



# The Audit Policy, 2019

Taxpayers Audit Wing

Federal Board of Revenue, Islamabad

MS

## Glossary

FBR	Federal Board of Revenue
FED	Federal Excise Duty
FTR	Final Tax Regime
I&I	Intelligence and Investigation
IR	Inland Revenue
RAMS	Risk based Audit Management System
TPA	Taxpayers Audit
TY	Tax Year
USAS	Universal Self-Assessment Scheme

*AM*

## Executive Summary

**T**axpayers Audit Wing is persistently assisting the Federal Board of Revenue to achieve the objective of promoting voluntary tax compliance and making the Board a service oriented organization through implementing policies envisaged under Federal Board of Revenue Act, 2007. In order to facilitate the voluntary tax compliance, the Taxpayers Audit Wing has brought a landmark change by adopting principle of modern compliance risk management strategy through implementation of Audit Policy 2019. The strategy will effectively identify defaulting taxpayers through a system of audit and penalties. The already initiated reform agenda of the Federal Board of Revenue (FBR) to enhance its revenue collection and service standards will be completed under Vision 2025. In this regard, existing Audit Policy is a roadmap to promote compliance of tax laws, promoting tax culture and discourage the practice of giving false declarations with impunity by selecting taxpayers for audit. On the basis of lessons learnt from the past Audit policies, the aforementioned policy document takes into consideration all guidelines, constraints and restrictions, legal or otherwise that ensures efficient, effective, transparent and judicious system of audit. The **'Audit Policy 2019 for Tax Year 2018'** will adopt a regulation on risk-based selection of audit cases. The aim of bringing such regulation is to ensure the quick disposal of audit related issues and bring transparency in clearance of tax audits. Furthermore, this policy document takes into consideration the exclusions and exemptions to facilitate the potential taxpayers by giving them respite from unnecessary pains of audit.

