

Federal Board of Revenue

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F B R N E W S L E T T E R

OUR VISION

To be a modern, progressive, effective, autonomous and credible organization for optimizing revenue by providing quality service and promoting compliance with related tax laws.

OUR MISSION

Enhance the capability of the tax system to collect due taxes through application of modern techniques, providing taxpayer assistance and by creating a motivated, satisfied, dedicated and professional workforce

FY 2010-11: new hopes, new challenges

The April-June quarter is always an important time for the Federal Board of Revenue. It is marked by an extensive pre-budget activity and actual budget exercise that lasts for several days and culminates with the presentation of the budget speech in the National Assembly. This year was no exception, with FBR demonstrating its commitment to give its input to the maximum.



Prior to the budget speech as well as after the presentation of the budget on June 6, 2010, it was a busy and hectic time for everyone in the FBR but more so for those who were directly involved in activities such as the preparation and arrangement of budget documents and their printing and dispatch to the concerned government offices as well as field formations of FBR. Despite the enormity of the work and the tight schedules, the spirit was pretty high among the officers and staff who worked like a team for extended hours, which at times also turned into a round-the-clock work, as the budget day approached. Apart from the organisational and administrative role played by FBR in facilitating the process of budget-making in close coordination with other key ministries and departments, the budget-making exercise also served as an occasion for introspection and self-assessment for the FBR which could raise its head high in pride for quite a commendable job it performed in terms of revenue generation and enhancing the tax base in the country. FBR Chairman Mr. Sohail Ahmad in his post-budget technical briefing given to the media soon after the budget speech highlighted the revenue collection for the year 2009-10 which showed a 15 per cent increase over last year. He said the final collection figures for the financial year were yet to be compiled but the collections so far had crossed Rs 1280 billion by the end of June and were likely to stay around Rs 1330 billion, Rs 50 billion short of the Rs 1380 billion annual target. The shortfall was mainly due to the Rs 2 billion per month GST rebate offered on sugar since August 2009 and a reduced public sector development programme from the original Rs 480 billion to nearly Rs 215 billion which also cost FBR nearly Rs 15 billion revenue in taxes which would have accrued on account of 6 per cent levy of withholding tax on contracts for the proposed mega projects. In a later press briefing, FBR Chairman Mr. Sohail Ahmed also explained the different revenue and administrative measures to be taken by the Board to meet the Rs 1667 billion revenue target set for the financial year 2010-2011. "It is a tough task and the FBR realises the enormity of the challenge but we are fully geared up to meet the challenge through hard work and facilitation of the taxpayers," sounded the Chairman in an upbeat mood.

Riffat Shaheen Qazi
Member (FATE)

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FBR Chairman calls for improving tax-to-GDP ratio

FBR Chairman Mr. Sohail Ahmad visited Karachi on July 22, 2010 to address members of the Karachi Chamber of Commerce and Industry (KCCI).

In his address to the Chamber, the chairman dilated on a number of issues facing the economy. He called for increasing the tax-to-GDP ratio which was still at 8.9 per cent, one of the lowest in the world. He said formalities for the imposition of reformed general sales tax (GST) from October next would be finalised by mid-August. Later, a money bill will be tabled in the parliament for the purpose. He also assured the business community their concerns would be addressed and their input taken before the implementation of the reformed GST.

On the issue of Pakistan Automated Customs Clearance System (PACCS), Mr. Ahmed said the agreement with the company owned the software was ending on July 31 but FBR would request the company to extend it for another two months.

About the policy issues raised by the KCCI members, Ahmed said that the revenue body is following the policy of not harassing the taxpayers. "However, a main element of self-assessment such as audit and scrutiny is being started by the board," he said.

Earlier, KCCI President Haji Abdul Majeed welcomed the FBR Chairman and apprised him of the issues facing the business community.

Chief Commissioners' moot on re-organisation of RTOs

The Human Resource Management (HRM) Wing of the FBR organized Chief Commissioners' Conference on 'Reorganization of RTOs' on 11th May 2010. The conference held at the Conference Room of FBR House Islamabad was attended by chief commissioners of all RTOs as well as senior officials of the Board. The DG HRM gave a presentation on the proposal for effective business processes under directives of Chairman FBR. It was proposed that the functional integration would continue in the field but with modification of combining IP, Legal, Enforcement and Audit for better tax collection and broadening of tax base. The matter was discussed at length and Mr. Asrar Rauf, Member DT Policy also addressed the participants. The Chief Commissioners were requested to discuss it with the officers and send feedback and suggestions on improving existing set up.

Meanwhile, the HRM team of the FBR-HQs headed by its Director General Ms. Raana Seerat visited Karachi & Hyderabad in the month of May 2010 in connection with the awareness campaign launched in the wake of creation of Inland Revenue Service. Member Fate Ms. Riffat Shaheen Qazi also accompanied the team which interacted with five field offices, including RTO and LTU Karachi, RTO Quetta, RTO Hyderabad and RTO Sukkur.



Chief (DOS) visits RTO Sukkur

Mr. Shafiq Mohammad, the Chief (Domestic Operations South), Federal Board of Revenue, Islamabad visited the Regional Tax Office, Sukkur on 10th April, 2010. He held a meeting with Mr. Muhammad Riaz, the Chief Commissioner and other officers of Audit and Enforcement Division of Regional Tax Office, Sukkur. The Chief Commissioner gave him a detailed presentation regarding the work done up to the 3rd quarter and the strategy to achieve the budget targets for the final quarter.

The visiting chief was told that the RTO Sukkur had achieved the targets up to the third quarter. The Chief (DOS) appreciated the efforts of officers and advised them to continue their efforts to achieve the targets of last quarter. He also emphasized upon the Enrolment of Withholding Tax Agents, the proper monitoring and enforcement of WHT statements, the audit of WHT statements and recovery of short collection. In this regard, a list of short deductions of WHT agents pertaining to RTO Sukkur was also provided to the Chief Commissioner by the Chief (DOS), for further action.

During the presentation, the Chief (DOS) pointed out that recovery of current demand from available created demand was low. He called for improving the position of collection from current demand. It was informed by the Chief Commissioner that the major portion of current demand was at Appellate Forums. The Chief (DOS) promised to discuss the issue with Commissioner (Appeals) for early disposal of the pending cases. The Chief (DOS) discussed the action taken & follow-up of the taxpayers enrolled on e-portal but yet to file e-file the returns for Tax Year 2009. The issues of broadening of tax base, Enforcement Action Plan, Arrear Recovery Plan & Taxpayers' Audit Plan were also discussed. At the end, the Chief Commissioner & all other officers of RTO Sukkur thanked the Chief (DOS) and vowed to make all out efforts in achieving the targets of collection & broadening of tax base in line with FBR's mission and objectives as a taxpayer's friendly organization.



Customs seize heroin worth Rs 100m at Islamabad Airport

Customs officials seized a massive quantity of heroin after they inspected a UK-bound fabrics consignment at the Islamabad Airport on July 20, 2010.

The raid was conducted following a credible tip-off received by Mrs. Sarwat Tahira Habib, Collector, Model Customs Collectorate, Islamabad. A team comprising Customs Preventive staff headed by Mr. Jehan Bahadar, Deputy Collector (Preventive) and Mrs. Koukab Farooq, Deputy Collector Export, BBI Airport was constituted. The team raided a location near Islamabad Express Way and took into custody 15 packages of heroin, contained in cloth rolls.

Later addressing the media, Mrs. Sarwat Tahira said the packages contained heroin

Powder of fine quality weighing 19 kgs, artfully concealed in small polythene packets glued to the inner paper board of the cloth rolls. She said the recovered drug was estimated to be valued at Rs 100 million in the international market. Further investigations were in process.



Probationary officers of 37th CTP visit RTO Sukkur

Thirty-two probationary officers belonging to various occupational groups of 37th Common Training Programme (CTP) under way at the Lahore's Civil Services Academy visited Regional Tax Office, Sukkur on 26th April, 2010.

The probationary officers on a country-study tour were warmly received by the officers of RTO. Later, they were given a detailed presentation by the Chief Commissioner on the working of RTO, tax reforms and functional distribution of work. The presentation also covered areas such as the jurisdiction of RTO Sukkur, taxes administrated under Inland Revenue in the RTO, role & functions of TFCCs in Mufasil areas, targets & collection of taxes by RTO Sukkur and the automation & tax facilitation.

Questions asked by the probationers at the end of the presentation were responded by the Chief Commissioner who was presented with a shield of the CSA by Mr. Ahmed Nadeem, Additional Director, Civil Services Academy, Lahore.

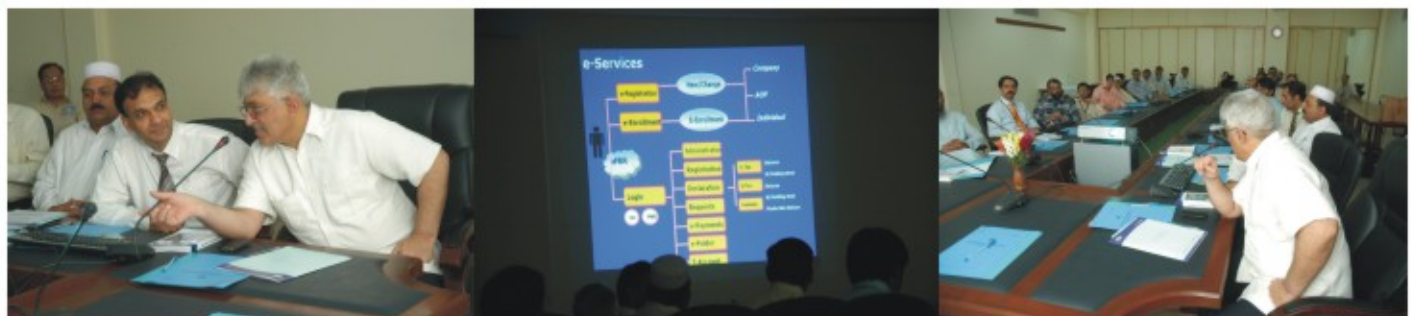
After the formal presentation, the visiting officers were divided into five groups and each group visited different divisions of the RTO. The officer in-charge of the unit briefed them regarding the practical work done at each section. The Chief Commissioner, Commissioner (Audit) & Additional Commissioner (Enforcement) presented shields of RTO Sukkur to each probationer. At the end, the visiting officers were served with high tea.



FATE Wing briefs SBP staff on e-filing

Facilitation and Taxpayer Education (FATE) Wing of the Federal Board of Revenue arranged an awareness session at the Rawalpindi office of the State Bank of Pakistan on April 9, 2010.

The session was conducted by senior FATE Wing officers led by Chief Mr. Sajjad Haider Khan. The other members of the team included Mr. Mazhar Iqbal Second Secretary (Helpline) FATE, Mr. Tariq Awan SO (Helpline) FATE and Mr. Mohammad Rafi Khan (Manager PRAL). As many as 50 officers of SBP, Rawalpindi including the Chief Manager Mr. Mohammad Aurang Zeb Khan, attended the session.



FATE Wing briefs SBP staff on e-filing

Mr. Sajjad Haider Khan opened the session by giving a detailed briefing on FBR's reforms, working, functions and new orientation in revenue collection policy and strategy. He specifically briefed them about role and efforts of FATE Wing in taxpayers' facilitation and education which was greatly appreciated and well taken by the participants.

The FATE team also gave a detailed and comprehensive presentation on E-filing of income tax returns and statements with a video on practical e-filing which was appreciated by the SBP employees. It was followed by a presentation on legal provisions under ITO 2001 relating to taxation of salary income, perquisites, allowances and tax withholding particularly.

Following the presentations, a comprehensive Q&A session was conducted and the participants asked about 100 questions regarding Income Tax Returns, their e-filing, tax credits, adjustments of tax withheld, e-payments, wealth statements, tax rates etc. The FBR team educated the participants through detailed answers and explanation.

On conclusion, the Chief Manager and other participants expressed their gratitude for this education session by FBR and felt learned and updated about taxation, FBR, and e-filing.

Seminar on VAT held in Faisalabad

Mr. Asrar Raouf, Member Direct Taxes (Policy) FBR, visited the Regional Tax Office, Faisalabad on March 24, 2010 to address a seminar on the Value Added Tax.

The Member was welcomed by Mr. Qurban Ali, Chief Commissioner Inland Revenue, Regional Tax Office, Faisalabad. Later, he held a detailed meeting with the Chief Commissioner and other senior officials of the RTO on issues related to VAT and revenue collection.

Later in the day, Mr. Asrar Raouf, accompanied by the Chief Commissioner RTO, visited the offices of Faisalabad Chamber of Commerce & Industries to address a seminar on implementation of Value Added Tax (VAT). Mr. Iftikhar Qutab, Chief (VAT), FBR (HQ) gave a comprehensive presentation on the topic to all the participants/ representatives of trade bodies. The Member also apprised the trade bodies of the various benefits of VAT and answered the questions of the participants and representatives of trade bodies.



Swearing-in of Sargodha Tax Bar office-bearers held

Khawaja Farooq Saeed, Chairman Appellate Tribunal Inland Revenue, Lahore visited TFC, Sargodha on March 22, 2010. to finalize the cases fixed for hearing. Mr. Muhammad Ramzan, Commissioner Enforcement Division, welcomed the honourable guest. Later, the Chairman proceeded to Pearl Hall where he administered oath to the newly elected President and members of Sargodha Tax Bar Association. Mr. Tasneem Ahmad Qureshi, Federal Minister of State for Interior Affairs, also participated in the ceremony.



Prime Minister Syed Yusuf Raza Gilani was pleasantly surprised Friday during the high echelon meeting in the Ministry of Finance when he was informed that the Federal Board of Revenue (FBR) has gained positive notion in the public opinion through an independent and credible survey conducted by an international outfit that the board has overcome corruption in its rank and file admirably during the last one year. The FBR chairman, Sohail Ahmad, also attended the three-hour long meeting and in



Briefed the prime minister about the working and performance of the board. He assured the prime minister that efforts to improve public perception of the board would continue unabated. He told the meeting that the Finance Act utility has become obvious in the backdrop of integration of the taxes and in-land taxes have become legal. The chairman FBR was of the view that collection of Rs 1,325 billion and growth in first three months with achieving 96 per-cent targets must be considered a commendable accomplishment. The prime minister repeatedly impressed upon the participants of the meeting to take every possible step to stall inflation and bring it down in the interest of national economy. The prime minister looked to the economic wizard when he discussed various aspects of the economy and sought details from the relevant officials about it. The meeting was also attended by Federal Finance Minister Senator Abdul Hafeez Shaikh, Principal Secretary to the Prime Minister Nargis Sethi and other senior officials. Courtesy The News Islamabad (July 10, 2010)

Collectors' Conference reviews progress on revenue collection

The Collectors Conference for the last quarter of the financial year 2009-10 was held at the FBR House with A conference of the collectors of Customs Collectorates was held at the FBR House with FBR Chairman Mr. Sohail Ahmad in the chair. The conference, attended by Member Customs, Mr. Munir Qureshi, Federal Tax Ombudsman, Mr. Shoaib Suddle, and collectors of Model Customs Collectorates (MCCs), reviewed the progress of revenue collection and discussed measures, including recovery of arrears, application of accurate valuation rulings on imported goods, encashment of financial securities, checking of consignment under the FTAs and timely allocation of the confiscated goods, for improving collection of customs duty in the third quarter. FBR Chairman Mr. Sohail Ahmed informed the conference the security of the PACCs data was important and measures had been taken to secure it.



LTU Karachi holds workshop on 'Mahasil' software

An introductory workshop on the use and application of 'Mahasil' software was organised at Large Taxpayer Unit (LTU) Karachi on May 25, 2010. The participants were briefed about the software which has been developed by PRAL to cover a broad range of work processes, including tax management system, trail of payments made by the taxpayers and online verification of various tax payments in all DPCs.

Meanwhile, Mr. Asrar Raouf, Member Direct Taxes (Policy)/Member Operation (South), FBR, visited LTU, Karachi on May 26, 2010 and discussed with LTU officials strategies and steps for improving tax collection.



FATE Wing spearheads awareness campaign

FATE Wing launched an extensive pre-budget media and awareness campaign to create awareness about tax issues. A number of seminars and workshops were arranged with the stakeholders, including representatives of business community and media. FATE Wing also partnered with CNBC Pakistan for the airing of a 13-episode show titled 'Tax Time' which featured lively and informative discussions, attended by key FBR officials, tax experts and industry representatives, on key issues. Due to a positive feedback received from audience and stakeholders, CNBC has launched the second season of 'Tax Time' which goes on air every Monday at 7:00pm. A repeat telecast of the show is also given the same night at 11:30pm.



Risk Management System tested amid applause at RTO Lahore

The Regional Tax Office, Lahore hosted a conference in the third week of June 2010 to carry out the performance evaluation of the Risk Management System launched by the Federal Board of Revenue through the SRO No.211(1)/2010 dated 29.03.2010.

On the occasion, system-generated cheques were handed over to the Sales Tax refund claimants by Mr. Ansar Javed, the Chief Commissioner Inland Revenue, Regional Tax Office, Lahore and Mr. Carlos Silvani, head of the World Bank Team. Dr. Ihtisham Ahmad, Special Advisor to Ministry of Finance and Revenue Division, Mr. Khalid Aziz Banth, Member (Domestic Operation North), Mr. Ibrar Ahmed, Member (Sales Tax), Mr. Zafar Majeed, Member (SP&R), Hafiz Muhammad Anees, Member (Taxpayers Audit), Mr. Mustafa Ashraf, Chief Commissioner RTO II, Lahore, Mr. Shahid Naseem, Chief Commissioner, Inland Revenue, LTU, Lahore and a large number of taxpayers were also present to witness the exercise.



Afghan tax officials imparted training in ITMS

A training workshop for a delegation of tax officials from Afghanistan was conducted at the Directorate General of Training & Research (Inland Revenue) Lahore. The visiting officials were imparted extensive training in various features and mechanics of Integrated Tax Management System (ITMS), an excellent portal for facilitating both taxpayers and tax collectors.

Addressing the closing ceremony of the course, Mr. Abdul Wadood Khan, DG DOT, appreciated the keen interest shown by the participants in different parts of the training. He hoped the visiting delegates would have enjoyed their visit and found the training useful, productive and memorable. Senior officials of Inland Revenue Lahore Region were also present.



Member (DOS) visits RTO Faisalabad to meet officers, attend farewell

Mr. Amjad Jamshed, Member Domestic Operations (South), Federal Board of Revenue visited Regional Tax Office, Faisalabad on March 20, 2010. Mr. Qurban Ali, Chief Commissioner, Inland Revenue, Regional Tax Office, Faisalabad welcomed the Member and briefed him on the performance of the Regional Tax Office. The briefing was followed by detailed presentations by the Commissioners of respective divisions. The visiting Member called upon the officers to spare no efforts for achieving revenue collection targets. After that a question answer session was held. The worthy Member shared his valuable lifetime experience with the officers and answered their queries.

Meanwhile, a farewell dinner in the honour of the outgoing Member (DOS), FBR, Mr. Amjed Jamshed, Commissioner (Enforcement Division) Mr. Muhammad Ramzan and other outgoing officers of Regional Tax Office, Faisalabad was hosted at Faisalabad's Serena Hotel on May 20, 2010 by Taxation Club Faisalabad Chapter. The dinner was also attended by the Chief Commissioner Inland Revenue, Regional Tax Office, Multan. The worthy Member and all retiring & retired officers expressed their thoughts on the occasion. The Honourable Member thanked the Chief Commissioner Mr. Qurban Ali for inviting him to Faisalabad for his farewell dinner. The Chief Commissioner, Regional Tax Office, Faisalabad concluded the session and thanked the worthy Member for gracing the occasion. All the retiring & retired officers expressed their lifetime experiences. At the end, memorable shields were presented to the outgoing officers.



FBR Chairman visits RTO Faisalabad

Mr. Sohail Ahmad, Chairman Federal Board of Revenue, visited the Regional Tax Office, Faisalabad on April 1, 2010. On his arrival, the Chairman was received by Mr. Qurban Ali, Chief Commissioner Inland Revenue, RTO, Faisalabad. Later, the honourable Chairman held a meeting with all the Commissioners of RTO, Faisalabad and discussed issues on revenue & arrear collection and broadening of tax base. The Chairman also directed the officers to leave no stone unturned for achieving optimal results. Later, the Chairman accompanied by the Chief Commissioner proceeded to Faisalabad Textile University to attend a gathering on textile issues.



Annual dinner 2010 brings together tax fraternity

Pakistan Taxation Club, Rawalpindi / Islamabad Chapter held its annual 2010 dinner at the Gymkhana Rawalpindi on April 7, 2010. The event drew a very large crowd of distinguished guests, including the veterans and old guards of the Department, under the 'together again' theme celebrated with a youthful spirit by the guests and hosts alike. The host team was headed by Mr. Shahid Anwar Khan, Chief Commissioner, Inland Revenue, RTO, Rawalpindi, with the lead members including Mr. Riaz Hussain Shah, ADC, Mr. Kashif Manzoor Malik, DC(HQs) and Mr. Binyameen Nasir, SO to the Chief Commissioner, RTO.

Mr. Sohail Ahmed, Chairman Federal Board of Revenue was the Guest of Honour on the occasion which was planned in a way that "none is forgotten" and the past and present members of the tax fraternity were invited to add colour to the event. They were also entertained with music followed by a sumptuous dinner. The dinner ended with the theme "Never Say Goodbye".



Khalid Aziz Banth holds meetings with RTO Faisalabad officials

Mr. Khalid Aziz Banth, Member (Domestic Operations North), FBR, visited Regional Tax Office, Faisalabad on 05-04-2010. He was welcomed by Mr. Qurban Ali, Chief Commissioner along with Commissioners of all Divisions at Regional Tax Office, Faisalabad. The honourable Member held meetings with the Chief Commissioner and Commissioners (Audit & Enforcement) on the issues of pending audit cases & strategy to complete such cases by the end of April, 2010. He also discussed the issues of recovery out of arrear demand, monitoring of withholding taxes and the work done on broadening of tax base and the pending external audit.

Later, the visiting Member also had a meeting with the in-charge commissioners of IP, TFC & HRM divisions & all the additional commissioners posted in RTO Faisalabad. The performance of compliance centre of different stations in the jurisdiction of RTO was also reviewed.

The Member also used his visit to hold a fruitful discussion with representatives of the Faisalabad Tax Bar Association on the issues regarding FTB. The Member assured the Bar representatives of complete support in resolution of their issues.



FATE Wing captures budget making exercise at FBR House



Officials Being Check Listed for Entry into FBR House a Day Prior to Budget Announcement



Budget Duties Notified on Notice Board



Budget Documents Being Composed



Printing Status Maintained at Computerized Control Room



Accounts Team Accounted For



Printing of Budget Documents in Process



Sorting and Binding of Budget Documents



Special Bags Packed With Budget Documents



Budget CDs Prepared for Distribution Among Journalists and Taxpayers



Technical Briefing by Mr. Sohail Ahmad, Chairman FBR Along With Other Members on The Budget Day.



Post-Budget Press Briefing By The Finance Minister Along With Chairman FBR And Other Members.



Post-Budget Press Briefing By The Finance Minister Along With Chairman FBR And Other Members.

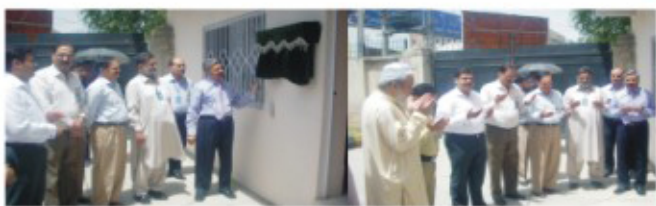
Pictorial News



Mr. Shahid Anwar Khan, Chief Commissioner Inland Revenue, Regional Tax Office Rawalpindi, inaugurating the primary procedure for drilling ahead of a tube-well installation at the RTO Rawalpindi on April 23, 2010.



Mr. Asrar Raouf, Member DT (Policy), FBR, attending annual dinner of Tax Bar Association, Sialkot. In the second picture, he is being presented with a shield by Chief Commissioner, RTO Sialkot.



Mr. Shahid Anwar Khan, Chief Commissioner Inland Revenue, RTO Rawalpindi, leading the prayer following the opening of a new security system at the RTO offices on June 2, 2010.



Mr. Abdur Rehman Dogar, Chief Commissioner, Inland Revenue, RTO Sialkot, addressing members of Sialkot Chamber of Commerce & Industry following a meeting at RTO Sialkot.

FBR Chairman visits DOT Lahore to meet officials, inaugurate sports gymnasium



FBR's interaction with national media

