

FBR NEWSLETTER



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Good news on tax collection. FBR collected Rs.850 bn during July & August 2021, exceeding its own target figure by 23% & reflecting growth of 51% in revenue over same period last yr. At present rate, annual collection target of Rs.5,829 bn will be comfortably achieved InshaAllah.

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Editor's Note

by Syed Nadeem Hussain Rizvi

This consolidated issue of July and August 2021 encompasses the detailed analysis of July-August 2021 unprecedented growth and surpassing the target. The details of the Chairman's meetings with the SA to PM along with delegation of Sialkot CCI, H.E Hamad Obaid Ibrahim Al Zaabi Ambassador of UAE, President Sarhad CCI and President Gujranwala CCI are covered through this combined issue.

Formation of the committee for integration of business notification would further contribute towards ease of doing business. Likewise, timely availability of the Income Tax Return has mitigated the avenues for further extension of time to file ITRs.

Similarly, the needful has been done by issuance of draft Rules for new Export Facilitation Scheme 2021, however much is needed to be done in this regard.

Facilitation and Taxpayers education activities by signing MOUs with universities continue. The Monthly E-katcheri was held by the Chairman and comments, suggestions and complaints were directly taken with the assurance for facilitation to the maximum level.

Chairman's Message



by Dr. Muhammad Ashfaq Ahmed

FBR starts the fiscal year with laurels of 23% growth by collecting PKR 850 billion during July and August 2021. This historical growth coupled with reforms, enforcement and compliance strategy would further take the revenues to the optimum level. There is no doubt that governments' policies for economic growth and revival are bearing fruit.

For broad spectrum national economic growth, curbing tax evasion and broadening the base by establishing linkages with the provincial governments, is imperative. That is why, provincial governments have been offered proactive and technical collaboration especially in the agriculture sector, as many declare their agriculture income in federal ITRs.

The launching of, Single Identifier Number for all domestic taxes which is linked with the CNIC, and Alternate Delivery Channel (ADC) by which any federal tax or duty may be paid without physical visit of the bank shows the enduring commitment of FBR for 'ease of doing businesses'.

It is heartening to note that scheme for new Export Facilitation Scheme 2021 has been approved by the Government and adopted by the parliament vide the Finance Act 2021. The issuance of rules would impact certainly in reducing the cost and create the ease of doing business and improve compliance.

Be it the international cooperation for exchange of technical experiences or creating friendly environment with the business communities, FBR has always welcomed all stakeholders including the business chambers as vital players.

Timely uploading of Income Tax Form this year is appreciable activity and must continue in future as well. The taxpayers' would optimistically, take benefit of it this year and would file their returns timely.

FBR's MILESTONES

- *Commencing the year by exceeding the July/August 2021 target by a huge margin*
- *Steps for Ease of Doing Business & Taxpayer facilitation taken*
- *Issuance of draft rules for new Export Facilitation Scheme 2021*
- *Constitution of Business Integration Committee*
- *Uploading of Income Tax Return Forms for Tax Year 2021*
- *Holding E-Kachehri in FBR HQ*
- *Committee constituted to formulate rules under modified section of Customs Act, 1969*

Robust growth lends credence to the goal of achieving annual collection target

Federal Board of Revenue (FBR) has released the provisional revenue collection figures for the month of July & August, 2021. FBR has collected net revenue of Rs. 850 billion during the months of July & August, 2021, which has exceeded the target of Rs.690 billion by Rs. 160 billion or 23%. These figures would further improve before the close of the day and after book adjustments have been taken into account. These collections are the highest ever for the months of July & August. This outstanding revenue performance is a reflection of sustained economic revival spurred by government policies and lends credence to FBR's goal of achieving annual collection target.

Collection vs. Target Jul-Aug, 2021

Rs. in Billion

Revenue Head	Target	Collection	Diff	Achieved %
Income Tax	208	254	46	122
Sales Tax	321	410	89	128
Federal Excise	45	46	1	101
Total IR	574	710	136	124
Custom Duty	116	140	24	121
Grand Total	690	850	160	123

Total collection from the Inland Revenue head for July & August amounted to Rs. 710 billion over the envisioned target of Rs. 574 billion, representing 24% more collection than the assigned target. On the other hand, the gross collections from Custom Duty were 21% more than the assigned target, as Rs. 140 billion were collected under this head during this period against an assigned target of Rs. 116 billion.

Comparative Collection Jul-Aug 2020 & 2021

Rs. in Billion

Revenue Head	Up to Aug-2020			Up to Aug-2021			Growth	
	Gross	Refund	Net	Gross	Refund	Net	Abs.	%age
Income Tax	202	4	198	255	1	254	56	29
Sales Tax	297	26	271	439	29	410	139	51
Federal Excise	38	0	38	46	0	46	7	19
Total IR	537	30	507	740	30	710	203	40
Custom Duty	96	0	96	144	4	140	44	47
Grand Total	633	30	603	885	35	850	247	41

Total net collection from the heads of Inland Revenue & Custom Duty for July & August represented a growth of 41% over the same period last year. With Income Tax, Sales Tax & Federal Excise Duty showing growth of 29%, 51% & 19% over the same period last year. Whereas, Custom Duty showed an increase of 47% over the collection for the period of July & August 2020.

Collection vs. Target – Aug, 2021

Rs. in Billion

Revenue Head	Target	Collection	Diff.	Achieved %
Income Tax	114	120	6	105
Sales Tax	155	217	62	141
Federal Excise	23	23	0	100
Total IR	292	360	68	123
Custom Duty	57	74	17	131
Grand Total	349	434	85	125

Total collection for August amounted to Rs. 434 billion over the envisioned target of Rs. 349 billion, representing 25% more collection than the assigned target. Contribution from Inland Revenue head was Rs. 360 billion and Custom Duty head was Rs. 74 billion respectively. These collection figures represent 23% more collection than the assigned target in case of Inland Revenue and 31% more collection than the assigned target for Custom Duty.

Comparative Collection in Aug 2020 & 2021

Rs. in Billion

Revenue Head	Aug-2020			Aug-2021			Growth	
	Gross	Refund	Net	Gross	Refund	Net	Abs.	%age
Income Tax	96	1	95	120	0	120	25	26
Sales Tax	153	14	139	229	12	217	78	56
Federal Excise	20	0	20	23	0	23	3	17
Total IR	269	15	254	372	12	360	106	42
Custom Duty	46	0	46	76	2	74	28	62
Grand Total	315	15	300	448	14	434	134	45

Inland Revenue has net collection Rs. 360 billion under the heads of Income Tax, Sales Tax & Federal Excise during August, 2021 whereas during the month of August last year, a net amount of Rs. 254 billion was collected which showed a growth of 45%. Highest growth was witnessed in Sales Tax with a growth of 56% from last year in August. Income Tax & Federal Excise recorded growth of 26% & 17% respectively from August, 2020.

Pakistan Customs has net collection Rs. 74 billion under the head of Customs Duty during August, 2021 whereas during the month of August last year, a net amount of Rs. 46 billion was collected which showed a growth of 62%.

Special Assistant to Prime Minister on Youth Affairs along with delegation of Sialkot Chamber of Commerce & Industry meet Chairman FBR

Special Assistant to Prime Minister on Youth Affairs Usman Dar along with delegation of Sialkot Chamber of Commerce and Industry comprising President of the Sialkot Chamber Qaiser Iqbal Baryaar and other senior office bearers of trade bodies met with Chairman Federal Board of Revenue (FBR) Dr. Muhammad Ashfaq Ahmed at FBR HQ. Mr. Usman Dar and delegates of trade bodies congratulated Dr. Muhammad Ashfaq Ahmed on his appointment as Chairman FBR.



The delegation appreciated FBR for taking special initiatives to promote ease of doing business in Sialkot. They also valued the automated issuance of refunds into taxpayer's account. During the meeting the matter relating to sales tax incentives for small and medium enterprise exporters was discussed.

Chairman FBR was assisted by FBR team comprising Member (Inland Revenue Policy) and Chief (Sales Tax Operations). The Chairman FBR appreciated the feedback of the delegation and invited concrete proposals from delegates for sector wise. Accordingly, the Chairman FBR issued on spot instruction to Chief (Sales Tax Operations) to coordinate with Sialkot field formation officers and formulate a Committee to address the issues being faced by the business community and submit a detailed report till 30th September, 2021.

Chairman FBR proposes close collaboration with Provincial Governments for collection of Agricultural Income Tax

In line with the Government's resolve towards broadening of tax base and documentation of economy, Dr. Muhammad Ashfaq Ahmed, Chairman FBR has initiated a huge challenge to plug in tax evasion of Agricultural Income through a close cooperation between FBR and Provincial tax authorities to ensure that no taxable income goes untaxed and due taxes are paid in respective collecting jurisdiction. Accordingly, Chairman FBR has issued a letter to all provincial governments for a proactive collaboration. He has offered to coordinate a technical level meeting to address the issues relating to taxable agricultural income and curb tax evasion in national interest.



FBR Chairman has proposed technical collaboration between FBR and Provincial tax authorities on Agricultural Income which is taxed by provinces and is exempt from federal Income Tax. Chairman has also highlighted that tax evaders claim Agricultural Income as exempt in FBR returns and do not pay tax to either FBR or Provincial Governments. Income Tax Ordinance, 2001 prescribes that Agricultural Income will be exempt only if Provincial Income Tax is paid on it.

To strengthen the enforcement of tax laws, FBR has extended cooperation to Provincial governments by offering to issue system generated notices to taxpayers who declare Agricultural Income in federal Income Tax Returns, to duly discharge their tax liabilities with the provinces.

This offer of cooperation by FBR is in the interest of national revenues to ensure that the persons earning Agricultural Income may pay due tax to provinces and that no income goes untaxed by both FBR and provincial governments.

Video link conference held to review performance of Commissioner Appeals in the outgoing Financial Year

Federal Board of Revenue (FBR) held a Video Link Conference (VLC) with Commissioners Appeals to review their performance during the Financial Year 2020-21. The purpose of holding the Conference was also to chalk out a workable strategy for disposal of substantial pendency of appeals involving revenue of billions of rupees and to work out a strategy to dispose of manual income tax appeals by 30th December, 2021 as envisaged in Rule 76O of Income Tax Rules, 2002. The conference was chaired by Dr. Waqar Masood Khan, Minister of State (MoS)/Special Assistant to PM (SAPM) on Finance and Revenue and Mr. Asim Ahmad, Secretary Revenue Division / Chairman, FBR.



Syed Ghulam Abbas Kazmi, Member Legal in his opening remarks presented an overview of the achievements of Legal Wing, FBR during the previous financial year. Member Legal explained that Legal Wing, FBR and its thirty-three (33) Appeals Commissionerates have taken several measures to improve the litigation process of tax cases including the e-filing of appeals. A new speedy system of appeal filing has been introduced and is working at its full potential since 1st January, 2021 and so far 20,415 appeals have been filed online.

Dr. Waqar Masood Khan, SAPM on Finance and Revenue in his address expressed present government's strong and unfaltering resolve towards re-organization and transformation of the FBR. He added that FBR is the backbone of the Public Finance of the country as it generates and collects tax revenue. During his earlier discourses, he explained that he had dilated upon the importance of automation in FBR as an important component of reform initiatives of the Government. He congratulated the Chairman, FBR and Member Legal for successfully launching e-filing of appeals and noted that it had minimized the physical interaction between the taxpayer and the Commissioner Appeals, thereby reducing the cost of appeal filing along with ensuring efficient service delivery and transparency. He observed that it would also facilitate the offices of Commissioners (Appeals) to dispose of appeals efficiently in a paperless environment using the FBR's Web Portal.

Asim Ahmad, Secretary Revenue Division and Chairman FBR praised the Legal Wing for disposing of 25,323 appeals involving tax revenue of Rs. 899.6 Billion during the previous financial year. He also acknowledged pivotal role played by Legal and IT Wings of FBR in making automation of appellate process a success.

In the last session of the Conference, the Commissioners Appeals made presentations about their performance during the previous financial year and shared strategy to dispose of pending and fresh appeals during the current financial year.

Ambassador of UAE calls on Chairman FBR

Ambassador of UAE in Pakistan H.E. Hamad Obaid Ibrahim Al Zaabi called on Chairman FBR Asim Ahmad at FBR Headquarter. Matters of mutual concern pertaining to cooperation on customs and other inland taxes were discussed in the meeting. It was agreed in the meeting that relevant departments of both countries would further promote the cooperation in the field of customs and other inland taxes and would learn from each other's best practices which would result in increasing the trade volume between the two countries.



Chairman FBR briefed the UAE Ambassador about the recent measures taken by FBR for the mobilization of revenue and facilitation of taxpayers. UAE Ambassador appreciated the performance of FBR in the Financial Year 2020-21 and hoped that FBR would continue to achieve the revenue target set for the Current Financial Year 2021-22.

Chairman FBR holds E-Kacheri in FBR HQ

As a sequel to E-Kachehries held on monthly basis to comply with the directions of the Prime Minister of Pakistan, Chairman Federal Board of Revenue (FBR)/Secretary Revenue Division, Asim Ahmad held an E-Kutchery at FBR HQ to listen to the complaints and issues of taxpayers. The complainants interacted directly with the new Chairman FBR.



Chairman FBR listened to the complaints of the taxpayers and issued on spot directions for resolution of complaints. Chairman FBR appreciated the suggestions put forth by the taxpayers and assured them that their comments and suggestions would be considered for formulation of tax policies or initiating facilitative measures for taxpayers. Chairman assured that FBR was taking all possible steps to facilitate the taxpayers. He also requested the taxpayers to visit their nearest RTO and Collectorate for redressal of any problem confronted by them. Chairman FBR has already strictly instructed all the field offices to resolve all outstanding issues of taxpayers'.

Chairman FBR meets President Sarhad Chamber of Commerce



Chairman, Federal Board of Revenue Asim Ahmad met with President, Sarhad Chamber of Commerce and Industry Mr. Sherbaz Bilour here at FBR Headquarter. President, Sarhad Chamber of Commerce and Industry appreciated FBR's initiatives for facilitating ease of doing business for the business community particularly with specific reference to an automated environment for issuance of refunds directly into taxpayer's account. During the meeting, matters pertaining to monitoring of notices sent to industries and restaurants by FBR, speedy disposal and relief from cases pending at the Legal forums were discussed. Fixed evaluation of raw materials, issuance of pending refund cases, review of Alternate Dispute Resolution Committee mechanism (ADRC), integration of various business sectors in Tier 1 and lack of SOPs regarding tax facilitation for women entrepreneurs in Chamber of Commerce and Industry also came into discussion.

Chairman FBR meets President Gujranwala Chamber of Commerce

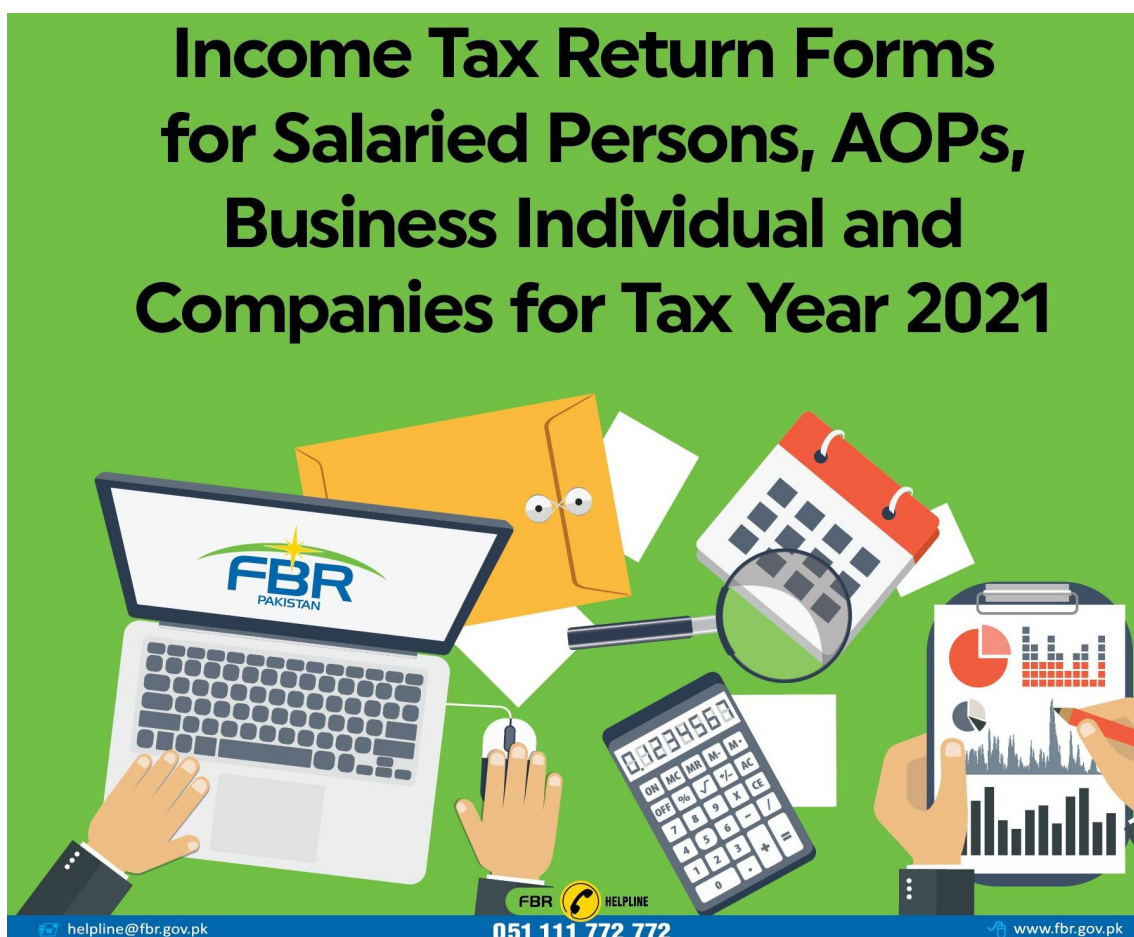


Chairman FBR, Mr. Asim Ahmad also held a meeting with the President Gujranwala Chamber of Commerce and Industry Umar Ashraf Mughal along with his delegation. The delegation appreciated efforts of Mr. Asim Ahmad to bring about FBR's transformation into an automated and taxpayer friendly environment. Matters pertaining to revisiting condition of placing commercial invoice and packing list in container, mis-declaration by Steel Importers and introduction of final tax regime for ceramic industry in next budget were discussed in the meeting. Chairman FBR assured the delegation that the issues of the business community would be resolved on priority.

FBR notifies the committee for integration of Businesses

In order to rapidly increase tax revenues by adding new taxpayers via extensive and innovative use of technology, Federal Board of Revenue (FBR) has issued a Notification for the constitution of a Committee for Integration of Businesses which has been formed by Federal Minister for Finance & Revenue. Mr. Aneeq Khawar has been appointed as the Chairman of the Committee. He will report directly to the Minister for Finance and Revenue in his capacity as Chairman of the Apex Committee. He will work closely and in collaboration with the Members and key staff of FBR and major stakeholders in private sector.

FBR uploads Income Tax Return forms for Tax Year - 2021



Federal Board of Revenue (FBR) has uploaded the Income Tax Return Forms for **Tax Year-2021**. Separate Return Forms for Salaried, Association of Persons and Business Individuals have been uploaded. The Income Tax Returns can be filed through web portal and Tax Asaan application.

The taxpayers are provided guidance on filling all the required particulars in the form. The Income Tax Returns can be filed online through smart phones by installing the Tax Asaan application from Google play store. In this regard, a media campaign would also be launched for awareness and education purposes. The taxpayers can file their Income Tax Returns till **30th September, 2021**.

Memorandum of Understanding inked between FBR and Quaid-E-Azam University

In line with the vision of Prime Minister of Pakistan for promoting Taxation culture in the country, a special signing ceremony of Memorandum of Understanding (MoU) between Quaid-e-Azam University Islamabad and Federal Board of Revenue (FBR) was held on Friday at Quaid-e-Azam University, Islamabad.

The Memorandum of Understanding was signed by Vice Chancellor, Quaid-e-Azam University Dr. Muhammad Ali Shah and Chief FATE, FBR Tehmina Aamer.



MoU is aimed to promote tax culture & tax awareness to the students of Quaid-e-Azam University. It shall serve to foster positive taxation culture and awareness among students and teachers through different sets of activities, skills and experiential learning for making them responsible citizens. The training sessions will inculcate among students the significance of paying taxes and how to act the role of identifying tax evasion and reporting to the concerned tax authorities. Federal Board of Revenue will educate and train students and teachers through taxation syllabus, training sessions and seminars. According to signed MoU, Quaid-e-Azam University will provide access to FBR for conduct of training and awareness activities in all the campuses of the university. This MoU will be applicable for three years.

On the occasion, Vice Chancellor, Quaid-e-Azam University Dr. Muhammad Ali Shah thanked FBR for introducing this idea of promoting tax culture among youth of the country. He expressed that the training sessions would enlighten the students about the necessity of tax payment which would make them tax compliant citizens.

FBR has decided to launch countrywide awareness sessions through seminars and training sessions to promote tax culture which will help to increase the number of taxpayers and revenue for the country. The ceremony was also attended by Alam Zaib Khan, Secretary FATE, Rashid Javed Rana, Secretary FATE and Adnan Akram Bajwa, Secretary PR, FBR.

Point of Sale (POS) awareness session with various trade bodies at Regional Tax Office (RTO) Faisalabad

Federal Board of Revenue (FBR) has started a comprehensive campaign to integrate all Tier -1 Retailers. On 11th August 2021 with warm and active cooperation of all trade bodies and stake holders, an awareness session was conducted to educate and facilitate business community of various trade bodies about Point of Sale (POS) System at Regional Tax Office, Faisalabad.

Chief Commissioner, Syed Mahmood Jafferri along with his team and 50 distinguished members actively participated in the seminar. All queries and concerns of stakeholders holders were discussed and business community was fully assured of fair play and extreme facilitation.



It was highlighted that the POS System has incentives for both the businesses and customers. Furthermore, the Regional Tax Office, Faisalabad assured the participants of full support in case of any questions or issues regarding the implementation of the System. Interested parties were encouraged to contact the Chief Commissioner Office in case there were any difficulties regarding the implementation of the Point of Sale (POS) System.

Awareness Session about Benami Law held at Faisalabad Chamber of Commerce & Industry

As a part of awareness campaign under the directions of Director General Anti-Benami Initiative, Islamabad, the Commissioner Inland Revenue, Anti-Benami Initiative, Zone-II, Lahore visited Faisalabad Chamber of Commerce & Industry (FCCI). The session was attended by members of Faisalabad Chambers of Commerce & Industry.



The session included presentation on the Benami law, legal structure, and its implications on the economy as a whole. After the presentation, question and answers session was held. The members of Chambers of Commerce & Industry asked questions related to Benami law.

The members of FCCI requested the Commissioner Inland Revenue, Anti-Benami Initiative, Zone-II, Lahore to put forth their suggestion to the policy makers regarding announcement of an amnesty scheme for benami properties. The session ended on a note of thanks from the Commissioner Inland Revenue, Anti-Benami Initiative, Zone-II, Lahore

Online Awareness session about Benami Law held

As a part of awareness campaign under the directions of Director General Anti-Benami Initiative, Islamabad, the Commissioner Inland Revenue/Approving Authority, Anti-Benami Initiative, Zone-III, Karachi has conducted an online Zoom session to create awareness about Benami Law in Pakistan. The session was attended by members of Chambers of Commerce & Industry Karachi, Sukkur, and Quetta. The session included presentation on the Benami law, legal structure, and its implications on the economy as a whole. After the presentation, question and answers session was held. The members of Chambers of Commerce & Industry Karachi and Quetta asked questions related to the Benami law.

The President Chamber of Commerce & Industry, Karachi requested the Commissioner Inland Revenue/ Approving Authority, Anti-Benami Initiative, Zone-III, Karachi to nominate a focal person enabling them to approach for queries, problems, and information regarding Benami properties.

The session ended on a note of thanks from the Commissioner Inland Revenue/ Approving Authority, Anti-Benami Initiative, Zone-III, Karachi.

FBR continues country wide Awareness Drive on Benami Transactions & Money Laundering

On the directives of Directorate General of Anti-Benami Initiative, Islamabad, three Benami Zones at Islamabad, Lahore and Karachi have started awareness campaign with various business chambers of the country.

As part of the drive, Commissioner Benami Zone, Islamabad along with his team members consisting of Deputy Commissioner and Assistant Commissioner conducted meetings with Sarhad Chamber of Commerce and Industry and Islamabad Chambers of Commerce and Industry.

During the presentation, the chamber members were informed that the major motive behind Benami Transactions are to evade taxes, hide proceeds of crime, defraud creditors/banks/financial institutions, avoid departmental probe and scrutiny of regulators, avoid certain political and social risks, and bypass land reforms. To check these practices Benami law has been introduced in the country.

Practical examples of the Benami Transactions include land acquisition by public office holders/other shadow investors through front men in real estate projects. In other cases, vehicles and land have been registered in the name of employees, servants, relatives etc. Moreover, Benami bank accounts opened by businesses in the name of employees for avoiding tax scrutiny and parking of untaxed/illegal/laundered money in purchase of assets through shell companies.

The meeting also covered aspects of whistle blowers who are main source of information to catch benami transactions. It was informed during the session that the government has announced reward for informers of benami transactions. Presentations were made by Benami Zone Islamabad which was followed by question and answer session.

Following the Benami Law presentation, intelligence and investigation wing of FBR at Peshawar and Islamabad also made presentation on anti-money laundering Act 2010.

As part of drive for awareness, a similar kind of meeting will be held on 16 August, 2021 with the Rawalpindi Chamber of Commerce and Industry.

Pakistan Customs processes first consignment of Exported Mangoes to Russia

Pakistan Customs, Federal Board of Revenue (FBR) has processed the first consignment of export of fresh mangoes (White Chaunsa) from Pakistan to Moscow, Russia under the TIR Convention. The exporter of the said consignment is M/s. Ishfaq & Co, Okara, Sahiwal.

FBR has stated that this is one of the first endeavors to introduce Pakistani fresh fruits and indigenous goods to Russia. It will help the Pakistani traders to capture markets not only in Russia but also to Europe by land route.



The consignment has left Pakistan at Taftan/Mirjawa (Iran) border and is destined for Moscow (Russia) via Tehran-Astara (Azerbaijan)-Astrakhan (Russia) route. The road distance from Taftan to Moscow via Astara is 4600 Km and it will be covered in about 7 days.

The instant TIR transportation will open this route for kinnow exports as it will take about 10 days to reach Moscow via Tehran-Astara-Astra Khan route while sea voyage on Karachi-St Petersburg route takes about 35 days and this shortening of distance will increase Kinnow and other exports to Russian Federation and EU.

Directorate of Intelligence & Investigation-IR's operation against unregistered unit

In a drive against unregistered persons who are liable to be registered and are required to pay due sales tax on their taxable supplies under the Sales Tax Act, 1990, the Directorate of Intelligence and Investigation-Inland Revenue, Lahore conducted proceedings under Section 38 and 40 of the Sales Tax Act, 1990 against an unregistered unit manufacturing plastic products (Plastic Footwear) in Lahore. The said unit was engaged in manufacturing and making taxable supplies of plastic products (Plastic Footwear) etc while consuming huge quantity of electricity.

The taxpayer was involved in the evasion of sales tax by way of manufacturing and supplying Plastic Products (Plastic Footwear) without obtaining sales tax registration and paying due sales tax on taxable supplies so made. During the search, substantial record was impounded which is under scrutiny and further investigation in this regard is underway. The Directorate General Intelligence and Investigation-Inland Revenue shall continue such operations in order to detect tax fraud and to stop leakage of revenue.

Continued crackdown on illegal contraband items



In line with the directives of Prime Minister, FBR's Customs staff posted at Torkham Customs Station has continued crackdown on illegal movement of contraband items. Consistent effort and vigilance resulted in seizure of two F/O M4A1 Carbine Rifles, seven F/O Glock Pistol 9MM, eight Beretta Pistol barrels along with other arms and ammunition during rummaging of an Afghan registered import vehicle.

FIR has been lodged and the driver has been arrested. The ammunition is seized and criminal investigations are under process.

FBR issues draft rules for new Export Facilitation Scheme 2021

Federal Board of Revenue has issued draft Rules for new Export Facilitation Scheme 2021 and called for comments from industry, exporters and other stakeholders. New Export Facilitation Scheme has been approved by Federal Government and passed by Parliament under Finance Act 2021. This Scheme will be implemented from 14th August 2021 and will run parallel with existing schemes like Manufacturing Bond, DTRE and Export Oriented Schemes for two year. The existing old schemes shall be phased out in next two years and will be fully replaced by Export Facilitation Scheme-2021. Draft Rules can be accessed at official website of FBR.



The Salient Features of new EFS-2021 include Minimum documentation and encourages new entrants and SMEs. This Scheme will be completely automated under WeBOC and PSW. The focus of the Scheme is on post clearance compliance checks and audits. Users of this Scheme include Exporters (Manufacturers cum Exporters, Commercial Exporters, Indirect Exporters), Common Export Houses, Vendors and International Toll Manufacturers. Users of this Scheme shall be subject to authorization of inputs by the Collector of Customs and Director General Input Output Organization (IOCO). Inputs include all goods (imported or procured local) for manufacture of goods to be exported. These include raw materials, spare parts, components, equipment, plant and machinery.

No duty and taxes shall be levied on inputs imported by the authorized users and local supplies of inputs to the authorized users shall be zero rated. Through this new Scheme concept of Common Export House to import raw material duty and tax free for subsequent sale to the authorized users especially SMEs has been introduced. This Scheme also introduces concept of International Toll manufacturing. Under this new Scheme, utilization period has been enhanced from two years to five years depending on the profile/category of exporters.

It is expected that Export Facilitation Scheme 2021 shall reduce cost of doing business and cost of tax compliance, improve ease of doing business, reduce liquidity problems of exporters by eliminating Sales Tax refunds and Duty Drawback for the users of Scheme and shall attract more users and shall ultimately promote exports.

FBR constitutes Committee to formulate Rules under modified section of Customs Act, 1969

Federal Board of Revenue (FBR) has constituted a committee of senior officers at Customs House, Karachi to formulate rules to implement section 156(1) of the Customs Act, 1969 as modified by the Federal Government vide Finance Act, 2021. The said provision of law prescribes certain penalties for not placing invoice, packing list inside the container or failure to attach or upload mandatory documents with the goods declaration (GD).



The committee will formulate rules to develop parameters to specify the person and circumstances in which the penalty prescribed for non-placement of invoice and packing list shall be imposed. The committee will also identify different types of GDs and prescribe documents that are considered mandatory for submission along with those GDs.

FBR has explained that the rules will be notified in due course of time and till framing of rules, no action shall be taken in this matter. FBR has assured the trade bodies that the subject provisions will be applicable only after notification of rules by FBR. Meanwhile the earlier practice will be continued by the Customs field formations. Moreover, after submission of draft rules by the committee, FBR will publish these draft rules on the FBR website for seeking input from all stakeholders before implementing the same.

FBR takes steps for Ease of Doing Business & Taxpayers Facilitation

FBR has launched single identifier number for all domestic taxes. Under this initiative a taxpayer can use all applications under the Income Tax, Sales Tax and Federal Excise duty by mere use of CNIC if a taxpayer is an individual. In case of partnership firms and companies, National Tax Number (NTN) shall be the common tax identifier number. In this manner the Sales Tax, Income Tax and Federal Excise law have been harmonized. This is an important step toward ease of doing business and will substantially improve Pakistan's rating on this count.



FBR has also launched a facility whereby taxpayers can now make payments without visiting the bank. This facility is widely known as Alternate Delivery Channel (ADC) payment mode. ADC allows taxpayer to pay all Federal taxes and duties i.e. Income Tax, Sales Tax, Customs duty and Federal Excise Duty from any commercial bank account through internet banking, ATM, mobile banking and Contact Centers. However in the case of individual taxpayer, the alternate facility of making the payment over the counter (OTC) has still been allowed simultaneously along with ADC channel till 30th September 2021, so that no inconvenience is caused to the individual taxpayer for seamless filing of returns.

Meeting with Association of Builders and Developers (ABAD) Karachi

Time & Date: 5.00 PM, 11 August, 2021

Venue: ABAD Offices, Gulistan-e-Jauhar, Karachi

Agenda: Filing of Income Tax Return for Tax Year 2021

PARTICIPANTS:

MEDIUM TAXPAYERS OFFICE (MTO), KARACHI

1. Mr. Abdul Hameed Memon, Chief Commissioner I.R.
2. Mr. Muhammad Azhar Ansari, Commissioner I.R.
3. Syed Salahuddin Gillani, Additional Commissioner I.R.
4. Mr. Muhammad Aslam Jamro, Additional Commissioner I.R.

ASSOCIATION OF BUILDERS AND DEVELOPERS (ABAD), KARACHI

1. Mr. Fayaz Ilyas Chairman ABAD
2. Mr. Muhammad Ayub, Senior Vice-Chairman ABAD.
3. Mr. Arif Shaikhani, Vice Chairman ABAD.
4. Eng. Danish Bin Rauf, Chairman (SR).
5. Mr. Sheraz J. Mannoo, Chairman (NR) via ZOOM.
6. Mr. Kashif Shaikh, Vice Chairman, Hyderabad via ZOOM.
7. Mr. Muhammad Shaikhani, Former Chairman ABAD.
8. Mr. M. Hanif Gohar, Former Chairman ABAD.
9. Mr. M. Hassan Bakhshi, Former Chairman ABAD.
10. Mr. Ehtisham, General Secretary, ABAD
11. Other Members present and virtually available on ZOOM.



The meeting commenced with the recitation of the Holy Quran.

The chairman ABAD Mr. Fayaz Ilyas gave the opening remarks by giving a welcome address. This was responded to by the honorable Mr. Abdul Hameed Memon, Chief Commissioner I.R. by the thanking the association for the occasion where the FBR could demonstrate the importance of filing of income tax returns, which is beneficial both in the prospective of the taxpayer as well as the country's economy. The honorable Chief Commissioner also reiterated in unequivocal terms that last date for filing of Income Tax Returns for Tax Year 2021 shall not be extended this year as all the relevant formalities in this regard have been met by the FBR at the very beginning of the current financial year.



Later a presentation with regards to; the requirements, dead-lines, benefits of filing of returns and disadvantages of non-filing of returns, was given to the participants by Syed Salahuddin Gillani, Additional Commissioner-IR. The presentation was followed by a Q&A session, and various queries of the taxpayers in this regard were comprehensively addressed by the honorable Chief Commissioner I.R. Mr. Abdul Hameed Memon and the honorable Mr. Muhammad Azhar Ansari, Commissioner I.R. who were ably assisted by the learned Additional Commissioner I.R., Mr. Muhammad Aslam Jamro. The main concerns of the taxpayers, among other queries, were:-

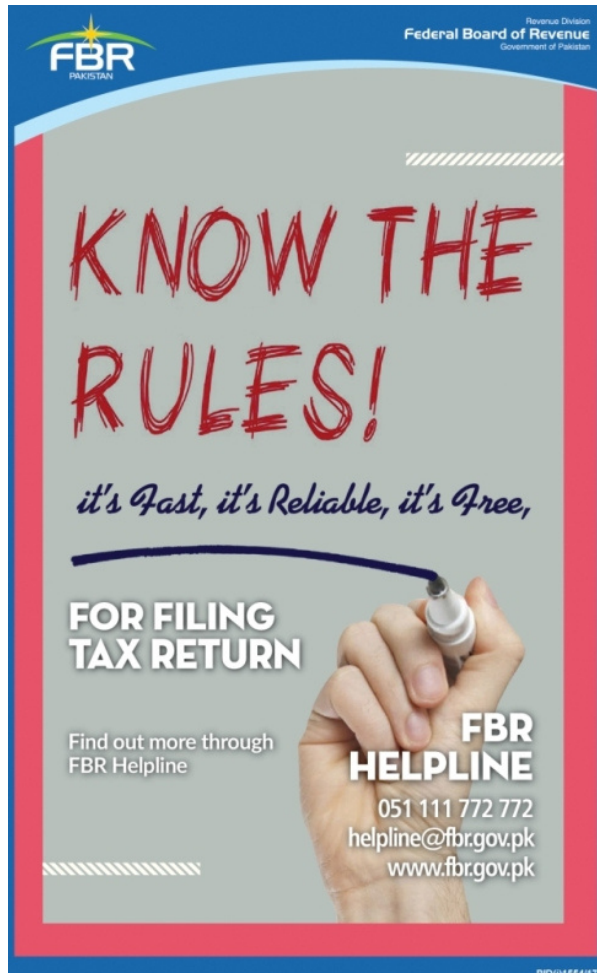
1. The difficulties faced by newly registered taxpayers, in view of the withholding tax régime, where taxes are deducted as they have not yet filed their respective returns for the year and remained outside the ATL (Active Taxpayers List). The participants insisted that there should be a provisional mechanism in place to cater for this situation.
2. Difficulties faced by electricity consumers where Karachi Electric and other electric companies are withholding tax u/s 235 on monthly domestic electric bills over Rs. 25,000/- in cases where CNICs of tax filers have not been updated.
3. The difficulty faced by the taxpayers where withholding agents are not depositing tax withheld into the exchequer and consequently the claim of the taxpayer for credit of withholding taxes is rejected.

The honorable Chief Commissioner, addressed all such concerns of the participants and assured them that any snag in the system shall be communicated to the Board for an early settlement and subsequent relief to the taxpayer

The meeting was then concluded by a vote of thanks from Mr. Muhammad Ayub, Senior Vice-Chairman, ABAD.

Taxpayer Facilitation

FBR Helpline (+92 51-111-772-772) (helpline@fbr.gov.pk)



FBR's Helpline is a free, fast & reliable service that is committed to provide the very best service to the public. FBR's Helpline not only educates the public but also provides them a forum through which the public can put forward their queries and seek resolution to most of their issues via phone, email or website.

Helpline team has been at the forefront in resolving issues that come up from time to time such as Income Tax Return information, Filing of Tax Appeals, Computerized Payment Receipt (CPR) Correction queries, Registration/De-registration (Sales Tax, Income Tax, Non Profitable Organizations (NPOs), Greenfield Status, Builder/Developer and change in particulars in profile) related queries, Designated Non-Financial Businesses & Professions (DNFBPs) registration related queries, Refund related queries and matters pertaining to Customs.

In the month of July and August, 2021 FBR Helpline resolved **25,853** queries from email (helpline@fbr.gov.pk) and **51,974** queries through its helpline number (051-111-772-772).

FBR appreciates the services of retiring Member Accounting & Audit



Federal Board of Revenue (FBR) has acknowledged and appreciated the services of retiring Member Accounting & Audit, Faheem ul Haq Khan in the Board-in-Council Meeting.

All the members of FBR attended the meeting and paid tribute to the services of retiring officer. Chairman FBR Asim Ahmad presented a shield to Faheem ul Haq Khan on the occasion.

Last date to file Income Tax Return - 30th September 2021 (Tax Officer's message in poetry)

Courtesy:

Asif Rafique, Additional Commissioner
Regional Tax Office (RTO), Faisalbad
Asif (@AsifRCP61)

قانون کی اپنی روش ہے
فرض کی اپنی کشش
کوشوارے زندگی بھر کے
لکھتے رہے کاتبین پل کے پل
جلدی بھرے اب کے برس
کوشوارے اپنی کمائی کے سب
سنا ہے خوب تیز اور باخبر
ہے ایف بی آر کی نظر آجکل !
یاد رکھیے ۳۰ ستمبر ہے آخری شب
مبادا آصف پکڑے جائے بے خبر
(ٹیکس آفیسر کا شاعری میں پیغام)

Designated Non-Financial Business & Persons (DNFBP) Mobile Application

FBR PAKISTAN Revenue Division
Federal Board of Revenue
Government of Pakistan

**Together We can Combat
Money Laundering & Financing of Terrorism**

DNFBP MOBILE APPLICATION



In order to facilitate Designated Non-Financial Businesses and Professions (DNFBPs), FBR has launched a user-friendly Mobile App for:

- Registration with FBR as DNFBP
- Screening of proscribed and UN listed persons/entities, and
- Filing of CTRs/STRs

Download on the  **App Store** For Installing the App and other AML/CFT guidance, please visit <https://www.fbr.gov.pk/introduction-aml-cft/152366/152367>  **Google Play**

FBR  **HELPLINE**
051 111 772 772 www.fbr.gov.pk

FBR PAKISTAN ریویو ڈویژن
فیڈرل بورڈ آف ریویو
حکومت پاکستان

ہم مل کر مقابلہ کر سکتے ہیں
منی لانڈرنگ اور دہشت گردی کی مالی معاونت کا

ڈی این ایف بی پی موبائل ایپ



مخصوص نان فنانشیل بزنسز اور پروفیشنز کی سپولٹ

ایف بی آر کے ساتھ بطور ڈی این ایف بی پی رجسٹریشن

کیلئے، ایف بی آر نے متعارف کرائی ہے ایک پوزر فرینڈلی

کالعدم اور یو این لسٹڈ افراد/تنظیموں کی سکریننگ، اور

سی ای آر/ایس ٹی آر کی فائلنگ

موبائل ایپ، جس کے ذریعے ممکن ہے:

Download on the  **App Store** AML/CFT رہنمائی کیلئے اور ڈی این ایف بی پی (DNFBP) ایپ انسٹالیشن کیلئے ورت کریں <https://www.fbr.gov.pk/introduction-aml-cft/152366/152367>  **Google Play**

FBR  **HELPLINE**
051 111 772 772 www.fbr.gov.pk

Your Contribution

You can also be part of this newsletter by sharing contribution relevant to your office that has helped FBR propel towards its goal of becoming an organization that values a service oriented culture, where the taxpayer comes first.

You can share your contribution via email @ fbrnewsletter@fbr.gov.pk



Feedback

Your feedback is extremely important in helping us improve the communication process between FBR and its family. We would like your suggestions, comments and valued advice in helping to further improve the newsletter.

You can send in your feedback to newsletterfeedback@fbr.gov.pk



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