



Federal Board of Revenue
Revenue Division - Government of Pakistan

ANNUAL **PERFORMANCE REPORT**

2023-24

**Based on 10 Key
Performance Indicators (KPIs)
identified by FBR**

Prepared by Reforms & Modernization Wing of FBR under the guidance and supervision of Member (R&M), FBR in coordination with relevant Sections/Wings

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Foreword by Chairman FBR



Rashid Mahmood

Chairman FBR
Secretary Revenue Division

The annual performance report of FY 2023-24 is intended to serve as a public account of FBR's performance against established key performance indicators, aiming to enhance awareness of FBR's achievements over the financial year. It enables FBR to assess its set targets and evaluate its effectiveness in the short, medium, and long term. Through detailed data analysis, this report offers valuable insights into the various components of federal taxation and the reform initiatives aimed at transforming FBR into a modern, efficient, and vigilant tax administration.

The fiscal year 2023-24 presented significant challenges for FBR as we remained dedicated to our reform agenda, striving for improvements in tax administration.

FBR plays a pivotal role in implementing policy measures aimed at broadening the tax base, end-to-end digitalization of tax collection, improving efficiency of taxation system leading to a more cohesive national tax strategy. FBR is also leading the reforms for harmonization of the sales tax return across jurisdictions through Single Portal for all sectors.

In line with our vision, we are unwavering in our commitment to reforms and modernization. We prioritize trade facilitation, recognizing that the success of any organization hinges on building trust and confidence among its stakeholders. Lately we have focused on fostering trust through taxpayer-friendly systems and promoting open dialogue with stakeholders. This approach is crucial for dismantling decades of mistrust and heralding a new era of collaboration between us and those we serve.

I extend my appreciation to the Reforms and Modernization Wing for producing the Annual Performance Report for the fiscal year 2023-24.

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List of Abbreviations

Abbreviations	Definition
AGPR	Accountant General Pakistan Revenues
AREE	Assessment Risk Evaluation Engine
ATL	Active Taxpayers' List
BCA	Bank Credit Advice
CDS	Currency Declaration System
CRM	Compliance Risk Management
CTO	Corporate Tax Office
DLI	Disbursement Linked Indicator
DNFBP	Designated Non-Financial Businesses and Profession
FASTER	Fully Automated Sales Tax E-Refund
FED	Federal Excise Duty
GDs	Goods Declarations
GFZ	Gawadar Free Zone
GST	General Sales Tax
HS Codes	Harmonized System Codes
I&I	Intelligence & Investigation
ICT	Islamabad Capital Territory
IRS	Inland Revenue Service
ITTMS	Integrated Transit Trade Management System
KPIs	Key Performance Indicators
LTO	Large Taxpayers' Office
MT	Metric Ton
MTO	Medium Taxpayers' Office
NADRA	National Database Registration Authority
NLC	National Logistics Corporation
OGAs	Other Government Agencies

Abbreviations	Definition
PCA	Post Clearance Audit
PCS	Pakistan Customs Service
PCTs	Pakistan Customs Tariffs
PITB	Punjab Information Technology Board
POS	Point of Sale
PRAL	Pakistan Revenue Automation Limited
PRAs	Provincial Revenue Administrations
PRRP	Pakistan Raises Revenue Project
RTO	Regional Tax Office
SAPT	South Asia Port Terminal
SECP	Securities & Exchange Commission of Pakistan
SRO	Statutory Regulatory Order
SSTR	Single Sales Tax Return
STGO	Sales Tax General Order
Telcos	Telecommunication Companies
WCO	World Customs Organization
WeBOC	Web Based One Customs
WWF	Workers Welfare Fund
WPPF	Workers Profit Participation Fund

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Introduction

The FBR aims to transform revenue administration by leveraging technology and enhancing taxpayers' awareness to foster trust through a range of reform initiatives, transparency, systematic measurement, and public reporting of performance outcomes in relation to approved key performance indicators (KPIs).



The key performance indicators (KPIs) have been developed to encompass nearly all aspects of FBR's functions and performance. Essential components of FBR's functions such as revenue collection, taxpayer education, and transparency in FBR operations have been included.

The report in hand provides an opportunity to FBR and its stakeholders to assess and evaluate the extent to which we have been able to align our operations with our strategic objectives. This assessment will significantly

enhance our ability to review established targets and evaluate performance in implementing its reform agenda over the short, medium, and long term.

The report provides an in-depth examination of each performance indicator in the second chapter, while the third chapter explores the extent to which FBR has implemented various reform initiatives.

Key Powers and Functions of FBR

As per Section-4 of the FBR Act, 2007 the Board shall exercise powers and perform all such functions that are necessary to achieve its objectives and purposes. The FBR's key powers and functions are given below:

- » to implement the tax administration reforms; efficiency and promote voluntary tax compliance.
- » to promote voluntary tax compliance and to make the Board a service oriented organization; and to implement comprehensive policies and programs for the education and facilitation of taxpayers, stakeholders and employees, etc., in order to develop the Board into a modern efficient authority;
- » to adopt modern effective tax administration methods, information technology systems and policies in order to consolidate assessments; improve processes, organize registration of tax payers, widen the tax base, and make departmental remedies more efficient including enforcement of, or reduction or remission in, duty, penalty or tax, in accordance with the relevant law for the time being in force
- » to direct or advise, where necessary, investigation or inquiry into suspected duty tax evasion, tax and commercial fraud, money-laundering, financial crimes cases and to coordinate with the relevant law enforcement agencies.

Functional Arms of FBR

1. Pakistan Customs

FBR primarily operates through its main collection arms comprising Regional Tax Offices (RTOs), Large Taxpayers Offices (LTOs), and Customs Collectorates across the country

Inland Revenue administers domestic taxation including Sales Tax, Income Tax and Federal Excise Duties, while Pakistan Customs administers and facilitates import duties and other taxes collected at

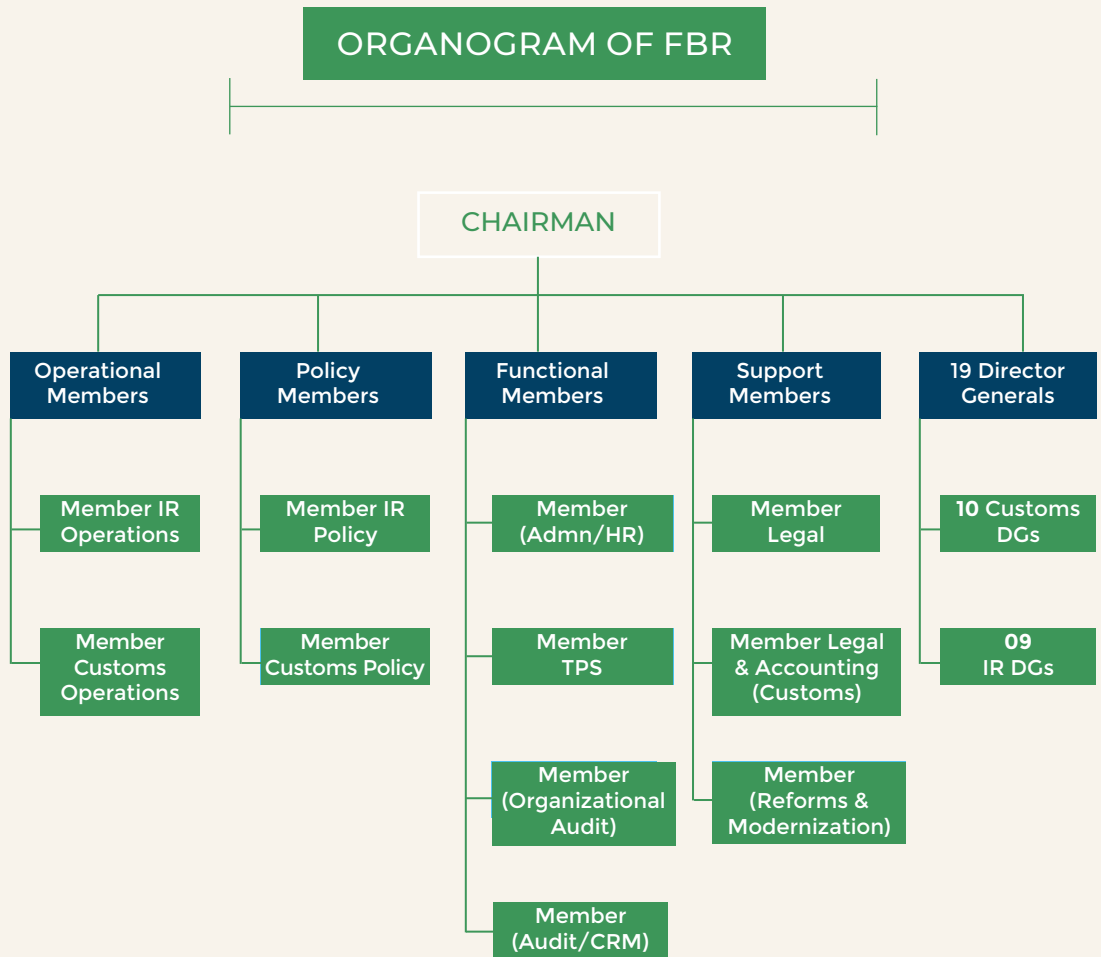
2. Inland Revenue

import stage, and regulates international trade with regard to prohibitions & restrictions imposed by the government.

For the purpose of revenue collection and broadening the tax base, FBR's powers & functions include carrying out inquiries and audits/investigations into the tax affairs, commanding arrests, attachment as well as public auction of movable and immovable assets of tax evaders.

*Organizational Set-up

In the present setup, Chairman FBR is assisted by various Members. Besides this top tier, senior management also includes various Director Generals and Chief Commissioners/Chief Collectors.



FBR's Vision, Mission & Values



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.



MISSION

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



VALUES

- » Integrity
- » Professionalism
- » Teamwork
- » Courtesy
- » Fairness
- » Transparency
- » Responsiveness

FBR's Strategic Intent

FBR aims to be a smart and modern tax administration with unquestionable integrity, trusted by all the stakeholders. FBR has identified the following strategic objectives, which form the cornerstone of FBR's 5-year Strategic Plan both for Customs as well as for Inland Revenue:

1. Ensure sustainable increase in domestic revenue by broadening the tax base and facilitating compliance
2. Provide clarity and certainty about tax obligations
3. Make it inexpensive and easy for taxpayers and traders to comply and fulfil their obligations
4. Increase the use of data to improve integrity, acquire insight & improve outcomes
5. Modernize infrastructure, technology, and enhance automation for digitalized and streamlined services
6. Facilitate legitimate trade and travel without compromising on customs controls
7. Enhance fiscal controls, enforcement, and society protection capabilities
8. Ensure efficient use of resources to deliver quality outcomes and performance excellence
9. Mitigate tax evasion and non-compliance.
10. Develop a high performing, diverse, agile and engaged workforce
11. Work with international donor partners to modernize the tax administration system
12. Build public trust and confidence in the tax administration system.

Overall Performance of FBR

The FBR's mandate encompasses the levy and collection of federal duties, taxes, and other levies, as well as the formulation and administration of fiscal policies. Its responsibilities also include facilitating legitimate trade and travel while protecting society and the economy through effective enforcement measures.

The administrative and enforcement actions of the FBR have produced positive results, evident in the growth of direct taxes, particularly in the domestic tax sector. The overall collection of taxes has risen by 29% and total new taxpayers registered (Income Tax) have increased by 88%. Moreover, the total customs duty collection increased by 19%.

The FBR extends its appreciation to all taxpayers whose contributions have been instrumental in achieving budgetary targets. It also commends the efforts of all field formations and its officers for their dedication and commitment to optimizing revenue collection amid challenging economic conditions.

Key Achievements

FY 2023-24

- Total Tax Collection in FY: 2023-24: Rs. 9299 billion
Source: Directorate General Revenue Analysis (FBR)
- Collection of Customs Duty during FY: 2023-24. Rs.1104.08 billion
 Collection of Direct Taxes during FY: 2023-24 Rs.4530.73 billion
 Collection of Sales Tax during FY: 2023-24. Rs.3086.83 billion
 Collection of FED during FY: 2023-24 Rs.577.45 billion
Source: Revenue Analysis Wing, FBR
- Number of New Taxpayers Registered for income tax from (July 2023 to June 2024) was 3,574,269.
Source: IR Ops Wing (BTB), FBR
- Number of New Taxpayers Registered for Sales Tax from July 2023 to June 2024 was 30,297
Source: IR Ops Wing (BTB), FBR
- Total Number of Income Tax Active taxpayers during FY 2023-24, 4,738,595
Source: IR-Ops (Rev.Bud) Wing, FBR
- The value of seizures made by Pakistan Customs for the period from July 2023 to June 2024 is Rs. 106.085 Millions
Source: F&C Custom Wing

Delivery Against Key Performance Indicators

KPI-1:

Revenue Target Performance

It is FBR's mandate as per Section 4 of FBR Act, 2007 to optimize revenue collection through effective policies and modern methods. The FBR exceeded expectations by achieving 100.5% of its revised revenue target, collecting Rs. 9,299 billion in FY 2023-24. Notably, direct taxes outperformed, achieving 121.8% of the target, with income tax contributing Rs. 4,461 billion. The addition of 3.57 million new income taxpayers showcased efforts to broaden the tax net, increasing the total active taxpayers to 4.73 million. However, sales tax collections stood at 85.6% of the target (Rs. 3,086 billion),

and customs duty at 83.4% (Rs. 1,104 billion), highlighting areas for improvement. These figures underscore FBR's ability to achieve overall targets despite challenges, while pointing to a need for targeted strategies in underperforming areas. As per Section 4 of FBR Act, 2007, it is Board's mandate to optimize revenue collection through effective policies and modern methods.

(1) PERCENTAGE OF TARGET ACHIEVED VIZ-A-VIZ ASSIGNED TARGETS

Table-1: Actual Revenue Performance against Target FY 2023-24

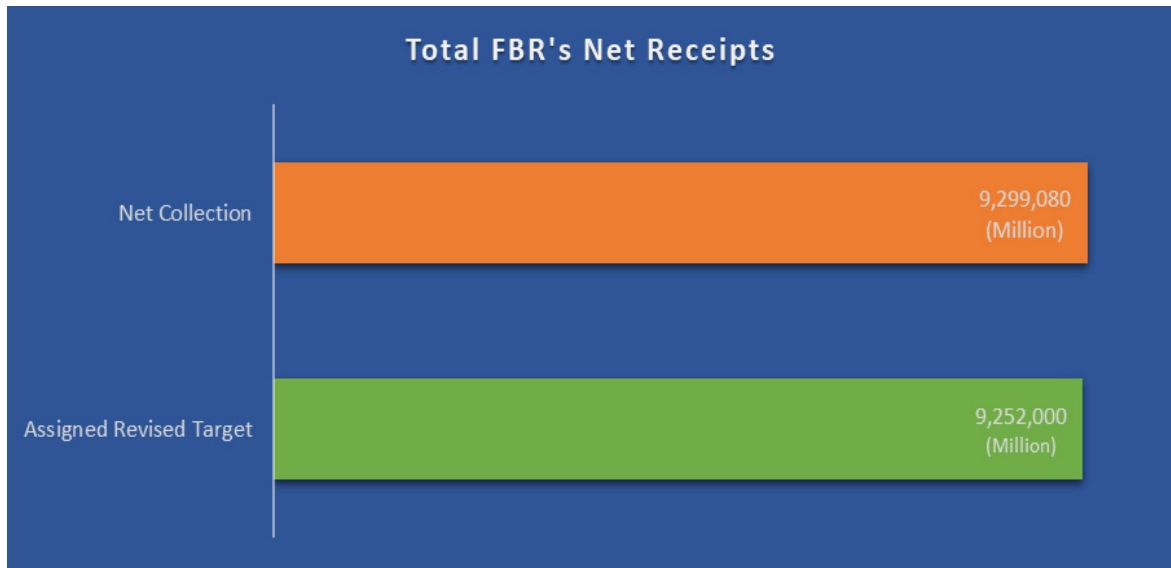
(Rs in Millions)

Tax Head	Assigned Revised Target*	Net Collection**	% of target achieved
Total FBR's Net Receipts	9,252,000	9,299,080	100.5

Source: Directorate General Revenue Analysis (FBR)

REVENUE PERFORMANCE AGAINST TARGET

The Federal Board of Revenue (FBR) has achieved a significant milestone in FY 2023-24 by exceeding its revised revenue target of PKR 9.252 trillion, collecting a total of PKR 9.299 trillion. This represents 100.5% of the assigned target, reflecting FBR's exceptional efficiency and dedication to enhancing revenue generation. The achievement underscores the organization's commitment to meeting and surpassing fiscal objectives, contributing positively to Pakistan's economic stability and resource mobilization.



(2) BREAKDOWN OF NET TAX RECEIPTS OF FY 2023-24 BY TAX INSTRUMENT

Table-2: Revenue Performance against Targets FY 2023-24

(Rs in Millions)

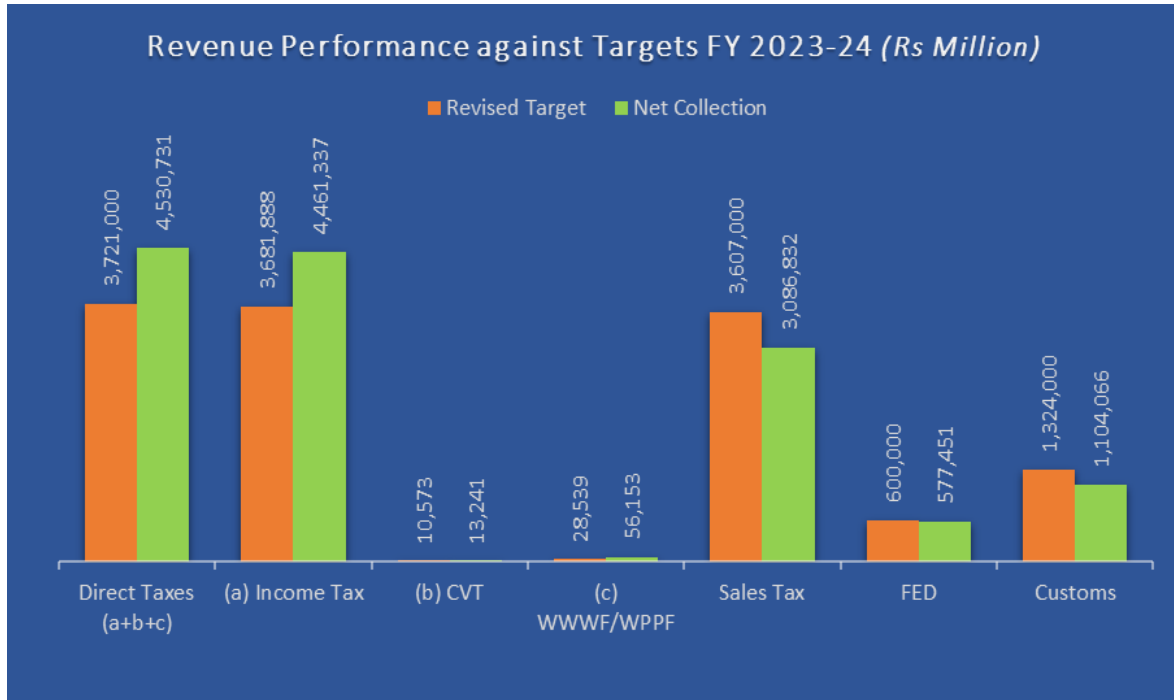
Tax Head	Revised Target*	Net Collection **	% of target achieved
i) Direct Taxes (a+b+c)	3,721,000	4,530,731	121.8
a) Income Tax	3,681,888	4,461,337	121.2
b) CVT	10,573	13,241	125.2
c) WWF/WPPF	28,539	56,153	196.8
ii) Sales Tax	3,607,000	3,086,832	85.6
iii) FED	600,000	577,451	96.2
iv) Customs	1,324,000	***1,104,066	83.4
Total (i-iv)	9,252,000	9,299,080	100.5

* The Assigned Targets are revised as published in the Explanatory Memorandum 2024-25 of Finance Division.

** Figures are purely provisional and subject to reconciliation with AGPR, Islamabad

*** The figures of Customs Duty also include “Special Customs Duty” amounting to Rs. 21.3 Billion (approx.) that was levied as Export Development Surcharge (EDS) vide Section 11 of Finance Act 1991 (Act XII of 1991) on the exportation of the goods and further amended vide Ministry of Finance, Revenue Division’s SRO dated 04-01-2003. The subject collection was a part of Customs Duties and reconciled by the FBR with the AGPR under the Account head B-02203 (Receipts). However, vide Finance Act 2022, the Export Development Fund (EDF) Act 1999 was amended to provide that inter alia, the EDF shall consist of “whole receipts of Export Development Surcharge”. Due to this amendment, the EDS is now directly transferred by the SBP to the EDF Account. The above amendments created an ambiguity resulting into non-reconciliation of figures between FBR and AGPR and on the directions of Finance Division’s letter No.1(26)/NTR/2022-71/24 dated 25-01-2024, the matter is still under correspondence between FBR and AGPR.

Source: Directorate General Revenue Analysis (FBR)



The Chart illustrates the performance of various tax instruments against their revised targets. It highlights that Direct Taxes have exceeded the targets by 21.8%, while collection from other taxes was 86.2% of the target.

REVENUE PERFORMANCE

The revenue performance for FY 2023-24 highlights FBR's commendable achievements across several tax instruments, with direct taxes leading the way by exceeding the revised target by an impressive margin. Direct taxes achieved 121.8% of the target, with Income Tax collections at 121.2% and CVT outperforming expectations with 125.2%. The WWF/WPPF collections were particularly noteworthy, achieving a remarkable 196.8% of the target, reflecting FBR's enhanced effectiveness in tapping these revenue streams. Although Sales Tax (85.6%) and Customs (83.4%) collections fell slightly short of their respective targets, they still contributed significantly to the overall revenue pool. FED collections performed steadily, reaching 96.2% of the target, showcasing resilience and adaptability amidst challenging circumstances. These results collectively demonstrate FBR's strong commitment to ensuring a diverse and robust revenue base, paving the way for fiscal sustainability and economic growth.

(3) BREAKDOWN OF TAX RECEIPTS BY SEGMENTS (Corporate, AOP, Individuals/Commercial tax receipts)

Table-3: Breakdown of Tax Receipts by Segments during FY 2023-24

(Rs. in Million)

Category	July-2023 to June-2024
	Income Tax
Corporate	3,061,164
Individuals	1,119,053
AOP	352,905

Source: IR-Ops Wing, FBR

SEGMENT-WISE PERFORMANCE IN TAX RECEIPTS

The breakdown of tax receipts for FY 2023-24 reflects performance across segments. Corporate tax receipts led with PKR 3,061 billion, followed by Individuals at PKR 1,119 billion, and AOPs contributing PKR 353 billion. This highlights FBR's success in fostering balanced contributions and enhancing tax compliance.

(4) BREAKDOWN OF TAX RECEIPTS BY GEOGRAPHY (Tax-Office-Wise)

Table-4: Tax Office-Wise Collection of Income Tax, Sales Tax and Federal Excise Duty by Regional Tax Offices (Net) during FY 2023-24

(Rs. in Million)

Sr.No	Tax Office	Income Tax	Sales Tax	FED	Total
1	LTO KARACHI	1,360,917	1,025,670	136,318	2,522,905
2	LTO LAHORE	559,809	733,000	110,120	1,402,929
3	LTO ISLAMABAD	578,802	328,962	256,279	1,164,043
4	RTO LAHORE	275,434	107,559	386	383,378
5	LTO MULTAN	126,650	190,995	15,531	333,176
6	RTO-II KARACHI	228,415	40,665	2,849	271,928
7	RTO PESHAWAR	111,025	123,601	28,665	263,290
8	RTO-I KARACHI	118,911	108,895	11,213	239,019
9	MTO KARACHI	110,966	100,309	8,553	219,828
10	CTO LAHORE	109,403	88,697	1,177	199,277
11	RTO RAWALPINDI	122,743	69,551	155	192,449
12	CTO KARACHI	126,588	19,252	616	146,456
13	RTO ISLAMABAD	106,505	32,700	287	139,492
14	CTO ISLAMABAD	47,909	35,022	579	83,509
15	RTO QUETTA	54,221	24,709	89	79,020
16	RTO MULTAN	66,768	9,196	160	76,124
17	RTO HYDERABAD	57,717	11,564	1,069	70,350
18	RTO GUJRANWALA	34,688	28,730	247	63,665
19	FBR (HQ)	58,339	3,404	-	61,743
20	RTO ABBOTTABAD	20,764	32,336	16	53,116
21	RTO FAISALABAD	75,190	-24,106	125	51,208

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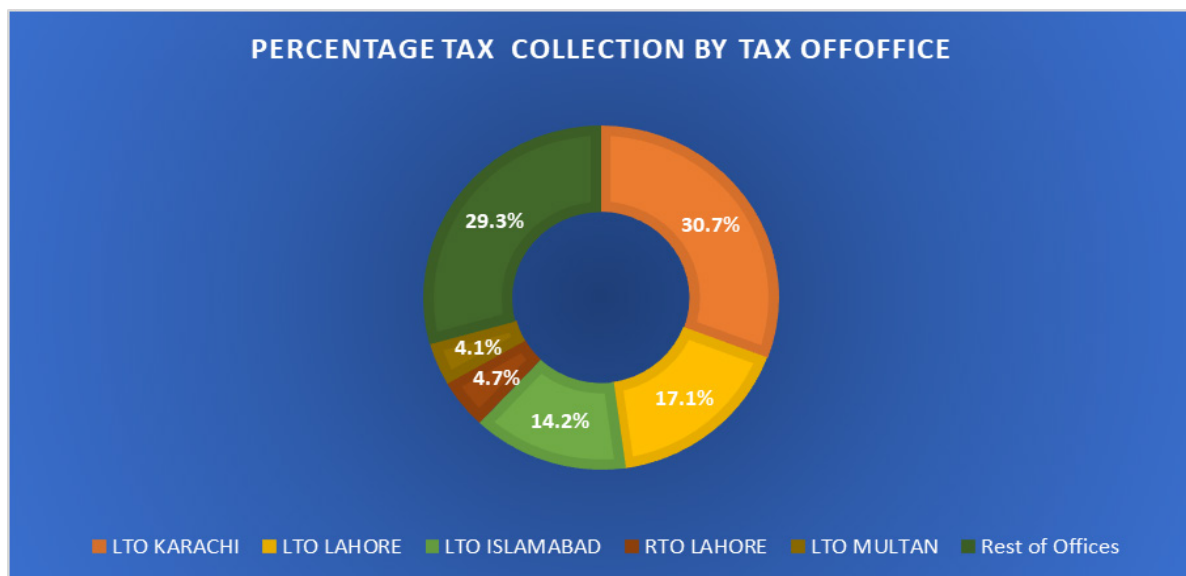
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Sr.No	Tax Office	Income Tax	Sales Tax	FED	Total
22	RTO SIALKOT	55,355	-10,028	2,214	47,541
23	RTO BAHAWALPUR	36,113	3,126	320	39,559
24	RTO SUKKUR	34,421	4,502	365	39,287
25	RTO SARGODHA	31,314	7,455	82	38,851
26	RTO SAHIWAL	24,155	3,017	38	27,210
Total		4,533,121	3,098,780	577,452	8,209,353

As reported, FBR (HQ) collection is a combination of Book Adjustments for the tax year 2023-24, which will be further distributed among the field formations according to their respective share, after reconciliation with AGPR.

Source: IR-Ops Wing, FBR

KPI-1: REVENUE TARGET PERFORMANCE



The graph delineates the percentage contributions to the overall tax collection by various Tax Offices in Pakistan, encompassing Income Tax, Sales Tax, and Federal Excise Duty (FED). Leading these contributions is LTO Karachi with a remarkable 30.74%, followed by LTO Lahore at 17.09% and LTO Islamabad at 14.18%. RTO Lahore and LTO Multan also contribute significantly with 4.7% and 4.1%, respectively. Collectively, these offices account for a substantial 70.7% of the total tax collection, underscoring the critical roles played by these top five regions. The remaining offices contribute 29.3% to the overall tax collection.

Table-5: Collectorate Wise Collection of Customs Duty
during FY 2023-24

(Rs. in Million)

Customs Collectorates		Customs Duty Collection(NET) (July-June) 2023-24	
		2022-23	2023 -24
1.	Port Qasim(Appraisalment), Karachi	275,998.69	278,251.04
2.	Appraisalment (WEST), Karachi	136,206.91	180,715.10
3.	Appraisalment(SAPT), Karachi	34,652.52	162,057.02
4.	Appraisalment (EAST), Karachi	181,356.68	119,789.88
5.	Hyderabad	-	73,162.60
6.	Enforcement, Karachi	123,161.27	54,094.92
7.	Sambrial	46,157.00	44,851.41
8.	Enforcement-Peshawar	25,781.05	40,480.79
9.	Lahore(Appraisalment-West)	35,698.56	28,149.86
10.	Enforcement(Ports), Karachi	24,513.63	27,178.68
11.	Faisalabad (Appraisalment)	-	16,160.04
12.	Gwadar	12,347.49	14,805.75
13.	Sargodha (Appraisalment)	10,432.42	13,435.58
14.	Appraisalment, Quetta	8,880.94	10,615.05
15.	Export - PQ, Karachi	13,570.77	10,355.31
16.	JIAP, Karachi	10,712.02	10,244.14
17.	Exports - Karachi	7,991.73	8,590.36
18.	Islamabad IIAP,	9,978.08	5,532.51
19.	Gilgit+Baltistan	-	4,615.74
20.	Appraisalment, Taftan	-	3,034.21
21.	Enforcement, Quetta	2,587.85	2,647.43
22.	Appraisalment -Peshawar	2,148.98	2,362.43
23.	Appraisalment (WEST), Karachi	-	2,115.31
24.	Enforcement-D.I. Khan	1,613.65	1,918.23

Cont...

KPI-1: REVENUE TARGET PERFORMANCE

Cont...

(Rs. in Million)

25.	Multan(Enforcement)	898.06	1,196.63
26.	AllAP-Lahore	641.82	960.19
27.	Lahore (Enforcement)	1,173.62	952.37
28.	Appraisalment, Kohat	-	90.75
29.	Islamabad	-	32.63
30.	Lahore(Appraisalment-East)	-	14.78
G Total		1,095,795.36	937,014.96

Source: Customs Wing, FBR

(5) (a) NUMBER OF NEW INCOME TAXPAYERS REGISTERED (Tax Office Wise/Percentage Increase/Percentage of Total Population)

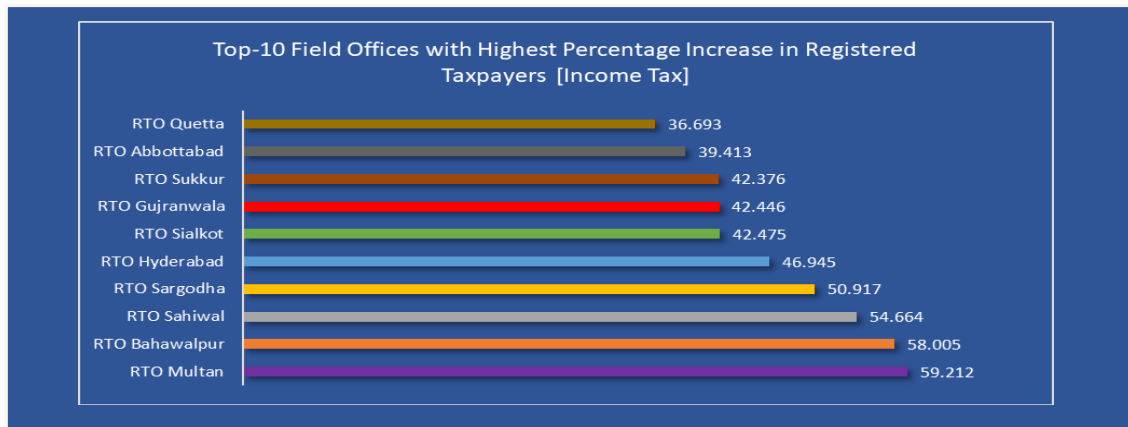
Table-6: Number of New Taxpayers Registered

Sr.	Tax Office	Income Tax Population (as on (30-06-2023)	New Registered from July 2023 to June 2024	Total	Increase as % of total Population
1	RTO Multan	768,108	454,813	1,222,921	59.212
2	RTO Bahawalpur	483,231	280,296	763,527	58.005
3	RTO Sahiwal	375,194	205,096	580,290	54.664
4	RTO Sargodha	376,801	191,857	568,658	50.917
5	RTO Hyderabad	314,013	147,412	461,425	46.945
6	RTO Sialkot	507,627	215,613	23,240	42.475
7	RTO Gujranwala	408,208	173,270	581,478	42.446
8	RTO Sukkur	216,827	91,882	308,709	42.376
9	RTO Abbottabad	121,880	48,036	169,916	39.413
10	RTO Quetta	178,011	65,317	43,328	36.693
11	RTO Faisalabad	763,150	276,816	1,039,966	36.273
12	RTO Peshawar	543,019	196,082	739,101	36.11
13	RTO Rawalpindi	785,563	266,304	1,051,867	33.9
14	RTO-I Karachi	425,040	142,247	567,287	33.467

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Sr.	Tax Office	Income Tax Population (as on (30-06-2023))	New Registered from July 2023 to June 2024	Total	Increase as % of total Population
15	RTO Lahore	1,665,603	465,481	2,131,084	27.947
16	RTO-II Karachi	1,254,131	245,173	1,499,304	19.549
17	RTO Islamabad	433,491	80,711	514,202	18.619
18	CTO Islamabad	52,575	9,137	61,712	17.379
19	CTO Lahore	83,594	7,471	91,065	8.937
20	CTO Karachi	91,256	3,908	95,164	4.282
21	LTO Karachi	4,900	9	4,909	0.184
22	LTO Islamabad	1,669	1	1,670	0.06
23	MTO Karachi	12,128	7	12,135	0.058
24	LTO Lahore	3,073	-	3,073	0
25	LTO Multan	396	-	396	0
26	Misc/ Jurisdiction/ Transfer	2,258	7,330	9,588	0
Total		9,871,746	3,574,269	13,446,015	36.207

The table highlights the significant growth in Income Tax taxpayers registered within jurisdictions of respective tax offices across Pakistan. It is heartening to note that the number of registered taxpayers has increase by healthy 36.2% through addition of 3.574 million taxpayers. The RTO Multan leads with an impressive 59.212% increase, followed closely by RTO Bahawalpur and RTO Sahiwal. A closer look at the table shows that all of four provinces as well are represented in top-10 regions with respect to percentage increase in registered taxpayers for Income Tax. However, 7 of the offices were able to show less 10% increase in taxpayers. The same is presented in the graph below the table.



The Graph is based on Table 6 showing percentage increase in registered taxpayers within jurisdictions of regional tax offices.

**(5) (b) NUMBER OF NEW SALES TAXPAYERS REGISTERED
(Tax Office Wise/Percentage Increase/Percentage of Total Population)**

Table-7: Number of New Sales Taxpayers Registered

Sr.	Tax Office	Sales Tax Population (as on (30-06-2023))	New Registered from July 2023 to June 2024	Total	Increase as % of total Population
1	RTO Sahiwal	8,260	1,205	9,465	14.588
2	RTO Bahawalpur	9,530	1,250	10,780	13.116
3	RTO Quetta	8,706	1,110	9,816	12.75
4	RTO Sukkur	4,900	608	5,508	12.408
5	RTO Multan	15,598	1,831	17,429	11.739
6	CTO Islamabad	10,789	1,150	11,939	10.659
7	RTO Peshawar	18,800	1,992	20,792	10.596
8	RTO Hyderabad	6,964	668	7,632	9.592
9	RTO Sargodha	10,096	906	11,002	8.974
10	RTO-II Karachi	29,371	2,585	31,956	8.801
11	RTO Lahore	64,825	5,699	70,524	8.791
12	RTO Abbottabad	2,934	251	3,185	8.555
13	RTO Rawalpindi	22,330	1,769	24,099	7.922
14	RTO Islamabad	17,211	1,280	18,491	7.437
15	RTO Gujranwala	13,593	1,006	14,599	7.401
16	RTO Faisalabad	29,045	2,005	31,050	6.903
17	RTO-I Karachi	31,461	1,968	33,429	6.255
18	CTO Lahore	17,304	1,042	18,346	6.022
19	RTO Sialkot	21,713	1,145	22,858	5.273
20	CTO Karachi	18,148	775	18,923	4.27
21	MTO Karachi	1,919	30	1,949	1.563
22	LTO Islamabad	414	5	419	1.208
23	LTO Karachi	970	8	978	0.825

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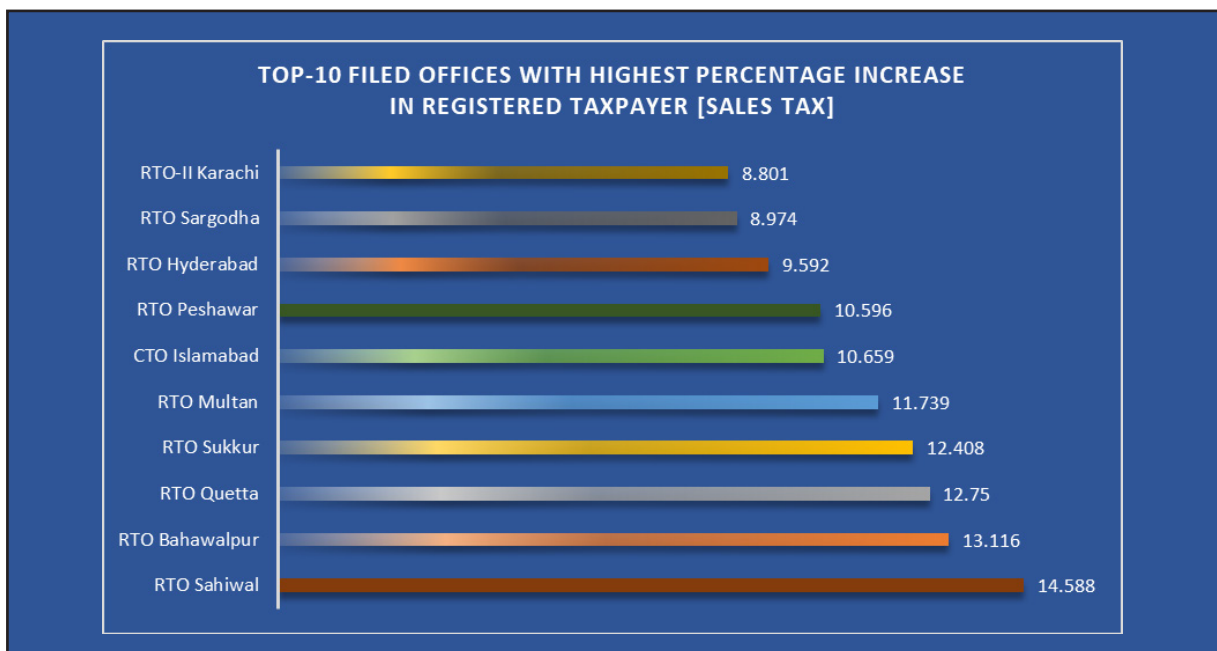
Sr.	Tax Office	Sales Tax Population (as on 30-06-2023)	New Registered from July 2023 to June 2024	Total	Increase as % of total Population
24	LTO Lahore	911	6	917	0.659
25	LTO Multan	275	1	276	0.364
26	Misc/ Jurisdiction/ Transfer	19	2	21	0
Total		366,086	30,297	396,383	8.276

Source: BTB team, FBR

KPI-1: REVENUE TARGET PERFORMANCE

GROWTH IN SALES TAXPAYER REGISTRATIONS ACROSS REGIONS

The table highlights the significant growth in Sales Tax taxpayers registered within jurisdictions of respective tax offices across Pakistan. It is heartening to note that the number of registered taxpayers has increase by healthy 8.3% through addition of 30,297 new taxpayers. The RTO Sahiwal leads with an impressive 14.588% increase, followed closely by RTO Bahawalpur (13.116%) and RTO Quetta (12.75%). A closer look at the table shows that all of four provinces as well as Islamabad are represented in top-10 regions with respect to percentage increase in registered taxpayers for Income Tax. However, 7 of the offices were able to show less 5% increase in taxpayers. The same is presented in the graph below the table.



(6) NUMBER OF ACTIVE TAXPAYERS
(Income Tax/Sales Tax Registered Taxpayers)

Table-8: Active Taxpayers during FY 2023-24

Sr.	Name of Field Formation	Active Taxpayer TY-2023 (As on 30.06.2024)	Sales Tax Filers (Jul-2023 to June-2024)
1	RTO LAHORE	809,131	41,783
2	RTO-I KARACHI	212,246	20,979
3	RTO-II KARACHI	522,284	18,253
4	RTO FAISALABAD	375,569	16,492
5	RTO SIALKOT	254,890	16,431
6	CTO KARACHI	41,378	12,906
7	CTO LAHORE	34,703	12,728
8	RTO RAWALPINDI	358,654	11,871
9	RTO PESHAWAR	215,937	11,114
10	RTO MULTAN	382,575	10,395
11	RTO GUJRANWALA	218,288	9,516
12	RTO ISLAMABAD	205,155	8,604
13	CTO ISLAMABAD	16,547	6,585
14	RTO QUETTA	79,018	6,019
15	RTO BAHAWALPUR	255,909	5,855
16	RTO SAHIWAL	202,276	5,042
17	RTO HYDERABAD	158,418	5,029
18	RTO SARGODHA	208,988	4,269
19	RTO SUKKUR	109,543	3,195
20	MTO KARACHI	6,773	1,973
21	RTO ABBOTTABAD	61,787	1,722
22	LTO KARACHI	4,160	1,483
23	LTO LAHORE	2,715	1,185
24	LTO ISLAMABAD	1,269	409
25	LTO MULTAN	382	355
Total		4,738,595	234,193

KPI-1: REVENUE TARGET PERFORMANCE

ACTIVE TAXPAYERS

Table 8 highlights significant disparities in tax compliance during FY 2023–24. With 4,738,595 active taxpayers and only 234,193 sales tax filers, there is a notable gap between income and sales tax participation. RTO Lahore leads in both categories, while Karachi and Faisalabad also show strong performance. In contrast, LTOs like Multan and Islamabad report the lowest numbers, reflecting their focus on specialized taxpayers. Urban centers dominate the tax base, but smaller regions like Sialkot perform relatively well. The varied active taxpayer-to-sales tax filer ratios underscore the need to expand sales tax compliance, particularly in regions with high income tax participation.

The number of active taxpayers during FY 2023-24 highlights a total of 4.74 million active income tax filers and 234,193 sales tax filers across various regions. RTO Lahore leads with 809,131 active income tax filers, followed by RTO-II Karachi (522,284) and RTO Multan (382,575). In sales tax filers, RTO Lahore again ranks highest with 41,783 filers, followed by RTO-I Karachi (20,979). These figures reflect consistent growth in taxpayer engagement, showcasing FBR's success in broadening tax compliance and strengthening the revenue base.

Source: IR-Ops (Rev.Bud) Wing, FBR

KPI-2:

Level of Automation

FBR achieved 100% automation in critical processes across Inland Revenue and Pakistan Customs, enhancing efficiency and compliance. Key achievements included fully automating the Invoice Risk Management System, virtual assessments, and refund systems like FASTER, enabling quicker processing and transparency. New tools, such as the “Tax Asaan” mobile app, were launched to facilitate taxpayer engagement, contributing to a 65% reduction in filing times. Automation also enhanced trade facilitation through systems like the Gwadar Free Zone module and Export Facilitation Scheme. Despite these successes, partial automation in processes like sales tax audit (30%) signals opportunities for further improvement. Additionally, they align with the mandate to enable electronic communication for taxation matters, such as e-filing and e-payments. Partial automation in areas like sales tax audits (30%) highlights opportunities for further enhancement.

(1) PERCENTAGE OF PROCESSES THAT ARE COMPLETELY AUTOMATED

Table-9: Percentage of Processes (Inland Revenue) that are Completely Automated During FY 2023-24.

Sr.	Nature of Process	Percentage of Automation
1	Change in Value Addition check for submission of Annex-H	100%
2	Changes in Annex-H for implementation of STGO 9/2023	100%
3	Implementation of changes in ST&FE Return based on Finance Act 2023	100%
4	Various changes in Sales Tax Return recommended by DG I&I	100%
5	Annex-I Restoration in ST&FE Return	100%
6	Registration Module enhancements for Ship Breakers	100%
7	Input Adjustment on GDs (EL Import)	100%
8	Implementation of Invoice Risk Management System (POS)	100%
9	Changes in rates of minimum tax for calculation of Advance tax for TY 2024	100%
10	Treatment of undefined invoice type provided by the integrated T1-Retailers	100%
11	Sugar Mills Sales Tracking System	100%
12	Automation of STGO 13(I)/2022	100%

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Sr.	Nature of Process	Percentage of Automation
13	Restriction of processing of refund claims through FASTER to only Zero-rated sector	100%
14	To enhance the BCA-Realization checks for the payment of Sales Tax refund to commercial exporters.	100%
15	Annex-K enhancement (addition of new HS Code)	100%
16	Income Tax Return for Tax Year 2023	100%
17	Revision of Income Tax Return	100%
18	Auto-issuance of exemption orders	100%
19	Declaration and Payment of Capital Assets u/s 7E	100%
20	Litigation Management System (LMS)	100%
21	Income Tax Return 2024	100%
22	Taajir Dost Mobile App and Web	100%
23	Appeal Management System	100%
24	Dashboard for appeal Management System	100%
25	E-Payment Revamp solution - (Properties Challan - CGT/CVT on IRIS 2.0) and Integrated with PPG-ADC System	100%
26	SECP FBR integration	100%
27	Simplified Income Tax Return for Retailers	100%
28	Stock Register	100%
29	Digital Initiative Application	100%
30	Exemption Management	100%
31	Withholding Management	100%

KPI-2: LEVEL OF AUTOMATION

Source: BDT-IT Wing, FBR

Table-10: Percentage of Processes (Pakistan Custom) that are Completely Automated during FY 2023-24.

Sr.	Nature of Process	Level of Automation
1	Export Facilitation Scheme Module	100%
2	Export Processing Zones (EPZs)	100%
3	Gwadar Free Zone (GFZ) - Import from Abroad & Tariff Area	100%
4	Gwadar Fee Zone(GFZ) - Export to from Abroad & Tariff Area	100%
5	Automated Rebate Management System	100%
6	Valuation Management System	100%
7	Virtual Assessment by WeBOC System	100%
8	Online Complaint Management System	100%
9	Multimodal TIR Transit	100%
10	Transit and Transshipment	100%
11	Role of Tajikistan Transit Trade	100%
12	Post Clearance Audit	100%
13	Configuration of new Collectorates with WeBOC System	100%
14	Creation of Directorate General Transit for sealing/de-sealing of cargo	100%
15	Capital Value Tax	100%
16	Carnet De Passage	100%
17	Afghan Commercial Reverse -Containerized cargo through NLC Ghulam Khan	100%
18	Automation of Export of Bulk Cargo	100%
19	Barter Trade	100%
20	Digital Dashboards for Collectors and Chief Collectors	100%
21	Online Adjudication & Appeal & configuration of Collectorates/ Directorates	100%
22	Online filing of application for cancellation Auction GD	100%
23	Facility of online filing of LCL Export GDs by exporter/investors from EPZ via off dock terminal and airport to abroad	100%
24	Anti-smuggling module	100%
25	Customs interdiction module	100%
26	Off-dock Configuration-M/s Seaboard Logistics (SMC-Pvt) Ltd	100%

KPI-2: LEVEL OF AUTOMATION

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Sr.	Nature of Process	Level of Automation
27	Off-dock terminal - Fast Track, Export FCL	100%
28	Liquid bulk transit	100%
29	Access/visibility of Transit GDs starting from Taftan and ending at NLC Quetta	100%

(2) PERCENTAGE OF PROCESSES THAT ARE RE-DESIGNED FOR EFFICIENCY:

Table-11: Percentage of processes redesigned for efficiency During FY 2023-24

Sr.	Nature of Process	Percentage of Automation
1	Assessments	100%
2	Currency Declaration System (CDS)	100%
3	Additions in Examination Module	100%
4	EFS - Transfer of Raw Materials	100%
5	EFS - Transfer of Finished Goods	100%
6	SRO Management Changes	100%
7	Automated Duty Drawbacks and Auto Rebate Management	100%
8	Budgetary Changes (2023-24)	100%
9	E-Auction related Improvements	100%
10	Dispute GDs for Re-Assessment	100%
11	IOCO Quota under SRO 565 and 5th Schedule	100%
12	Transit Trade Module up gradations	100%
13	Valuation Management System	100%
14	Additions in Post Clearance Audit	100%
15	Additions in Export Facilitation Scheme	100%
16	Improvements in Classification Committee Module	100%
17	Binding of vehicles with MRA for registration to avoid duplicate registrations	100%

KPI-2: LEVEL OF AUTOMATION

Cont...

Sr.	Nature of Process	Percentage of Automation
18	MIS Reporting for National Tariff Commission	100%
19	TIR Carnet in Strategic Good module	100%
20	Updations in online Adjudication& Appeal	100%
21	ASO Portal configured with Adjudication Collectorate	100%
22	Manual Contravention working in WEBOC	100%
23	Carnet De Passage	100%
24	IOCO-IR Quota issuance	100%
25	Capital Value Tax related enhancements	100%
26	Import Quota Issuance by IR	100%
27	EFS- Toll Manufacturer-Import	100%
28	EFS- Toll Manufacturer-Export	100%
29	PSW User Management System Child IDs Creation	100%
30	Transit Trade	100%
31	Payment Management	100%
32	Improvement in warehousing of goods	100%
33	Updation in Sealing Management System	100%
34	Additions in EFS - applicants can file change address request	100%
35	Access/visibility of Transit GDs	100%
36	EFS-License extension	100%
37	Tariff Management-CVT	100%
38	EPZ - Reverse sub-contracting	100%
39	Manual Contravention Module - downloading and printing the ONO	100%
40	Unaccompanied Baggage Declaration- M/s. Qasim Freight Station configuration	100%

Source: Customs Wing, FBR

KPI-2: LEVEL OF AUTOMATION

Table-12 Process that are redesigned for efficiency during FY 2023-24

Sr. No.	Nature of IT System	Percentage of Automation
1	Payment System Revamp	100%
2	Tax Asaan Mobile App (Tajir Dost)	100%
3	Digital Initiative Application	100%
4	Simplified Return of Income for Salaried / Pension Taxpayers	100%

Source: BDT-IT Wing, FBR

KPI-2: LEVEL OF AUTOMATION

THE TASKS WHERE DEVELOPMENT WAS INITIATED IN THE PERIOD OF 1ST JULY 2023 AND ARE IN PROGRESS

Table-13: Initiated tasks and their progress During FY 2023-24

Sr.	Nature of Process	Percentage of Automation
1	Sales Tax Single Portal	95%
2	Tax Asaan Mobile App (Tajir Dost)	95%
3	Location identification of Sales Tax Registered persons	90%
4	e-Payment (Income Tax/ Sales Tax/ FED)	90%
5	Development of Single ST Return for FBR and PRA	85%
6	Single Return Enhancements and availability for KPRA	85%
7	Single Return Enhancements and availability for BRA	85%
8	Single Return Enhancements for submission of return	85%
9	Tax Asaan Application	85%
10	Digital Invoicing	80%
11	POS	70%
12	Sales Tax Return Management	70%
13	Sales Tax Single Return	60%

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Sr.	Nature of Process	Percentage of Automation
14	ST ATL status management	50%
15	FED Enforcement Module for development	50%
16	Recovery Management	50%
17	Registration Management	50%
18	Audit Management	50%
19	Intelligence & Investigation (I&I)	50%
20	Location identification of Sales Tax Registered persons	40%
21	Reprofiling of T1-Retailers	30%
22	Exclusions in STGO 12/2022 Annex-I	30%
23	Sales Tax Audit Process in Iris	30%
24	Revised CRF for Inclusion of taxpayers in STGO 1/2022	20%

KPI-2: LEVEL OF AUTOMATION

Source: BDT-IT Wing, FBR

(3) NUMBER OF IT SYSTEMS DEVELOPED, EQUIPPED, AND LAUNCHED.

Table-14: Online facilities/mobile applications that were introduced during FY 2023-24

Sr. No.	Nature of IT System	Percentage of Automation
1	FBR Fleet Management System for FBR Admin Wing	100%
2	Case Management for Directorates of Intelligence & Investigation	100%
3	Phase-3 of DNFBP Portal for Designated Non-Financial Business and Professions	100%

Source: BDT-IT Wing, FBR

(4) NUMBER OF ONLINE FACILITIES/ MOBILE APPLICATIONS INTRODUCED

Table-15: Online facilities/mobile applications that were introduced during FY 2023-24

Sr. No.	Nature of Process	Percentage of Automation
1	PASSTRAK Mobile App for Currency	100%
2	Carnet De Passage	100%
3	Online Complaint Management System	100%
4	Online Application by importer for cancellation of Auction GD for filing of GD	100%
5	Baggage Declaration Management- Collectorate can check the genuineness of the presented passport and also confirm the travel history	100%

Source: Customs Wing, (R&A) FBR

Table-16: Online facilities/mobile applications that were introduced during FY 2023-24

Sr. No.	Nature of Process	Percentage of Automation
1	Tax Asaan	100%
2	FBR Mehfooz	100%
3	DNFBP	100%

Source: BDT-IT Wing, FBR

(5) NUMBER OF INITIATIVES TAKEN FOR REDUCING DWELL TIME AT PORTS BY PAKISTAN CUSTOMS

Table-17: Initiatives taken for reducing dwell time at ports during FY 2023-24

Sr. No.	Nature of Process	Percentage of Automation
1	Roll out and configuration of new Collectorates	100%
2	Integration of NOCs issued by Government Agencies (OGAs)	100%
3	Virtual Assessment of POL Products and Other Selected Items	100%
4	Self levy/declaration of Retail Sales Tax at the time of GD filing by Importers	100%
5	Additions in User Management (Self-activation of user ID)	100%

Source: Customs Wing, FBR

KPI-2: LEVEL OF AUTOMATION

FBR'S PROGRESS IN AUTOMATION AND TAXPAYER FACILITATION

Tables 9 to 17 highlight the Federal Board of Revenue's (FBR) initiatives in automation, process efficiency, and taxpayer facilitation during FY 2023-24. The data reveals significant strides in automation, with 100% of Inland Revenue and Pakistan Customs processes fully automated, including modules for income tax returns, refund claims, and trade facilitation systems like Gwadar Free Zone and valuation management. Efforts to redesign processes for efficiency, such as automated duty drawbacks, tariff management, and dispute resolution systems, are also evident, ensuring smoother operations and better compliance. Several IT systems and applications, including the Tax Asaan Mobile App and PASSTRAK for currency declarations, were developed to enhance user convenience. The introduction of mobile applications for complaint management and digital invoicing further reflects FBR's focus on taxpayer-friendly solutions.

Initiatives aimed at reducing dwell time at ports, such as virtual assessments and self-declaration systems, showcase efforts to streamline customs processes and facilitate trade. Collectively, these measures demonstrate FBR's commitment to leveraging technology and innovation to modernize tax administration and improve service delivery.

KPI-3:

Taxpayers' Facilitation

FBR's taxpayer-centric initiatives delivered impressive results, with 87% of taxpayers expressing satisfaction with services. Over 4.95 million users accessed the FBR website, which recorded 34.75 million page views, demonstrating effective digital outreach. The launch of the Urdu version further improved accessibility. Grievance redressal mechanisms processed over 328,000 call queries and 162,557 email inquiries, resolving most complaints. Innovations like "Tax Asaan" and

e-Kachehri significantly reduced filing times by 65% and refund processing times by 83%. These measures, supported by awareness campaigns and collaboration with universities, contributed to a streamlined and accessible tax system. The Board's focus on taxpayer education through awareness campaigns and partnerships with universities reflects its power to implement programs for taxpayer facilitation and education. Mechanisms like CRM and the PMDU portal to address grievances align with the Board's responsibility to establish complaint resolution systems.

(1) PERCENTAGE OF TAXPAYERS' REPORTING SATISFACTION WITH POINT OF CONTACT SERVICES

Percentage of taxpayers reporting satisfaction with point of contact services is 87%.

Source: BDT-IT Wing, FBR

TAXPAYERS' SERVICES

Following steps were taking by FBR on Tax Payers' services:

Number of taxpayers' complaints redressed during the year in FBR;

Helpline

Calls received from 01 July 2023 to 30 June 2024	No. of queries received	Resolved queries	No. of queries pending
	328,118	328,118	0
Email received from 01 July 2023 to 30 June 2024	No. of queries received	Resolved queries	No. of queries pending
	162,811	162,557	254

PMDU-Portal

complaints received from 01 July 2023 to 30 June 2024	No. of Complaints received	Resolved Complaints	No. of Complaints pending
		4221	3986

Source: PR Wing FBR

Awareness Campaigns during FY 2023-24 by FBR

Table-18: Awareness Campaigns during FY 2023-24 by FBR

Sr. No.	Campaign name	Campaign Dates of Print & Electronic Media
1	Media Campaign on Income Tax Return - 2023	24th to 29th Sept, 2023
2	Extension in Media Campaign on Income Tax Return - 2023	23rd to 30th Oct, 2023
3	Media Campaign on Enforcement of Section of 114B of Income Tax Ordinance, 2001	18th to 23rd Nov, 2023
4	Extension in Media Campaign on Enforcement of Section 114B of Income Tax Ordinance 2001	02nd to 07th Dec, 2023
5	Media Campaign on Tax Excellence Award - 2024	21st to 26th Mar, 2024
6	Media Campaign on Tajir Dost Scheme	01st to 30th Apr, 2024
7	Extension in Media Campaign on Tajir Dost Scheme	03rd to 17th May, 2024
8	Media Campaign on Sale Tax Fake/Flying Invoice	20th to 26th May, 2024
9	Media Campaign on Advance Income Tax for the June Quarter of Tax Year 2024	11th to 14th June, 2024

Source: PR Wing FBR

Conferences, workshops, seminars for tax education and awareness sessions held at:

- University of Wah
- Pakistan Telecommunication Authority (PR Wing in collaboration with PTA disseminated SMS in both Urdu & English Languages, regarding filing of tax returns to more than 11 Crore active subscribers via PTA on complementary basis)
- 28 Wing Punjab Rangers HQs, Bari Imam Camp Islamabad (As a result of PR Wing's effort more than 2000 employees of Punjab Rangers were brought to tax net)
- Comsats University, Islamabad
- General Health Practice Institute, Islamabad
- Mobilink Pakistan Mobile Communication Limited

Workplans and coordination with stakeholders for tax education and awareness sessions:

- University of Wah
- Women University, Rawalpindi
- University of Central Punjab, Lahore
- Pakistan Telecommunication Authority
- Seminar for students/faculty of Air University, Islamabad

Signing of Memorandum of Understanding (MOUs) for tax education and awareness sessions with:

- Higher Education Department, Government of Punjab, Lahore
- Higher Education , Archives and Libraries Department, Government of KPK, Peshawar
- University of the Punjab, Lahore
- Quaid-I-Azam University, Islamabad
- National University of Sciences & Technology (NUST), Islamabad
- Air University, Islamabad

E-Kachehri (Online Courthouse) with Chairman FBR

Chairman FBR personally hears taxpayers grievances through PR Wing's Helpline & CRM system as monthly activity and it is completed for the months:

- July – 2023
- October - 2023
- April - 2024

FBR Website-Metrics

- FBR Website Metrics from 1st July, 2023 – 30th June, 2024
- 4,953,682 Users accessed the FBR website
- 17,810,109 Sessions of FBR website
- 34,757,262 Page views on FBR website
- FBR website regularly features among the Top 50 website in Pakistan on the Alexa ranking scale
- Urdu version of FBR's website launched

Major Issues Resolved through Complaint Redressal Mechanism (CRM)

- Provided guidance for ATL related issues (especially procedure for inclusion in ATL)
- Assistance for payment of Surcharge for ATL
- Provided guidance for newly launched Online ST Registration application
- Provided directions for newly launched Biannual Income Tax Withholding Statement
- Facilitation for ST Return launched for the new financial year
- Assistance for Annual Employer Statement u/s 149
- Assistance for Registration of Builders and Developers
- Assistance for the Registration of Designated Non-Financial Businesses & Professions
- Assistance for the Registration of Non-Profit Organizations (NPOs)

Complaints through representations u/s 7 of the FBR Act, 2007

- Received: 34
- Disposed: 29
- Main Categories: "selection of audit", "maladministration", "condonation of time limit", "refund"

PMDU Complaints

- Total: 4221
- Resolved: 3986
- Satisfaction %: 54%

Applications under Right of Access to Information Act, 2017

<ul style="list-style-type: none"> ■ Received: 42 ■ Disposed: 20
--

Contact Center

<p>No. of Call Queries Responded: 328,118</p> <p>No of Emails Responded: 162,557</p> <p>NATURE: TAXPAYERS FACILITATION AND EDUCATION</p> <p>DESCRIPTION:</p> <ul style="list-style-type: none"> ■ Income Tax Withholding (technical filing queries) ■ Sales Tax and FED Return Information ■ Sales Tax Return for Withholding Agent (technical filing queries) ■ Filing of Tax Appeals ■ E-payments (technical filing queries) ■ Computerized payment Receipt (CPR) Correction queries ■ Tax Law related queries ■ Registration/De-registration (ST, IT,NPO, Gratuity Fund, Greenfield Status, Builders/Developers and change in particulars in profile) related queries ■ DNFBP Registration ■ Refund Related queries ■ Customs related queries ■ Active Taxpayers' List (IT, ST) ■ Miscellaneous

Source: PR Wing FBR

(2) PERCENTAGE TIME REDUCTION IN FILING OF TAX RETURNS

Percentage time reduction in filing of tax returns Time has reduced by 65%.

Source: BDT-IT Wing, FBR

(3) PERCENTAGE OF REFUND CLAIMS PROCESSED THROUGH IT SYSTEMS DEVELOPED BY FBR

Table-19: IT Refunds Processed Through IRIS

Period	Orders	Avg. Days
Jul-Jun 2021	53,583	598
Jul-Jun 2022	17,955	364
Jul-Jun 2023	12,875	566
Jul-Jun 2024	13,366	448

IT REFUNDS PROCESSED THROUGH IRIS

Table-19 demonstrates the trend in IT refund processing by FBR through the IRIS system from 2021 to 2024. While the number of processed orders has fluctuated, decreasing significantly from 53,583 in FY 2021 to 13,366 in FY 2024, the average days required for processing also show substantial variation. The time to process refunds dropped from 598 days in FY 2021 to 364 days in FY 2022, but then increased to 566 days in FY 2023 before improving again to 448 days in FY 2024. This suggests progress in streamlining refund processing, though the fluctuations highlight the need for more consistent efficiency improvements.

Table-20: ST Refunds Processed Through FASTER

Period	Orders	Avg. Days
Jul-Jun 2021	33,013	44
Jul-Jun 2022	34,945	40
Jul-Jun 2023	28,912	64
Jul-Jun 2024	40,447	119

ST REFUNDS PROCESSED THROUGH FASTER

Table-20 shows the performance of the FASTER system for processing sales tax (ST) refunds from FY 2021 to FY 2024. While the number of processed orders has increased significantly, rising from 33,013 in FY 2021 to 40,447 in FY 2024, the average days taken to process refunds has also surged. The processing time improved slightly from 44 days in FY 2021 to 40 days in FY 2022 but then increased sharply to 64 days in FY 2023 and further to 119 days in FY 2024. This trend suggests growing inefficiencies in processing times despite handling a higher volume of refund claims, indicating the need for system optimization to enhance processing efficiency.

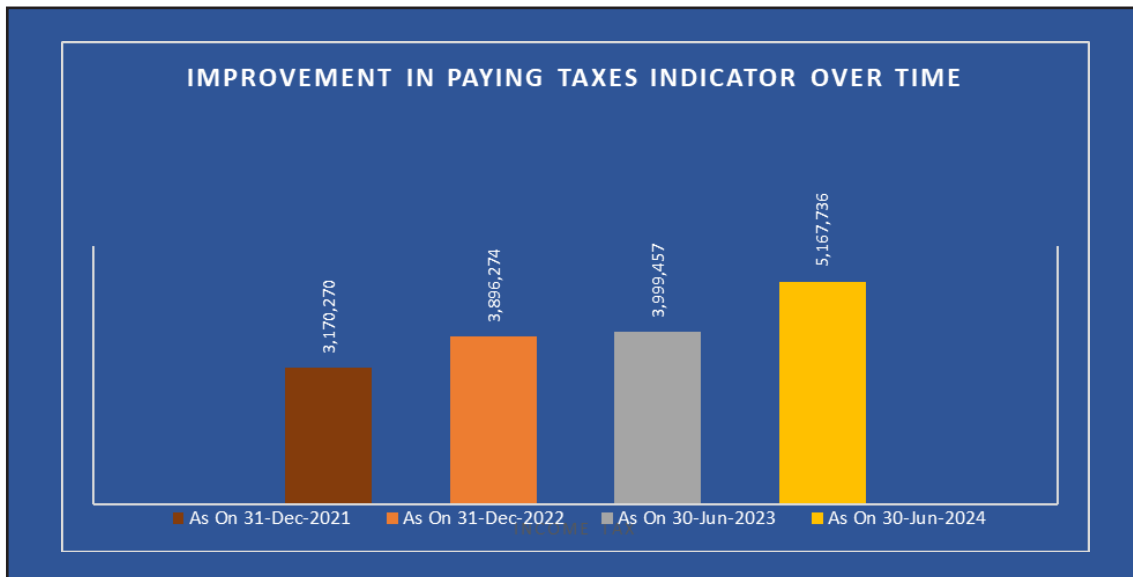
Source: BDT-IT Wing, FBR

(4) IMPROVEMENT IN PAYING TAXES INDICATOR

Table-21: ATL Status

Tax Type	As On 30-Jun-2024	As On 30-Jun-2023	As On 31-Dec-2022	As On 31-Dec-2021
Income Tax ATL	5,167,736	3,999,457	3,896,274	3,170,270

Source: BDT-IT Wing, FBR



The graph presents data on the “Active Taxpayer List Status” for Income Tax over four reporting periods i.e. 30-Jun-2024, 30-Jun-2023, 31-Dec-2022, and 31-Dec-2021. It shows a significant increase in the Income Tax ATL from 3,170,270 on 31-Dec-2021 to 5,167,736 on 30-Jun-2024, marking a substantial rise of 63%.

(5) PERCENTAGE REDUCTION IN AVERAGE TIME REQUIRED TO PROCESS INCOME TAX AND SALES TAX REFUNDS

Percentage reduction in average time required to process Income Tax and Sales Tax Refunds is 83%.

Source: BDT-IT Wing, FBR

(6) PERCENTAGE REDUCTION IN PHYSICAL EXAMINATION TO FACILITATE TRADE ACROSS BORDERS

During the Fiscal Year 2023-24, the physical examination of goods was decreased by *-0.77% and 4.85% respectively for processing of imports and exports as compared to the Fiscal Year 2022-23.

*(Negative reduction means increase)

Source: (PRAL Karachi)

(7) PERCENTAGE INCREASE IN POST CLEARANCE AUDITS FOR FY 2023-24

The tables below show the number percentage increase/ decrease of audit observations with amount involved in audit observation and total amount involved during FY 2023-24 in comparison to FY 2022-23.

PCA (CENTRAL REGION), LAHORE

Table-22: PCA (Central Region), Lahore

Financial Year	No. of Audits	Audit Observations	Amount in the Observation	Contravention Reports	Amount Involved
2023-24	50,537	344	6815.522	64	1981.228
2022-23	52,833	267	3719.94	72	1874.83
Percentage Increase/ Decrease	4.54% (Decrease)	28.83% (Increase)	83.21% (Increase)	12.50% (Decrease)	5.67% (Increase)

PCA (SOUTH REGION), KARACHI

Table-23: PCA (South Region), Karachi

Financial Year	No. of Audits	Audit Observations	Amount in the Observations	Contravention Reports Issued	Amount Involved	Amount Recovered
2023-24	158580	1553	22167	62	2716	1044
2022-23	74852	828	15829	209	4586	240
Percentage Increase/ Decrease	111.86%	87.56%	40.04%	-70.33%	-40.78%	335%

KPI-3: TAXPAYER'S FACILITATION

PCA (NORTH REGION), ISLAMABAD

Table-24: PCA (North Region), Islamabad

Financial Year	No. of Audits	Audit Observations	Amount in the Observation (In million)	Contravention Reports	Amount Involved (In million)
2023-24	16,108	353	2909.27	148	2161.66
2022-23	12,061	132	576.65	107	886.52
Percentage Increase/ Decrease	33.56	167.42	404.51	38.32	143.84

PCA (CENTRAL/SOUTH/NORTH REGIONS) CONSOLIDATED (TOTAL)

Table-25: PCA (Central/South/North Regions) Consolidated (TOTAL)

Financial Year	No. of Audits	Audit Observations	Amount in the Observation (In million)	Contravention Reports	Amount Involved (In million)
2023-24	225,225	2,250	31,892	274	6,859
2022-23	139,746	1,227	20,126	388	7,347
Percentage Increase/ Decrease	61.17%	83.37%	58.46%	-29.38%	-6.65%

Source: Post Clearance Audit, Customs Karachi

(8) NUMBER OF PROCESSES AUTOMATED TO STRENGTHEN (RISK MANAGEMENT SYSTEM) RMS FOR FACILITATING TRADE

The Directorate General of Risk Management Customs Karachi has undertaken various measures to automate new processes and enhance the efficiency/ effectiveness of earlier steps with a view to strengthen the RMS and facilitate international trade. Salient features of fresh and ongoing initiatives during the FY 2023-24 are as follows:

- (i) A system-based assessment of Goods Declarations was introduced through "Virtual Assessment" module which has been modified in FY 2023-24 by enhancing the scope of selection criteria to achieve the objectives of faceless assessment and quick clearance of consignments. Resultantly, the percentage of virtual assessment GDs rose from 4.5% to 7.7% in FY 2023-24, reaching a peak of 12.64% in December. Further, to widen the scope of the module, the impact of Yellow channel virtual assessments was increased by incorporating new safe PCTs into the system. Further modifications to widen the scope of the module are underway, which will further increase the percentage of Virtual Assessments.
- (ii) The second iteration of the Data Science Model Assessment Risk Evaluation Engine (AREE) focusing on the Yellow Channel (assessing Medium Risk GDs) has been deployed in January 2024. This model aims to streamline business operations for high-ranked and compliant traders by reclassifying less risky GDs from the medium risk category leveraging AI capabilities. The current iteration has matured, resulting in a significant decrease in the percentage of marked less risky GDs (by AREE) being overridden due to any other factor, dropping from 25-26% to 5-6%.
- (iii) A new factor, the Revenue Impact of Risky HS Code, was created to identify high-risk goods prone to revenue detection. By analyzing previous data, it was found that some PCT/HS Codes marked by this factor generated high revenues. From January to June, this factor contributed approximately 131.16 million rupees in revenue.
- (iv) To augment the Non-intrusive inspections, 'Blue Channel facility' was introduced in RMS whereby selection of consignments for scanning is made through RMS based selectivity criteria to achieve the objectives of security and facilitation of trade in light of WCO SAFE Framework of Standards. During FY 2023-24, 2,528 GDs were processed through the blue channel of which 42 gds (1.66%) were redirected to the red channel as compared to

5 gds redirected to the red channel out of 2,025 gds processed through the blue channel (0.25%) in FY 2022-2023.

- (v) With a view to further reduce human-interface in processing of exporter's duty drawback claims, an automated module entailing selectivity criteria was developed in RMS for auto processing/ sanctioning of such claims with direct payments to exporters' bank accounts through State Bank of Pakistan. During FY 2023-24, 79.05% rebate claims were processed through green channel (automated) as compared to 80.73% in FY 2022-23.

Source: Customs Wing FBR/RMS, Karachi

(9) NUMBER OF TAXPAYERS' REPRESENTATION DISPOSED OF BY AUDIT WING DURING THE FISCAL YEAR 2023-24

Forty-two (42) representations of taxpayers were disposed during FY 2023-24 (July 2023 - June 2024)

Source: Audit/CRM Wing, FBR

KPI-4:

Integration of FBR with other Revenue Agencies & Departments

FBR made substantial progress in integration with other revenue agencies, as evidenced by the development of the Single Sales Tax Portal, which streamlined compliance for businesses. Collaboration with provincial authorities facilitated harmonization, and automated data-sharing systems enhanced efficiency. While these efforts mark significant steps toward a unified tax system, full harmonization of systems and procedures across jurisdictions remains a critical challenge. Continued focus on technological upgrades and inter-agency collaboration will be essential for maximizing the benefits of integration. These initiatives improved data sharing and operational efficiency, supporting the Board's authority to consolidate processes and align with international obligations.

(1) NUMBER OF FUNCTIONAL DATA BRIDGES ESTABLISHED WITH PROVINCIAL REVENUE AGENCIES AND OTHER STATE DEPARTMENTS ACROSS THE NATION

Table-26: FBR External Bridges During FY 2023-24

Sr. No.	Area	No. of Organizations
1.	Federal	7
2.	Punjab	4
3.	Sindh	2
4.	KPK	2
5.	Balochistan	2
6.	Other	58
Total		75

FBR EXTERNAL BRIDGES DURING FY 2023-24

This table highlights the external integrations FBR established during the fiscal year to improve connectivity and data sharing with other institutions. Key achievements include enhanced integration with agencies like SECP (Securities and Exchange Commission of Pakistan), NADRA (National Database and Registration Authority), and banking systems. These integrations enabled real-time data exchange, better verification processes, and strengthened compliance, ultimately contributing to a more robust and transparent taxation framework.

(2) NUMBER OF DATA GENERATING PROCESSES INITIATED WITH OTHER AGENCIES

Number of data generating processes initiated with other agencies are 02.

Source: BDT-IT Wing, FBR

(3) INTEGRATION OF THIRD-PARTY DATABASES INFLOWING DATA INTO IRIS SYSTEM

Status of Third-Party data integration is as follows:

TELCOs:

Receives Pre-Paid and Post-Paid data from Zong, Ufone, Mobilink and Telenor through CSV files on PRAL's FTP Server on monthly basis.

BANKs:

Receives Cash Withdrawal, Cash Deposit, Credit Card and Profit on debt data monthly in Excel file on PRAL's portal.

AGPR DATA:

FBR received AGPR salary data on yearly basis and contractors' data on monthly basis.

Excise Data:

Receives 5 years data (2018 to 2022) from Excise Sindh, Excise Punjab, Excise KPK, Federal.

Online integration is also under progress with Excise Sindh.

PITB:

Receives Punjab Token tax data from their website on monthly basis in excel file.

BOR Sindh (Board of Revenue Sindh):

Provided File/Non-Filer information and 236C and 236K payment verification through online integration.

DISCOs:

Receives DISCOs' Sale invoice data through Integration/API.

Source: BDT-IT Wing, FBR

(4) PERCENTAGE OF POS SYSTEMS INTEGRATED IN EACH REGION/PROVINCE

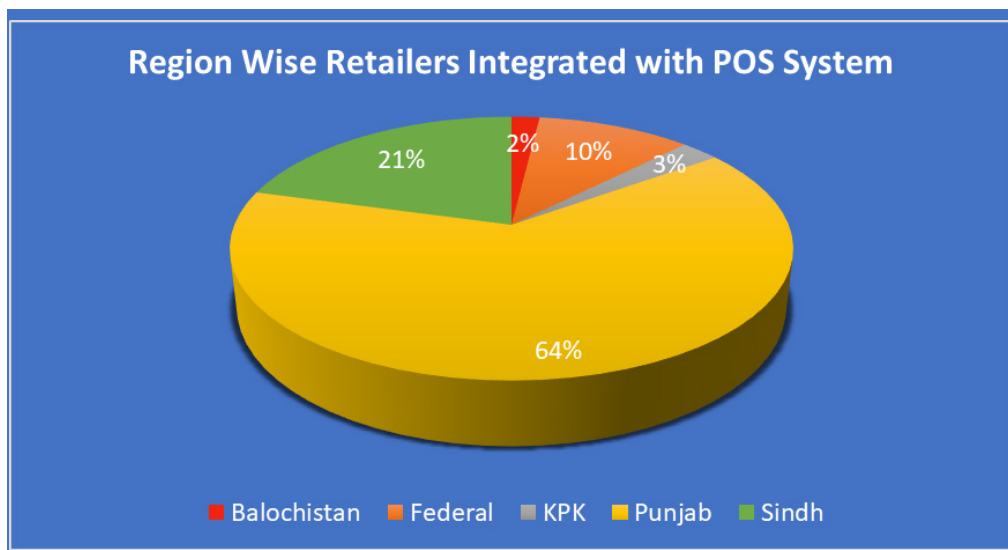
PROVINCE WISE INTEGRATIONS

Table-27: POS System Integration (Province Wise)

Province	Total Retailers	% of Total Retailers
Balochistan	32	1.9%
Federal	176	10.5%
KPK	44	2.6%
Punjab	1072	64.2%
Sindh	346	20.7%
Grand Total	1670	100.0%

POS SYSTEM INTEGRATION (PROVINCE WISE)

This table provides province-wise data on the integration of Point-of-Sale (POS) systems for tax compliance. The POS integration aims to monitor retail sales in real-time, reducing tax evasion and increasing transparency. Major contributions were observed in urbanized provinces like Punjab and Sindh, with smaller contributions from less industrialized provinces. This indicates a need to expand POS integration in underrepresented regions to ensure equitable tax compliance.



The graph showcases successful integration of the Point of Sale (POS) system across various provinces. With Punjab leading the way, contributing to over 64%

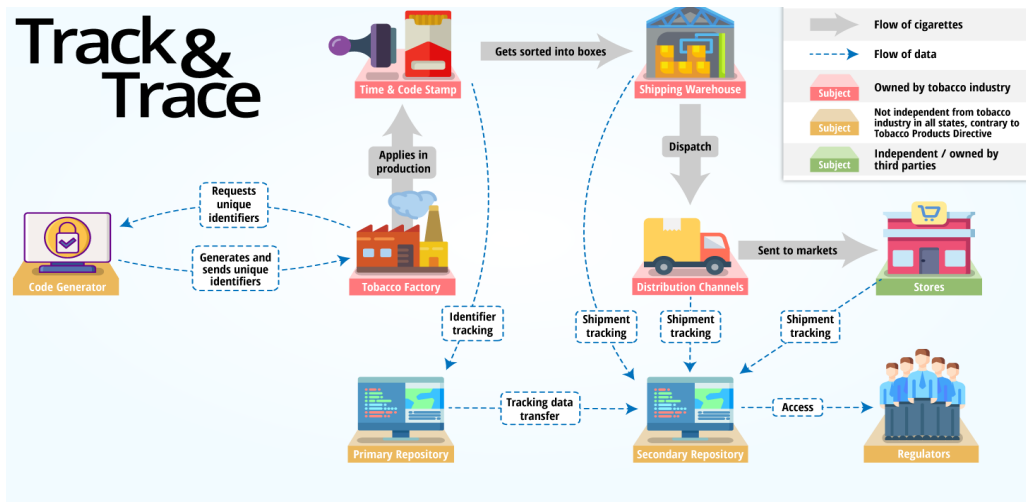
of total retailers integrated, the system demonstrates a strong regional presence. This integration signifies a significant step towards modernizing tax collection processes, improving efficiency, and broadening the tax base. The data highlights the government's commitment to digital transformation and enhancing tax compliance within the country.

Source: Director General (Information Technology & Digital Transformation), FBR

(5) PERCENTAGE OF DESIGNATED IMPORTS AND DOMESTIC PRODUCTION TRACK AND TRACED.

Table-28: Percentage of Designated Imports And Exports

Sector	Production (as per UIMs)	UoM
Fertilizer	9,670,149	M.Tons
Sugar	6,888,799	M.Tons
Tobacco	32,076,972,670	# of Sticks
Cement	3,083,032	M.Tons



Source: Director General (Information Technology & Digital Transformation), FBR

KPI-5:

Revenue Laws Simplification

Simplification of revenue laws was evident through the rationalization of tariff lines and amendments in statutory regulations, making compliance easier for taxpayers. The measures aimed to reduce complexity, improve transparency, and align with modern trade practices as well as supported the Board's authority to clarify fiscal laws, making them more transparent and convenient for stakeholders. However, residual ambiguities in certain legal frameworks indicate the need for continued refinement and active stakeholder engagement to ensure adaptability to evolving economic conditions.

(1) NUMBER OF WITHHOLDING LINES REDUCED DURING THE FY:2023-24

No withholding tax has been abolished through Finance Act, 2024

Source: IR Policy Wing, FBR

(2) NUMBER OF TARIFF LINES RATIONALIZED DURING FY 2023-24

Table-29: Number of tariff lines rationalized during FY 2023-24

Number of Tariff lines Rationalized	Rate of Customs Duty during 2022-23 (Before Rationalizing)	Rate of Customs Duty during 2023-24 (After Rationalizing)
1	3%	11%
3	3%	20%
1	Rs.4,000/MT	16%

Source: Customs Wing, FBR

NUMBER OF TARIFF LINES RATIONALIZED DURING FY 2023-24

The rationalization of tariff lines indicates FBR's commitment to simplifying the tariff structure. This initiative reduces ambiguities in classification, enhances trade facilitation, and aligns Pakistan's tariff structure with international best practices. However, ensuring the effective implementation of these changes is crucial to achieving desired outcomes.

KPI-6:

Risk Based Audits Conducted by FBR (TPA)

KPI-6 focuses on risk-based audits conducted by the Federal Board of Revenue (FBR) to identify high-risk taxpayers and enhance compliance. The number of cases selected through random balloting was 32,666 during the FY 2023-24 as compared to zero cases during the same period last year. This approach emphasizes targeting specific cases with potential discrepancies, ensuring efficient use of resources while minimizing the burden on compliant taxpayers.

(1) NUMBER OF CASES SELECTED BY FBR THROUGH RANDOM BALLOTING

32,666 cases has been selected by FBR during the FY 2023-24.

Source: Audti/CRM Wing, FBR

(2) PERCENTAGE OF RISK BASED AUDITS COMPLETED DURING FY 2023-24

Percentage of Risk Based Audits Audits (on the basis of cases already available for Audit) completed during the FY 2023-24 is 13.69%

Source: Audti/CRM Wing, FBR

KPI-7:

Formulation of National Tax /Customs Policy

FBR's formulation of a cohesive tax and customs policy focused on evidence-based measures, stakeholder collaboration, and aligning with international best practices. Key outcomes included targeted efforts to broaden the tax base and harmonize federal and provincial policies through digital platforms like the Single Sales Tax Portal. These initiatives support long-term revenue sustainability, although challenges in consistent policy implementation and adapting to global economic shifts require continued attention. These efforts align with the Board's authority to design policies and programs for effective fiscal law implementation and to fulfill international obligations under treaties.

(1) EXECUTION AND SUCCESSFUL IMPLEMENTATION OF ANNUAL BUDGETARY PROPOSAL RELATED TO CUSTOMS LAWS, RULES, PROCEDURES, AND ALLIED LAWS.

- a) Annual budgetary proposals related to Customs laws, rules and procedures successfully executed and implemented during the FY 2023-24 are given below:

Source: Customs Wing, FBR

Tariff Measures

1. Customs duties have been exempted on import of specific papers, Art card and board for Printing of Holy Quran.
2. In order to incentivize the pharmaceutical sector and to encourage local production of drugs, 03 New PCT codes APIs Moxifloxacin HCL, Sitagliptin Phosphate Monohydrate", and Trimethoprim have been created in Tariff.
3. To align Foreign Investment (Promotion and Protection) Act, 2022, new entry has been inserted at serial number 8a, of Part-I of Fifth Schedule.
4. The existing condition against Sr. No.113, Part-III of Fifth Schedule has been rectified by substituting the word "hemodialyzers", with the words "fluids and powders for use in hemodialyzers".
5. Exemption of customs duties on import of plant, machinery and equipment for setting up of industries in erstwhile FATA Areas under serial number 26 of Part-I of Fifth Schedule has been extended till 30th June, 2024.
6. To align Auto Industry Development and Export Policy (AIDEP) 2021-26, that existing Part-V to the Fifth Schedule has been omitted and vehicles mentioned at Sr. No. 6 and 7 have been added under Part V(B) of the Fifth Schedule. Furthermore, concession available on Agricultural Tractors mentioned at Sr. No. 1 and 2 of Part-V has been retained by adding Part-V(C) of Fifth Schedule,

- to promote Agriculture Sector.
7. To protect the local industry, customs duty on import of carbides of calcium (PCT code 2849.1000) has been increased from 3% to 11% with levy of 5% RD.
 8. Regulatory duty has been exempted on import of special steel round bars and rods of non-alloy steel exceeding diameter 50 mm and exceeding 50 mm (PCT code 7214.9990) by the seamless pipes manufacturers under para 2(g) of SRO 966(I)/2006.
 9. To protect the local manufacturers of glass products, regulatory duty on import of articles of glass falling under PCT codes 70.05, 7006.0020 increased from 15% to 30%, and articles of glass falling under PCT codes 7013.4900, 7013.9100, 7013.9900 increased from 20% to 30% and regulatory duty @ 30% may be levied on articles of glass falling PCT code 7020.0090.
 10. In order to save the electricity and discourage the use of inefficient Tungsten filament incandescent bulbs, Regulatory Duty @ 20% levied on import of these bulbs and their parts.
 11. Regulatory duty on Chloroparaffins liquid (3824.9980) has been levied @10% to protect the local industry.
 12. Regulatory duty on @ 10% has been lived on Tubes of other glass having a linear coefficient of expansion not exceeding 5×10^{-6} per Kelvin within a temperature of 0°C to 300°C .
 13. Export Regulatory Duty on the export of Molasses (PCT codes 1703.1000 and 1701.9000) increased from 10% to 15%.
 14. In order to avoid classification disputes, a separate PCT code 8517.6280 for Smart watches has been created in Pakistan Customs Tariff.
 15. In order to stem the misclassification and for the statistical purposes, it is proposed that a separate PCT code 4421.9950 for wooden splints for matches may be created in Pakistan Customs Tariff.
 16. To encourage export of pink salt, description "Himalayan rock salt", replaced with "Pink Rock Salt" against PCT code "2501.0021.
 17. To protect the local industry, description against PCT code 8544.6010, has been replaced as "for a voltage exceeding 1,000 V but not exceeding 72,000 V".
 18. Necessary changes have been made in descriptions of PCT codes of localized auto-parts of vehicles in Tariff to align the description of localized auto-parts of vehicles with SRO 693(I)/2006 dated 1st July, 2006.
 19. Import of Caustic Soda (Liquid) (PCT Code 2815.1200) was subject to specific rate of Rs.4000/PMT. To protect the local industry from the cheap import, the specific rate has been replaced

with 16% ad-valorem rate of customs duty

20. Obsolete PCT Code “8501.3290” was mentioned against Serial number 1(d) and 3(a) of Part V(A) of Fifth Schedule.

Furthermore, at Sr. 2(c) of Part V(A), PCT code 8501.3290 was mentioned for “Electric motor with axle”, whereas it is classifiable under PCT Code “8711.6050” Therefore, necessary correction of PCT codes has been done against serial numbers 1(d), 2(c) and 3(a) of Part V(A) of Fifth Schedule.

21. Capping of the fixed duties and taxes

on the import of old and used vehicles of Asian Makes above 1300 CC under SRO 577(I)/2005 dated June 06, 2005 has been withdrawn by omitting serial number 4,5 and 6 of the said SRO.

22. The export facilitation schemes like Manufacturing Bound Scheme, DTRE and EOU shall completely merge into Export Facilitation Scheme 2021 w.e.f. 14th August, 2023; therefore, the current exemption of export RD available to these Schemes are also extended to Export Facilitation Scheme 2021.

Legislative Changes:

The following legal changes have been made in the Customs Act, 1969: -

- a. In order to enable Pakistan Customs to have legal cover to the anti-smuggling operations within municipal limits, the expression “anywhere within the territorial jurisdiction of Pakistan” has been inserted in section 2(s) of the Customs Act, 1969.
- b. The use of “PCA” for Pakistan Customs Academy was creating confusion as the abbreviation “PCA” already exists for the Directorate General of Post Clearance Audit in Section 3DD of the Customs Act. Therefore, the name of Pakistan Customs Academy (PCA) has been replaced with Customs Academy of Pakistan (CAP) to avoid duplication in nomenclature.
- c. Pakistan Customs frequently requires assistance of Provincial Levies and Khasadar Force as these forces have vaster jurisdiction than that of Police in major parts of Khyber Pakhtunkhwa and Baluchistan- the two smuggling prone provinces. Section 7 of the Customs Act, 1969 has been amended accordingly to include Provincial Levies and Khasadar Force in the list of departments which are bound to provide assistance to Customs, whenever requested.
- d. Amendment in Section 19 of the Customs Act, 1969;
 - i. There are certain cases where the Government of Pakistan enter into an agreement with an entity for the exemption of Customs duties or remitting fine, penalty, charge or any other amount recoverable under this Act, but cannot do so because of absence of any enabling provision

- in the Customs Act, 1969. There for sub-section (1) of Section 19 has been amended which will help implement such agreements of the Government of Pakistan.
- ii. The provisions to sub-section (5) of section 19 of the Customs Act, 1969 were inserted through Finance Act, 2017 which provide that the notifications issued under Section 19 would automatically lapse after the expiry of the financial year, if not rescinded earlier. Therefore, to give continuity to the notifications issued under section 19 during the financial year, and not rescinded by the Federal Government, the amendment mentioning the end of next financial year 2024 has been made.
 - e. Prices available in internationally acclaimed publications, periodicals, bulletins etc. are an important tool to determine truth and accuracy of the declared values of imported goods. Therefore, such prices need to be duly consulted / relied upon to determine their customs values, but cannot be incorporated straightaway due to minor differences in quantities, qualities, and time lag which need to be taken into account to determine customs values of such goods. Therefore, the proviso to Section 25-A of Customs Act, 1969 has been amended which shall be harmonious with Section 25, 25-A of the Act ibid and the WTO Valuation Agreement.
 - f. At border Customs stations, mostly the clearing agents and importers do not file GDs immediately after arrival of goods, which creates congestion at the border customs stations. To ease out congestion, and to legally bind the traders to file goods declaration within three days of arrival of goods at the border Customs station, a new proviso has been added to section 79 of the Customs Act, 1969.
 - g. The current economic condition of our country has created the problems of cash flow for traders hence they are unable to pay upfront duty and taxes at the time of import. Furthermore, the list of perishable items is given in SRO 125(I)/99 dated 27.02.1999 and most of the items in the list are imported in packed condition with an expiry period of more than twelve months. Therefore, in order to facilitate the trade, Section 98 has been amended to enhance the existing warehousing period for perishable items from one month to three months.
 - h. In order to facilitate the passengers travelling as a group, baggage declaration through a representative for the members of the group, the provision for representative has been added by amending section 139 that after the word "crew" the words "or a representative on behalf of a group of passengers" has been inserted.
 - i. Amendments in Section 156 of the Customs Act, 1969;
 - i. Pre-defined slabs of penalties mentioned under sub-serial (ii) & (iii) of Sr. No.1 of Section 156(1) of the Customs Act, 1969 were inconsistent when compared to the pattern of penalties mentioned in other clauses of the said section. Therefore, sub serial (ii) has been omitted and sub-serial (iii) of section 156(1) of the Customs Act, 1969 has been amended to rationalize the penalties in line with the international best practices.
 - ii. Penal provisions at clause (b), (c), (d) and (e) of Serial No. 8 of the Table

- of section 156(1) of the Customs Act, 1969 have been made more stringent in relation to smuggling of essential commodities.
- iii. Penal provisions at Serial No. 9 of the Table of section 156(1) of the Customs Act, 1969 have been made more stringent in relation to evasion of duties and taxes in violation of section 15 and 16 of the Customs Act, 1969.
 - iv. Penal provisions at Serial No. 89 of the Table of section 156(1) of the Customs Act, 1969 have been made more stringent in relation to smuggling of goods as defined in section 2(s) of the Customs Act, 1969.
 - v. Penal provisions at Serial No. 90 of the Table of section 156(1) of the Customs Act, 1969 have been made more stringent in relation to evasion of duties and taxes with the attempts like illegal removal of goods from the bonds etc.
 - j. To save time and to speed up adjudication without any further disputes, the respondents have been given option to opt for automated adjudication by adding a new proviso to Section 179 of the Customs Act, 1969.
 - k. To enable Pakistan Customs to utilize the confiscated conveyance and any other useful equipment for anti-smuggling operations subject to rules, section 182 has been amended.
 - l. To ensure completion of investigation of the criminal cases on merit Section 185D has been amended.
 - m. There was no provision to file an appeal against the Appellate orders of Chief Collectors. A new clause (g) has been inserted in Section 194A (1) to enable aggrieved person to file appeal against Chief Collector's Orders in Appeal, before the Appellate Tribunal, in line with Chapter 10 of the revised Kyoto Convention which require that after an initial appeal to the Customs, a right of appeal to any authority independent of Customs administration is to be provided, and, in the final instance, the appellant shall have the right of appeal to a judicial authority.
 - n. To ensure ease of doing business, early recovery of the agreed upon outstanding dues and to reduce the burden of litigation on Courts, Sub-section (2) of Section 195C has been amended.
 - o. The option of self-filing of GD is often exploited by the unscrupulous elements. In order to allow self-filing of GD to the compliant tax payers a new proviso in section 208 has been inserted.
 - p. Clause (iii) of sub-section (2) of section 212B was in contradiction with the key objective of WCO pre-entry Advance Ruling program to provide decision by Customs administration of a country in areas i.e. classification, origin and valuation for an Economic Operator planning a foreign trade operation. In order to prevent it to be construed differently by importers/ exporters and to approach the committee for a ruling on interpretation of any statute concerning leviability of customs duty, sales tax and federal excise duty etc. in respect of their ongoing transactions, which otherwise lies in domain of FBR and falls outside the purview of Advance Ruling, clause (iii) of section 212B (2) has been omitted.

Source: Customs Wing, FBR

b) Annual budgetary proposals related to Inland Revenue:

Budget proposals of the Federal Government were drafted in the form of Finance Bill, 2024, approved and submitted before the National Assembly, after passage by National Assembly assent was obtained from president.

Further Circular No. 01 of 2024-25 has been issued whereby important provisions have been explained.

Source: IR Policy Wing, FBR

(2) NUMBER OF TAX TREATIES EXECUTED WITH FOREIGN COUNTRIES IN ORDER TO FACILITATE INVESTMENT DURING FY 2023-24

1. International Taxes

During FY 2023-24, the following activities/events related to TT&C were performed :

- i. Pakistan and Iraq concluded the first round of negotiations on the Convention for the Elimination of Double Taxation with Respect to Taxes on Income and Capital and the Prevention of Tax Evasion and Avoidance;
- ii. Pakistan and Germany concluded the first round of negotiations on the Convention for the Elimination of Double Taxation with Respect to Taxes on Income and Capital and the Prevention of Tax Evasion and Avoidance;
- iii. Pakistan and Estonia signed on the Convention for the Elimination of Double Taxation with Respect to Taxes on Income and Capital and the Prevention of Tax Evasion and Avoidance;
- iv. Pakistan and Singapore concluded the first round of negotiation on the Convention for the Elimination of Double Taxation with Respect to Taxes on Income and Capital and the Prevention of Tax Evasion and Avoidance; and
- v. Cabinet approved the Convention between Government of the Islamic Republic of Pakistan and the Government of the Republic of Lithuania for the Elimination of Double Taxation with respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance for signing.

Source: Directorate General (International Taxes), FBR

Table-30: Exchange of Information (EOI)

S.No.	Head / Task	July 2023 – June 2024
1.	Number of Inward EOI Requests processed.	30
2.	Number of Outward EOIRs sent to other Jurisdictions	17

EXCHANGE OF INFORMATION (EOI)

This table outlines the efforts under international cooperation to exchange tax-related information with other countries. These exchanges are crucial for combating tax evasion, especially for individuals and corporations with offshore accounts. The data underscores FBR's growing focus on leveraging international networks to strengthen domestic tax compliance.

Source: Directorate General (International Taxes), FBR

Table-31: Country-by-Country Reports

Outward Transmission of local filing	41 records
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COUNTRY-BY-COUNTRY REPORTING

This initiative, aligned with international transparency standards, aims to ensure multinational corporations report their financial activities accurately across jurisdictions. The data reflects FBR's efforts to address profit shifting and base erosion, critical for improving corporate tax compliance.

Source: Directorate General (International Taxes), FBR

Table-32: Automatic Exchange of Information

Outward Transmission of local transactions	1,426,252 records
Inward Assignment of reciprocal filing	579,748 records

AUTOMATIC EXCHANGE OF INFORMATION

The table highlights the progress in implementing systems for automatic information exchange under OECD guidelines. This step enables FBR to access data on Pakistan's taxpayers holding assets abroad, helping curb tax evasion and fostering global tax compliance.

Source: Directorate General (International Taxes), FBR

INTERNATIONAL CUSTOMS

Table-33: List of Mutual Assistance Agreements/MoUs between Pakistan Customs and other Customs Administrations during FY 2023-24

Sr. No.	Name of country	Details of Mutual Assistance Agreements Between Pakistan and other Customs Administrations	Signing date
1.	Russia	Memorandum of Understanding signed between the Pakistan Customs of the Federal Board of Revenue of the Islamic Republic of Pakistan and the Federal Customs Service (Russian Federation) on Exchange of Statistical Data on Mutual Trade.	26-09-2023

Source: Customs Wing, FBR

KPI-8:

FBR Outreach & Human Resource Development

During the fiscal year 2023-24, significant progress was made in the Federal Board of Revenue's (FBR) outreach and human resource development initiatives. Key accomplishments include the completion of major infrastructure projects, such as the construction of the Regional Tax Office in Islamabad, land acquisitions for regional offices in Peshawar and Gujrat, and the establishment of Customs Check Posts and Warehouses in Balochistan. A total of 246 officers were sent abroad for training under various programs, enhancing capacity and expertise. Disciplinary actions were taken under different E&D rules, with 37 cases recorded by the Inland Revenue wing and 107 cases by Customs. Additionally, 17 performance-

based rewards were sanctioned, alongside other recognitions under Customs Reward Rules 2012. The Customs Wing also reported a significant seizure value of Rs. 106,085 million, while efforts to facilitate taxpayers included multiple media campaigns and resolving 94.4% of complaints received, achieving a citizen satisfaction rate of 54%.

(1) NO. OF PROJECTS COMPLETED DURING THE FISCAL YEAR 2023-24

Table-34: Details of Field Projects Completed During the FY 2023-24

S.No.	Name of Project
1.	Construction of Regional Tax Office Islamabad
2.	Purchase of Land for Regional Tax Office Peshawar
3.	Purchase of Land for Regional Tax Office Gujrat
4.	Construction of Custom House Check Post at Ramak D.I Khan
5.	Establishment of Customs Check Post/Warehouses (Ziarat Cross/Badini/Manikhawa and Qamruddin Karez) Balochistan.

FIELD PROJECTS COMPLETED DURING FY 2023-24

This table lists infrastructure and technology projects completed by FBR, such as new office buildings, IT system upgrades, and enhanced customs facilities. These developments are essential for improving operational efficiency and service delivery to taxpayers and traders.

Source: Project Wing (IR)/Admin Wing, FBR

(2) NUMBER OF OFFICERS SENT ABROAD FOR OFFICIAL TRAININGS DURING FY 2023-24

Table-35: Number of Officers who received trainings during FY 2023-24

Time Period	Type of Training	No. of Officers
During FY 2023-24	International Online Training/ Workshop/ Webinar/ Event/ Session/ Conference (Pakistan Customs Service)	81
	Foreign Trainings through EAD (Inland Revenue Service)	120
	IMF-Singapore Regional Training Institute (Inland Revenue Service)	23
	IMF-Joint Vienna Institute	12
	Miscellaneous Foreign Trainings	10
TOTAL		246

NUMBER OF OFFICERS TRAINED DURING FY 2023-24

The training programs focus on building technical and operational skills among FBR staff. While a significant number of officers were trained, the data suggests the need for continuous learning programs to adapt to evolving challenges in taxation and trade facilitation.

Source: Admin/HR/IR/Customs Wing, FBR

(3) NO. OF CASES IN WHICH DISCIPLINARY ACTION UNDER E&D RULES HAS BEEN TAKEN DURING FY 2023-24:

M/HR(IR)

Table-36: Disciplinary action during FY 2023-24 (M/HR/IR)

BPS	Number of Cases Where Disciplinary Action Taken under E&D Rules, 1973, during FY 2023-24 (July-June, 2024)	Number of Cases Where Disciplinary Action Taken under E&D Rules, 2020, during FY 2023-24 (July-June, 2024)
22	0	0
21	0	0
20	0	1
19	2	1

BPS	Number of Cases Where Disciplinary Action Taken under E&D Rules, 1973, during FY 2023-24 (July-June, 2024)	Number of Cases Where Disciplinary Action Taken under E&D Rules, 2020, during FY 2023-24 (July-June, 2024)
18	0	7
17	2	2
16	2	23
15	0	1
14	0	1
13	0	0
12	0	0
11	0	1
TOTAL	06	37

Source: M/HR (IR) Wing, FBR

M/HR(CUSTOMS)

Table-37: Disciplinary action during FY 2023-24 (M/HR/Customs)

BPS	Number of Cases in which Disciplinary Action Taken During the Fiscal Year 2023-2024 Under the Civil Servants (E&D) Rules, 2020
19-22	Nil
17-18	02
16	105
Total	107

Source: M/HR(Customs) Wing, FBR

ADMN, FBR

Table-38: Disciplinary action during FY 2023-24 (ADMN/FBR)

BPS	Number of Cases in which Disciplinary Action Taken During the Fiscal Year 2023-2024 Under the Civil Servants (E&D) Rules, 2020
5 (Sepoy)	01
2 (Daftry)	01
1 Naib Qasid)	01
Total	03

DISCIPLINARY ACTIONS DURING FY 2023-24

These tables summarize disciplinary actions taken against FBR employees in Inland Revenue, Customs, and Administration. The data reflects FBR's commitment to accountability and maintaining professional standards within the organization.

Source: Admn/HR/Custom Wing, FBR

(4) NUMBER OF REWARD CASES PROCESSED UNDER REWARD RULES

17 performance-based cases have been processed for sanctioning of reward under Inland Revenue Reward Rules, 2021 for the financial year 2023-2024.

Source: IR Ops Wing, FBR

The Custom Wing informed that they have outlined the policy of Rewards according to following criteria:

- i. **Reward in terms of Rule-3(2) of Customs Reward Rules, 2012 Sanctioned/Approved During FY 2023-24 (Pakistan Custom)**

Table-39: Basic Pay(s) Rewarded during FY 2023-24

Period	Number of Basic Pay(s) Rewarded
Jul-Sep	Sanctioned as per category (E=2 Basic Pay; V.G=1.5 Basic Pay; G=1 Basic Pay)
Oct-Dec	Sanctioned as per category (E=3 Basic Pay; V.G & G=2 Basic Pay)
Jan-Mar	Sanctioned as per category (E=2.5 Basic Pay; V.G=2 Basic Pay; G=1.5 Basic Pay)
Apr-Jun	Sanctioned as per category (E=3 Basic Pay; V.G=2 Basic Pay; G=1 Basic Pay)

Source: Custom Wing, FBR

ii. The value of seizures made by Pakistan Customs during FY 2023-24

Table-40: Value of Seizure during FY 2023-24

FY	Value of Seizure (Rs. in million)
July, 2023 to June, 2024	106,085

Source: Custom Wing, FBR

(5) NUMBER OF MEDIA CAMPAIGNS LAUNCHED FOR TAXPAYERS FACILITATION

Table-41: Media campaigns were launched for taxpayers' facilitation During FY 2023-24

S.#	Media Campaign	Dates
1	Media Campaign of Income Tax Returns,2023	24th - 29th September, 2023
2	Extension in Media Campaign on Income Tax Return- 2023	23rd - 30th October, 2023
3	Media Campaign on Enforcement of Section 114B of Income Tax Ordinance-2001	18th - 23rd November,2023
4	Extension in Media Campaign on Enforcement of Section 114B of Income Tax Ordinance-2001	2nd - 7th December,2023
5	Media Campaign on Tax Excellence Award - 2024	21st to 26th March, 2024
6	Media Campaign on Tajir Dost Scheme	01st to 30th April, 2024
7	Extension in Media Campaign on Tajir Dost Scheme	03rd to 17th May, 2024
8	Media Campaign on Sale Tax Fake/Flying Invoice	20th to 26th May, 2024
9	Media Campaign on Advance Income Tax for the June Quarter of TY2024	11th to 14th June, 2024

Source: PR Wing, FBR

(6) NUMBER OF TAXPAYERS COMPLAINTS REDRESSED DURING FY 2023-24

Table-42: Number of taxpayers' complaints redressed during FY 2023-24

Period	During FY 2023-24
Total Number of PMDU Complaints Received	4221
Total Number of PMDU Complaints Resolved	3986
Percentage of Resolution	94.4%
Citizen Satisfaction Level	54%

Source: PR Wing, FBR



Finance Minister Commends Team FBR for Surpassing Revenue Collection Target for Financial Year (2023-24) - Jul 01, 2024



Chairman FBR visits Customs House Peshawar to celebrate International Customs Day 2024 - Jan 26, 2024



Chairman NADRA Calls on Chairman FBR - Oct 19, 2023



Finance Minister Chairs a Meeting at FBR - Jun 20, 2023

KPI-9:

FBR Representation before various legal forums

FBR improved its legal representation through enhanced case management and standardized procedures, resolving significant volumes of cases. Automated systems contributed to better efficiency and coordination, ensuring timely responses. These efforts align with the Board's power to ensure accountability and performance in enforcing fiscal laws. However, the rising volume of litigation highlights the need for proactive measures, such as alternative dispute resolution mechanisms, to ease the burden on courts and expedite resolutions. Strengthening internal dispute resolution frameworks can further enhance taxpayer trust and reduce legal bottlenecks.

(1) REPRESENTATION OF CASES WHERE FBR (HQs) IS THE SOLE RESPONDENT AT SUPREME COURT/HIGHCOURTS OR FTO

LEGAL(IR)

Table-43: Representation of cases where FBR (HQs) is the sole respondent During FY 2023-24, Legal (IR)

Sr.	Judicial/Appellate Fora	Total No. of WPs/ICAs Filed Against FBR During the Year 2023-2024	Status of Representation Filed or Not	
			Filed	Not Filed
1.	Supreme Court	Nil	Nil	Nil
2.	High Courts	30	30	Nil
3.	Federal Tax Ombudsman (FTO)	49	49	Nil

Source: Legal IR Wing, FBR

LEGAL(CUSTOMS)

Table-44: Representation of cases where FBR (HQs) is the sole respondent, During FY 2023-24, Legal (Customs)

Sr. No	Forum	Total No. of cases	Representation/CPLAS.WPS/Tax Ref	
			Filed	Not Filed
1.	Supreme Court	00	--	--
2.	High Court	00	--	--
3.	FTO Representation	09	--	--

Source: Legal & Accounting Customs Wing, FBR

(2) INDIVIDUAL PERFORMANCE APPRAISAL OF EACH PANEL ADVOCATE AND SPECIAL PUBLIC PROSECUTORS THROUGH DEVISED SOP ON YEARLY BASIS.

Mechanism for individual performance appraisal of each Panel Advocate & Special Public Prosecutors was devised during FY 2023-24 and their performance is given in Table below:

INDIVIDUAL PERFORMANCE APPRAISAL OF EACH PANEL ADVOCATE AND SPECIAL PUBLIC PROSECUTORS THROUGH DEVISED SOP ON YEARLY BASIS.

LEGAL(IR)

Table-45: Individual Performance Appraisal of each penal, Advocate & Special Public Prosecutor through devised SOPs on Yearly Basis. Legal(IR)

Total Number of Panel Advocates	Individual Performance Appraisal of each penal, Advocate & Special Public Prosecutor through devised SOPs on Yearly Basis.			
	Good	Satisfactory	Bad	Unsatisfactory/Below Average
856	33	272	8	6

Source: Legal IR Wing, FBR

As per report submitted by the field formations for the year 2023-24 out of 856 Advocates on the panel, 535 were not assigned any case during period under consideration.

NOTE:

As per policy, performance evaluation is made on annual basis by seeking the performance report from the field formations which is due on 1st July, 2024 which is obtained from the field formations. As and when the complete information received from the field formations the same may be provided to your office.

LEGAL(CUSTOMS)

Table-46: Individual Performance Appraisal of each penal, Advocate & Special Public Prosecutor through devised SOPs on Yearly Basis.

Legal(Customs)

Total Number of Panel Advocates/ Special Public Prosecutors	Individual Performance Appraisal of each penal, Advocate & Special Public Prosecutor through devised SOPs on Yearly Basis.		
	Good	Satisfactory	Unsatisfactory/Below Average
284	41	178	65

Source: Legal & Accounting, Customs Wing, FBR

KPI-10:

Implementation of Public Accounts Committee (PAC) Directives

The implementation of PAC directives reflected FBR's focus on transparency and accountability. Audit paras were effectively settled, and directives were disseminated to field formations to align operations with parliamentary oversight. These measures strengthened governance and ensured compliance with legislative requirements. However, challenges in timely execution and follow-up indicate the need for a robust monitoring framework to maintain momentum and sustain these improvements. These measures enhanced transparency and governance, aligning with the Board's authority to maintain accountability of performance and conduct. These measures enhanced transparency and governance, aligning

with the Board's authority to maintain accountability of performance and conduct

(1) PREPARATION AND TIMELY SUBMISSION OF WORKING PAPERS IN PAC FOR SETTLEMENT OF AUDIT PARAS.

a) Performance of Customs Wing

All working papers pertaining to PAC meetings were timely prepared and submitted to the PAC for settlement of audit paras during FY 2023-24, as mentioned below.

Table47: Submission of Working Papers to PAC for settlement of Audit Paras (Legal & Accounting - Customs) FY 2023-24

S.No.	Date of PAC Meeting	Date of submission of Working Papers to PAC	Timely submission of Working Papers to PAC
1.	05.07.2023	03.07.2023	100 %
2.	26.07.2023	24.07.2023	100 %
3.	01.08.2023	27.07.2023	100 %
4.	07.08.2023	03.08.2023	100 %

Source: Legal & Accounting Customs Wing, FBR

b) Performance of IR Wing

Table-48: Submission of Working Papers in PAC for settlement of Audit Paras (IR Wing) During FY 2023-24

S.No.	Date of PAC Meeting	Date of submission of working papers of PAC	Timely Submission of working papers to PAC
1	05.07.2023	04.07.2023	100%
2	07.08.2023	04.08.2023	100%

Source: Accounting Wing, FBR

(2) TIMELY DISSEMINATION OF PAC DIRECTIVES AMONG FIELD FORMATIONS FOR COMPLETING REQUISITE ACTIONS.

a) Performance of Customs Wing

The following tables show that PAC directives were timely disseminated to the field formations for completing requisite actions during 2023-24.

Table-49: Dissemination of PAC directives among field formations Customs During FY 2023-24

S.No.	Date of PAC Meeting	Date of dissemination of PAC Directives to Field formations (Recorded Notes)
1.	05.07.2023	Not yet communicated
2.	26.07.2023	Rescheduled on 01.08.2023
3.	01.08.2023	Rescheduled on 07.08.2023
4.	07.08.2023	22.08.2023

Source: Legal & Accounting Customs Wing, FBR

b) Performance of IR Wing

Table-50: Dissemination of PAC directives among field formations (IR Wing) During FY 2023-24

S.No.	Date of PAC Meeting	Date of dissemination of PAC Directives to Field Formations (Recorded Notes)
1.	05.07.2023	07.07.2023
2.	07.08.2023	09.08.2023

Source: Accounting & Audit Wing, FBR

Implementation of FBR's Reform Agenda

KEY ACHIEVEMENTS

PAKISTAN RAISES REVENUE PROJECT (PRRP)

FBR has made commendable progress under Pakistan Raises Revenue Project (PRRP). Some of the key achievements made during the Financial Year 2023-24 are as follows:

1. The number of compliant taxpayers has increased from the baseline of 1.159 million (2018-19) to 4.8 million.
2. The culture of data driven informed decision making and transparency has continued to flourish in FBR. The Tax Expenditure Report and Evidence Based Revenue Forecast Report for FY 2023-24 has been compiled and published.
3. Under Disbursement Linked Indicator (DLI) -3 "Coordination with Provinces", FBR has successfully institutionalized "Systematic (regular) and digital data sharing system with all provinces, including validation of the accuracy and reliability of data sent / received". This has been achieved through signing of MoUs with 12 revenue collection entities at the Provincial level i.e. Provincial Revenue Administrations (PRAs), Boards of Revenue and Excise & Taxation departments. These MoUs outline process of systematic sharing of data as well as frequency of data sharing, templates of data sets and data safeguards agreed between the entities. The provincial authorities are digitally sharing data through APIs while the Excise and Taxation Authorities are sharing data sets through file transfer protocols (FTP). FBR is leveraging WSO2 as an integration platform which is proving capabilities for handling file transfers and API management.
4. In pursuance of the Government's desire to facilitate taxpayers, promote ease of doing business and reduce compliance costs, FBR in collaboration with Provincial Tax Administrations has launched Single Sales Tax Return (SSTR) for the telecom sector across all jurisdictions vide circular dated 1st February 2024. Consequently,

all 5 telecom companies i.e. Pakistan Telecommunication Company Ltd (PTCL), Pakistan Mobile Communications Limited (Jazz), Telenor Pakistan Limited, Pak Telecommunication Mobile Limited (Ufone), Telenor Pakistan Ltd and China Mobile Pakistan (Zong) have been filing their return for all jurisdictions through the Single Portal since February, 2024. Negotiations are underway with other sectors for national rollout. FBR has notified a Single Portal Committee comprising representatives of FBR and Provinces to ensure smooth and effective implementation of SSTR.

5. As per the Web Based One Customs (WeBOC) system-generated report for GDs cleared for import and exports the percentage of GDs through red and yellow channels has been brought down to 29% against the target of 30% for FY 2023-24.
6. Targets against the following DLIs have been fully achieved.
 - a. All the targets of DLI-5 i.e. “New taxpayers identified through automated data sharing, ICT-based business intelligence and other measures” has been achieved. Under this indicator FBR has identified a total 2.96 million new taxpayers against target of 1.55 million. Results have been verified by the Independent Verification Agent.
 - b. DLI-6 i.e. “Risk Based Audit” has also been fully achieved and as of May, 2024 FBR has completed 233 field audits and 784 issue-oriented cases, against the target of 85 comprehensive field audits of Large Taxpayers and 15 issue-oriented audits for FY 2023-24. The same has been verified by the Independent Verification Agent.
 - c. Under DLI-9 i.e. “FBR core business processes (BPs) simplified and automated” the targets have been successfully completed and the Independent Verification Agent has verified that 17 Core business Processes of FBR automated in previous years under PRRP, are still automated.



HM Revenue
& Customs



7. The Environment & Social Management Plan (ESMP) and Stakeholder Engagement Plan have been published on FBR Website in October 2022 and August 2023 respectively.
8. Trainings for FBR employees on the topic “Implementation of ESMP” have been conducted in three cities during Financial Year 2023-24. Overall 139 FBR field formation officers and staff have been trained on this topic in 8 training events at various locations across Pakistan.
9. Under Component-II major procurement activities related to procurement of scanners for airport and seaport have been initiated. A firm has been hired for Business Process Mapping / Business Process Re-engineering for Pakistan Customs. Procurement process of Tier-III Data Center is in progress.

ADB DOMESTIC RESOURCE MOBILIZATION (DRM):

The Asian Development Bank under the Domestic Resource Mobilization Program has been providing the technical support to FBR. The results framework under the DRM Program provides for the implementation arrangements and technical assistance. In order to improve taxpayer integrity and compliance, the DRM program is aligned with the Inland Revenue (IR) Strategic Reform Plan (2021–2025). Some of the key interventions under DRM required FBR to “conduct tax treaty negotiations with at least two treaty partners with proposals based on the model tax treaty and review of existing tax treaties”; implement measures for prevention of tax avoidance and evasion by multilateral enterprises and a properly equipped Mutual Agreement Procedure (MAP) Competent Authority function to deal with MAP requests and MAP negotiations (Policy action 2.9). The stakeholder consultations were held

with different wings of FBR and the amendments to the income tax, sales tax, sales tax on services in ICT Territory, and federal excise duty were implemented to harmonize and streamline core processes and procedures for tax administration. In addition to this, the digital transformation and automation of tax administration through reform initiatives are being operationalized through the Synchronized Withholding Administration and Payment Software (SWAPS). The IT Security Governance Risk and Compliance Policy Framework 2022–2024 has been approved to upgrade the cyber security architecture. The DRM program also envisages the roll out of pilot modules to strengthen the IT systems and data security. The Center for Revenue Studies (CFRS) has been introduced in the Income Tax Ordinance 2001 under the through the Finance Act 2024. The CFRS will carry

out data collection including gender-disaggregated data. Independent tax research and analysis will be undertaken. Implementation of middleware in digital invoicing has been completed along with implementation of distributed and centralized risk engines; reporting dashboard is underdevelopment; and APIs for end-to-end integration through

licensed integrators are also being development.

FBR team with the support of ADB has completed the evidence-based gender and social inclusion diagnostic study aligned with the 2022 National Gender Policy Framework and commenced implementation of its recommendations.

Source: Reforms & Modernization Wing, FBR

REVENUE MOBILIZATION, INVESTMENT & TRADE (REMIT)

REMIT Revenue Mobilisation, Investment & Trade

Revenue Mobilization, Investment & Trade (REMIT) program of Foreign, Commonwealth & Development Office (FCDO) being implemented by Adam Smith International (ASI) remained engaged with FBR throughout the year and completed several initiatives on both digital and non-digital front. A brief description of completed activities during the year is as under:

DATA GOVERNANCE & SECURITY FRAMEWORK:

FBR has developed the first of its data governance framework with technical assistance from ASI-REMIT. The work on Data Governance Framework started with the mapping of As-Is security landscape of FBR's ICT infrastructure in October 2023 and culminated in the shape of a comprehensive Data Governance & Security Framework in Feb 2024. Both ASI-REMIT and IT wing of FBR extensively collaborated to complete this milestone. The framework was sent to National Centre for Cyber Security (NCCS) and Ministry of Interior's Joint Task Force (JTF). Both entities reviewed the framework and recommended seeking additional technical assistance from REMIT for its implementation which is in progress.

SERVICE REDESIGN OF IRIS

During the year, IT Wing's Business Process Re-engineering team collaborated with REMIT to complete service redesign, UI/UX of following services in IRIS:

- i. Income Tax Registration

- ii. Income Tax Return for Individuals
- iii. Account Recovery Service
- iv. IRIS Dashboard

The complete redesigned services were approved by IT wing and ASI-REMIT team has been asked to configure these services in IRIS.

COMPLIANCE RISK MANAGEMENT:

Machine Learning based Compliance Risk Management (CRM) Risk Engine was developed in partnership with ASI-REMIT team. The Risk Engine was run on LTO Islamabad data for TY 2021 and TY 2022. The anomalous cases identified by the system were sent to LTO Islamabad for verification. Eight out of nine cases were reported by LTO team to be risky. The subsequent tax proceedings in these cases resulted in more than Rs 3 billion demand creation and Rs 5 million successful recoveries. Full scale roll out of CRM is planned for the next year.

INCOME TAX AUDIT MANUAL:

In order to streamline and harmonize audit process under Income Tax Ordinance, an Audit Manual was also completed in collaboration with REMIT.

TAX TUTORIALS:

For taxpayer assistance, the following three video tutorials were also developed with the help of ASI-REMIT:

- i. Sales Tax Registration
- ii. Filing of Wealth Statement
- iii. Return Filing for Traders

KARANDAZ – MCKINSEY

In March 2024, FBR signed an agreement with Karandaz Pakistan to develop a comprehensive digital strategy aimed at transforming FBR into a digital tax administration. Following a thorough procurement process, McKinsey & Company was selected in April 2024 to lead this initiative. The project's scope includes formulating strategies for IT governance, assessing human resource skill requirements, devising a high-level restructuring plan, and establishing a software development approach to effectively implement FBR's digital and IT strategy to enhance revenue collection.

Beside this McKinsey was also assigned quick wins for immediate revenue mobilization. While McKinsey has mapped the As-Is state of FBR's digital and HR apparatus, it is working on the preparation of strategy to address the gaps.

IMPLEMENTATION OF INTEGRATED TRANSIT TRADE MANAGEMENT SYSTEM (ITTMS)



In view of the three main deliverables of the CAREC-RIBS (ITTMS), i.e., (i) Development of physical infrastructure of Torkham and Chaman Border Land Ports, (ii) Establishment of Pakistan Land Port Authority (PLPA), and, (iii) professional capacity building of the trade facilitation agency personnel operating at the BCPs, the update on the Implementation of FBR's Reform Agenda on Integrated Transit Trade Management System (ITTMS) Project under the Central Asia Regional Economic Cooperation (CAREC) is as under:

PHYSICAL INFRASTRUCTURE

Civil Works - Completed

- Import, Export Terminals Physical Infrastructure completed.
- Passenger Terminals Physical Infrastructure completed.

Security Equipment Installation - Completed

- Advance X-Ray Cargo Security Scanners, Baggage & Pallet Scanners installation completed.
- Electronic Weigh-Bridges installation completed.
- Port Surveillance with Command Control Center installation completed.
- Vehicle Surveillance System, Road Blockers & Boom Barriers installation completed.

ICT Equipment Highlights - Completed

- Data Centers installation completed.
- High-Speed Fiber Optic Cabling across BCP laid out.
- Integration with WeBOC, PSW, TIR & OGAs being carried out in parallel.
- Integration, testing & configuration of equipment going on in parallel and will complete by 30th December 2024.

External Electricity Provision - Completed

- External Electrical Connection from PESCO and QESCO established.
- Power Generators installed.

Requested Support:

- E-Gates equipment for Passenger Terminals pending clearance from Karachi Ports. Rs1.5 bn immediately required for port clearance & installation of E-Gates for BCP completion by 30 October 2024, and to pay the annual land lease amount to the Khugga-Khel Shinwari Tribes. Ministry of Finance has conveyed release of this allocated amount in the 1st Quarter 2024 for processing by the Planning Commission. This office has requested the Planning Commission, Islamabad to immediately release the funds to clear the duties and taxes for timely clearance of the consignment.
- Rs 2 bn additionally required for completion of contractual payment to NLC/ remaining functionalities. Secretary Finance has asked FBR to look for re-appropriation of its internal funds, & if funds are not available, to move SG request for the Cabinet

COORDINATION WITH COUNTERPART AFGHAN CUSTOMS & TRANSPORTATION ADMINISTRATION FOR MATCHING INFRASTRUCTURE ON THE AFGHAN SIDE FOR SMOOTH CARGO AND PASSENGER FLOW

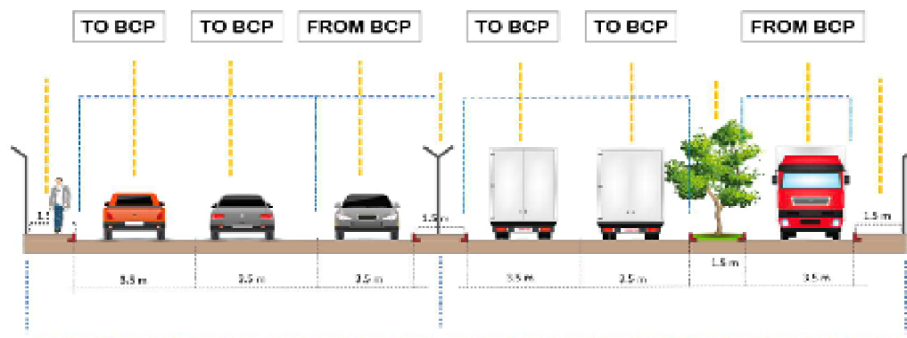
Matching Road Infrastructure on the Afghan Side:

- Torkham BCP is a 3 + 2 lane facility – Afghan side is 1+0 lane facility
- Torkham BCP is designed to support a capacity of 5000 trucks per day (Import + Export)
- Chaman BCP is a 3 + 3 lane facility – Afghan side is 1+1 lane facility
- Chaman BCP is also designed to support a capacity of 5000 trucks per day (Import + Export)
- Widening of Gates at the land crossings is required on the Afghan side.
-

Matching Passenger Facilitation Infrastructure on the Afghan Side:

Installation of E-Gates on the Afghan side as well for channelizing of passengers and speedy processing across the border.

Recommendation:



The effectiveness of the development of the state-of-the-art BCPs at Torkham and Chaman will remain diminished if Afghanistan does not develop matching BCP and lane Infrastructures /facilities at its side for the respective BCPs. This is critically required to ensure smooth flow of cargo and handle an equivalent cargo throughput and container dwell time and prevent creation of bottlenecks at the border. This would help both countries to take advantage of enhanced trade.

In view of the above, it is suggested that a team of Pakistani officials may

be designated to negotiate through the Ministry of Foreign Affairs and Ministry of Commerce with the Afghan Customs and the Afghan Ministry of Communications & Transport the terms and conditions for developing a matching infrastructure on the Afghan side, and to also formalize the usage of the BCP Torkham and Chaman border land port facilities, including space in the Assessment and Examination Halls under Article-8 of the Trade Facilitation Agreement of the (TFA) of the WTO for Pak-Afghan joint examination and assessment of transiting goods.

I. INSTITUTIONAL DEVELOPMENT OF PAKISTAN LAND PORT AUTHORITY (PLPA)

PLPA Draft finalization through Consultations by PMU-ITTMS

- Completed

- In accordance with the 2nd PLPA Steering Committee Meeting held under

the Lead Executing Agency FBR on July 10, 2023, the Ministry of Commerce was appointed as the Coordinating Ministry for the PLPA.

- The draft PLPA Act, drafted after formal consent from the Cabinet, was further reviewed and finalized by the sub-committee designated by the Steering Committee.
- The draft PLPA Act was vetted by the Law & Justice Division on August 4, 2023, but progress stalled due to the dissolution of the National Assembly on 9th August 2023.
- To expedite legislation under the new government, a stakeholders' meeting was held on February 19, 2024, at the Military Operations Directorate, and certain amendments were suggested in the Draft Act.
- The Ministry of Commerce circulated the revised draft Act for a second round of consultations, seeking review and input from stakeholders. However, formal input from the Ministry of Defense remained pending.
- Recently, a notification from the Ministry of Interior indicated that the Hon'ble Prime Minister has constituted the Ministry of Interior as the coordinating ministry for PLPA.
- Consequently, the Ministry of Interior circulated a Revised Draft Act among the pertinent stakeholders for consultations.
- Currently, the draft is in its final stages based on thorough consultations among Customs Wing FBR, PMU-ITTMS and other ministries, and is expected to be finalized by the Ministry of Interior by 30.07.2024 and to be taken to the Law & Justice Division Islamabad and to the CCLC for its enactment.
- The enactment of the PLPA is crucial for the formal closure of the ITTMS Project and the handover of assets to the Government of Pakistan, as required by the ADB.

II. PROFESSIONAL CAPACITY BUILDING OF THE BORDER LAND PORTS

Preliminary Capacity Building Mapping Deliverables - Completed

Training is required to be a sustainable initiative with frequent and continuous trainings of cohorts because of the rotation of personnel due to hard area consideration, postings/transfers in Govt Departments on BCPs is more frequent, and vacation of slots due to promotions, resignations, suspension etc.

TRAINING REQUIREMENTS

Table-51: Training Requirements

S. No.	Agency	Personnel/year	Frequency
1.	Pakistan Customs	200 - 250	Quarterly
2.	FIA	80 - 100	Bi-Annually
3.	FC	40 - 50	Bi-Annually
4.	Plant Protection Department	20 - 30	Bi-Annually
5.	Animal Quarantine	20 -30	Bi-Annually
6.	NLC/Terminal Operators	300 - 350	Quarterly
7.	Clearing Agents/ Brokerage Houses	20 - 30	Bi-Annually
8.	Business Community/ Chambers of Commerce (on Customs & Trade Laws)	150 - 200	Bi-Annually
9.	PLPA Staff (Advanced Level)	10 - 15	Bi-Annually
Total Personnel to be trained in a year		900+	

A concurrent process of Capacity building is necessary to improve trade facilitation, ease of doing business, Public Service Delivery, and Port efficiency and effectiveness. The PLPA Consultants employed by the PMU-ITTMS FBR have designed the outlines of the following deliverables for the Trade Facilitation Agencies operating at the BCPs:

- Outlines of the Short Term, Medium Term and Long Term Trainings;
- Preliminary Mapping of training modules;
- Preparation of Training manuals & the Training the Trainer Module;

Recommendations:

- Existing Institutional mechanism of Customs Academy of Pakistan to be streamlined and utilized, and Technical Assistance from a donor may be obtained to develop detailed modules.

Source: ITTMS(Customs - Ops Wing), FBR

UTILIZATION OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM) SOFTWARE

FBR is utilizing Customer Relationship Management (CRM) software to improve customer's contact experience by tracking, monitoring and archiving issues reported by the taxpayers. Taxpayers lodge complaints by sending emails to helpline@fbr.gov.pk calling the helpline UAN and by visiting the FBR's website www.fbr.gov.pk. From

the period July 2023 to June-2024, a total of 162557 emails and 328118 calls have been responded by our call center. FBR also has points of contact with taxpayers through FBR's CRM and Prime Minister Delivery Unit (PMDU). From July-2023 to June-2024 3986 complaints out of 4221 were resolved through the PMDU portal.

Source: PR Wing, FBR



Pakistan is a signatory of the World Trade Organization's Trade Facilitation Agreement. Establishment of a National Single Window is mandated under the article 10.4 of the TFA. Pakistan committed to establish Single Window by June 2022 which was successfully achieved by rolling out the Pakistan Single Window (PSW) in 2022. Pakistan Single Window (PSW) initiative aims at reducing the time and cost

of doing business by digitizing cross border trade and eliminating paper based manual processes. PSW system is an electronic facility that allows parties involved in trade and transport to lodge standardized information and documents with a single-entry point to fulfil all import, export, and transit-related regulatory requirements. The PSW will primarily serve as a platform for integrating customs and regulatory clearance of import, export and transit goods.

The PSW system is presently integrated with fifteen regulatory agencies, 29 commercial banks, Laboratories and

pre-shipment inspection companies. In addition, PSW has linkages with FBR, NADRA, PTA and SECP to ensure the Know Your Customer protocols. This allows the traders to get Online PSW Registration without visiting any office, online transmission of trade related financial information from Commercial banks and Electronic processing of licenses, import permits, release orders, certificates (LPCOs) by the OGAs integrated with PSW. In recent development traders can also obtain the certificate of origin for the goods falling under preferential trade agreements online through the TDAP. The PSW system enables the trader to pay their duties, taxes and OGA charges using online payment mechanisms.

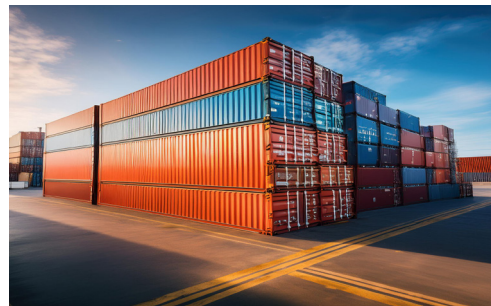
PSW is also expanding its scope globally through integration with the e-Phyto Hub for electronic exchange of phytosanitary certificates with other member countries; Work on exchange of data with China, Tajikistan, Uzbekistan, Egypt is underway. To fulfill the requirements of article 1.2 of the TFA PSW has established the Trade Information Portal (www.tipp.gov.pk) which provides a single access point for all information related to imports, exports, and transit. The trade portal has been cited as a 'best practice' example by the World Bank. PSW has expanded the scope of risk management for trade to the OGAs through its Integrated risk management system for application of system-based risk assessment and enforcement on the issuance

of licenses, permits, certificates, and other documents by trade regulators. PSW is one of the first public sector agencies to have become a signatory of the UN Women sponsored 'Women Empowerment Principles' and has established a dedicated woman helpline to help and guide women entrepreneurs involved in cross border trade. PSW has also launched the 'Khadija Women Entrepreneurship Program' to support women and women led businesses to scale up and join the cross border trade.

PSW is also developing Port Community System and Airport Community System, that will connect all terminal operators and other private sector entities involved in trade and logistics to further improve the efficiency of the trading ecosystem and reduce the cost of doing business for the traders.

Currently PSW has a subscriber base of 80,000 users and has processed more than 400,000 LPCOs. PSW is now covering 71% of all regulated HS codes for import & export.

The PSW initiative has been acknowledged internationally and Pakistan's score in trade facilitation increased from 55% to 70% on the 'UN Global Survey on Digital and Sustainable Trade Facilitation 2023.



Source: Pakistan Single Window



CONCLUSION

FBR has been playing a pivotal role not only in collection of taxes but also in expanding the tax base through various policy and administrative reform interventions. But increasing tax revenues is not an easy task, and entails careful review of the tax laws, administrative processes and procedures within the broader contours of national policy and the socio-economic milieu. The delivery against Key Performance Indicators was on track during the reporting. Level of Automation, Taxpayer's Facilitation, Integration of FBR with other Revenue Agencies & Departments, Revenue Laws Simplification and Risk Based Audits by FBR were duly focused. However, FBR needs to carry forward the current momentum by enhancing automation, streamlining core operations, effective use of data analytics and third party data, providing clarity and certainty about tax obligations, modernizing the infrastructure and rigorous performance benchmarking and monitoring. In the quest to get greater compliance, improve effectiveness and efficiency, benchmarking performance and learning can help FBR to create an environment where citizens have a strong will to discharge their tax liabilities with ease, and where the tax administration is seen as legitimate and fair.

For more information on the Federal Board of Revenue (FBR) and its activities,

visit online at:

www.fbr.gov.pk

Or Call:

051-111-772-772

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Every effort has been made to ensure the accuracy of the data presented in this publication.



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