

REVENEWS Newsletter

5.1% GDP GROWTH | **Rs 2.8 trillion TARGET**

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Chairman's Message



Revenue generation and tax collection are important contributing factors to the socio-economic uplift of any country. Federal Board of Revenue (FBR), being the apex body responsible for tax collection throughout the country, is aware and fully committed to performing its role of being an effective and credible organization providing quality services and fostering tax compliance.

The year 2014-15 has shown significant improvement on the economic front. While the economy achieved 4.14 per cent GDP growth in 2013-14, efforts are being made to further raise the GDP growth rate to 5.1pc during the current fiscal year, as stated by Finance Minister Ishaq Dar. FBR's tax collections are showing steady growth at 13.2 per cent during the first quarter of FY 14-15. This is accompanied by reduction in inflation in October, in which the headline was recorded at the lowest during the last 17 months at 5.8pc. A more satisfying growth trend has also been witnessed in the

large-scale manufacturing (LSM) sector which had grown by 5.3pc in August this year compared to 4.6pc last year.

The national economy has, indeed, shown commendable resilience and has rebounded on various fronts. A steady increase of spending in the social sector by the government would require more and more financial resources in the days ahead, which brings into focus the role of FBR in meeting the annual tax collection target of Rs 2.8 trillion. This requires effective use of technology with honesty and dedication by each officer. I am confident that FBR will respond to the challenges and will be able to improve its performance with the help and cooperation of the taxpayers, trade bodies, chambers of commerce, tax bars and all other stakeholders. We are all aware that all great nations are built with commitment to achieve desired goals.

Member FATE's Message

The 31st issue of ReveNews gives a kaleidoscopic picture of the various events and activities of FBR. The past few months witnessed intense activities of FATE Wing of FBR, including revenue awareness workshops and seminars in major cities, which can be seen in the ReveNews columns.

The FATE Wing of FBR is committed to educating the taxpayers regarding changes in laws as well assisting them in becoming more IT-savvy to access information on daily basis from FBR's website <http://www.fbr.gov.pk>. FBR's Helpline and web page are accessed across the globe, as we at FATE Wing closely monitor the use of our growing

informative facility of FBR's web page.

Very soon FATE Wing will be reaching out to educational institutions to organize tax fairs and make the students aware of their future tax obligations as well as become agents of change.

I see a bright educated youth in the future who would assist FBR in ensuring that every taxable income is voluntarily taxed.



Wishing every individual in Pakistan a happy and prosperous New Year!

FBR WILL RESPOND TO THE CHALLENGES

and will be able to improve its performance with the help and cooperation of the taxpayers, trade bodies, chambers of commerce, tax bars and all other stakeholders.

DGTR hosts SAARC moot on regional cooperation in tax matters

A SAARC Conference was held at the Directorate General of Training and Research, Inland Revenue, (DOT) Lahore from 7th to 11th April 2014 on 'Exchange of Information (EOI) / Large Taxpayer Units'. Eighteen delegates from all seven countries of SAARC, and five from the host country, participated.

The Federal Board of Revenue of Pakistan and the SAARC Secretariat had decided a year ago to hold this conference to look into the need and scope of regional cooperation in pecuniary and tax matters as well as to work out legal and operational means to increase cooperation and exchange of information in the region in the realm of taxation.

It was crucial because among the South Asian countries, there are hardly any channels or any mechanism in place for exchange of information on tax and pecuniary matters. This scenario, coupled with challenges of an increasing global trade, had necessitated a closer cooperation and exchange of information by the tax authorities of eight South Asian countries that constitute SAARC.

The inauguration ceremony was held on the morning on 7th April with the Chairman FBR Mr. Tariq Bajwa gracing the occasion as the chief guest. The Director General, DOT and the chief guest addressed the gathering. The Chairman, in his address, talked about the importance of taxation in an age of increasing cross-border movements of capital. This was followed by a round of introductions of all the delegates. After introduction of the delegates of each country, their national anthems were played.

On the first day, three academic sessions on the 'Framework for Exchange of Information (EOI) in International Taxation Treaties', were held, for which the resource person was Mr. Ahmad Khan. The three sessions, ending at five in the evening, gave a broad brush idea to the delegates, all at varying levels of understanding, of the issues at hand.

In the evening, the delegates were taken to the Village Restaurant, where the Vice President, SAARC Chamber of Commerce and Industry, Mr. Iftikhar Malik, had hosted a dinner in their honour. They were served an astounding variety of the local cuisine followed by live music by traditional singers.

On the second day, the session revolved around 'Mechanisms for handling EOI with special emphasis on the three categories of: Information on request, Spontaneous exchange of Information and Automatic Exchange of Information'. The resource person for this session was Dr. Tariq Masood, CIR, Karachi, who, in his engaging session, stressed that in a globalized economy, cooperation between tax administrations was critical in the fight against tax evasion and the key aspect of that cooperation was exchange of information leading to tax transparency.

The second session, "Taxation in South Asian Countries", consisted of a keynote address by Dr. Ishrat Hussain, former Governor of State Bank of Pakistan, giving a holistic picture of the state of taxation in South Asia.

The third academic session was on the 'Need for EOI within SAARC Countries'. The resource person was Dr. Hamid Ateeq, CIR, Large Tax Payers Unit, Lahore. The session sensitized the delegates, with a telling quality, about the need for more cooperation and flow of information within the SAARC countries for mutual benefit. In the evening, the delegates were taken to The Mall of Lahore for a shopping trip, followed by a dinner hosted by the Ministry of Foreign Affairs, at the Bukhara Restaurant of Pearl Continental Hotel.

On the third day, the delegates visited the Large Taxpayer Unit, as guests of the Chief Commissioner LTU, Mr. Mustafa Ashraf. They were briefed by Dr. Hamid Ateeq about the 'Structure of FBR and Working of LTUs' with special emphasis on monitoring & enforcement of Inland Revenues of Multi-National Companies (MNCs) and exchange of relevant information. The briefing was followed by a scrumptious lunch and award of shields to the delegates by the Chief Commissioner. In the afternoon, a visit to the historical places and Walled City of Lahore was undertaken following which the delegates were regaled with a traditional food dinner at the exotic Haveli Restaurant, overlooking the grand Badshahi Mosque.

On the fourth day, the first two sessions were about the 'Exchange of Information (EOI) at International level and New Horizons', for which the resource person was Mr. Muhammad Ashfaq Ahmed, Chief International Taxes FBR. The interactive sessions deftly delineated on the shift from bilateralism to multilateralism with explanation of how tax evasion had become a global problem needing a global solution.

In the concluding session of the day, country reports were presented by the delegates, on the 'Existing Mechanism of EOI & Way Forward for more Avenues of Cooperation within SAARC Countries'. The session was moderated jointly by Dr Tariq Masood and Muhammad Ashfaq Ahmed. It concluded with the drafting of a conference resolution / recommendations.

On the eve of the last day, a SAARC cultural night was organized at DOT. A wide spread of traditional cuisine was served to the guests in the lawns which were lit up and tastefully decorated. A slide show displaying exotic pictures of South Asian countries was run on the projector screen. The dinner was followed by music and cultural performance in which many of the delegates, all attired in their native, traditional dresses, sang songs and some even danced to the tune of folk songs.

The closing ceremony was held on the morning of 11th April. It was presided over by the Member Administration, FBR, Mr. Shahid Jatui. Address by the DG, DOT, was followed by the Conference Resolution. Certificates, shields and souvenirs, were given away and there was a round of vote of thanks by the delegates before the formal closing remarks by the Chief Guest, who applauded the efforts of the DG DOT for a successful organization of the event.

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FATE Wing holds Workshops to educate withholding agents

Facilitation and Taxpayer Education (FATE) Wing of the FBR in collaboration with Regional Tax Offices (RTOs) organized a series of workshops in the month of April and May 2014 to educate the withholding agents in their roles and responsibilities and the facilitation offered by FBR through its widely-accessed e-portal.

The workshops held in all major cities, including Faisalabad, Multan, Peshawar, Quetta and Abbottabad, focused on a broad range of FBR services and helped sensitize the participants about various initiatives undertaken by FBR to facilitate the taxpayers. The exercise spread over a month also helped elicit valuable feedback from the taxpayers and strengthened the FBR-taxpayer relationship besides providing the taxpayers an opportunity to put forth their individual and local issues and to get them resolved on the spot.

The first such workshop was organized at the Regional Tax Office (RTO), Faisalabad where Mr. Shaukat Mahmood, Chief Commissioner RTO Faisalabad, hosted the workshop while Ms. Riffat Shaheen Qazi, Member Facilitation and Taxpayer Education, FBR, delivered the keynote address in which she appreciated active participation of the taxpayers and withholding agents in the workshop to discuss their problems regarding the withholding tax and e-filing. She said FATE Wing of FBR was committed to creating awareness amongst the taxpayers regarding their responsibilities as withholding agents. She emphasized the use of e-portal and the website of FBR, which was one of the most widely-accessed government websites, drawing a large traffic due to quick posts and updates regarding key policy measures and availability of relevant tax-related information.

Workshops Pictures



A similar workshop was organized at Regional Tax Office (RTO) Multan where representatives from Multan Chamber, Tax Bar and major tax deducting authorities were invited. Hafiz Muhammad Jamil Owaisi, Chief Commissioner RTO Multan, chaired the event while Deputy Commissioner IR RTO, Multan Mr. Abid Rasool Khan gave a comprehensive presentation on the roles and responsibilities of withholding agents in the system of tax collection and elaborated on the laws and provisions concerning WHT agents. This was followed by a detailed presentation by Mr. Sami-ul-Haq, Webmaster, FATE Wing, FBR on e-portal/website awareness being provided through <http://www.fbr.gov.pk>.

The FATE Wing also conducted a workshop on e-portal services and roles & responsibilities of withholding agents at Bahawalpur Chamber of Commerce & Industries, Bahawalpur in collaboration with Regional Tax Office (RTO), Bahawalpur. The members and office-bearers of various bodies, including Rahimyar Khan Chamber, Tax Bar Associations of Bahawalpur, Bahawalnagar, Lodhran and Rahimyar Khan, corporate taxpayers and major withholding agents attended the workshop. Mr. Saleem Raza Asif, Chief Commissioner, RTO Bahawalpur and Mr. Ameer Yousaf Khan, President Bahawalpur Chamber of Commerce & Industries jointly presided over the workshop.

Similarly, a daylong workshop on e-portal services and roles & responsibilities of withholding agents was also organized at Regional Tax Office (RTO), Quetta. Representatives from SMEDA, National Savings, Pakistan Post, AGPR Quetta, Quetta Chamber, Tax Bar and other major Tax deducting authorities attended

the workshop. Shahzada Tahir Zaman, Chief Commissioner RTO Quetta chaired the workshop while Assistant Commissioner, RTO Quetta Mr. Islah-ud-Din Khan gave a comprehensive presentation on the roles and responsibilities of withholding agents.

The workshop conducted in Peshawar was also a well-attended event with members and office-bearers of Tribal Areas Chamber of Commerce & Industries, FATA Chamber, KPK Chamber, Swat Chamber, Kohat Chamber and Mardan Chamber of Commerce and Industries, corporate taxpayers and major withholding agents attending the workshop. Mr. Rahat-ullah-Khan, President of Tribal Areas Chamber of Commerce & Industries presided over the workshop while Deputy Commissioner (IR) RTO, Peshawar Mr. Hamid-ur-Rehman explained roles and responsibilities of withholding agents.

Another workshop on the same lines was organized by the FATE Wing in collaboration with the Regional Tax Office (RTO) Abbottabad at the Haripur Chamber of Commerce. Senior officials of FATE Wing, FBR, and a large number of major tax-deducting authorities and withholding agents representing major industries in the Hattar and Haripur were present on the occasion. Muhammad Bilal Khan Daudzai, Deputy Commissioner IR RTO Abbottabad, welcomed the participants and highlighted the role and responsibilities of the withholding agents in revenue generation necessary for turning on the wheel of economy. This was followed by a presentation by RTO Abbottabad official Mr. Shaukat Tanoli who elaborated on the salient features of laws and provisions concerning WHT agents.

Participants of 17th Mid-Career Management Course visit FBR

A group of 17th Mid-Career Management Course headed by Acting Director General/Chief Instructor, National Institute of Management, Quetta Mr. Nazar Mohammad Kakar, visited FBR in May 2014 as part of their inland study tour.

Ms. Riffat Shaheen Qazi, Member FATE, FBR, welcomed the visiting officers and briefly told them about the mandate, working and performance of the FBR. She said FBR being the sole institution responsible for resource mobilization and revenue generation faced a difficult task of collecting tax revenue but the strenuous and dedicated efforts of the officers and workforce of FBR were helping broaden the tax net.

Mr. Shahid Hussain Asad, Member (Inland Revenue) Policy, FBR, highlighted various measures being pursued by FBR to broaden the tax base and widen

the tax net. Later, Bakhtiar Muhammad, Chief FATE Wing, gave a detailed presentation on the working and performance of FBR in broadening the tax net and enhancing the tax-to-GDP ratio. He told the participants the share of people filing their tax returns in Pakistan's population was merely 1.6 per cent as compared to 4.7 per cent in India, 16.5 per cent in Argentina, 58 per cent in France and an impressive 80 per cent in Canada.

Dr. Muhammad Zubair, Chief International Customs FBR, also shared with the officers various loopholes and weaknesses in the current taxation system and the measures required to make the system more robust. He argued that for a robust taxation system, compliant taxpayers, independent tax authority, simplified tax laws & procedures and a vibrant tax machinery were essential.



Member FATE visits DGTR Lahore

Mrs. Riffat Shaheen Qazi, Member Facilitation and Taxpayer Education, FBR visited the Directorate General of Training and Research, Inland Revenue (DGTR) Lahore in the last week of May to discuss important components for training to trainee officers in media handling, communication strategy, taxpayer facilitation and e-filing. During the meeting, modalities and means to improve the taxpayer's facilitation and FBR's image were discussed. It was agreed that through a liaison between DGTR and FATE Wing FBR, a series of workshops, extensions lectures and research projects would be conducted at DGTR Lahore for capacity building of the officers.



Farewell arranged for Ms. Yasmeen Saud



A farewell was arranged for Ms. Yasmeen Saud, Member HRM Wing and a BS-22 officer of the Inland Revenue Service, on her retirement from service on 14th June 2014. The function was attended among others by Chairman FBR, Mr. Tariq Bajwa and Members of the Board. In his comments, the Chairman FBR paid rich tributes to Ms. Yasmeen Saud for putting up 34 years of illustrious service

during which she served on a number of key positions within the FBR Board and field formations. Similar sentiments were shared by different Members who recalled the happy time they had while working along with Ms. Saud. They lauded her meritorious services and wished her well in the years ahead. Later, Ms. Yasmeen Saud was presented with a Yadgaari shield.

Awareness **Seminars, Workshops** held in RTO Faisalabad

A seminar on registration of retailers as per SRO 608(1)/2014 dated 02-07-2014 was held in the Conference Room of Regional Tax Office, Faisalabad. Representatives from traders and retailers from various areas of Faisalabad attended the exercise aimed at explaining the need and procedure for registration in the light of relevant provisions of the SRO. Mr. Muhammad Sarmad Qureshi, Commissioner IR/In-charge Registration Cell gave a presentation covering all the legal and procedural aspects of the registration process. The presentation was followed by an interactive session during which specific queries of retailers regarding supplies from unregistered wholesalers/suppliers and issue of claim of input thereof were answered by Chief Commissioner IR and Commissioner IR.

Meanwhile, a separate workshop was also organized at RTO Faisalabad to educate the withholding agents about the changes in the withholding tax regime introduced through Finance Act, 2014. Representatives from various organizations, including government departments, participated in the workshop. Mr. Muhammad Mazhar Ejaz, Inland Revenue Officer, enlightened the withholding agents about major changes of rates on import of goods,

supply, services and contracts, commission & brokerage, and newly-introduced provisions of withholding taxes, especially under Section 235A and Section 236K, as well as concept of filer and non-filer introduced through Finance Act, 2014. The participants raised various queries which were answered among others by Chief Commissioner IR, RTO, Faisalabad.



FATE Wing holds workshops on changes in Finance Act 2014

After the successful completion of the taxpayers' facilitation workshops organized by FATE Wing on the roles and responsibilities of withholding and web portal of FBR similar workshops were arranged at Karachi, Lahore, Islamabad/Rawalpindi, Multan, Quetta and adjoining RTOs during the holy month of Ramadan to orient the officers as well as taxpayers regarding the changes and amendments to the Income Tax Ordinance 2001, Sales Tax Act 1990 and Federal Excise Act

2005 through the Finance Act, 2014. The workshops were planned and organized by FATE Wing on the instruction of Chairman FBR and following requests received from various RTOs and taxpayers who had benefited immensely from the previous exercise. The workshops were held in two phases with the first phase dedicated to orientation of FBR officers while in the second phase, taxpayers were invited and explained key features of the tax measures introduced in the budget.



Member IR (Operations) & Member TPA visit RTO Faisalabad

The Member Inland Revenue (Operations), Federal Board of Revenue, Islamabad visited Regional Tax Office, Faisalabad in August 2014 to review sectoral performance, implementation of budgetary measures and over all working of the RTO.

The Member (IR Operations) highlighted the significance of withholding tax since it has share of more than 88% in the revenue of RTO, Faisalabad. In this context directions were given to facilitate the Withholding Tax Zone with required human resource and logistics. The Member held detailed discussion on the performance of monitoring and collection of withholding taxes up to 30th June, 2014 and new revenue measures for financial year 2014-15 with all the officers

of Withholding Tax Zone. It was mentioned that the national growth of withholding taxes is 33% whereas RTO, Faisalabad has registered growth of 26% only which needs appropriate attention and augmented efforts to increase the percentage during the current financial year.



The Member (IR Operations) also had separate meetings with Commissioner Zone-I, II, III & BTB along with their officers to discuss all important issues relating to each zone with special reference to recovery out of arrear and current demand, analysis of textile, beverages and oil mills sectors, besides overview of the broadening of tax base exercise.

Meanwhile, Member Taxpayers Audit, FBR, Mr. Haroon Muhammad Khan Tareen also visited Regional Tax Office, Faisalabad in October to review progress on disposal of audit cases pertaining to tax years 2008 to 2012 and discuss strategy for disposal of audit cases of Tax Year 2013. The meeting was attended by Chief Commissioner, Zonal Commissioners and Audit Officers.

Issues regarding expeditious liquidation of pending audit cases relating to tax year 2012, disposal of cases pertaining to Tax Year 2013 and progress of entry of cases in TAMS were discussed. The Member Taxpayers Audit emphasized speedy disposal of cases, especially those related to Tax Year 2013, and directed that quality of assessment should not be compromised while finalizing the cases.



Workshop, Training Seminars held on use of new software for IT returns

Facilitation and Taxpayer Education Wing (FATE) in collaboration with the IT Wing organized a series of workshops in the month of September to educate the field officers of FBR and taxpayers on a new declaration module developed by the IT Wing for the filing of tax returns.

The workshops were aimed at reaching out to the taxpayers, business community and their representative bodies to apprise and train them on the use of new software well before the last date of filing of returns.

The workshops were held in all RTOs, including RTO Karachi, RTO Hyderabad, RTO Sukkar, RTO Quetta in the southern region and RTO Lahore, RTO Faisalabad, RTO Gujranwala, RTO Sargodha, RTO Sialkot, RTO Multan, RTO Peshawar and RTO Islamabad & Rawalpindi in the northern region. The workshops were attended by a large number of participants, including members of office-bearers of respective Chambers of Commerce & Industry and Tax Bar Associations besides the taxpayers who evinced keen interest in knowing about the new software. The workshops were conducted by dedicated teams led by senior officers of IT Wing and FATE Wing of FBR. Detailed presentations on the use of new software were given to the participants at every workshop and marathon Q&A sessions were conducted afterwards to address the concerns and answer queries of taxpayers.

Workshop, Training Seminars held on use of new software for IT returns



Set up to Facilitate Filing of IT Returns

In order to facilitate the taxpayers for filing the returns of income for the tax year 2014, the FBR established more than 200 Tax Facilitation Kiosks (KIOSKs)/Tax Facilitation Centers (TFCs) throughout the country on places like important business centers, shopping malls, offices of Traders' Associations/Chambers of Commerce & Industry, National & Provincial Assembly buildings, Federal Secretariat, Civil Secretariats in all the provincial capitals, press clubs in Islamabad and in the four provincial capitals, offices of the big public sector enterprises, and important markets where maximum number of taxpayers can avail the facility.

Knowledgeable and competent officers/officials were deputed in these KIOSKs/TFCs to guide and assist the taxpayers in the filing of tax returns. The details of such KIOSKs/TFCs and the contact numbers of the personnel manning these KIOSKs/TFCs are being displayed on the FBR website (www.fbr.gov.pk) for the convenience of the taxpayers. These KIOSKs/TFCs remained operational from Monday through Saturday, from 9:00 am to 5:00 pm daily, and till 8:00 pm on 29th & 30th of September, 2014. The prescribed proforma of returns and wealth statement were available on these KIOSKs/TFCs. The KIOSKs/TFCs to provide education and guidance to the taxpayers, besides helping the taxpayers to properly fill in the tax declarations. The taxpayers were also requested to contact the nearest Tax Facilitation Kiosk/Tax Facilitation Centre in case of any difficulty or problem in filing their returns.



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College Students undertake educational visit of FBR

A delegation of 120 students and faculty members from Islamabad College for Boys (ICB) G-6/3 visited FBR House in the third week of November 2014 to learn about Pakistan's taxation system and the awareness on necessity of taxes leading to better tax culture.

Mr. Bakhtiar Muhammad, Chief FATE, FBR, welcomed the students and briefed them on taxes and functions of FBR as a revenue collecting authority. Afterwards, an interactive Q&A session was held and various questions of the students and the faculty members were answered by the Chief FATE, Chief Customs, Chief Income Tax Policy and other senior officers of the Board.

Mr. Khumar Gul, Associate Professor of the Islamabad College for Boys, G-6/3 thanked the management of FBR for hosting and giving the students an opportunity to learn about important functions of FBR, including revenue collection for the government. Later, shields were exchanged.



Tax Reforms Commission mulls recommendations

The second meeting of the Tax Reforms Commission (TRC) constituted by the government in September 2014 to reform the tax system was held in the third week of December 2014 to deliberate on various aspects of the tax collection, public facilitation matters and administrative/structural changes required to revamp the tax collection system as a whole.

The meeting discussed and deliberated on a broad range of issues related to tax structure of the country. Briefing the Finance Minister, Senator Ishaq Dar who chaired the closing session, Chairman Tax Reforms Commission, Mr. Masood Naqvi, said the Commission had had detailed deliberations on various aspects of the tax collection, public facilitation matters and administrative/structural changes required to revamp the tax collection system as a whole. Six specialized committees, he said, dedicatedly worked and held a number of meetings, maintaining close liaison and interaction in putting forth proposals for tax reforms.

He further said that areas the committees had covered included tax policy, indirect and direct tax collection, border security/anti-smuggling measures, expansion of tax base and tax facilitation of tax payers. The Commission also met important business house, chambers of commerce, Pak Business Council, professionals, briefly speaking, all major stake holders.

Mr. Masood Naqvi said the next meeting of the Commission would be held on 17th January and a week afterwards, recommendations of the Commission would be finalized. He said all the members of the Commission were indebted for the support offered by the Finance Minister and Chairman FBR, Mr. Tariq Bajwa in facilitating the Commission in its routine work. "Our discussions have been very constructive and the suggestions given to the Commission would be given consideration."

In his address, Finance Minister Senator Ishaq Dar urged the Commission to bring forth an interim report on its deliberations and outline important proposals for consideration of the government. He emphasized that significant recommendations by the Commission would be reflected in the budget 2015-16 and therefore it was imperative for the Commission to finalize its report before deliberations for the budget start.



The Minister also gave a brief review of the government's measures to set economy on the right track, a fact which had been internationally acknowledged. He said enhancement in revenue collection was also part of government's vision for an economically-strong Pakistan and reforms were meant to help achieve the objective.

“Six specialized committees, he said, dedicatedly worked and held a number of meetings, maintaining close liaison and interaction in putting forth proposals for tax reforms.”

FBR Officers, Staff Offer Fateha For Martyrs of Peshawar School Tragedy

The Peshawar school tragedy which left the entire country bemused with shock and anguish also deeply upset the officers and staff of the Federal Board of Revenue (FBR) Headquarters who offered collective Fateha for the martyrs, including 132 innocent school children, of the horrific Peshawar School Tragedy.

All the officers and staff of FBR (HQ), including Chairman Tariq Bajwa and all the Members, gathered in the Auditorium and offered Ijtimai Dua for the victims of the tragedy which also included the School Principal Ms. Tahira Qazi, sister-in-law of Ms. Riffat Shaheen Qazi, Member Facilitation & Taxpayer Education of FBR. They prayed Allah Almighty to bless the martyrs with the choicest place in Jann'ah and grant courage and fortitude to the families of the victims as well as to the nation grieved on this tragedy.

Speaking on the occasion, Chairman FBR Mr. Tariq Bajwa condemned what he termed as the gravest tragedy in the history of Pakistan, measurable in scale only to the events of 16th December 1971. He said the terrorists had committed this dastardly act to avenge the ongoing Zarb-e-Azab operation and demoralize the nation. "However, their efforts to dent the morale of the nation would never succeed and the entire nation stands united today to frustrate and fight such enemies of the humanity," he said. The Chairman, FBR emphasized that the only way to root out this menace from the society is to isolate the extremist elements from our ranks and work together for the prosperity of the country.



Seminar on 'Refund claims' held at MCC Islamabad

A one-day seminar regarding FTO case study on 'Mismanagement and Delay in Processing of Refund Claims' was held at Custom House, Model Customs Collectorate, Islamabad on December 24, 2014 to learn lessons and share experiences for improvement in the service delivery. The seminar was arranged by Directorate of Training & Research (Customs), Islamabad while 30 officers of BS-16 and above participated in the daylong deliberations. Abdul Waheed Marwat, Additional Collector, Model Customs Collectorate, Islamabad presented the background of the case and sought feedback from the participants about lessons to be learnt from this particular case study. Speaking on the occasion, Chief Guest Mr. Yasin Tahir, Senior Advisor to Federal Tax Ombudsman, highlighted the role of Pakistan Customs in reviving the economy and urged officers of Customs to bring in positive changes in management cycles of the Collectorate/Directorates in order to modernize record keeping and correspondence system. He also called for facilitating the taxpayers and responding to their genuine cases quickly to allow them time to take their plea, if desired, to the higher forum provided under the law.



Pakistan Customs Service's End Use Verification (EUV) project launched

Federal Board of Revenue (FBR) Chairman Tariq Bajwa and the U.S. Ambassador to Pakistan, H.E. Richard Olson jointly launched in November 2014 the Pakistan Customs Service's End Use Verification (EUV) project to help Customs monitor chemicals that are used both legally and illegally.

The EUV project will allow Pakistan Customs, a wing of the FBR, to safely facilitate the entry of dual-use chemicals being imported for legitimate purposes, while also investigating and preventing the entry of chemicals intended for use in improvised explosive devices (IEDs). The EUV project consists of 80 Pakistani teams that will conduct verification checks countrywide. To bolster the effectiveness of the EUV program and help ensure it's a long lasting effort, the United States has donated 80 Toyota Hilux trucks, 160 body armor suits, over 10,000 chemical test kits, five electronic hand-held chemical analysis units, cameras, binoculars and gloves to Pakistan Customs.

The EUV project has already garnered attention outside Pakistan, with Pakistan

Customs recognized as a trendsetter in preventing the illicit movement of dual-use chemicals used to build IEDs. The World Customs Organization has adopted this EUV project as the model to be replicated by customs administrations around the world.

The EUV project demonstrates how much can be achieved as a result of partnerships based on respect and the sense of a shared mission—in this case, between Pakistan Customs and United States HSI to keep citizens from Pakistan and other countries safer by preventing the illicit movement of dangerous chemicals.

This launch also provided an opportunity to commemorate the partnership between Pakistan Customs Services and the United States Homeland Security Investigations Office (HSI).



TPA Wing completes unprecedented 90% audits in a year

A milestone was achieved by FBR. Audit Process for Tax Year 2012/ Tax Period ending June 2012 was completed successfully by TPA Wing in June 2014. This was the first time that over 90% audits was completed in the same year it was initiated. This was the largest audit exercise in which around 42,000 cases were selected, monitored and evaluated at Board level. These cases were also processed through an automated system "Taxpayers Audit Monitoring System" (TAMS) that improved transparency in audit monitoring. The Chairman, FBR appreciated the performance of Member (TPA) and his team members in the Board in Council Meeting held on 10.9.2014 at FBR House. He also lauded the team efforts of TPA wing in the current ballot ceremony held at FBR House on 25.9.2014 for selection of cases for audit for Tax Year 2013/Tax Period 2013. Minister for Finance, Mr. Muhammad Ishaq Dar was the chief guest of this ceremony.

TPA Wing while monitoring and evaluating the quality of audit cases for Tax Year 2012 observed that the officers conducting audit need training on specific points. A five days, training module was prepared by TPA Wing and approved by Chairman, FBR. More than 300 auditing officers have been trained this year to overcome their deficiencies and conduct better audit for Tax Year 2013.

This was the largest audit exercise in which around **42,000** cases were selected, monitored and evaluated at Board level.

77,500 tax returns Selected for Audit through RCB

A random computer ballot (RCB) was conducted at Federal Board of Revenue, Islamabad in September for selection of cases for audit for Tax Year 2013 and Tax Period 1st July 2012 to 30th June, 2013 in respect of Income Tax, Sales Tax and FED at FBR House, Islamabad.

The Minister for Finance, Revenue, Economic Affairs, Statistics and Privatization, Senator Muhammad Ishaq Dar was the chief guest on the occasion. Representatives of Chambers of Commerce and Industry, Tax Bars and FBR officers attended the ceremony. Minister for Finance and Chairman, FBR addressed the audience on the occasion.

In his address, Finance Minister highlighted the economic and tax policies of the government, including an improved revenue collection of Rs. 319 billion by FBR in the first two months of current financial year as compared to corresponding period last year when Rs 279 billion were collected. The Minister also added that he had approved constitution of the Tax Reforms



Commission which would put up recommendations for further boosting and improving the tax collection system. Later, random computer ballot was conducted in respect of six categories i.e., corporate cases of Income Tax, Sales Tax, FED and non-corporate cases of Income Tax, Sales Tax and FED.

Senator Ishaq Dar initiated the ballot process by pressing the computer button. Representatives of various Chambers and Tax Bars also participated in the ballot process. Around 77,500 returns had been selected for audit in respect of six categories. National Tax Numbers of cases selected for audit were displayed on the official website of FBR. The category wise break-up was as under:

Type	Total Cases	Selected
Income Tax (Corporate)	25,046	1,876
Income Tax (Non-Corporate)	840,675	63,050
Sales Tax (Corporate)	11,757	1,410
Sales Tax (Non-Corporate)	92,455	11,095
FED (Corporate)	402	45
FED (Non-Corporate)	202	24



Finance Minister highlighted the economic and tax policies of the government, including an improved revenue collection of Rs. 319 billion by FBR in the first two months of current financial year as compared to corresponding period last year when Rs 279 billion were collected.

Model Customs Collectorate Islamabad

Unaccompanied baggage (UAB) is a section of Air Freight Unit of MCC, Islamabad at BB International Airport Islamabad, which caters for facilitation of clearance of un-accompanied baggage to a large number of incoming Pakistani passengers, foreign nationals and members of the diplomatic community stationed in Pakistan.

The Federal Government has extended exemption in duty and taxes up to US\$ 500/- for Pakistani nationals repatriating from abroad, after a stay of seven or more than seven days and US\$ 100 for foreign nationals and it also facilitates the diplomatic community stationed in Pakistan under "the diplomatic and counselor privileges Act 1972".

Our courteous staff posted at UAB, facilitates these passengers and extends full cooperation in clearance of their baggage. Pakistan Customs at AFU has established "facilitation desk" at the cargo sheds, where our uniformed personnel examines the documents vis-à-vis allowances of the passenger and after examination the baggage is handed over to the passenger.

If the passenger is carrying some electronic and electrical appliance, duty/taxes are charged as per the provisions of relevant SRO. If any passenger tries to misuse the facilities and tries to bring some commercial goods for peculiar benefit, after examination, its clearance is conducted as per import policy order in vogue and penalty is imposed.

In the year 2013-14, 3661 passengers sent their un-accompanied baggage through various airlines and got clearance from unaccompanied baggage section AFU, MCC, Islamabad. Our devoted workforce is handling all the shipments professionally. Unaccompanied baggage section for AFU, MCC, Islamabad is one of the oldest sections of this Collectorate, as it was established with the enactment of the Custom Act, 1969.



If the passenger is carrying some electronic and electrical appliance, duty/taxes are charged as per the provisions of relevant SRO

RTO Sialkot, LTU Islamabad, MCC Peshawar and MCC G-B nominate high achievers

Mr. Altaf Hussain Khan

Inspector, Inland Revenue
LTU, Islamabad

He has demonstrated extraordinary dedication and exceptional commitment towards his assigned responsibilities and played a vital role in effecting recovery of due taxes.



Mr. Muhammad Ashraf

Inspector, Inland Revenue
LTU, Islamabad

He is nominated as high achiever on account of services rendered by the official to achieve the desired goals.



Raja Jamil Akhter

Deputy Superintendent,
MCC Gilgit-Baltistan Gilgit

He is one of the highest duty and tax assessments in the history of SRDP, Sost, contributing in exceeding revenue targets..



Mr. Said Zaman

Deputy Superintendent
MCC Peshawar

He is one of the most outstanding officers of this MCC. He has performed exceptionally well during his entire service spanning over period of 16 years seizing 890 No. of non-duty paid smuggled vehicles. A part from interception of non-duty paid/smuggled vehicles, the officer has interdicted a huge quantity of drugs (Heroin) weighing 112 kgs. value of seized drugs Rs. 16.80 million



RTO Hyderabad holds seminar on Registration of Retailers

A seminar was organized by the Regional Tax Office (RTO) Hyderabad in the last week of September on the registration of retailers. Mr. Khawar Saeed Akhtar, Chief Commissioner Inland Revenue, RTO, Hyderabad chaired the seminar which was attended by eight associations of various retail markets and their office-bearers attended the seminar. A detailed presentation was given to the participants who found the seminar very beneficial and educative in the light of changes introduced in the Finance Bill 2014, with regard to registration and collection of Sales Tax from retailers. Various questions on legal & technical issues were raised by the participants and replied by Additional Commissioner (Hqrs), Mr. Attaullah Noonari, IRAO & Mr. Muhammed Akbar Shaikh, IRAO.



Chairman FBR visits DGTR Lahore to address probationers

Mr. Tariq Bajwa, Secretary, Revenue Division/Chairman, FBR along with Mr. Shahid Hussain Jatoti, Member (Administration), FBR visited the Directorate General of Training and Research (Inland Revenue), Lahore on 29th September, 2014. In his address to the probationary officers of 41st STP, the Chairman, FBR stressed upon acquiring and excelling the requisite knowledge and skills for the levy and collection of Inland Taxes. The Chairman suggested that the probationary officers may regularly be taken on study tours of manufacturing units/ industries to help them understand various business processes.

The Chairman, FBR highlighted the role and significance of IRS in the overall prosperity and development of Pakistan. He underscored the need of professionalism, commitment and integrity, both for the personality

development of the young IRS officers and their contribution to the national economy. IRS as a service, he said, has abundant prospects in future and that the probationary officers one day will take pride of being part and parcel of this service.

The Chairman, on the occasion, inaugurated the Sports Complex constructed under PSDP for the probationary officers. The Sports Complex comprises of indoor Badminton Court, Squash Court, Snooker Hall, Gymnasium and other allied facilities. The Chairman also inspected the adjacent under construction swimming pool. The swimming pool is being constructed under PSDP and shall be completed in three months. The swimming pool comprises of a standard pool (40ft x 80ft), Filtration Plant, Puddle Pool, Steam Baths, Showers and other allied facilities.



101st NMC participants visit FBR on Inland Study Tour

A delegation of sixty-five participants of 101st National Management Course and Faculty Members of National School of Public Policy (NSPP) Lahore visited FBR towards the end of October 2014 as part of an Inland Study Tour undertaken for capacity building of senior civil officers from various occupational groups.

The participants of Course were briefed on FBR's functions as a revenue collecting authority. Mr. Tariq Bajwa, Chairman FBR welcomed participants and dilated upon the government's policies and initiatives for enhancing the revenue collection and to encourage voluntary compliance towards payment of taxes.

A comprehensive presentation was delivered by Mr. Bakhtiar Muhammad, Chief Facilitation and Taxpayers Education Wing on "Introduction of FBR". Later, Mr. Shahid Hussain Asad, Member Inland Revenue-Policy apprised the participants on "Functions of Inland Revenue and future Strategic Vision", followed by Mr. Nisar Khan, Member Customs' presentation, who enlightened the participants on "Customs Functions". Afterwards, an interactive Q & A session was held and various questions of the participants were answered by the Chairman, FBR and senior Members of the Board.




Mr. Muhammad Ismail Qureshi, Rector NSPP, Lahore thanked the Chairman, FBR for hosting and giving the participants an opportunity to know about important aspects of revenue collection. Shields were exchanged between the Chairman, FBR and Rector, NSPP, Lahore at the conclusion of function.

Seminar on Audit Process held at RTO Gujranawala

A seminar on audit process of the cases selected for audit for Tax Year 2013 was organized by RTO Gujranawala in the first week of October for guidance of the officers. The issues that came under discussion during the seminar were legal provisions, practical problems faced by the officers as well as taxpayers, documentation for completion of audit and adherence to timeframe provided by the Board. The office-bearers of Gujranwala Tax Bas Association were invited to present tax practitioners and taxpayers' points of view while Dr. Muhammad Tariq Khan, Commissioner Inland Revenue Zone-II, RTO Gujranwala made a detailed presentation on how to conduct audit, and explained the relevant provisions of law and procedure to be followed during audit proceedings. After presentation, the participants discussed the obstacles to speedy disposal of audit cases, issues pertaining to proper service of notices and impact of improper service in test of appeal besides timeframe to be given to taxpayers for production of relevant record for audit. The CCIR reiterated that provisions of law must be followed during audit and taxpayers



be dealt with respect and dignity. Whole of the process should be transparent and without any compromise on integrity. He also pointed out that audit officers and those in withholding zone should work in close association so that the taxpayers were saved from double hassle of audit i.e. one of the normal case Income Tax or Sales Tax and second of withholding tax. The interactive session ended with a vote of thanks to the chair.



Revenue Division
Federal Board of Revenue
Government of Pakistan

FILE YOUR INCOME TAX RETURN ON TIME!

DO YOU KNOW THE BENEFITS OF FILING YOUR INCOME TAX RETURN?

	IF YOU FILE YOUR TAX RETURN	IF YOU DON'T FILE YOUR TAX RETURN
DIVIDEND INCOME	10%	15%
BANK PROFIT	10%	15%
CASH WITHDRAWAL FROM BANK	0.3%	0.5%
ON SALE OF PROPERTY	0.5%	1%
PURCHASE OF PROPERTY	1%	2%
PURCHASE OF VEHICLES (ABOVE 1000 CC)	LESSER RATES	HIGHER RATES

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