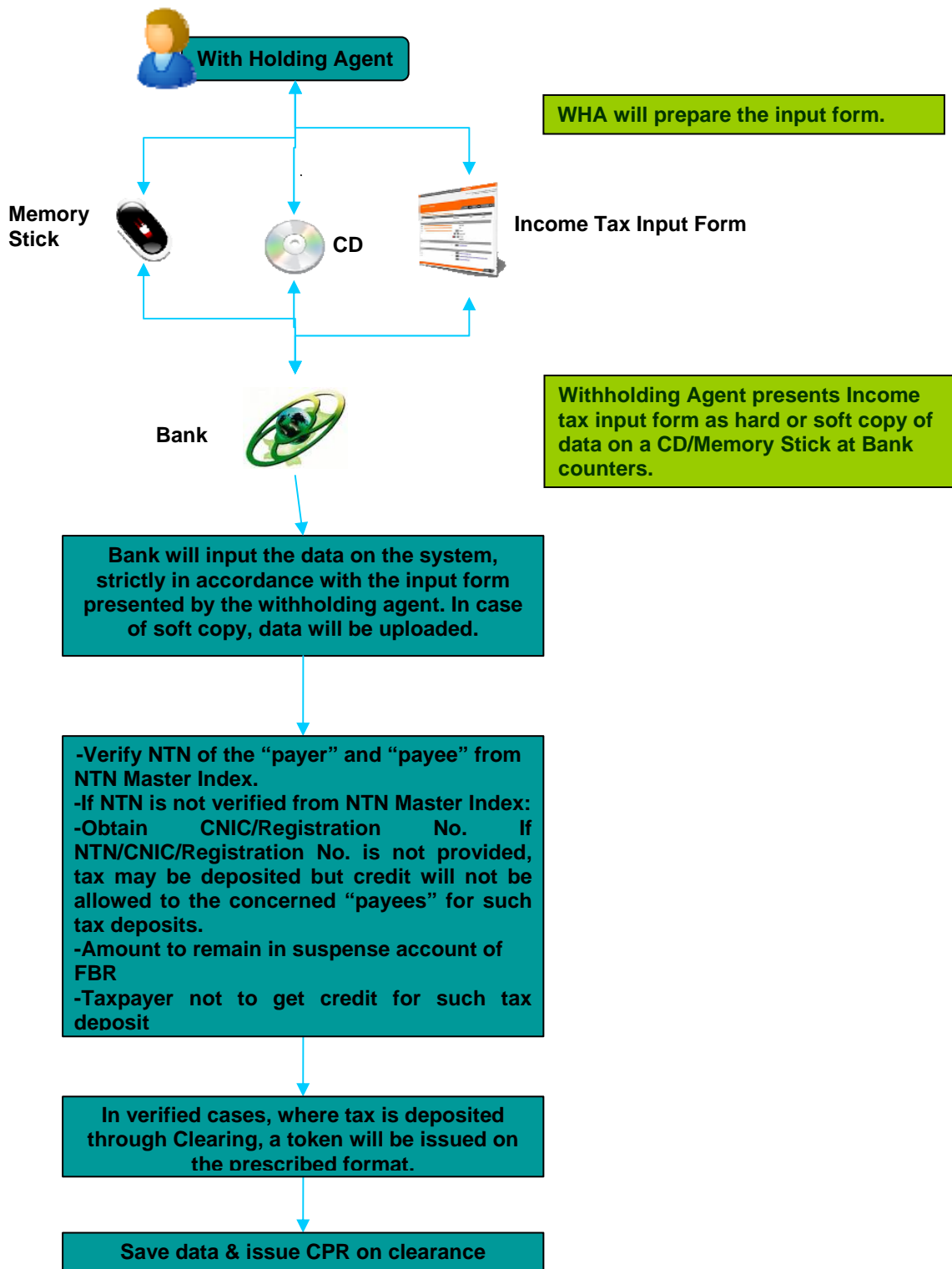
- The Bank officials will exercise due care at the time of input of various fields to ensure accuracy.
- The Taxpayers should check the CPR before leaving the counter for accuracy, as final responsibility of correct payment lies with the taxpayer by virtue of copy of CPR, he has been given as “Receipt”



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## 2.6. Composite input form

(Where number of “payees” is up to 10 and tax is deposited jointly through a composite input form (Challans)).



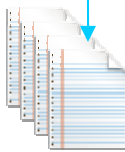
**In case of payment in cash, save data and Print CPR**



**Print CPR**



**CPR shall be handed over to the taxpayer**



**Data will be transmitted to FBR as per prescribed time schedule for various categories of Branches**



**PRAL will run necessary validation checks on the data received.**



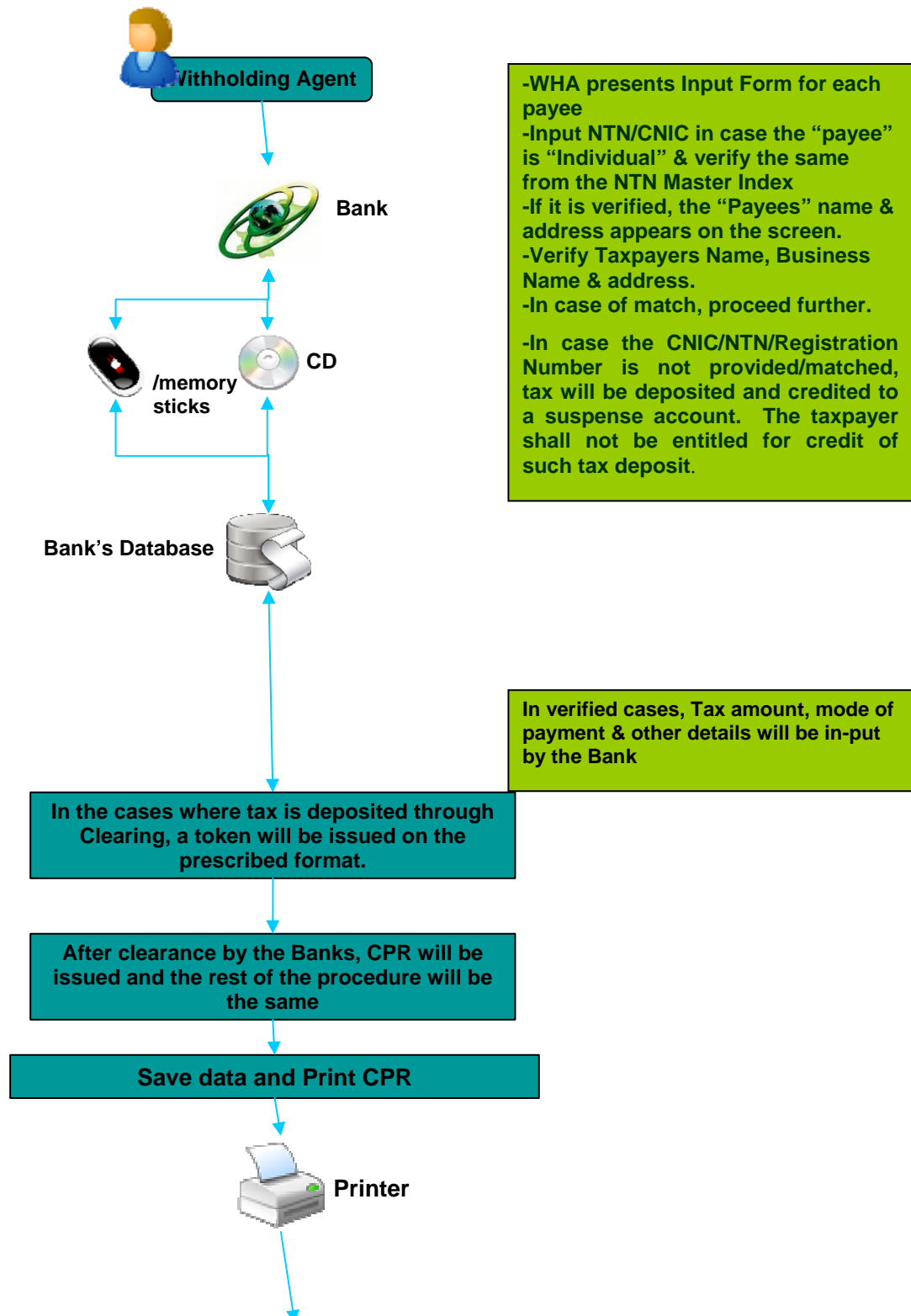
**Data will be uploaded simultaneously on FBR's Servers**

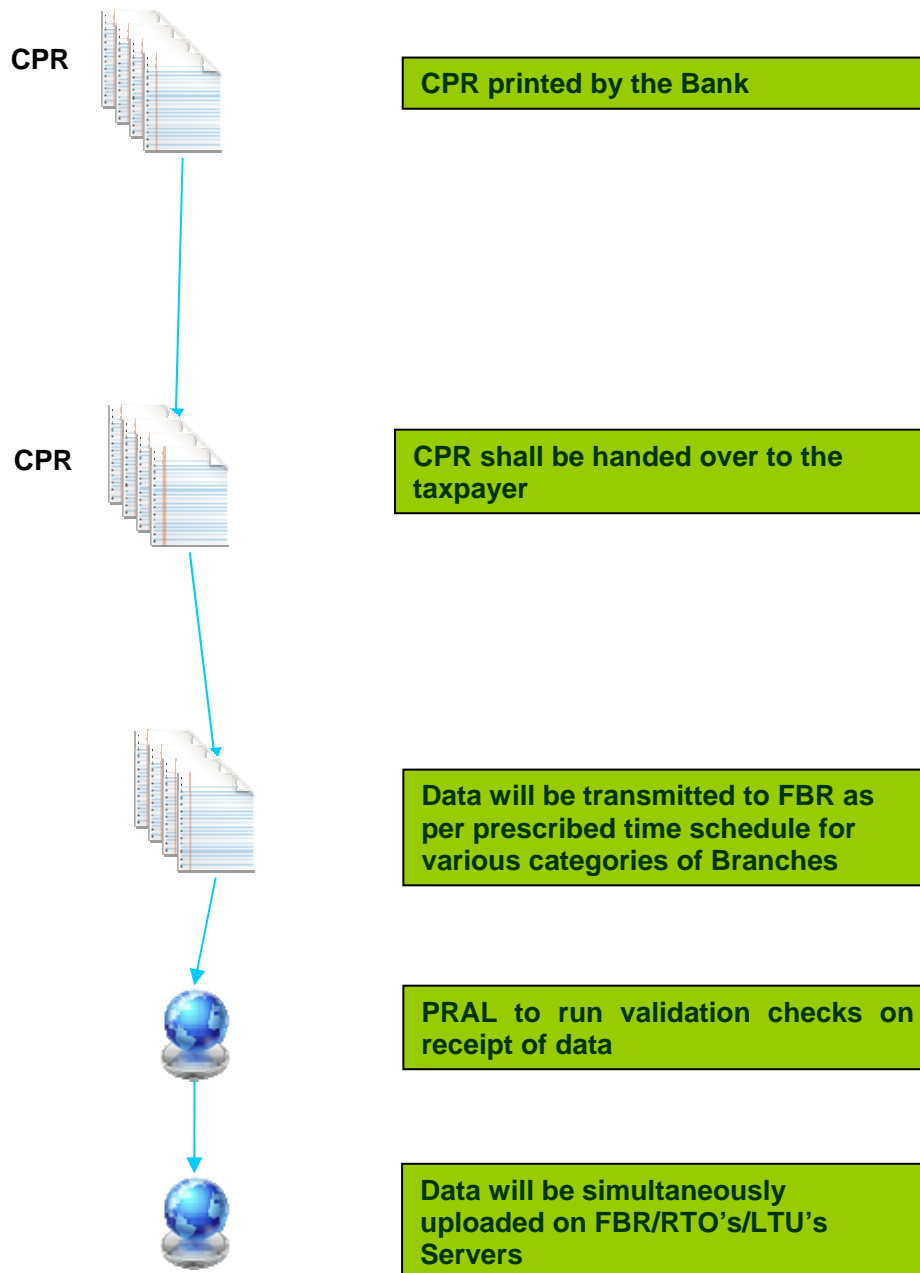


**Data will be uploaded simultaneously on RTO's/LTU's Servers**

## 2.7. Process Flow – separate input form (Challans)

In the cases where the Withholding Agents present the Bulk Data, having multiple numbers of “payees” and tax is being deposited through separate input forms (Challan)for each “payee”, procedure at Para 2.4 will be followed. Process flow will be as follows:





## **2.8. Deposit of Tax by Withholding Agents, where number of “payees” is multiple & tax is deposited through a composite In-put Form for all “payees”**

Where the Withholding Agents deposit the tax through a **single instrument** for all “payees”, the procedure would be as follows:-

- Withholding Agent will provide bulk-data (soft copy of data on CD, or on memory stick etc.) for loading into Bank’s database (the format in Excel is available FBR’s website)
- Taxpayer presents Income Tax Input Form also at Bank’s counter.
- Bank to upload data into the system.
- Check NTN / of the Withholding Agent.
- If NTN of the “payee” is not verified, CNIC to be obtained. If both, i.e. NTN or CNIC are not available, tax may be deposited by the Withholding Agent but no credit will be allowed to the payees in respect of such tax deposits. In case the “payee” is a Company /AOP etc. tax deposit to be accepted with a valid NTN only.
- If NTN / (as input) are verified against NTN Master Index, Withholding Agent’s Name and Address will appear on screen. Match name on form and on the screen. Tax will be deposited and credited to a suspense account. The taxpayer shall not be entitled for credit of such tax deposit.
- Check the Name of Withholding Agent on screen against that mentioned on Tax Input Form / Bulk Data.
- The total Amount of Tax being deposited appears automatically
- Verify the total Amount of Tax being paid against as mentioned on Tax Input Form / in the Bulk Data.
- Input mode of payment.
- Save data to print CPR where payment is made in cash.
- Where payment is through Clearing, input details of Cheque etc., as applicable and issue temporary token on prescribed form.
- Save data and issue CPR on confirmation of payment from the Bank.
- The Bank will generate CPR summary as per format given at annex-4.
- Stamp and sign CPR.





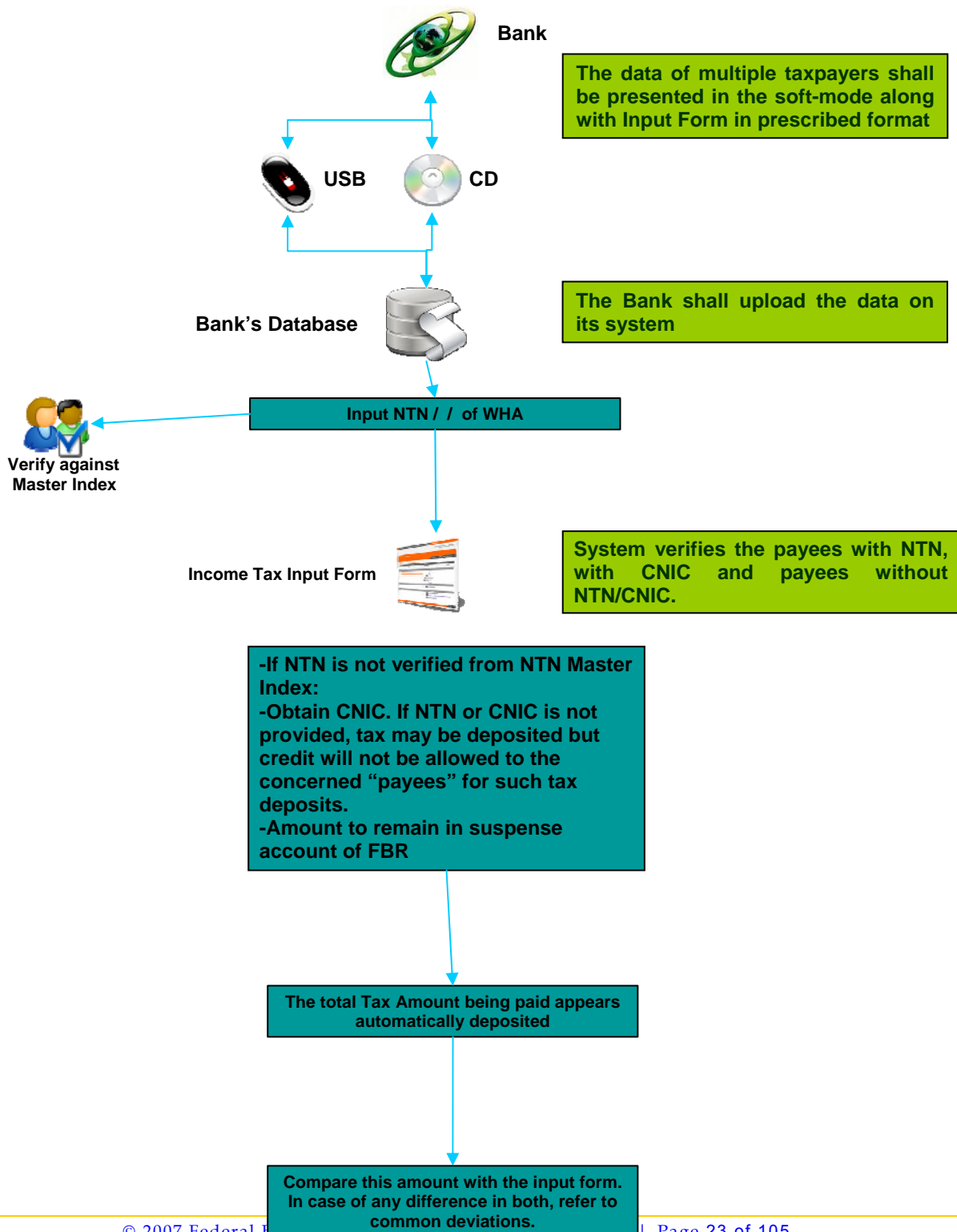
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- Hand over CPR to the Taxpayer.
  - Send Data to the Bank's Server.
  - Data will be transferred electronically on daily basis to FBR in accordance with the agreed schedule for A, B & C categories of the Branches.
  - PRAL to up-load data on respective databases of FBR
  - Data to be uploaded by FBR/PRAI simultaneously on RTO's/LTU's Servers.

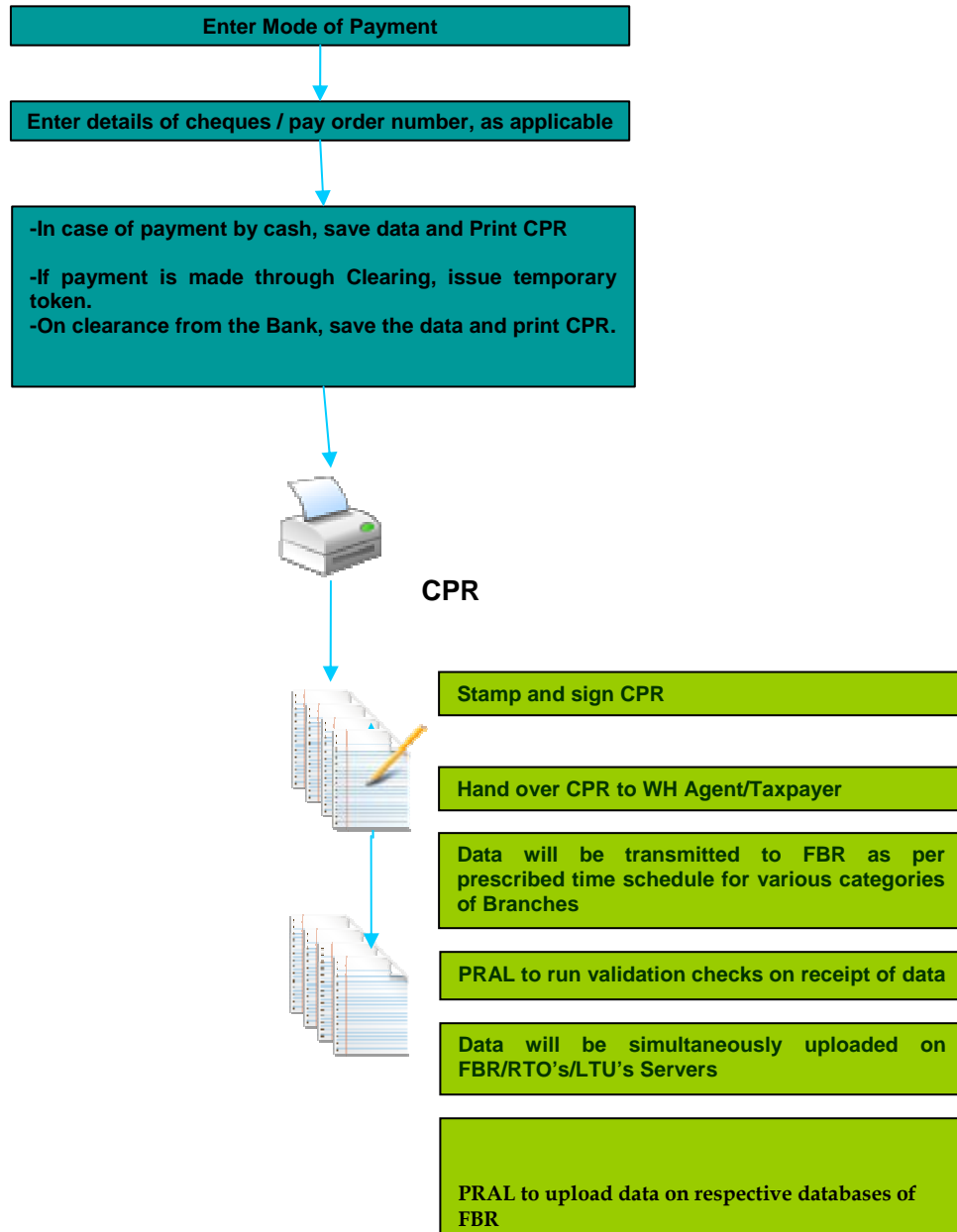
**Note:**

- The Bank officials will exercise due care at the time of input of various fields to ensure accuracy.
- The Taxpayers should check the CPR before leaving the counter

## 2.9. Process Flow - multiple tax payers

(Where the Withholding Agent has multiple tax payers and tax is deposited through a single instrument (one composite Input Form))

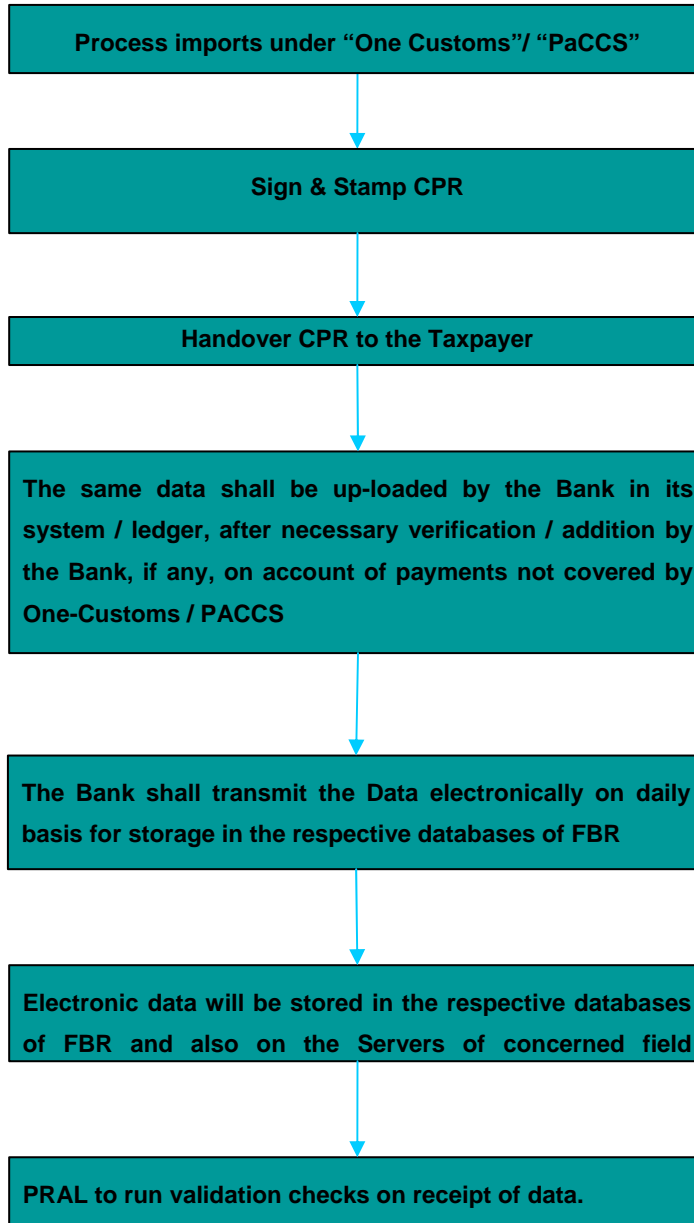




## **2.10. Deposit of Income Tax collected on Imports & Process Flow**

Income Tax is collected by the Collector of Customs at imports stage on Duty paid value of imports in the manner in which Customs Duty is collected. It is deposited in NBP along with other taxes on imports. Sequence of operations is different in view of two separate computer applications being applied under “One Customs” and “PaCCS”. Detailed process of deposit of Income Tax on imports is the same as stated in the chapter on deposit of Customs Duty in the Bank as all taxes are collected along-with of payment of Customs Duty and deposited in NBP.

**Process flow:-**





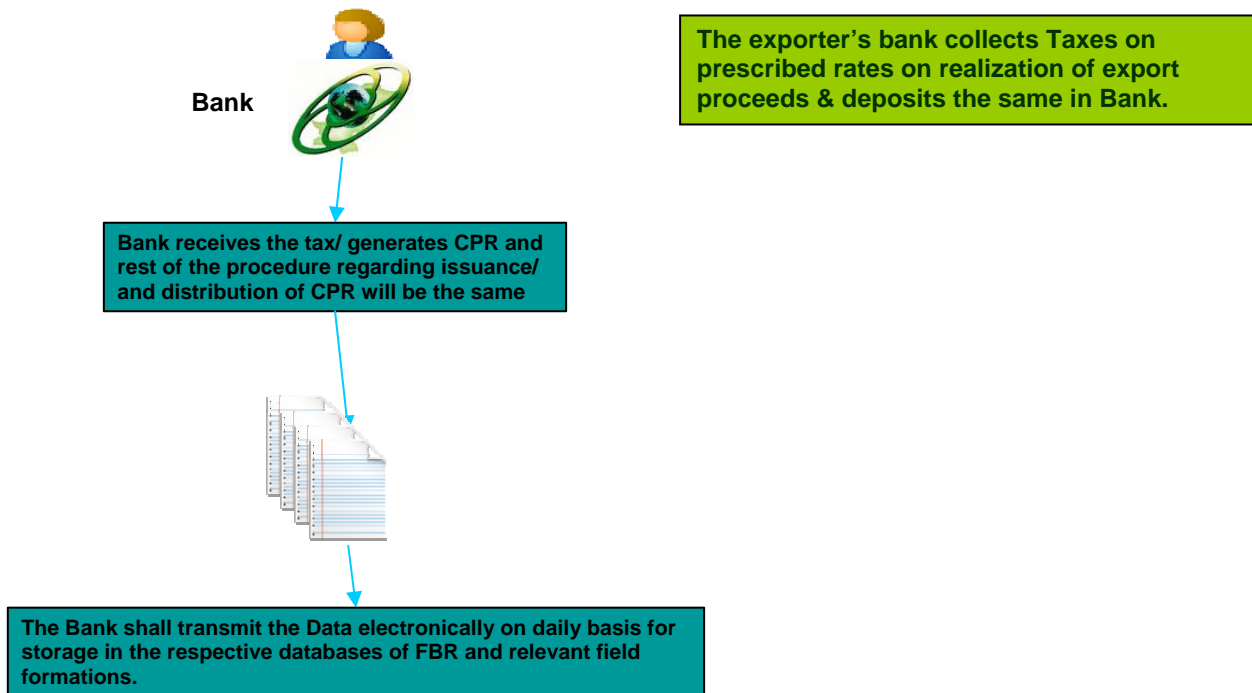
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## 2.11. Deposit of income tax on exports

- Tax on exports is also covered under withholding regime of the Income Tax Ordinance, 2001. Section 154 of the said Ordinance provides for collection of tax by the Banking authorities at the time of realization of exports proceeds at the rates prescribed in the Income Tax Ordinance and deposited by the concerned Bank Manager.
- Bank to issue CPR
- Copy of CPR to be provided to the Exporter.
- Data will be transmitted daily on FBR's / PRAL's Servers.
- PRAL to run validation checks on receipt of data.
- Electronic data will be stored in the respective databases of FBR and field formations.

## 2.12. Process flow

Process flow is as under:-



## 2.13. Export Development Surcharge (EDS)

- EDS is also collected on exports under the relevant legislation.
- Separate challan is prepared by the Bank when export proceeds are realized.
- After deposit, CPR will be generated by the Bank.
- CPR to be distributed as per prescribed procedure.

## **2.14. Capital Value Tax & Process Flow**

### **2.14.1. Procedure.**

CVT is charged on transfer of immovable property. The present mechanism of CVT collection is manual. CVT Challan is filled in manually with the “buyer” and “seller’s” NTN or CNIC, which is mandatory.

The “buyer” deposits CVT in NBP and submits the Challan with necessary documents where they are verified and sent for micro filming etc.

### **2.14.2. Present Sequence**

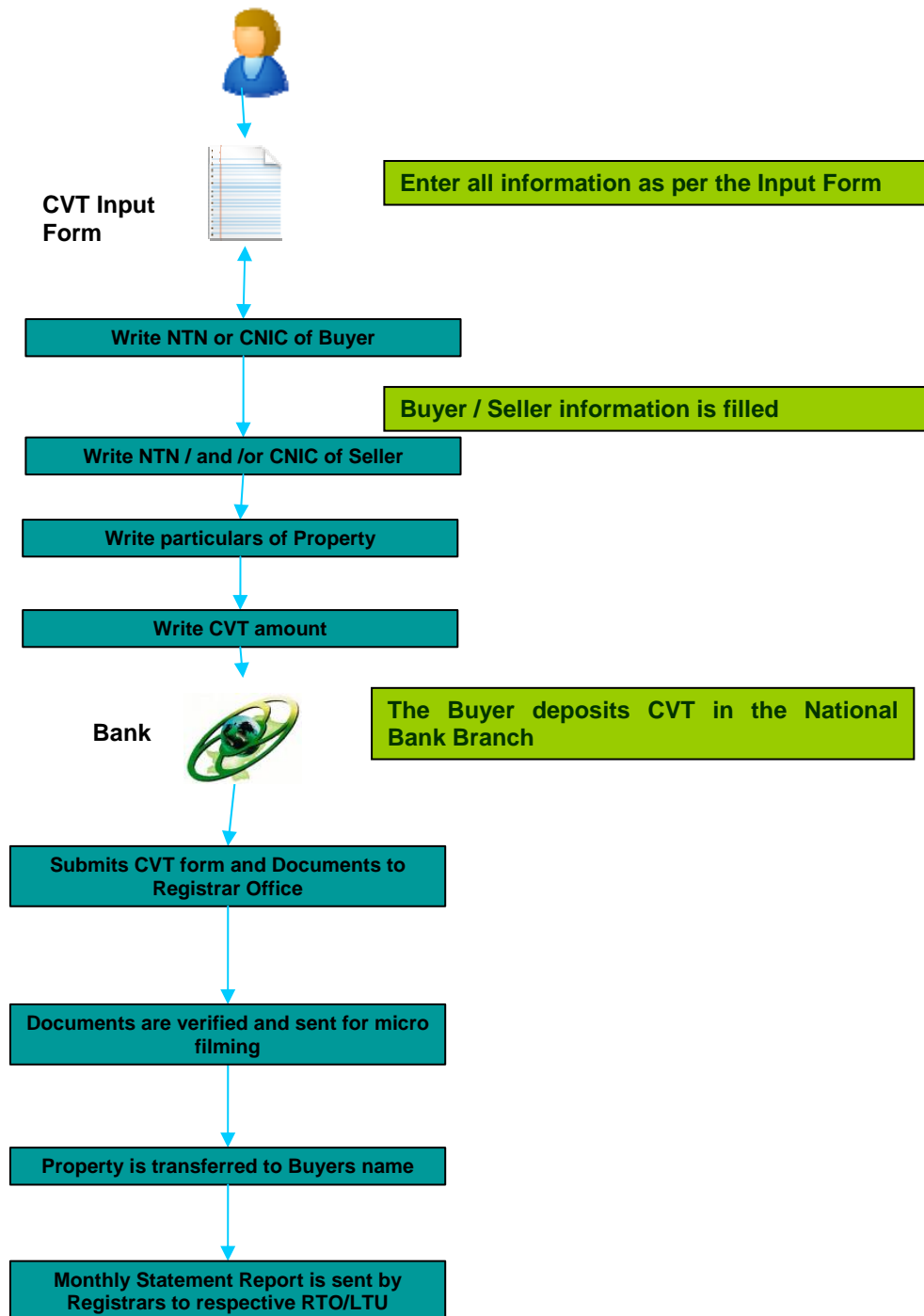
- The buyer prepares legal documents for transfer of land.
- The buyer fills the CVT-1 Challan (Annex- 7)
- The form contains the buyers and sellers name, address and NTN or CNIC
- The form also contains the particulars of the Land/Property details
- The CVT amount is calculated and Challan is prepared
- CVT is deposited in the NBP
- The Bank signs and stamps the Challan with bank transaction details (presently old Challan format is being used for CVT deposit. Annex-6)
- Transfer documents with paid Challan are filed with Land Registrar
- After verification process the documents is sent for micro filming
- After micro filming the property is transferred to the buyer
- Monthly statement/report of CVT is prepared manually and sent to respective RTO/LTU.

### **2.14.3. The Proposed Procedure**

- The Banks will receive CVT on basis of Input Form.
- NTN / CNIC of Buyers and Sellers will be checked from NTN Master Index.
- CPR will be handed over to the Payee.
- Data will be transmitted electronically to FBR on agreed format.
- Validation checks will be applied by PRAL on receipt of data.
- Electronic data will be stored in the respective databases of FBR.
- Data shall be simultaneously loaded on RTO’s /LTU’s Servers.



2.14.4 Process flow:



### 3. Sales Tax

#### 3.1. Payment of Sales Tax

Sales tax is charged at the following stages:-

**i. At the time of Imports**

Since Sales Tax is collected with Customs Duty, its deposit & data/CPR transmission procedure will be same as provided for in the chapter on the Customs Duty.

**ii. Payment of Sales Tax by Registered Person (RP)**

Persons liable to Sales Tax on their Sales get themselves registered with the Sales Tax Department. They collect Sales Tax from their Sales/ transactions during the currency of the month. Return in respect of Sales made during a particular month is filed by the 15th day of the next month. Such Returns are filed by manufacturers, whole sellers / distributors as well as by the Retailers etc, except those where " due date" has been prescribed otherwise.

At present, Sales tax is deposited through a combined Return-cum-Challan Annex-8 and according to the Sales Tax Return filing mechanism adopted by the Taxpayers. Returns are either filed manually in NBP or electronically on the FBR's Server.

Under SRO 660(1)/2007, a concept of Withholding Agent has been introduced in the Sales Tax also. A separate Return has been designed for such Agents, to be filed on monthly basis (Annex-11) Copy of SRO No. 660(1)/2007 is enclosed as Annex-9.



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## Filing Mechanism

### 3.2. Manual filing:

- 1) Every registered person (R.P) shall file Return in triplicate in a bank located in the jurisdiction of the Collectorate where he is registered. Provided that a person registered in LTU shall indicate the expression "LTU" on the top right corner of the Return.
- 2) The Registered Persons shall deposit the amount of Sales Tax due for the tax period at the time of filing of Return.
- 3) In case no amount of Sales Tax is payable by the R.P., it may file a NIL Return in the RTO/ Collectorate (in duplicate) at the counter setup therein.
- 4) The Bank official shall ensure that the particulars entered in all three copies of the Return are identical and the amount deposited tallies with the amount indicated as "Total Sales Tax Payable" in the Return and thereafter sign and stamp the Return indicating the date of payment of tax and submission of tax Return.
- 5) The Bank shall forward the original copy of the Return to the concerned Collectorate of Sales Tax or the RTO/LTU, as the case may be. The second copy thereof along with the CPR shall be delivered to the registered person as a token of receipt of payment of Sales Tax and filing of Return and the third copy shall be retained by the Bank for its record
- 6) In case of payment through cheque, pay order or bank draft the Bank will receive the Return in triplicate along with the instrument of payment for the amount of tax payable indicated in the Return and issue a provisional acknowledgement receipt(prescribed token) to the R.P
- 7) On clearance of the instrument, the Bank official shall sign and stamp the Return indicating the date on which payment is received by the Bank. In cases where the payments are received through pay order or Bank draft, the Bank shall affix two stamps on the Return indicating the date on which the pay order or Bank draft was received for clearing and the date on which the pay order or bank draft was cleared for payment by transfer.
- 8) The date of deposit in case of payment through cash or cheque shall be treated as the date on which the payment is received by the Bank. In case of payment through pay

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order or Bank draft, the date on which the pay order or Bank draft is tendered at the Bank Counter shall be treated as the date of payment. Where the pay order or Bank draft so tendered at the Bank Counter is not cleared on its first presentation for bank clearing before the due date, the R.P. shall be liable to pay default surcharge and penalties for late payment of Sales Tax.

### **3.3. Electronic Filing:**

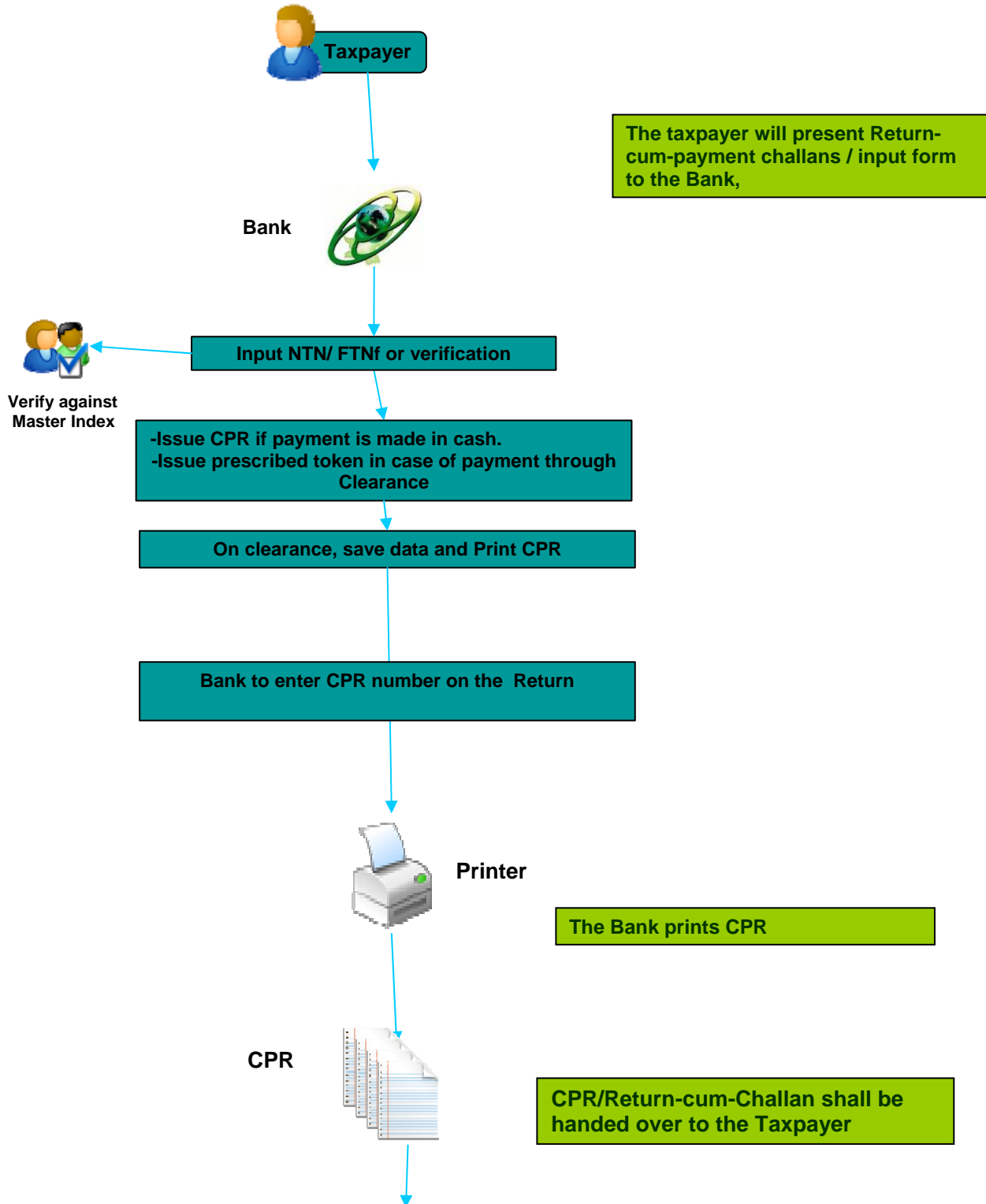
- 1) The following categories of registered persons, instead of filing the hard copies, shall file the Sales Tax Returns electronically in the following manner;
  - o Registered Persons falling in the jurisdiction of LTU, Karachi, Islamabad and Lahore
  - o Private and Public Limited Companies registered in other RTOs/Collectorate of Sales Tax, Provided that the Registered Persons, other than those mentioned above, may also opt for electronic filing of Sales Tax Returns in the same manner.
- 2) The FBR, vide Sales Tax General Order No. 4/2007 dated 21st August 2007 has prescribed a procedure for electronic filing of Sales Tax /FED Returns. A copy of the General Order is at Annex-10.
- 3) Under this STGO, all registered persons who are required to file Returns electronically under rule 18 of the Sales Tax Rules, 2006, shall observe the procedure prescribed in this General Order in respect of the returns due on 15th August 2007 and afterwards.
- 4) The electronic returns can be filed directly by a registered person or through an e-intermediary licensed under the Sales Tax Rules, 2006.
- 5) Digital certification mechanism required for electronic filing of the Returns will be prescribed by FBR.

Detailed procedure has been explained in Annex-10.

### 3.4. Sequence of Operations

- The Bank “user” will capture the information of NTN/'s/FTN CNIC and Name from Return-cum-Payment Challans.
- Particulars of Registered Person will be checked from the NTN Master Index /Sales Tax Registration data placed on Bank’s system.
- In case of any difference in the National Tax Number, the taxpayer would be referred to RTO/Collectorate for verification.
- The Bank user will proceed with the submission process only in the case of verified NTN/FT Number.
- Against every successful submission of Sales Tax; CPR will be generated at Bank for each and every payment.
- In case of payment by cash, Bank will affix stamp on CPR/ Return-cum-Challan.
- CPR and Return-cum-Challan will be handed over to the Taxpayer.
- In the cases where tax is deposited through clearing, a token will be issued on the prescribed format. After clearance of the payment, CPR will be issued and the rest of the procedure regarding distribution etc. of CPRs and transmission of data will be the same.
- The Bank shall incorporate the CPR number in the Return-cum-challan
- Data will be transmitted electronically to FBR on daily basis as per prescribed time schedule for various categories of Branches of SBP/NBP.
- PRAL to run validation checks on receipt of data.
- Electronic data will be stored in the respective databases of FBR.
- Data shall be simultaneously loaded by FBR on the Servers of respective Collectorates /RTO/LTU etc.
- NBP shall also provide month wise ST collection figures to CAO for the purpose of reconciliation.

### 3.5. Process flow





CPR will be properly stacked with relevant Return-cum-challan



Data will be transmitted to FBR as per prescribed time schedule for various categories of Branches

PRAL shall run validation checks on receipt of data.

Electronic data will be stored in the respective databases of FBR



Data shall be simultaneously loaded on the Servers of respective Collectorates /LTU/RTO etc.

## 4. Custom Duty

### 4.1. Payment of Custom Duty

As per Chapter V of the Custom Act 1969, Custom Duties are levied at such rates as are prescribed in the First Schedule of the said Act or under any other law for the time being in force. Customs duty so levied is collected by the Collectors of Custom at Sea Ports/Dry Ports & Air ports on the following occasions:-

- goods imported in Pakistan;
- goods brought from any foreign country to any customs stations, without payment of duty there, goods transhipped or transported for, or then carried to, and imported at any other customs-station
- on public auction of goods by authorities
- Goods brought in Bond from one Customs station to another.

Two separate computer Applications are operating on various ports in the names of “One Customs” and “PaCCS”. Procedure of deposit of tax under each systems is as follows:-

### 4.2. Assessment & Collection Procedure under “One Customs”

Shipping / Air Agents

- File Manifest details electronically over the Web

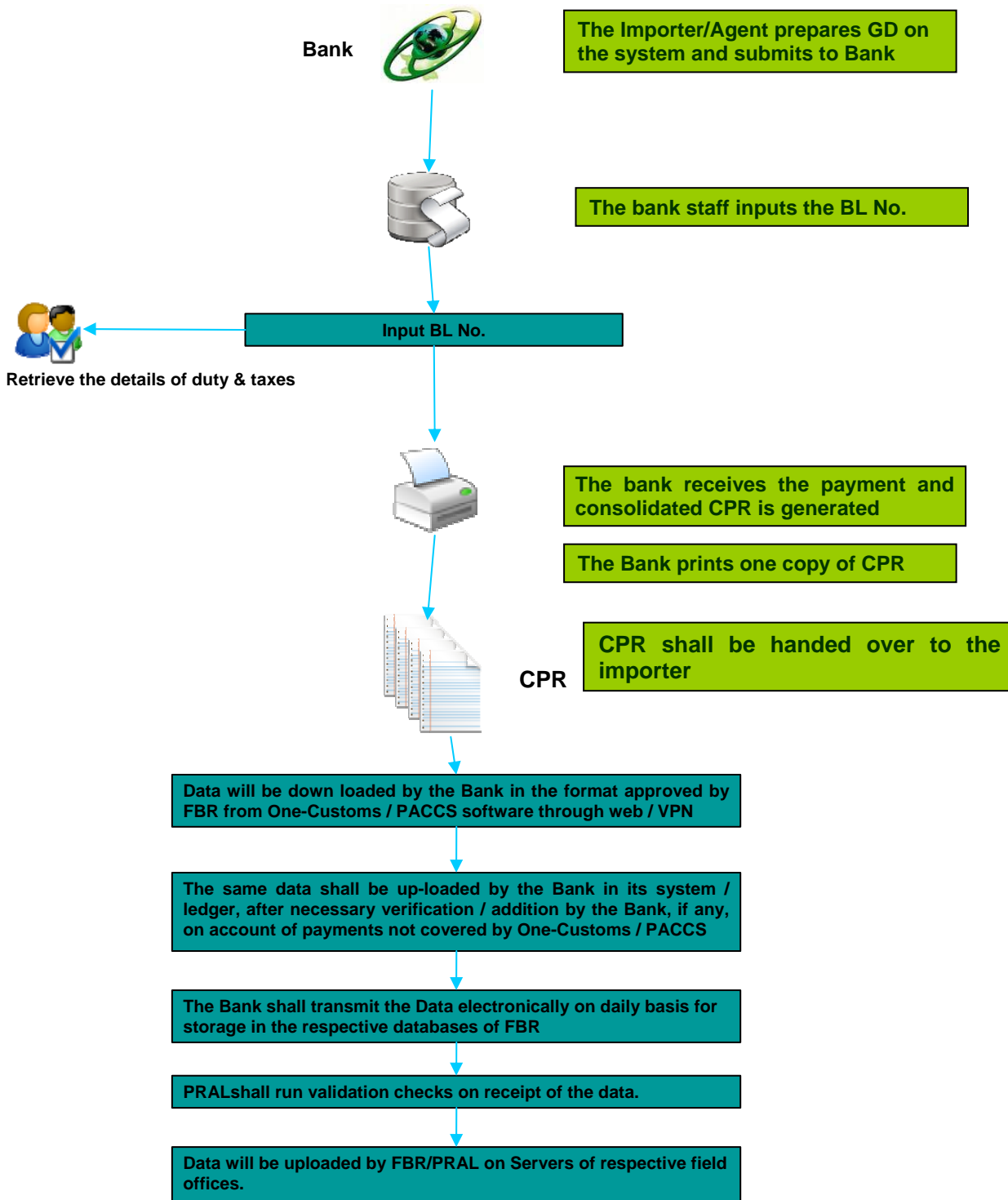
Traders / Clearing Agents

- Electronically File GD and declare all particulars of consignments
- NBP users will login to Custom’s Software Applications to receive remittance against the Cash Number allocated by Customs application.
- The Bank user will also capture the information of Pay order Number/ Cheque Number and Cash as the case may be;
- The system will confirm the amount against the receivable calculated by the system. In case the amount tendered is lesser than that receivable, the system will not allow the transaction.
- All the receivables must be recorded Head wise in the system.



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- Revenues other than GD are processed under Additional Duty Bill.
  - The Bank user is required to record each and every Bank payment of customs like Penal Surcharge, Agents Fee and Fines etc. in GD as well as Additional Duty Bill Software Application.
  - NAM codes shall be added by the Bank.
  - A combined CPR will be generated at Bank for each and every payment made indicating all kinds of duty Heads and taxes.
  - Bank will affix stamp on the CPR.
  - CPR will be handed over to the “Payee”.
  - Bank Scroll will be produced at the end of every business day for reconciliation purposes.
  - The present reconciliation process will remain the same.
  - The Bank User will download/ export the consolidated data from Customs Software Applications (PaCCS and One Customs), as per agreed format, on daily basis.
  - The exported data will be required to be imported into Bank Ledger System by the Bank User.
  - The data integration/consolidation will be performed at NBP between the imported data and the NBP data collected from the branches where neither of the Customs Applications is in execution.
  - Bank generates single consolidated payment challan, showing break-up of all duties and taxes separately and hands over to the taxpayer.
  - The consolidated electronic data will be sent to FBR, through FTP only, on every next business day.
  - Electronic data will be stored in the respective databases of FBR.
  - Data shall be simultaneously loaded by FBR on the Servers of respective Collectorates in RTO/LTU etc.
  - NBP shall also provide month wise Customs Duty collection figures to CAO for the purpose of reconciliation.

### 4.3. Process flow



#### **4.4. Payment Management System under PaCCS**

The importer prepares online Goods Declaration. The system computes the duties and taxes based on the declaration. The importer has the option to either make online Payment through Pre pact account maintained with Customs or submit Declaration to the bank “online” and approach the bank with the relevant BL number. The Bank already has online information regarding the amount of duty and taxes ascertained by the system on basis of the importers Declaration. Data is retrieved by the bank by searching the Bill of Lading number. The bank receives the payment and issues the Payment Challan, duly stamped by the bank officer. The Bank generates two copies of the Payment Challan, one for its own record and one for the importer.

The system generates a Customs Reference No (CRN) on receipts of duties and taxes.

Additional duty taxes are also paid like-wise, but the difference is of the reference number for the bank, that is changed from Bill of lading No (BL) to Customs Reference Number (CRN).

All of these transactions are done on PaCCS and the Bank has no separate/independent system. The bank has also been provided the “user” ID like traders and the Clearing Agents.

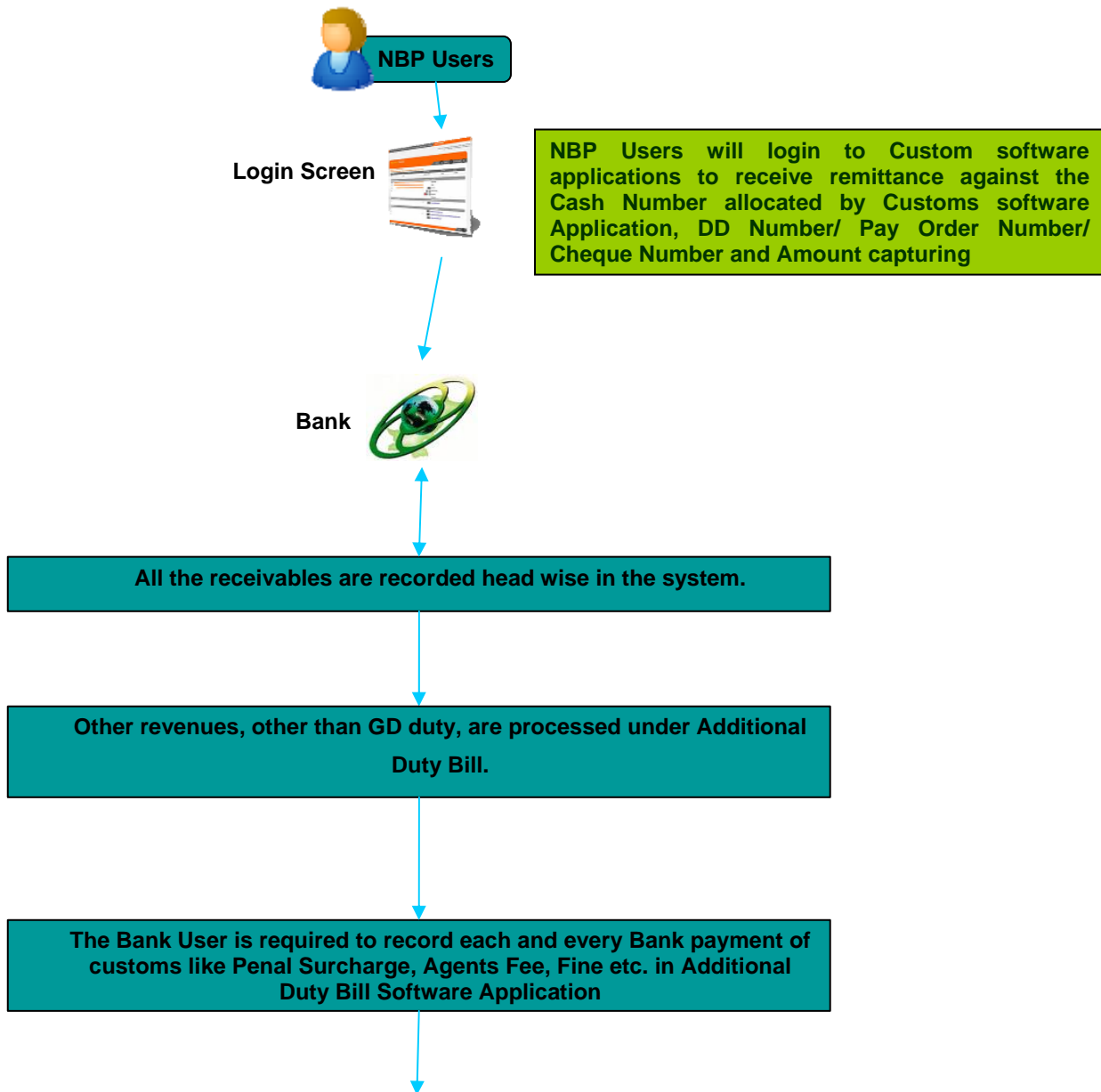
Customs Duty is paid in accordance with the Goods Declaration or Additional Duty Bill filed by importer.

- Bank also adds NAM codes on the CPR.
- Bank generates single consolidated payment CPR, showing the break-up of all duties and taxes separately. If any amount of duty and taxes is paid in excess, then it is automatically credited to the pre pact account of the importer or the Agent and is reflected in the CPR/payment challan.
- The Regulatory Duty leviable on certain exported goods is paid through pre pact account in PaCCS. The payment is transferred to the Government Treasury and reflected in the Bank scroll at the time of loading of the Cargo for exports.
- The Bank User will download the consolidated data from Customs Software Application as per agreed format on daily basis
- The said data will be imported into the Bank ledger system by the Bank user.
- The data integration/consolidation will be performed at NBP between the imported data and NBP data collected from the branches, where the Customs software Application may not be in execution.



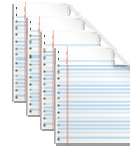
- Data will be transferred electronically by the Bank to FBR/PRAL
- PRAL will run validation checks on receipt of data.
- Data will be loaded on the Servers of FBR and respective filed offices / RTO / LTU for their reference and record.
- The Bank shall also provide month wise Customs collection figures to CAO for the purpose of re-conciliation.

#### 4.5. Process flow





The Bank prints CPR



CPR shall be handed over to the taxpayer



The Bank user will download/ export the consolidated data from Customs Software Applications (PaCCS and One Customs) as per agreed format on daily basis



The exported data will be required to be imported into Bank Ledger System by the Bank user



The data integration/consolidation will be performed at NBP between the imported data and the NBP data collected from the branches where neither of the Customs Applications is in execution



PRAL to run validation checks upon the data received from the Bank

Data will be transmitted to FBR & up-loaded on FBR's Servers



Data will be simultaneously up-loaded on respective RTO/LTUs Servers & other systems

## **4.6. Mode of deposit of Customs Duty**

### **4.6.1. Cash Payments**

- Where tax is deposited in cash, the Bank will issue CPR
- One copy will be handed over to the taxpayer
- Data will be down-loaded by the Bank in the format approved by FBR from One-Customs / PaCCS software through web / VPN.
- The same data shall be up-loaded by the Bank in its system / ledger, after necessary verification / addition by the Bank, if any, on account of payments not covered by One-Customs / PaCCS.
- The Bank shall transmit the data electronically on daily basis for storage in the respective databases of FBR/respective LTU/RTO/Collector.

### **4.6.2. Payments by clearing etc**

- In the cases where tax is deposited through Clearing, a token will be issued by the Bank on the prescribed format.
- After clearance of the payment, CPR will be issued and the rest of the procedure will be the same (as at 4.6.1)

### **4.6.3. Payment by adjustment from Prepaid Account**

- In the cases where an importer has deposited the Customs Duty in advance, Duty shall be paid by transfer of funds from the Prepaid Account maintained by the Collector of Customs.
- The procedure for transmission of data and issuance of CPR will be the same, as mentioned at 4.6.1 above.

### **4.6.4. Additional Duty Bills/Exports/Export Duty (Manual)**

- All duties received through additional duty bills etc, i.e. other than the normal Goods Declarations, will be presented to the Bank

- 
- The Bank will receive the payment, issue the CPR and rest of the procedure regarding distribution of CPR will be the same, as prescribed at 4.6.1 above
  - The Bank shall transmit the Data electronically on daily basis for storage in the respective databases of FBR/LTU/RTO/Collector.
  - Exports are also covered by additional duty bills mechanism. Export duty, wherever applicable, is collected and presented to the Bank. Payment is received by the Bank and CPR is issued. Data is captured on “One Customs”/ PaCCS systems and is transferred to the Bank for necessary addition, if required. The Bank will transmit the Data to FBR Server (as per present procedure followed by NBP) for storage in database of FBR/LTU/RTO/Collector.

#### **4.6.5. Tax Free Imports**

- In order to capture all transactions of imports, irrespective of their taxability or otherwise, and for building complete database, CPR shall be issued on basis of Cash number assigned by the system against the Tax Free Imports also.
- Data in respect of such imports and CPR issued shall also be transmitted by the Bank to FBR on daily basis, as prescribed for the other imports for storage in Databases of FBR/LTU/RTO/Collector.





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## 5. Federal Excise Duty

The Federal Excise Act, 2005, was promulgated with effect from 1<sup>st</sup> July, 2005, repealing the Central Excises Act, 1944. Federal Excise duty is payable on various goods that are subject to change at the time of annual budget. FED is charged from manufacturer of certain goods, Services, provided or rendered in Pakistan

FED is charged on certain goods at import stage also. On imports, it is collected along-with Customs Duty and other Federal Taxes. The mechanism for deposit of FED is the same as explained for deposit of Customs Duty in Chapter 4. The consolidated CPR issued by the NBP in respect of imports separately indicates the amount of FED also.

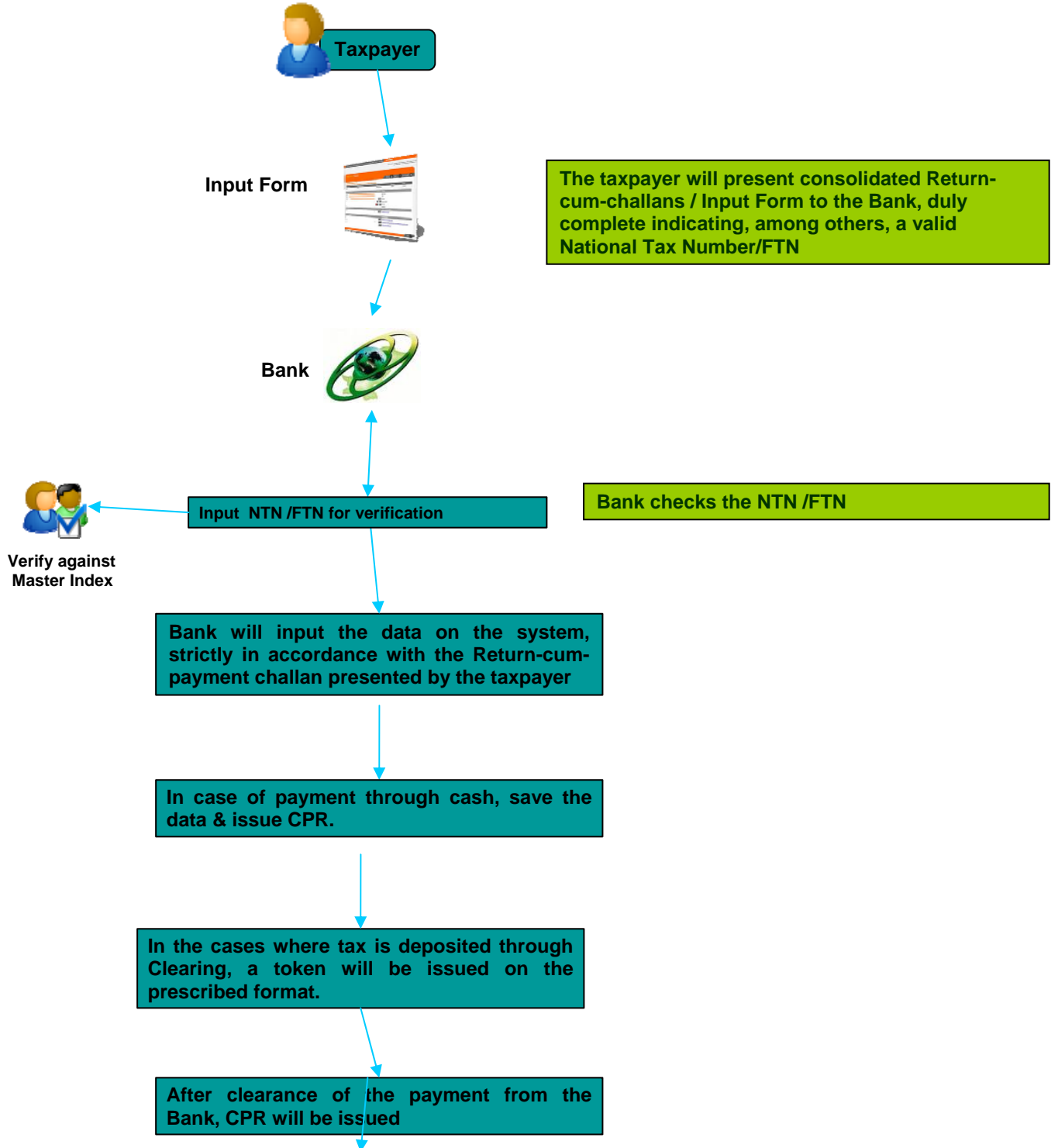
FBR has prescribed a common Return for Sales Tax and FED (Annex-8).

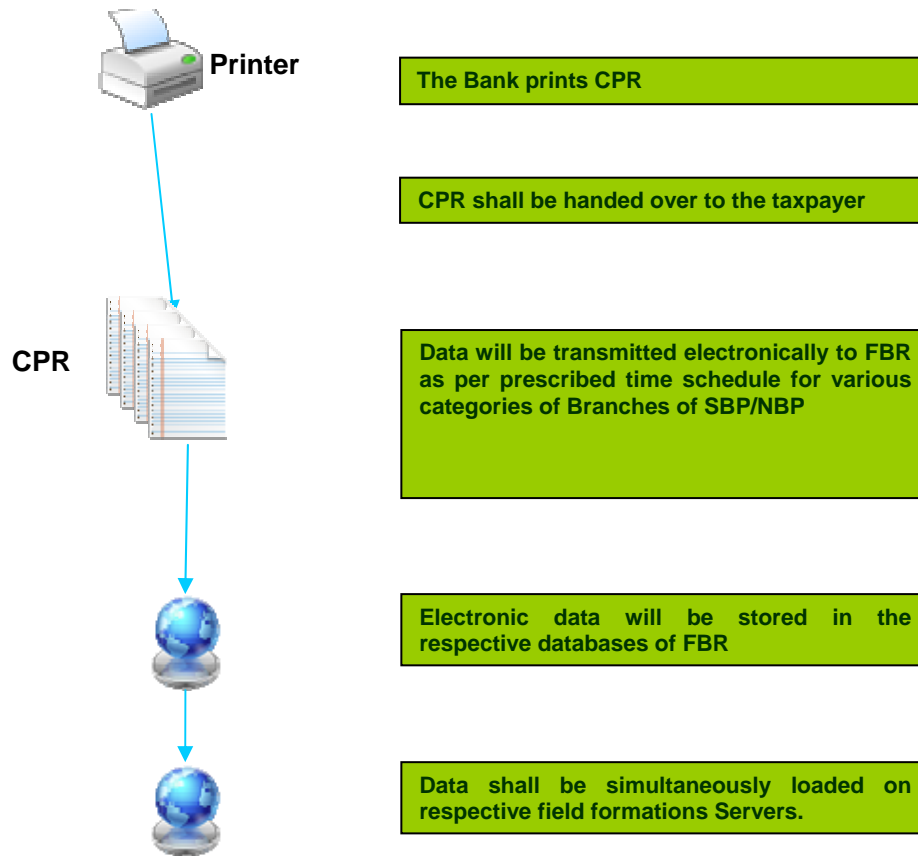
## 5.1. Deposit of Federal Excise Duty

FED is deposited through consolidated Sales Tax and FED Return (Annex-8). The process for such payment would be as follows:-

- As per Sales Tax Act, 1990, FED Returns should also be deposited by 15<sup>th</sup> of next month.
- The taxpayer will present Return-cum-payment Challans / Input Form to the Bank; duly complete indicating, among others, a valid National Tax/Tax Free Number.
- At the time of tax receiving the data provided by the taxpayer/ Agent, NTN/FTN will be verified by the Bank from the NTN Master Index. If the number can't be verified, refer to chapter on Common deviations.
- CPR will be generated by the Bank, duly signed and stamped
- CPR will be properly stacked with relevant Return-cum-Challan/Input Form.
- One copy of CPR with Return-cum-payment challan/Input Form will be handed over to the taxpayer.
- Data will be transmitted by the Bank to FBR on daily basis as per prescribed time schedule for various categories of Branches.
- Data shall be simultaneously loaded on respective field formations Servers.
- In the cases where tax is deposited through Clearing, a token will be issued on the prescribed format. After clearance of the payment, CPR will be issued and then rest of the procedure will be followed.
- NBP shall also provide month wise consolidated FED collection figures to CAO for the purpose of reconciliation.

## 5.2. Process Flow





## 6. General

After explaining the detailed processes for deposit of Income Tax, Capital Value Tax, Sales Tax, Federal Excise Duty, Customs Duty and the other charges, it would be appropriate to include the related general things also in this Hand Book for the purposes of clear understanding and guidance of all concerned. The up-coming chapter states the roles and responsibilities of different stakeholders and the other related matters.

## Roles and Responsibilities

### 6.1. Roles and Responsibilities

At the time of bringing about the change in an existing system, some degree of uncertainty certainly exists about roles and responsibilities of concerned agencies. As a result, enforcement of boundaries of each stakeholder is difficult. At management levels, conflicting expectations are raised regarding execution of and management of change. Consequently, problems are not confined to coping with the change per se but of understanding of changed roles and responsibilities and about conceivable limits of their positions and authority. All this warrants drawl of some sort of concise responsibility chart or matrix for clarity of all concerned.

The project management teams of FBR, PRAL and both the Banks are expected to draw workable Implementation Plan and manage it through to a successful conclusion. Role of tax paying community is not of lesser importance either. On account of varying factors like poor state of domain knowledge of some of the stake holders, and IT environment, certain non-technical factors are also likely to come into play in Collection Automation Project that may hinder its success. While the project management roles and responsibilities of different players are considerably identifiable yet they need to be purely understood to ensure project success. All concerned, among other things, are therefore obliged to:

- Understand project needs in terms of requirements of valued Tax Payers and their facilitation through use of information technology.
- Expressly define scope, goals, and desired deliverables.
- Identify exact resource requirements of respective organizations.
- Acknowledge staff capabilities with reference to specific expertise and Skill levels to efficiently carry out the project

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- Allocate reasonable resources in the light of other priorities and existing workload in the Banks so that their individual employees can devote sufficient time to this project.
  - Make available reasonable infra structure, needed to efficiently run the project.
  - Review deliverables and procedures on recurring basis.
  - **The Banks shall not affect any change in the operational process or procedure relating to Collection Automation Project without prior notice to FBR. Organizational Interface will define roles of dedicated human resources of each stakeholder, with specific responsibilities.**

Such understanding is required for proper monitoring of progress and for timely roll out of CAP. The important roles and responsibilities of different stakeholders include the following:-

#### **6.1.1. Federal Board of Revenue.**

- Ultimate authority & responsibility for implementation of CAP.
- Specify scope of CAP Project and set goals (Document of Understanding and other requisite documentation).
- Take key organizational decisions for the project.
- Specify various forms, Input / Return-Cum-Challan form and bulk data withholding Input Form etc.
- Provide NTN Master Index to collection Banks.
- Specify Rules and procedures to collect and disperse collection transactions.
- Liaison with NBP/SBP/AGPR and other stake holders.
- Manage coordination & Consultation with stake holders on Rules and Procedure / SOP and with other groups involved in the project.
- Monitoring the implementation and quality compliance of CAP.
- Change Management for FBR, its field formations and Taxpayers.
- Approval of business process & changes therein
- Other related activities.

### **6.1.2. National Bank of Pakistan.**

- Design, develop and implement CAP Application for revenue collection as per D.O.U after necessary approvals.
- Smooth Collection of Revenue.
- Secure transmission of collection and related data to FBR with complete audit trail.
- Back-up & Disaster Recovery measures.
- Install application at all notified branches of NBP and SBP.
- Ensure security and integrity of tax deposit related systems, including effective arrangements for daily on-site and off-site back ups.
- Receive Master Index updates from FBR.
- Ensure smooth and timely uploading of Master Index of incremental Sales Tax and Income Tax Registration data at all branches.
- Ensure speedy and timely implementation of new version of application on all branches in an organized manner.
- Daily transmission of transactional data as per FBR's requirements.
- Daily transmission of settlement data.
- Ensure arrangement and execution of all transition phase requirements.
- Compliance of related rules and regulations, and
- Any other related operational activity as per Document of Understanding.
- Any change in notified tax related process/ operation ( to be affected only after approval from FBR).

### **6.1.3. State Bank of Pakistan**

- Implementation and smooth operation of CAP application developed by NBP in SBP branches.
- Smooth collection of revenue.
- Daily transmission of transactional data as per FBR's requirements.
- Daily transmission of consolidated (SBP/NBP transactions) settlement data to FBR.
- Timely up-dation of Master Indexes of incremental Sales Tax and Income Tax Registration in all branches.
- To ensure security and integrity of tax deposit related systems, including effective arrangements for daily on-site and off-site back ups.
- Any change in tax deposit related process/ notified operation to be affected only after approval from FBR
- Ensure arrangement and execution of all transition phase requirements, and
- Overall compliance of Treasury Rules of the Federal Government and other related Rules and Regulations.

#### 6.1.4. Pakistan Revenue Automation Limited (PRAL)

- Defining the requirements for reporting & interfacing.
- CAP Data management & support.
- Monitoring project progress/performance & providing status reports to FBR
- Managing project deliverables in accordance with CAP plan.
- Documentation & analysis of present & future processes/systems & tax deposit.
- Custodian of revenue collection data.
- Design, develop and implement infrastructure to daily download data from Banks and electronic disbursement to field formations Servers in a highly secure manner with complete audit trail.
- Design, develop and implement daily collection and reconciliation reports system for FBR.
- Interfaces with other systems.
- Development & operation of technical testing programs, including User Acceptance Testing program.
- Managing end-users training.
- Technical documentation for agreed quality standards
- Ensure daily transmission of incremental Master Index to Banks.
- Design, develop and implement daily branch wise compliance reports,
- To ensure security and integrity of tax deposit related systems, including effective arrangements for daily on-site and off-site back ups, and
- Any other related activity. Any change in tax deposit related process/ notified operation to be affected only after approval from FBR

#### 6.1.5. Organizational Interfaces

For timely implementation of CAP, identification and assignment of roles and responsibilities of different stake holders is very important, like all IT projects. The cross organizational interface for CAP is as follows:-

Role	Held By	Responsibilities
<b>Project Sponsor</b> - FBR	Chairman, FBR	<ul style="list-style-type: none"> <li>• Chairman, FBR is Project Sponsor.</li> <li>• He is the final authority to act on the behalf of the FBR with regard to business objectives of CAP and for resolving issues which may arise during the service delivery.</li> <li>• Will approve progress reports.</li> <li>• Will be Chairman, Steering Committee</li> </ul>





Role	Held By	Responsibilities
- CGA	CGA	Controller General Accounts is the Project Sponsor. He is competent to take decisions relating to role of his organization in CAP.
- SBP	Governor, SBP	<ul style="list-style-type: none"> <li>The Governor is the Project sponsor and will take all decisions on behalf of SBP in the CAP related matters.</li> </ul>
- NBP	President, NBP	<ul style="list-style-type: none"> <li>The President is the Project sponsor and will take all decisions on behalf of NBP.</li> </ul>
<b><u>Steering Committee</u></b>		<p>There will be a Steering Committee of the project to oversee its progress and for reacting to the strategic problems, if any and to create awareness in their respective areas about the project. It will comprise of the following;-</p> <ol style="list-style-type: none"> <li>1.Chairman, FBR- Chairman</li> <li>2.Controller General Accounts-Member</li> <li>3. Governor, SBP- Member</li> <li>4. President, NBP- Member</li> <li>5. Member (DT)FBR - Member</li> <li>5. Member, IMS FBR- Member</li> <li>6. Member(Sales Tax) FBR- Member</li> <li>7. Member(Customs) FBR- Member</li> <li>8. Member(FR&amp;S) FBR- Member</li> <li>9 Project Director, CAP, FBR –Member/ Secretary</li> <li>10. Director Finance, SBP -Member</li> <li>11. CEO, PRAL- Member</li> <li>12. SVP(Ops), NBP- Member</li> </ol> <p>The Committee may meet on monthly basis or with such intervals as may be mutually decided. The Members can appoint their nominees also for meetings.</p>
<b><u>Project Co-Sponsors</u></b>		
- FBR	Member, IMS	<p>Member (IMS) is FBR’s Project Co-Sponsor.</p> <ul style="list-style-type: none"> <li>Will have full authority to act on behalf of FBR for resolving issues, which may arise during the service delivery.</li> <li>Will set milestones to achieve business objectives.</li> <li>Coordinate with all stakeholders during all phases of the project.</li> <li>Approve progress reports and accept deliverables.</li> <li>Will be member of the Steering Committee</li> </ul>



Role	Held By	Responsibilities
- SBP	Director, Finance	He will act as SBP's Co-sponsor for the Project and will have the authority to act on behalf SBP with regard to setting the mile stones for implementation and related operations of CAP application developed by NBP, coordination with stake holders and will help resolve problems and undertake all activities including development and operations as per objectives of CAP.
- NBP	SVP(Ops)	He will act as NBP's Co-sponsor for the Project. He will have the authority to act on behalf NBP for setting the mile stones, coordination with stake holders and to resolve operational and other issues during service delivery.
CAP Project Director	Chief (IMS wing)	<p>He will serve as Project Director, FBR for CAP project.</p> <ul style="list-style-type: none"> <li>• In addition to having those authorities as mentioned for the Program Manager (IMS, wing), Project Manger (PRAL) and Team Lead (PRAL), will have full authority to act on the behalf of the FBR to resolve all sort of issues, which may arise during the service delivery.</li> <li>• Coordinate with CAP development and implementation team during all phases of the project.</li> <li>• Specify Business Processes (BP)/ seek consensus on BP and work flows from all stakeholders</li> <li>• Respond to fact-finding and other related questions raised by development and implementation team and other stake holders.</li> <li>• Will be FBR's Coordinator/representative with the SBP/NBP.</li> <li>• Will be member of the Steering Committee</li> </ul>
CAP Program Manager	Chief Program Manager (IMS Wing)	<p>Cap's Program Manger will have full authority to act on the behalf of the IMS Wing to:</p> <ul style="list-style-type: none"> <li>• Coordinate with CAP Development and Implementation teams during all phases of the project.</li> <li>• Provide answers to fact-finding and technical question raised by the Development and Implementation teams.</li> <li>• Compiles user wish list/ requirements of stake holders.</li> <li>• Manage overall scope and activities of the project</li> <li>• Responsible for Change control of the deliverable for all phases.</li> <li>• Will do planning and schedule tracking.</li> <li>• Reviews deliverables.</li> </ul>
CAP Project Advisor	CEO (PRAL)	CEO will serve as the CAP Project Advisor. In addition to having those authorities and responsibilities as mentioned for the PRAL development lead, will have full authority to act on the behalf of the PRAL with respect to resolving technical issues which may arise during the service delivery. He will also be member of Steering Committee
CAP Team Lead, PRAL	Director (CAP), PRAL	Director (CAP), PRAL will serve as the CAP Team Lead. He will be responsible for the overall service delivery including.



Role	Held By	Responsibilities
NBP Team Lead	Vice President/ Project Manager (CAP)	<ul style="list-style-type: none"> <li>• Management of scope of work for back office processing needs of FBR</li> <li>• Seek prior approval from FBR in respect of business processes / forms/ formats or changes therein before intimation to the stake holders.</li> <li>• Responsible for implementation of all phases and activities of project</li> <li>• Lead the PRAL IT team for the Project.</li> <li>• Develop software applications and infrastructure for back office processing of CAP at HQs and in respective field offices.</li> <li>• To maintain integrity of the system for ensuring up-loading of 100 % data, that is electronically remitted to FBR/PRAL by SBP/NBP on daily basis. A mechanism will be developed to report the discrepancy, if any, to FBR on regular basis as prescribed by the Board.</li> <li>• Generate specified reports, as desired by FBR</li> </ul> <p>NBP Team Lead is Project Director. He will be responsible for overall development and operation related service delivery including the following:-</p> <ul style="list-style-type: none"> <li>• Lead development team of NBP</li> <li>• Scope Management of Development and Operations</li> <li>• Design, develop and implement front end application to be deployed at NBP/SBP Branches</li> </ul>

## 6.2. Transmission of Data to FBR by SBP/NBP

The SBP / NBP shall report electronically Branch wise daily consolidated collection figures in respect of all taxes separately to FBR. The report should, among other particulars as may be prescribed by FBR, include the following:-

- Branch Name
- Branch Code
- Collection Date
- Number of CPRs' Collected in Branch
- Amount (Branch Total)
- Payment Section / Head
- Reporting Date
- Data will be transmitted electronically to FBR daily as per prescribed time schedule for various categories of Branches of SBP/NBP.

- 
- PRAL will run validation checks on receipt of data
  - Electronic data will be stored by PRAL in the respective databases of FBR.
  - Data shall be simultaneously loaded by FBR/PRAL on e-filing Server and other Servers of respective field offices.

Needless to mention here, both the SBP and NBP are required to send the data to FBR in respect of **all transactions** relating to deposit of Income Tax, Sales Tax, Customs Duty, Federal Excise Duty and the other Taxes administered by FBR.

The Banks shall control the issuance of CPR number under their “Start-Of-Day” and “End-Of-Day” process in order to maintain the uniqueness of the CPR numbers generated by respective branches. Data transmitted to FBR shall be authenticated by using the standard IT techniques like “hash” technique etc.

In addition, detailed information on collection, which is presently being sent by the Bank to PRAL, shall continue to be sent.

The Banks shall put in place a system that ensures daily reconciliation of revenue figures, reported through the Banking system Application and the Collection Automation Project Software, before transmission of data to FBR.

### **6.3. Load Balancing**

It will be the responsibility of the Banks to arrange smooth deposit of tax throughout the year, particularly on peak days of tax deposits. For this purpose, adequate number of counters will be arranged to avoid any in-convenience to the tax payers in deposit of tax. Besides, adequate arrangements will be made for load balancing of the system also.

### **6.4. Placement of up-dated versions/ incremental registration, NTN Master Index data on systems of the Banks**

In order to facilitate the taxpayers:

- NTN Master Index has been implemented at all designated Bank Branches.
- The same will be up-dated electronically by FBR on daily basis.
- It will be the responsibility of SBP and NBP to ensure immediate up-loading of such up-dations/ incremental data on their computer systems installed at their HQ's/Regions and in the branches in the following manner;-



- 
- Online Branches = within 24 Hours
  - Other Branches = within 72 Hours

## 6.5. Date and Method of Settlement

The NBP will communicate the actual date of settlement with SBP in respect of cash collection, reported through CAP. The date of settlement should identify the following:-

- The branch code.
- Branch name
- Head wise amount settled
- CPR reference Numbers (serially or individually, if the serial is broken)

### Break down of the System

When Electronic Processing of tax deposit data / CPR is not possible due to power failures, or any error in the System, or due to break down in the computer system, or disruption in the communication network etc., the following procedure will be followed:-

- i. Bank to obtain Tax Input Form from Taxpayer / Withholding Agent.
- ii. Collect cash and issue temporary token, on the prescribed form to the Taxpayer / Withholding Agent.
- iii. Resume data entry operation upon restoration of the system.
- iv. Bank to issue CPR on presentation of temporary token issued to the taxpayers and issue CPR as per prescribed procedure for all pending Tax Input Forms.

Note: - Such failures should not be used by the Bank for delay. Transmission of data to FBR shall be managed by the Banks through alternate modes/media.

In case data can not be up-loaded on the systems of the Banks due to defect in media on which data has been presented, the taxpayer will be requested to re-visit the Bank after correction there-of.

In order to expedite information about the actual remittance of funds, NBP will provide daily **electronic** settlement report. A consolidated report would be sent by SBP also on daily basis who will, thereafter, report the figures to FBR/Federal Treasury on daily basis.

### Integrity of the system / CPRs

It is expected that the Withholding Agents / Taxpayers shall prepare the Input Forms with due care. The FBR will carry out necessary educational/facilitation campaign for the purpose. However the Withholding Agents / Taxpayers should check the amount of tax deposited and the other essential particulars on the CPR before leaving the Bank counter as to accuracy as final responsibility of correct payment(Particulars) lies with the taxpayer. The Banks, while processing



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the CPRs, must ensure capturing of data accurately on basis of Input Form by performing this service diligently to avoid errors and omissions in tax deposits.

Any mistake, if reported by the taxpayer, shall be corrected by the Bank the same day before transmission of data to FBR. If the taxpayer or the deducting authority/withholding agent requires any change in the processed data, later, i.e. after transmission of data to FBR and booking of collection to CGA, concerned taxpayer may approach the designated officer of the FBR/ concerned LTU/RTO/ Collector (Customs)/ (Sales Tax), for correction thereof in accordance with the Following Procedure:

1. Person requiring the change to collect all the copies of the CPR (challan).
2. File a written application to concerned DG (RTO)//LTU/Collector.
3. Attach copies of the CPR sought to be amended, including the official copy.
4. Certificate from the concerned RTO that credit has not been obtained in respect of collection in question.
5. NOC from the concerned taxpayer on a stamp paper.
6. Obtain approval from the said DG (RTO).
7. DPC / IPD will endorse the correction on all the copies of CPR / challan.

Update their Database and hand over the taxpayers copies under intimation to DG (RTO).

Such procedure regarding amendment in the input form shall, however, be considered as an exception and not as a matter of Rule. Necessary addition / deletion in the collection of respective tax offices and in the database shall also be made accordingly after approval in the manner prescribed by the concerned Wing/competent authority.

The Banks shall control the issuance of CPR number under their "Start-Of-Day" and "End-Of-Day" process in order to maintain the uniqueness of the CPR numbers generated by respective branches. Data transmitted to FBR shall be authenticated by using the standard IT techniques like "hash" technique etc

Once data is up-loaded on the system on basis of any data communication device, it will be the responsibility of the Bank to ensure that the same is not subjected to any change at any stage. For this purpose, the Bank will develop and provide necessary checks in the application that should make any change impossible. Necessary audit trail of the changes will be maintained in the databases of the Banks accordingly and made available to FBR.

### **Treasury Functions**

Federal Treasuries are operative in the Income Tax, Sales Tax and Customs Departments. They are performing the duties assigned to them, after receipt of the challans from the Banks.



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The aforementioned procedure relates to cash deposit of different taxes in the Bank. Functions of the Federal Treasuries operating in different field offices of FBR, which are being performed by FTOs / CAOs with regard to recording and reporting of all sorts of taxes, including those paid in cash, through Book Adjustment, Refunds in cash. Adjustment or through the refund adjustment mechanism, will continue to be performed by the FTOs'/CAOs'. Besides, they will continue to maintain different periodic Accounts of the Federal Government relating to Government Revenue for reconciliation etc. For improvement in accounting for procedure, CGA is running a project in the name of PIFRA. The processes of tax deposit and accounting will ultimately be inter-linked and aligned. The Tax Administration Reforms Project envisages automation for improvement in the tax deposit mechanism. Process will thus be improved through CAP towards integration with the overall system. Till such times the present tax deposit system and functions of FTO are likely to continue.

In addition, the SBP / NBP will continue to process the cash refund claims of the taxpayers, as before. Moreover, reconciliation of Revenue Receipts by/with Banks, AGPR and other agencies, officially involved in the process, will be carried out by the FTOs/CAOs' on monthly basis, as per present practice. CAP aims at facilitating the reconciliation process.

### **Generating the reports**

PRAL will generate the reports, required by various Wings of FBR for various purposes as the collection data is transmitted by SBP/NBP to PRAL daily. Each Wing will intimate its requisite reports to IMS Wing for further advice to PRAL to generate the same on periodic basis as per requirement of FBR.

### **Changes in Procedure**

The Banks will not affect any change in the operational process or procedure relating to Collection Automation Project without prior notice and consent of FBR.

### **Coordination**

The Banks will keep close liaison with FBR and concerned field offices. Focal persons shall be appointed by FBR for better coordination and to take up the issues arising during implementation of the of the tax deposit system. SBP / NBP shall also appoint such focal persons under intimation to FBR / concerned RTO / LTU / Collectorate. The designated persons of FBR, its field offices and the Banks shall meet regularly as per mutually agreed time schedules to discuss the strengths and significant deficiencies of the system, for identification and resolution of the problems / issues. Reports/ minutes of such meetings shall be issued and despatched to all concerned.

### **Security**





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The Banks will ensure the security of the information / data and of the System. For this purpose, the Banks will ensure that:-

- They shall abide by the legal provisions contained in the relevant fiscal statutes regarding confidentiality of the taxpayer's data.
- They adopt appropriate measures to protect information while in transit, in storage or in process.
- Maintain integrity of the system through effective access management and other measures including Disaster Recovery.
- Availability of information to the authorized users only.
- Safeguard and protection of information/ data in whatever form or media.
- Any other measure required for a dependable security framework.

### **Information System Audit**

The NBP will arrange /hire services of an information system audit consultant, having adequate experience of similar audits of banking/revenue Applications. The consultant will be required to certify the entire CAP ICT related functionalities as per CISA best practices and furnish a compliance report to the Steering Committee/FBR in due course

### **Implementation of Collection Automation Project & standard procedures**

The CAP will be implemented by SBP/NBP. Implementation includes execution of all CAP plan, processes and actions required for operation of the SW/ HW in desired environment. It also includes the process of installation, deployment, configuration, testing, auditing and affecting the requisite changes timely in accordance with the design specifications, common standards and universal best practices in the field of information technology.

This Hand Book is being circulated by FBR for strict compliance by all stake holders. All stake holders will ensure that instructions contained in this document are followed in their letter and spirit.

FBR will develop necessary mechanism for monitoring the progress and reporting the deviation, wherever occurring, to the concerned accordingly, for execution of remedial measures.

## 7. Epilogue

FBR is undergoing structural changes under Tax Administration Reforms Project. Information Technology has large component in the said programme. CAP application has been developed by NBP. Its ultimate linkage with the present and future computer Applications of FBR is advisable. In addition, linkage with the computer systems of Controller General Accounts and Tax Accounting System, operative in DPC's, and TMS being implemented in the RTO's is also necessary.

The Board is confident that tax deposit related operations will be conducted by SBP/NBP in accordance with the applicable laws, rules, regulations and established practices. The Banks shall have the responsibility and accountability for such operations, particularly with reference to accuracy and regular communication of Data to FBR. It is only through proper implementation of CAP that the problem of the taxpayers can be redressed and requirements of the FBR and its field offices can be met.

The Mission of FBR on this count is to create understanding among the stakeholders of the tax deposit system in particular and its overall goal to influence their behaviour through consistent sharing of communication as a strategy to achieve the desired objectives, including convenient tax deposits, timely credits and refunds.

If there are any questions/proposals or additional guidance is needed in this regard, please contact FBR, or the nearest Regional Tax Office, FBR's Website ([www.FBR.gov.pk](http://www.FBR.gov.pk)) or help line ([helpline@FBR.gov.pk](mailto:helpline@FBR.gov.pk)) or call centre on (0800 00227 / 051 111 227 227). This SOP has been placed on the FBR's website for information of all concerned.



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## 8. Disclaimer

The instructions contained in this Hand Book are being issued for the guidance of all concerned. These are to be read and followed in accordance with the Treasury Rules, the prescribed procedure and the practices regarding payment/deposit of tax.

This SOP is not intended to be and should not be taken as an instrument of Law/Rules. It is simply a guide for implementation of tax deposit related processes/Forms. Nothing stated in this document creates any substantive right or benefit that is legally enforceable by the other stakeholders, agencies or any other person.

The instructions contained in this Hand Book shall not be followed or used for contravention of any Rule and Regulation of the Government.

# Annexures

## 7. Annexure-1 Amendment in Treasury Rules by Finance Division

TO BE PUBLISHED IN THE GAZETTE OF PAKISTAN  
EXTRAORDINARY PART-II

GOVERNMENT OF PAKISTAN  
FINANCE DIVISION  
(EXPENDITURE WING)

Islamabad, the 15<sup>th</sup> June,

NOTIFICATION

S.R.O (1)/2006, In exercise of the powers conferred by Article 79 of Constitution of the Islamic Republic of Pakistan, the President is pleased to direct that following further amendment shall be made in the Treasury Rules of the Federal Government, namely:-

In the aforesaid Rules, in rule 95, after Note 2, the following new Note's be added, namely :-

"Note 3. - Wherever the Bank's Automation System is in place, the Computerized Payment Receipt instead of challans or special form of challan mentioned in Note-1 shall be issued by the State Bank of Pakistan and the National Bank of Pakistan and duly stamped and signed receipt of income tax, sales tax, custom duty and excise duty"


(F.No.5(1)Exp-111/2006)

(Ali Asghar)  
Deputy Secretary (Exp)

The Manager,  
Printing Corporation of Pakistan (Pvt) Ltd.,  
Islamabad.

Copy forwarded for information to:-

1. The Auditor General of Pakistan, Audit House, Islamabad
2. The Controller General of Accounts, Islamabad.
3. The Collector, Federal Treasury Office, Islamabad.

  
(Ali Asghar)  
Deputy Secretary (Exp)



## 8. Annexure-2 SRO by DT Wing for issuance of CPR


GOVERNMENT OF PAKISTAN  
REVENUE DIVISION  
CENTRAL BOARD OF REVENUE  
\*\*\*\*\*

Islamabad, the June 15, 2007.

**NOTIFICATION**  
(Income Tax)

S.R.O.415(1)/2007.- In pursuance of Note 2 to rule 95 of Treasury Rules of the Federal Government and in supersession of its notification S.R.O.481(1)/2007, dated the 9<sup>th</sup> June, 2007, the Federal Government is pleased to direct that henceforth the banks shall issue computerized tax payment receipt (CTPR) duly signed and stamped to the taxpayers vice manual tax payment challan.

[No.F.2(7)Rev.Bud/2005-06]

  
(SALMAN NABI)  
MEMBER (DIRECT TAXES)/ADDITIONAL SECRETARY



## 9. Annexure-3 Tax Payment Challan/Input Form

INCOMETAX DEPARTMENT
Central Board of Revenue  
IT-31 (Rev-II)  
ORIGINAL for Department

Notes: 1) Tax payments should be rounded to Rupees. 2) Payment Sections and codes are printed overleaf.

Name of LT/WT/FTO \_\_\_\_\_ LT/WT/FTO Code \_\_\_\_\_ Tax Year \_\_\_\_\_

Nature of Tax Payment:  Current Demand  Arrear Demand  With Return  Salary Month \_\_\_\_\_  
 Deductional Source  Advance Payment  Misc./Others \_\_\_\_\_  
(Only for payment of Z. 200)

Payment Section \_\_\_\_\_ Payment Section Code \_\_\_\_\_  
(Section) (Description of Payment Section) Account Head (NAB)

Taxpayer's Particulars: (To be filled for payments other than Withholding Taxes) \_\_\_\_\_  
(To be filled in by the bank)

NTN \_\_\_\_\_ CNIC / Reg. Inc. No. \_\_\_\_\_

Taxpayer's Name \_\_\_\_\_ Status (\*) \_\_\_\_\_

Business Name \_\_\_\_\_

Address \_\_\_\_\_

FOR WITHHOLDING TAXES ONLY

NTN/FTN of Withholding agent \_\_\_\_\_ CNIC/Reg. Inc. No. \_\_\_\_\_  
(where applicable)

Name of withholding agent \_\_\_\_\_

Details of taxpayers provided in electronic form:  Yes  No  
(Enter maximum of 10 taxpayers in none checked, no limit if provided electronically)

Sr.	NTN/CNIC	Status (*)	Taxpayer's Business Name & Address	Amount against which tax is being Withheld	Tax Amount
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
TOTAL					

Amount of tax in words: \_\_\_\_\_ Rs. \_\_\_\_\_

Mode of payment:  Cash  Refund Adjustment (by Department only)  
 Cheque/ Pay Order/ etc. No. \_\_\_\_\_ Date: \_\_\_\_\_  
Bank \_\_\_\_\_ Branch \_\_\_\_\_ Signature of Depositor \_\_\_\_\_

Treasury Challan No. & Date

Bank Stamp & Branch Code

For use of Computer Section of Dept. To be endorsed by the Treasury Officer of Authorized Bank.

(\*) Status: PUB => Public Company; PVT => Pvt. Ltd. Company; SOFY => Small Company; ACP => ACP; IND => Individual

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## 10. Annexure-3 Tax Payment Challan/Input Form (Continued...)

Payment Section Codes (Direct Taxes) (Tax rates subject to change from time to time)		
Section	Description	Code
1	Tax @ 0% on non-resident persons operating ships	21
2	Tax @ 0% on non-resident persons operating aircrafts	22
113	Minimum Tax @ 0.5% of the turnover	25
113A	Tax @ 0.75% of the turnover for retailers having turnover upto Rs. 5 million	26
113B	Tax @ 1% of the turnover for retailers having turnover exceeding Rs. 5 million	43
137	Tax due on the basis of return	24
137	Tax due on the basis of an order	26
147	Advance Tax	23
148	In port of goods @ 0%	11
148	In port of capital goods @ 1% (Clause 13G, 2nd Schedule)	65
148	In port of accretory items @ 2% (Clause 13A, 2nd Schedule)	66
148	In port of edible oil @ 0% (Clause 13, 2nd Schedule)	68
149	Salary - Federal	01
149	Salary - Govt. Employees (Other than Federal)	02
149	Salary - Others	47
150	Dividend paid to public companies, insurance companies and resident companies @ 0%	15
150	Dividend paid to non-resident companies @ 10%	68
150	Dividend paid to others @ 10%	16
150	Dividend at reduced rate @ 7.5%	85
151(1)(b)	Profit on debt paid or credited to a resident person on a scheme of National Savings and P.O. Saving Accounts	21
151(1)(b)	Profit on debt paid or credited to a resident person on account of deposit with a banking company or financial institution	64
151(1)(b)	Profit on debt paid or credited to a resident person on account of Federal or Provincial Government or a local authority	63
151(1)(b)	Profit on debt paid or credited to a resident person on any bond, certificate, debenture, security or any other instrument by a banking company, financial institution, company incorporated under Companies Ordinance, 1984, or a finance society	48
152(1)	Payment to non-resident person on account of royalty or fee for technical services	66
152(1)(b)	Payment to a non-resident on account of a contract or sub-contract under a construction, assembly or installation project in Pakistan, including a contract for supply of supervisory activities in relation to such project	49
152(1)(b)	Payment to a non-resident on account of any other contract for construction or services rendered relating thereto	46
152(1)(b)	Payment to a non-resident person on account of contract for administrative services rendered by TV Board, Channel	56
152(2)	Payment to a non-resident person or any other account including profit on debt but excluding those covered in 152(1)	65
153(1)(b)	Payment to a resident person or a P.C. of a non-resident on account of sale of goods @ 1.75%	67
153(1)(b)	Payment to a resident person or a P.C. of a non-resident on account of sale of goods @ 3.75%	13
153(1)(b)	Payment to a resident person or a P.C. of a non-resident on account of services rendered or provided	68
153(1)(b)	Payment to a resident person or a P.C. of a non-resident on account of execution of a contract, other than contract for sale of goods or services rendered or provided	69
153(1)(b)	Payment to a resident person or a P.C. of a non-resident on account of rendering of or providing of services of stitching, dyeing, printing, embroidery, washing, drying and ironing	69
154(1)	Realization of proceeds of exports of goods @ 0.75%, as prescribed in Division (V) of part II of the First Schedule	12
154(1)	Realization of proceeds of exports of goods @ 1%, as prescribed in Division (V) of part II of the First Schedule	51
154(1)	Realization of proceeds of exports of goods @ 1.25%, as prescribed in Division (V) of part II of the First Schedule	52
154(1)	Realization of proceeds of exports of goods @ 1.75%, as prescribed in Division (V) of part II of the First Schedule	53
154(2)	Realization of landing commission in foreign exchange on imports @ 0%	66
154(2)	Realization of landing commission in foreign exchange on exports @ applicable to exports	67
154(2)	Realization of proceeds of sale of goods to an exporter under an inland back-to-back letter of credit etc.	55
154(3A)	Export of goods by an industrial undertaking located in an export processing zone	37
154(3B)	Payment against sale of goods by an indirect exporter to a direct exporter or an export house registered under DTRC Rules, 2001	57
155	Payment of rent of immovable property	18
156	Payment of price on price bond @ 10%	20
156	Payment of savings from a staff, inter, cross-work package or gas, and plan offered by companies for promotion of sale @ 20%	45
156A	Payment of commission on petroleum products of petrol pump operation @ 10%	28
156B	Withdrawal from pension fund as per section 12(1)	58
201A	Cash withdrawal from banks @ 0.2%	44
202	Payment of brokerage or commission @ 10%	10
203	Payment of commission (advertising agency) @ 5%	86
203A(1)	On value of shares purchased or sold by a member of a stock exchange in lieu of its commission income @ 0.01%	29
203A(2)	On value of shares traded by a person through a member of a stock exchange @ 0.01%	41
203A(3)	On financing of CFI (buddy) in share business @ 10%	42
204	Along with motor vehicle tax - Goods Transport Vehicles as per Division II Part-IV of First Schedule	14
204	Along with motor vehicle tax - Passenger Transport Vehicles as per Division II Part-IV of First Schedule	61
204	Along with motor vehicle tax - Other Public Vehicles as per Division II Part-IV of First Schedule	62
205	Along with electricity consumption bills	22
206	Telephone subscribers (other than mobile phone subscribers)	25
206	Mobile phone subscribers including pre-paid card users	63
WPF	WPF @ 2% of total income as defined in WPF Ordinance	27
WPPF	WPPF-unutilized sum from companies contribution to WPF @ 5% of accounting profit	64
W.ac.	Appel Fee Copy Fee etc.	28
WT	Wealth Tax	74
CV T	On immovable property - other than Commercial property and residential tax	86
CV T	On commercial immovable property	87
CV T	On Residential Tax	88
CV T	On motor Vehicles	76
CV T	On purchase of Shares, moderate cost ones	77
Excluded	Excluded - Adjustments for dependent rate only	92







## 12. Annexure-4(A) CPR Format - Bulk Data (IT)(Continued...)

<b>INCOME TAX DEPARTMENT</b> <b>COMPUTERIZED PAYMENT RECEIPT</b>		<small>Revenue Division Central Board of Revenue Government of Pakistan</small> <b>(CPR-IT)</b> <b>(Bulk Format)</b>
		State Bank / National Bank of Pakistan — Collecting Bank Branch with Branch Code —
Tax Year :	YYYY	Payment ID : ITYYYYMMDD-8888-NNNNNN
Salary Month :	MMMM (only for payments upto 148)	
LTV/MTU/ RTO :	- - - - -	Deposit Date : DD - MM - YYYY
Account Head (NAM) :	X99999 — Description as per Chart of Accounts under NAM —	
Payment Section :	99 — Payment Section with description as per Income Tax Ordinance —	
Nature of Payment :	— Current Demand/ Arrear Demand/ With Return/ Deduction at Source/ Advance Payment/ WWF/ Miscellaneous, etc.	
<b>Particulars of Taxpayer</b>		
NTN :	-----	State : -----
NIC/OND/ Reg. No. :	-----	
Name of Tax Payer :	-----	
Name of Business :	-----	
Address :	-----	
<b>Particulars of Withholding Agent</b>		
NTN / FTN :	-----	(FTN is applicable to Government Departments withholding taxes)
Registration No. :	-----	
Name :	-----	
No. of Tax Payers : ---	Taxpayers (as provided electronically) : Yes/ No	
	No.	Total Amount
Mentioned by NTN	-----	-----
Mentioned by NIC	-----	-----
Not Mentioned	-----	-----
	TOTAL	-----
Amount of tax in words : -----		
Mode of Payment : Cash/ Cheque/ Pay Order/ etc. with number, date, bank and branch		
CPR Printing Date : DD-MM-YYYY		Manager/ Authorized Officer      Bank Stamp



### 13. Annexure-4 (B) CPR Format Custom – Baggage Declaration

<div style="text-align: right;"> <small>Central Board of Revenue</small>  <small>Government of Pakistan</small> </div>	
<b>CUSTOMS DEPARTMENT</b> <b>COMPUTERIZED PAYMENT RECEIPT (CPR-BD)</b>	
<b>CUSTOMS PAYMENT RECEIPT (Passengers)</b>	
State Bank / National Bank of Pakistan — Collecting Bank Branch with Branch Code —	
Collectorate : _____	Payment ID : CTYYYMMDD-6666-NNNNNNN
Air Port/Port : _____	Deposit Date : DD - MM - YYYY
Flight/Carrier Number : _____	Payment Date : DD - MM - YYYY
	Mode of Payment : _____
BD Date : DD-MM-YYYY	
BD Number : 9999999	Assessed Value Rs. : _____
<b>Particulars of Passenger</b>	
Nationality : _____	Pass Port No. : _____
NTN (if applicable) : _____	
NIC/CNIC : _____	
Name : _____	
Address : _____	
Head of Account (NAM Code)	
Description	Amount In Pak. Rs.
x99999	_____
x99999	_____
x99999	_____
x99999	_____
x99999	_____
x99999	_____
x99999	_____
x99999	_____
x99999	_____
x99999	_____
x99999	_____
x99999	_____
Cash Amount = 9999999999, Pay Order Amount = 999999999	TOTAL _____
Received Rs. xx only	
Pay Order/ Cheque No. Date and Branch	
CPR Printing Date : DD-MM-YYYY	Manager/ Authorized Officer
	Bank Stamp





## 16. Annexure-5 Withholding Regime

Section	Description
7	Tax @ 8% on non-resident persons operating ships
7	Tax @ 3% on non-resident persons operating aircrafts
148	Import of goods @ 5%
148	Import of capital goods @ 1% (Clause 13G, 2nd Schedule)
148	Import of scrap/stationery items @ 2% (Clause 13H, 2nd Schedule)
148	Import of Edible oil @ 2% (Clause 13, 2nd Schedule)
149	Salary - Federal (As per given rates in first schedule for all slabs)
149	Salary - Govt. Employees (Other than Federal) (As per given rates in first schedule for all slabs)
149	Salary - Others (As per given rates in first schedule for all slabs)
150	Dividend paid by resident companies @ 10%
151(1)(a)	Profit on debt paid or credited to a resident person by banks etc @ 10%
152(1)	Payment to non-resident person on account of royalty or fee for technical services @ 15 % or as per double taxation treaty
152(1A)(a)	Payment to a non-resident on account of a contract or sub-contract under a construction, assembly or installation project in Pakistan, including a contract for supply of supervisory activities in relation to such project @ 6 %
152(1A)(b)	Payment to a non-resident on account of any other contract for construction or services rendered relating thereto @ 6 %
152(1A)(c)	Payment to a non-resident person on account of contract for advertisement services rendered by TV Satellite Channels @ 6 %
152(2)	Payment to a non-resident person or any other account @ 30 %
153(1)(a)	Payment to a resident person or a PE of a non-resident on account of sale of goods @ 3.5%
153(1)(b)	Payment to a resident person or a PE of a non-resident on account of services rendered or provided @ 6%
153(1)(b)	Transport services @ 2%
153(1)(c)	Payment to a resident person or a PE of a non-resident on account of execution of a contract, other than contract for sale of goods or services rendered or provided
153(1A)	Payment to a resident person or a PE of a non-resident on account of rendering of or providing of services of stitching, dyeing, printing, embroidery, washing, sizing and weaving
154(1)	Realization of proceeds of exports of goods @ 1%, as prescribed in Division (IV) of part III of the First Schedule
154(2)	Realization of indenting commission in foreign exchange on imports @ 5%
154(3)	Realization of proceeds of sale of goods to an exporter under an inland back-to-back letter of credit etc @ 1%
154(3A)	Export of goods by an industrial undertaking located in an export processing zone @ 1%
154(3B)	Payment against sale of goods by an indirect exporter to a direct exporter or an export house registered under DTRE Rules, 2001



	@ 1%
155	Payment of rent of immovable property @ 5%
156	Payment of prize on prize bond @ 10%
156	Payment of winnings from a raffle, lottery, cross-word puzzle or quiz; and prize offered by companies for promotion of sale @ 20%
156A	Payment of commission on petroleum products of petrol pump operators @ 10%
156B	Withdrawal from pension fund as per section 12(6) average rate.
231A	Cash withdrawal from banks @ 0.2%
233	Payment of brokerage or commission @ 10%
233	Payment of commission (advertising agents) @ 5%
233A(1)	On value of shares purchased or sold by a member of a stock exchange in lieu of its commission income @ 0.01%
233A(1)	On value of shares traded by a person through a member of a stock exchange @ 0.01%
233A(1)	On financing of CFS (badla) in shares business @ 10%
234	Along with motor vehicle tax - Goods Transport Vehicles as per Division III Part-IV of First Schedule
234	Along with motor vehicle tax - Passenger Transport Vehicles as per Division III Part-IV of First Schedule
234	Along with motor vehicle tax - Other Private Vehicles as per Division III Part-IV of First Schedule
235	Along with electricity consumption bills as per Division IV of Part-IV of First Schedule
236	Telephone subscribers (other than Mobile Phone subscribers) as per Division V of Part-IV of First Schedule
236	Mobile phone subscribers including pre-paid card users
WWF	WWF @ 2% of total income as defined in WWF Ordinance
WPPF	WPPF-Unutilized sum from companies contribution to WPPF @ 5% of accounting profit
CVT	On transfer of Immovable property @ 2%
CVT	On motor Vehicles
CVT	On purchase of Shares, modaraba certificates @ 0.02%



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## 17. Annexure-6 CVT Challan





MON, 29-OCT-07 11:23

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P. 01

0151 Capital Value Tax on Immovable Assets

### Application of Registration Authority for the Purchase of Immovable Property

**PARTICULARS OF PURCHASER** *To be filled in by the Purchaser*

b) Address: \_\_\_\_\_

c) National Tax Number \_\_\_\_\_ (Attach Photocopy)  
If any

**VERIFICATION**

I/we solemnly declare that the particulars given in this application are correct and complete to the best of my knowledge and belief and that nothing has been concealed.

CNIC No. \_\_\_\_\_ (Attach Photocopy)

Place: \_\_\_\_\_  
Date: \_\_\_\_\_ 2 0 0

Signature: \_\_\_\_\_  
(Purchaser/Authorised Representative)

**PARTICULARS OF SELLER** *To be filled in by the Seller*

a) Name: \_\_\_\_\_

b) Address: \_\_\_\_\_

c) National Tax Number \_\_\_\_\_ (Attach Photocopy)  
If any

**VERIFICATION**

I/we solemnly declare that the particulars given in this application are correct and complete to the best of my knowledge and belief and that nothing has been concealed.

CNIC No. \_\_\_\_\_ (Attach Photocopy)

Place: \_\_\_\_\_  
Date: \_\_\_\_\_ 2 0 0

Signature: \_\_\_\_\_  
(Seller/Authorised Representative)

**PAYMENT DETAILS** *To be endorsed by the Treasury Officer or Designated Bank*

CAPITAL VALUE TAX Rs. \_\_\_\_\_

Amount in Words (Rupees) \_\_\_\_\_

Received payment as per details above

Treasury Challan No. \_\_\_\_\_

Date: \_\_\_\_\_ 2 0 0

Treasury Officer / Authorised Bank

- Treasury
- State Bank of Pakista
- .....Bank
- Branch Code

Petiwala Book Corporation Ismail Mansion, Strachan Road, Pakistan Chowk, Karachi. Tel 2218643  
[www.petiwala.net](http://www.petiwala.net)

TOTAL P. 01

<b>PARTICULARS OF ASSET</b>	
a) Identification and location of Property:	

b) Area of the Property: \_\_\_\_\_

c) As determined for the purposes of stamp duty Rs. \_\_\_\_\_

d) As declared by transferee where stamp duty is not chargeable Rs. \_\_\_\_\_

**TAX DETAILS**

Date of Sale \_\_\_\_\_ Value Rs. \_\_\_\_\_

Capital Value Tax Rate \_\_\_\_\_

Transfer Registered at S. No. \_\_\_\_\_ Of Register No. \_\_\_\_\_ Of the \_\_\_\_\_

Financial Year \_\_\_\_\_ on (date) \_\_\_\_\_

Registration No. Alloted \_\_\_\_\_



Signature \_\_\_\_\_  
of Registration Authority

**RATES OF CVT**

- (A) Immovable Property (other than commercial property and residential flats), situated in urban area, measuring at least one kanal or 500 square yards which ever is less:
- (i) Where the value of immovable property is recorded 2% of the recorded value.
  - (ii) Where the value of immovable property is not recorded Rs. 50 per square yard of the land area;
- (B) Commercial Immovable Property of any size situated in urban area:
- (i) Where the value of immovable property is recorded 2% of the recorded value.
  - (ii) Where the value of immovable property is not recorded Rs. 50 per square yard of the land area;
- (B) Residential flats with covered areas measuring 1500 sq. feet and above:
- (i) Where the value of immovable property is recorded 2% of the recorded value.
  - (ii) Where the value of immovable property is not recorded Rs. 50 per square yard of the land area;

TOTAL P. 01

P. 01



## 18. Annexure-7 New CVT Challan

### APPLICATION OF REGISTRATION AUTHORITY FOR THE PURCHASE OF IMMOVABLE PROPERTY (TO BE FILLED IN BY THE PURCHASER)

#### PARTICULARS OF PURCHASER

(a) Transaction Type **Individual**  **Corporate**  **AOP**

(b) Name.....

(c) Address.....

(d) City..... Province.....

(e) National Tax Number.

(attach photocopy of NTN Certificate/Card)

(f) CNIC.

(attach photocopy of CNIC)

#### VERIFICATION

I/We solemnly declare that the particulars given in this application are correct and complete to the best of my knowledge and belief and that nothing has been concealed.

Place.....	Signature of the.....
Date.....	Purchaser/ Authorized representative
I.D. Card/Reg./Inc. No.	////////// (Please attach photocopy)

[TO BE FILLED IN BY THE SELLER]

#### PARTICULARS OF SELLER

(a) Transaction Type **Individual**  **Corporate**  **AOP**

(b) Name.....

(c) Address.....

(d) City..... Province.....

(e) National Tax Number.

(attach photocopy of NTN Certificate/Card)

(f) CNIC.

(attach photocopy of CNIC)

#### VERIFICATION

I/We solemnly declare that the particulars in this application are correct and complete to the best of my knowledge and belief and that nothing has been concealed.



Place.....	Signature of the.....
Date.....	seller/Authorised representative
I.D. Card/Reg./Inc. No.	(Please attach photocopy)

**PAYMENT DETAILS**

CAPITAL VALUE TAX: Rs. , , , , , , , , , , ,

AMOUNT IN WORDS

Rupees

Received payment as per details above

Treasury Challan No.	Official Stamp	DATE Day Month Year	Treasury Officer/ Authorised Bank
----------------------	----------------	------------------------	--------------------------------------

, Treasury , State Bank of Pakistan -----Bank , Branch code

accompanied by the documents and verified in the manner specified therein ; and bearing the following endorsement from the concerned Deputy Commissioner of Income Tax, or Assistant Commissioner of Income Tax or Income Tax Officer:

Certified that Mr./Mrs./Miss/M/s.....has paid the tax amounting to Rs.....in respect of immediately preceding Assessment Year 19\_\_\_\_\_.

TO BE FILED IN BY REGISTRATION AUTHORITY

**PARTICULARS OF ASSET**

- (a) Identification and Location of property.....
- (b) Area of the property.....
- (c) As determined for the purposes of Stamp Duty: Rs.....
- (d) As declared by transfer, where Stamp Duty is not chargeable. Rs.....

**TAX DETAILS**

Date of Sale..... Value Rs.....  
 Capital Value Tax Rate.....Rs.....  
 Transfer Registered at S. No.....of Register No.....of the  
 Financial year..... on (date).....  
 Registration No.....



Official seal of Registration

Name and signature of  
Registration Authority





Back Page

Sales Tax & Federal Excise Return-cum-Payment Challan					
Head of Return	45	Whether included from Section 88(1), under SPO 647 (b)2007 (Yes/No)			
	46	Admissible Credit - If 45 = Yes then 21; If 45 = No, then less of 50% of 20 <sup>1</sup> or 21 or 44			
	47	Payable ST - If 44 > 46 then (44 - 46) otherwise zero			
	48	Excess Unadjusted Credit - If 45 = Yes and 2 46 > 44 then (46 - 44) otherwise zero; If 46 = No then (21 - 46)			
	49	Input tax paid on inputs consumed in zero-rated supplies exports (Refund Claim)			
50	Credit to be carried forward - If 49 > 48, then zero; If 49 < 48, then (48 - 49)				
51	Sales Tax withheld by the return filer (STWH)				
Federal Excise	Federal Excise		Rate	Tax	FEED
	52	Excisable goods cleared for domestic consumption (a)			
	53	(b)			
	54	(c)			
	55	(d)			
	56	(e)			
	57	Excisable services rendered			
	58	Excisable goods exported			
	59	Zero-rated clearances			
	60	Exempt clearances			
	61	Less: FED paid on goods used in manufacturing of Goods cleared for domestic consumption			
	62	Payable FED - Add 52 to 57 minus 61 (ignore negative values)			
63	Excise duty on import of edible oil Pcs./kg				
64	Goods chargeable to special FED		1%		
65	(i) Special FED on inputs used in manufacturing of Goods cleared for domestic consumption		1%		
66	(ii) Payable Special FED (64 + 65)				
67	(i) FED paid on goods used in manufacturing of Goods exported (drawback)				
68	(ii) Special FED paid on goods used in manufacturing of Goods exported (drawback)				
69	(i) Total FED Drawback (67 + 68)				
70	Total FED (62 + 66 - 69)				
P.D.	71	Petroleum Development Levy		P.D.	
Payment	Sales Tax Arrears		ST liability due to late filing		
	72	Principal amount	77	Default surcharge	
	73	Default surcharge	78	Penalty	
	74	Penalty	79	Surcharge	
	75	AMR (ST) (Add 72 to 74)	80	ST (SUR + PEN) (77 + 78)	
	76	Net Sales Tax Payable (47 + 75 + 79 + 81)			
	FED Arrears		FED liability due to late filing		
	81	Principal amount	85	Default surcharge	
	82	Default surcharge	86	Penalty	
	83	Penalty	87	Surcharge	
84	AMR (FED) (Add 81 to 83)	88	FED (SUR + PEN) (85 + 86)		
89	Net FED Payable (if 70 + 84 + 88 > 0 then 70 + 84 + 88, otherwise zero)				
90	Net FED Drawback (if 70 + 84 + 88 < 0 then -(70 + 84 + 88), otherwise zero)				
91	Total Taxes Payable (75 + 79 + 89)				
92	Tax paid on normal/original return (applicable in case of revised return)				
93	Balance Tax Payable/Refundable (91 - 92)				
Declaration	I, _____ holder of CNIC No. _____				
	in my capacity as self/owner or partner of association of persons/principal officer / trustee/representative of named above, do solemnly declare this to the best of my knowledge and belief the information given in this return is true correct and complete in accordance with the provisions of the Sales Tax Act, 1990, the Federal Excise Act, 2005, and other enactments issued thereunder.				
Head of Accounts	Chn _____	Slip# _____	Signature _____		
	Head of Accounts	Amount	CPR No.	Amount	
	802341 - Sales Tax				
	802399 - Sales Tax on excise				
	802397 - FED in VAT mode			Total Amount in Figure	
802499 - Federal Excise Duty			Amount Received in words: _____		
803041 - P.D.					
TOTAL AMOUNT PAYABLE			Bank Officer's Signatures, Date & Stamp		



## 20. Annexure-9 SRO 660(1)/2007

**GOVERNMENT OF PAKISTAN**  
MINISTRY OF FINANCE, ECONOMIC AFFAIRS,  
STATISTICS AND REVENUE  
**(REVENUE DIVISION)**

\*\*\*

Islamabad, the 30<sup>th</sup> June, 2007.

**NOTIFICATION**  
**(SALES TAX)**

**S.R.O. 660(I)/2007.**— In exercise of the powers conferred by sub-section (6) and sub-section (7) of section 3 of the Sales Tax Act, 1990, read with section 71 thereof, the Federal Government is pleased to make the following rules, namely:—

**1. Short title, application and commencement.**—(1) These rules may be called the Sales Tax Special Procedure (Withholding) Rules, 2007.

(2) They shall apply to all taxable goods and services as are supplied by a supplier to the Government departments, autonomous bodies and public sector organizations, hereinafter referred to as withholding agents.

(3) They shall come into force on the 1<sup>st</sup> day of July, 2007.

**2. Responsibility of a withholding agent.**— (1) The withholding agent, intending to make purchases of taxable goods, shall indicate in an advertisement or notice for this purpose that the sales tax to the extent as provided in these rules shall be deducted from the payment to be made to the supplier.

(2) A withholding agent shall deduct an amount equal to one fifth of the total sales tax shown in the sales tax invoice issued by the supplier and make payment of the balance amount to him as per illustration given below,--

**ILLUSTRATION:**

Value of taxable supplies excluding sales tax	Rs. 100
Sales tax chargeable @ 15%	Rs. 15





Sales tax deductible by the withholding agent	Rs. 3 (i.e. Rs. 15 ÷ 5)
Sales tax payable by the withholding to the supplier	Rs. 12 (i.e. Rs. 15 - Rs. 3)
Balance amount payable to the supplier by the withholding agent	Rs. 112 (Rs. 100 + Rs. 12);

(3) All withholding agents shall make purchases of taxable goods from a person duly registered under the Sales Tax Act, 1990, provided that under unavoidable circumstances and for reasons to be recorded in writing, purchases are made from unregistered persons, the withholding agent shall deduct sales tax at 15% of the value of taxable supplies made to him from the payment due to the supplier.

(4) The sales tax so deducted shall be deposited by the withholding agent in the designated branch of National Bank of Pakistan under Head of Account "B02341-Sales Tax" on sales tax return-cum-payment challan in the form set out at Annexure to these rules, by 15<sup>th</sup> of the month following the month during which payment has been made to the supplier:

Provided that a single return-cum-challan can be filed in respect of all purchases for which the payment has been made in a month:

Provided further that in case the withholding agent, is also registered under the Sales Tax Act, 1990, with respect to the taxable supplies provided or

services rendered by him, he shall deposit the withheld amount of sales tax in the manner as provided under Chapter II of the Sales Tax Rules, 2006, along with other sales tax liability. In such case the Annexure to these rules shall be submitted to the Collector having jurisdiction.

(5) The Annexure to these rules shall be prepared and deposited with the bank in triplicate and the bank shall send the original to the Directorate of Sales Tax having jurisdiction, return the duplicate to the depositor and retain the triplicate for its own record.

(6) The withholding agent shall furnish to the Collector of Sales Tax having jurisdiction all such information or data as may be requested by him for carrying out the purposes of these rules.

(7) A certificate showing deduction of sales tax shall be issued to the supplier by the withholding agent duly specifying the name and registration number of supplier, description of goods and the amount of sales tax deducted.

3. Responsibility of the supplier.— (1) The supplier shall issue sales tax invoice as stipulated in section 23 of the Sales Tax Act, 1990, in respect of every taxable supply made to a withholding agent.

(2) The supplier shall file monthly return as prescribed in the Sales Tax Rules, 2006, and shall adjust total input tax against output tax under sections 7, 8 and 8B of the Sales Tax Act, 1990, taking due credit of the sales tax deducted by the withholding agent, in the manner as prescribed in the return under Chapter II of the Sales Tax Rules, 2006.

4. Responsibility of the Collector.— (1) The Collector shall keep a list of all withholding agents falling in his jurisdiction and monitor payment of tax deducted by withholding agents falling in his jurisdiction and shall also ensure that the return prescribed under these rules is filed.

(2) The Collector shall ensure that the return received from the bank is duly fed in the computerized system as referred to in clause (5AA) of section 2 of the Sales Tax Act, 1990.

(3) The Collector shall periodically ensure that the suppliers mentioned in the return filed by the withholding agents, as fall under his jurisdiction, are filing returns under section 26 of the Sales Tax Act, 1990, read with Chapter II of the Sales Tax Rules, 2006, and are duly declaring the supplies made to withholding agents.



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5. Exclusions.-- The provisions of these rules shall not apply to supplies and services made or rendered by the companies engaged in,-

(i) Distribution of gas and electricity; and

(ii) Providing telephone services, including mobile phone services.

6. Application of other provisions.-- All the provisions of the rules and notifications made or issued under the Sales Tax Act, 1990, shall apply to supplies as aforesaid not inconsistent with the provisions of these rules





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## 22. Annexure-11 Sales Tax General Order No. 4/2007

**GOVERNMENT OF PAKISTAN  
REVENUE DIVISION  
FEDERAL BOARD OF REVENUE  
(SALES TAX & Federal Excise WING)**

\*\*\*\*\*

C. No. 3(3)ST-L&P/07-Pt

Islamabad, the 21<sup>st</sup> August, 2007.

**SALES TAX GENERAL ORDER NO. 04/2007.**

**Subject: PROCEDURE FOR ELECTRONIC FILING OF SALES TAX AND FEDERAL EXCISE RETURN THROUGH FBR's COMPUTERIZED SYSTEM (e.FBR.gov.pk)**

In exercise of the powers conferred under section sub-section (6) of section 4 and sub-rule (10) of rule 18 of the Sales Tax Rules, 2006, the Federal Board of Revenue is pleased to prescribe the following procedure for electronic filing of sales tax and federal excise return through the computerized system prescribed under section 50A of the Sales Tax Act, 1990:

- (i) All the registered persons who are required to file returns electronically under rule 18 of the Sales Tax Rules, 2006, shall observe the procedure prescribed in this General Order in respect of the returns due on 15<sup>th</sup> August 2007 and afterwards.
- (ii) E-filing procedures in force before 1<sup>st</sup> July 2007 shall be discontinued and those taxpayers who wish to file any returns for the tax periods June 2007 or earlier shall have to do so manually.
- (iii) The electronic returns can be filed directly by a registered person or through an e-intermediary licensed under the Sales Tax Rules, 2006.
- (iv) A user ID, PIN code and secure password shall be assigned to each user of the Computerized System i.e. a registered person or an e-intermediary, who enrolls himself for electronic filing.
- (v) In case of registered persons who have already been filing returns electronically, shall be contacted through email and asked to visit a specific link for activation of their account. After activation, unique user identifier (user ID), comprising of unique identification name/ number, password and PIN code shall be sent to the registered user through email.



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(vi) Persons, not already registered, shall visit the FBR's web portal or Computerized System at [e.FBR.gov.pk](http://e.FBR.gov.pk) and select "registration → e-enrolment" option from the menu and provide basic information as required. They shall be then required to fill in a form containing the particulars already available in the System. The intending user shall also be able to correct or update the particulars/ details already in the System. The name of an authorized person shall be mentioned on the form. The form shall be printed and signed by the competent person. The authorized person shall visit the Tax Facilitation Centre of respective Collectorate along with the printed form and his original Computerized National Identity Card. The officer incharge of the Facilitation Centre/ Division, not below the rank of an Assistant Collector, shall verify the particulars on the form with those in the System and after being satisfied in this respect shall approve the allocation of user ID, which shall be sent to the address provided. The Board, however, can waive any of the aforesaid requirements.

(vii) To file the return, the registered user shall logon at [e.FBR.gov.pk](http://e.FBR.gov.pk) by using assigned User ID. Following steps will be followed:

- Select [Declaration](#)  [Sales Tax](#)  [Sales Tax Return](#)
- Select the Tax Period [Month, Year] from the drop down list
- Click the [Monthly Return](#) link
- Return form will be displayed which will be filled in accordance with the instructions in the Sales Tax Rules, 2006.
- E-filing can be completed in following stages:

Preparation: The user shall fill in all the relevant fields. (The return can be saved at any time during preparation process to avoid data loss)

Verification: The return can be verified by the person having access to PIN code. He shall press the Verify Button given at the bottom of form and follow the instructions.

Payment: Payment can be made by selecting either of two options provided in the form as below:

- (i) Payment Challan: This option is to be utilized by persons who want to deposit tax amount in a branch of National Bank which is not online with FBR. The payment challan shall be printed and taken to the bank where payment shall be made and CPR no. shall be obtained. This number shall be fed in the System using the 'Feed CPR' button.



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(ii) e-Payment: This option can be availed by persons opting to deposit tax amount in an NBP branch which is online with FBR server. After verifying the return, e-Payment button can be clicked and a payment slip number shall be generated which can be taken to the bank and amount deposited against the same. The bank shall accept the payment and provide an acknowledgement.

Submission: The user shall click the Submit button and a message shall appear at the top stating that your return has been submitted. Return Submission Certificate can be printed by clicking the Print Certificate button. It can also be saved on user's computer in PDF/Excel format.

- In case of no business activity during the relevant period i.e. when there are no sales, purchases etc. and no payment is due, the user shall click the 'Null Return' button and then can proceed for submission of the printing the return without following through all the steps provided above.

(viii) The Collectorates / RTOs shall feed manually filed returns in the respective RTOs/ Collectorates through the new module similar to that available on the web portal.

Sd-

(Abdul Hameed Memon)

Secretary (ST&FE-L&P)

Ph: 051-9204043, Fax: 051-9207470

## **23. Annexure-12 Recommendations for correct data in-put-Banks.**

### **Common Mistakes in Data Input by Banks/Taxpayers**

- All branches are not handing over the CPRs to taxpayers at the time of tax deposit
- Bank branches do not send CPRS in respect of all TAX deposits
- CPRs are not properly attached with input forms and scroll.
- In most of the case names of “payee” and payer / deducting authority are either entered as the same on the CPR or are not entered in the appropriate column.
- Type of payment is missed or wrongly entered.
- Details of multiple tax taxpayers are not indicated on the CPRs.
- Some branches are treating multiple challans as a single challan
- National Tax Number of “Payers” and “Payees” even if mentioned on the Input Form, are not entered or are incorrectly captured.
- There is no Data entry verification system and entry mistakes are not being corrected.
- Computerized scroll are not being issued by all branches
- Computerized scroll, where sent, represents incorrect information since CPRs are not entered correctly.
- Name of RTO/LTU, Taxpayer and Payment codes are found missing in the CPRs/Input Forms.
- One CPR prepared in respect of many challans.
- Deduction from salary shown as advance tax.
- In few of the CPRs, the Taxpayers name, address and other particulars are completely different from those mentioned on Input Form.
- In case of wrong NTN, then Database accesses wrong information. Therefore, CPR does not represent correct taxpayer’s information.
- Name of Withholding Agents and multiple taxpayers stated as on reverse but not shown.
- Credit of multiple taxpayers given to Withholding Agent.





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- NTN available but taxpayer's name not entered.
  - Zone codes usually missing on CPR.
  - Particulars of challans and CPR do not match with each other.
  - List of the Bulk Data not properly prepared.
  - Mostly challans of contractors credited under the head salary.

Purpose of stating the shortcomings of CPRs here is to explain the requirements for information of Bank Managers and their importance in terms of developing an accurate and reliable data base of Tax payer's information on Tax deposit for subsequent use for different purpose. Under law, tax deposited in the name of a particular person is to be recorded in his name and not otherwise in any way. Bank staff thus needs to exercise due caution at the time of capturing the tax deposit data.

## 24. Annexure-13 Transition Management

### Transition Management:

Transition always needs proper management. It is a systematic and organized effort based task that requires use of all available resources to manage the risks associated with it. In the matters like government revenues, such things assume more importance. Transition involves movement from one process to another, which requires more rigorous quantitative analysis of tax deposit trends to determine ultimate strategies. Change is increased experimentation of depositing the tax through a new system. It involves extension of training, focus on learning, revamping of employees orientation, adaptation, coping with uncertainty, if any, about roles and responsibilities, increased problem solving requirements, managements of organizational knowledge and memory, security and data level detailed analysis through out the transition and post-challan- less scenario, as envisaged in the Document of Understanding.

Federal Taxes are deposited in the Federal Treasury comprising of 16 Branches of SBP, 511 authorized Branches of NBP and district treasuries in some places. While the tax deposit, per se, is not problematic yet real difficulty arises when tax payers complain about stated complex mechanism of deduction/ collection of taxes or Sales Tax invoices etc; which create various problems, particularly for the “payees” of Withholding Agents on account of deposit of tax, mostly through composite instead of separate input forms /Challans. This ultimately causes delay in credits for taxes paid by the taxpayers and issuance of refunds wherever. On the other hand, FBR also encounters issues like timely reconciliation of tax revenues, reporting of collection and development of an accurate database.

During the process of deposit of tax in the Banks, few more difficulties arise for the tax payers on account of various shortcomings in terms of particulars with reference to format of the input forms/ Challans and in the CPR’s. Some of the shortcomings have been highlighted in Annex-12.

The new system introduced under CAP will replace the existing manual system of tax deposit through bank Challans. There is a set procedure regarding deposit of Income Tax, Customs Duty, and Excise Duty & Sales Tax that is consistently being followed by the Treasury/Banks. In view of introduction of CAP, and for convenience of all concerned this compendium of instructions is being issued. However, major stakeholders were of the view that on account of ground realities, creation of computer based environment as envisaged by the CAP may take some time. Besides, complete particulars are not forthcoming in the input forms, particularly in respect of multiple tax payers of withholding agents. This scenario needs a lot of and lengthy awareness campaign for the tax payers. Therefore, in order to avoid any possible delay, that may be caused in deposit of tax and to remove the confusion, if any, in



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the minds of the Stakeholders, and to educate the tax payers to file complete particulars the FBR has proposed a short term strategy, being explained here-in-after, which may be followed by the Banks etc. in accordance with their needs and commitments with various stake holders. It shall be followed during transition for a limited time.

All this may not be as simple as it may, on face of it, appear. FBR, therefore, requests the stakeholders to examine CAP at length and come forward with their considered views about the change management strategy and gestation of the short term strategy. Views / comments, if any, on this score are welcome.

Accordingly, for the said short duration, the procedure to be followed by the Banks for deposit of Income Tax, Sales Tax, Customs Duty and FED etc and distribution of CPRs etc is being proposed in this chapter.

## **Common Deviations**

Requisite information is to be provided by the tax payers on the Input Form at the time of tax deposit. Formal procedure is to be followed by all concerned. FBR expects that system will function properly. However, there may be situations where some information may be lacking or the Bank's System may be disturbed due to any reason. To handle the exceptional situations so arising, the following mechanism is proposed in this Hand Book.

### **(a) When Taxpayer does NOT furnish complete information on Tax Input**

#### **Form**

- i. Help Desk will inform the Taxpayer about major features of CAP including the following:-
  - a. Automation of collection process in brief
  - b. Computerized Payment Receipt
  - c. Information to be provided by the Taxpayer in 'Tax Input Form', and
  - d. Provide copy of standard 'Tax Input Form' to the Taxpayer

### **(b) Placement of up-dated versions/ incremental registration data of NTRS/STRS on systems of the Bank**

In order to facilitate the taxpayers:

- Sales Tax and NTN Master Index has been implemented at all designated Bank Branches.
- The same will be up-dated electronically by PRAL on daily basis.



- 
- It will be the responsibility of SBP and NBP to ensure immediate up-loading of such up-dations/ incremental data of Income tax Master Index/ Sales Tax Registration System on their computer systems installed at their HQ's/Regions and in the branches in the following manner:-
- Online Branches = within 24 Hours
  - Other Branches = within 72 Hours

### **(c) When NTN/CNIC is NOT provided by the Taxpayer**

1. If NTN is not provided or it is not found in Master Index, Help Desk to request Taxpayer to provide CNIC on Tax Input Form.
2. If NTN as well as CNIC are not provided by the taxpayer; tax will be accepted but the amount will appear in miscellaneous account of FBR.
  1. In the cases of multiple taxpayers, summary CPR will be issued as explained in para.....
  2. The taxpayer will not be entitled for tax credit on such deposits

### **(d) NTN/CNIC provided is incorrect**

If taxpayer's Name / Business Name on Input Form does not match with NTN title in Search Master Index, search by Taxpayer's Name / Business Name provided on Tax Input Form

- If NTN is found in Master Index, verify the address against the one mentioned on Tax Input Form.
- If result is MATCH, use the NTN found from search and apply to CPR entry and proceed to input Tax Amount
- In case of mismatch, tax deposit will be kept in suspense account and the tax depositor shall not be entitled for the credit.



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**E-filing procedures in force before 1st July 2007 shall be discontinued and those taxpayers who wish to file any returns for the tax periods June 2007 or earlier shall have to do so manually.**

**(e) Incomplete information of suppliers, employees, subscribers, dealers and agents etc of Withholding Agents**

In the cases of multiple taxpayers, the Withholding Agents provide bulk data in the soft mode. The system will bi-furcate the “payees” in the following three categories

1. Cases identified by NTN
2. Cases identified by CNIC
3. Others(not covered by above)

In the cases covered by sub-Para (3) above, tax will be deposited in the suspense Account and credit will not be allowed in respect of tax so deposited.

It will be the responsibility of the Withholding Agents to obtain CNIC/NTN of such “payees” being a mandatory field. The department will also facilitate issuance of NTN to such persons in coordination with the Withholding Agents.

**(f) Payment Section and Payment Section Code is NOT provided**

The significance of tracing various tax payments by taxpayers in an IT Enabled environment need not be over emphasized. Therefore, the payment section and codes should be incorporated, to facilitate both the taxpayers & FBR in obtaining/allowing due tax credits. In case, they are not provided;

- i. The presenter of the Input Form on Bank's counter may be referred to the Help Desk located in the Branch for assistance.
- ii. If no, tax deposit will be accepted in the miscellaneous account of FBR
- iii. The Taxpayer will not be entitled for credit for such amount

**(g) Salary Month**

If salary month is not provided by Taxpayer while making the payment under section 149 of the Ordinance:

- i. Help Desk to request Withholding Agent to provide correct Salary Month.
- ii. Such default will be considered as one of the parameters/criteria for Audit.
- iii. FBR's/Field's back offices MIS will auto generate Notification for such deviations.

**(h) Unsigned / unstamped CPRs**

All scrolls and attached CPRs should be duly signed and stamped by the Branch Managers. Amount /number of CPRs indicated in the scroll should reconcile with the enclosed CPRs. In case of any discrepancy or absence of signature / stamp, the scroll or the CPR, as the case may be, would be corrected by the Bank immediately. For this purpose FTO / DPC Manager/designated officer of the respective RTO/LTU/Collectorate of Customs/Sales Tax will:-

- i. Report immediately to the Bank.
- ii. Intimate the same to Bank's Operations Management at NBP's / SBP's Head Office.
- iii. Report the same to Chief Coordinator, Computer Wing (DT)/ concerned DG/Collector Concerned, or any other authorized officer.
- iv. Branch Manager or the designated officer of the DPC / IP Division of the RTO would be treated as "Focal Persons" for purpose reporting.

Such action shall be taken only after verification of the particular entries from the database.



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**(i) Amount of tax being deposited does not tally with the electronic data.**

In case the amount of taxes offered for deposit in the Bank as shown on the Input Form does not tally with the amount indicated in the data presented for up-loading on the system, the tax payer will be requested to either correct the data or the amount of tax. Tax, in such situation, will be deposited only after necessary correction by the tax payer.

**Dispatch of Scroll/CPRs by the Banks to FBR**

It will be the responsibility of SBP/NBP to electronically transmit the Unit Wise transactions summary/scroll to FBR on daily basis on the following format:-

- Branch code
- Branch Name
- Total umbers of CPRs
- Total Amount

PRAL will develop a utility for reconciliation of collection reported electronically with daily electronic scroll submitted by NBP/SBP. Daily scroll versus detailed transactions discrepancy report will be electronically transmitted to NBP/SBP for immediate response.

In case the amount of tax deposited in the Bank (as reported by the concerned branch) does not tally with the amount indicated in the Link Branch Scroll, and amount remitted to SBP, the authorized officer of RTO/LTU/Collectorate/DPC will take up the matter with the concerned Bank Manager for necessary correction including remittance of the amount and the Data.

The present practice of transmitting the Challans along with scrolls such as Abstract Branch Scroll by State Bank, and link Branch Scroll / Branch Scroll System of NBP along-with the other summary statements etc. will continue, if so desired by the Banks by incorporating various particulars as provided under the Treasury Rules of the Federal Government or any other Regulation. Such forms/statements presently used include the following:-

**SBP**

1. Abstract scroll in respect of tax deposited in SBP and NBP, presently being sent in the following form:-
  - Serial Number
  - Number of challans



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- Account Number
  - Head of account
  - Amount
2. SBP Branch scroll indicating the tax deposited in SBP in the following form:-
- Transaction reference
  - Depositor Name
  - Challan Amount
  - Number of Challans
  - Challan total
  - Running total.

Summary statements such as SBP/NBP summaries regarding Government Receipts will also be continued, as before.

#### **NBP**

The National Bank may continue to send the following scrolls.

1. Link Branch scroll, which is being sent at present on the following format:-
- Serial Number
  - Branch Name
  - Branch Code
  - Number of Challans, total as well as in respect of each Branch
  - Amount (Branch Total)
  - Scroll Date
  - Collection Date
2. NBP branch scroll, in the following form:-
- Payment ID
  - Name of taxpayer
  - NTN / Sales Tax Registration Number





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- CNIC
  - Mode of payment
  - Amount
  - Collection date
  - Head of payment

### **Transmission of CPRs**

As per Document of Understanding between FBR and NBP, and in accordance with the agreed procedures, CPRs shall be sent to the CAO/ FTO/DPC/ relevant I.P. Division of RTO/LTU/Collectorate, as the case may be, and data will be transmitted to FBR as per following schedule:-

- SBP branches - within 24 hours
- NBP Branches:
  - 'A' category branches - within 24 hours
  - 'B' category branches - within 48 hours
  - 'C' category branches - within 72 hours

In order to get the anticipated benefits of the project, it is expected that the above schedule shall be followed by the Banks. Any delay in the ordinary course shall be deemed as non-compliance on part of the Bank. Overall performance and the progress of the Bank shall be regularly monitored and reported to the FBR by the relevant FTO / CAO / Chief Coordinator Computer Wing/ relevant IP Division of RTO/LTU for the purposes of necessary action, as mutually agreed.

### **Number of copies**

As stated earlier, CAP will ultimately provide an IT enabled environment, where the existing mechanism of distribution of multiple number of copies of Challans will be dispensed with. Till maturity of the system and building of reasonable level of confidence of the stakeholders, and with due consideration to the requests of major stake holders, the FBR has agreed to allow the Banks to distribute multiple copies of CPRs. The original copy shall be sent to the concerned RTO / LTU / Collector while the carbon copies will be distributed to the taxpayer and the FTO / CAO etc. FBR will prepare a mechanism to check the quality of CPRs issued by the Banks. DPCs / IP Divisions of RTO/LTU shall furnish a report on the quality of CPRs to FBR on daily basis, after comparing the CPRs with the Input Forms. Banks will be intimated of such quality analysis/discrepancies for necessary action/improvement in the documents/data through the Focal Persons of each Regional Tax Offices/LTUs.