

**Government of Pakistan**  
**Revenue Division**  
**Federal Board of Revenue**  
**Inland Revenue**  
\*\*\*\*\*

Islamabad the <sup>22<sup>nd</sup></sup> January, 2021.

**NOTIFICATION**

**S.R.O. 78 (I)/2021.**— In pursuance to the Tax Administration Reforms culminating in merger of all inland taxes namely those imposed under The Income Tax Ordinance, 2001, The Sales Tax Act, 1990, The Federal Excise Act, 2006, and The Islamabad Capital Territory (Tax on Services) Ordinance, 2001, and the consequent creation of the Inland Revenue Service for the purpose of enforcement of and performance of functions thereof, and in exercise of the powers conferred by section 227A and section 227B of the Income Tax Ordinance, 2001, section 72C and 72D of the Sales Tax Act, 1990, and section 42C and 42D of the Federal Excise Act, 2005, and in order to consolidate reward rules issued separately from time to time and to put in place a uniform incentives regime for detection of tax evasion, meritorious services, and any other outstanding performance, across the Inland Revenue field formations, detachments and the headquarters, the Federal Board of Revenue is pleased to frame the following rules, namely:-

**The Inland Revenue Reward Rules, 2021**

**1. Title and Commencement**

- (i) These rules may be called The Inland Revenue Reward Rules, 2021.
- (ii) These rules shall come into force with effect from January 01, 2021.

**2. Definitions**

In these rules, unless the context other requires or permits, the following words and expressions shall be having the meanings as given below: -

**(i) *Eligible Persons***

Following shall be eligible persons under the Reward Rules: -

- (a) The officers and staff deputed to exercise powers, enforce and/or perform functions and duties in designated entities under the specified statutes; and
- (b) Informers/Whistleblowers.

**(ii) *Eligible Performance***

Following types of performance will be eligible for claim of reward under the Reward Rules: -

- (a) Detection and assessment/recovery of tax sought to be evaded;
- (b) Meritorious services; and

- (c) Extraordinary performance.

**(iii) Specified Statutes**

The term “specified statutes” for the purposes of these rules means: -

- (a) The Sales Tax Act, 1990;
- (b) The Federal Excise Act, 2006;
- (c) The Islamabad Capital Territory (Tax on Services) Ordinance, 2001;
- (d) The Income Tax Ordinance, 2001;
- (e) The Federal Board of Revenue Act, 2007; and
- (f) Any other law/Act notified by the Federal Board of Revenue as a specified statute.

**(iv) Designated Entities**

The term “designated entities” for the purposes of these rules means: -

- (a) Inland Revenue field formations i.e. Large Taxpayers’ Offices, Medium Taxpayers’ Office, Corporate Tax Offices, and Regional Tax Offices or any associated and subordinate detachments;
- (b) Inland Revenue Directorate Generals and their field offices;
- (c) Post Refund Analysis Cell (PRAC) established by the Inland Revenue Wing;
- (d) Inland Revenue (Operations) Wing, and its associated detachments;
- (e) Any FBR Wing tasked with Inland Revenue functions; and
- (f) Any other entity notified by FBR to be a designated entity.

**(v) Informer/Whistleblower**

The term “Informer,” or “Whistleblower” for the purposes of these rules means any person who, not being an employee of Federal Board of Revenue; –

- (a) Gets himself registered for the purposes of being an informer; and
- (b) Provides information in the shape of concrete evidence, which conclusively leads to detection of tax evasion, formulation of assessment/reassessment, and eventual recovery of the evaded tax(es); and
- (c) Lodges a claim on the prescribed format on the conclusion of the processes as at (b) above.

**(vi) Tax Sought to be Evaded**

For purposes of claim of reward by officers/officials of designated entities as defined under clause (iv) of Rule 2 and for informers/whistleblowers, “tax sought to be evaded” means, –

- In terms of sub-clauses (a), (b) and (c) of clause (iii) of Rule 2, detection of an un-registered person liable to be registered and/or detection of evasion or non-assessment including short-assessment of tax by a registered person or detection of payment of inadmissible refunds or claim of inadmissible input tax resulting in and leading to an assessment/determination of tax owed to the state.

Provided that a corresponding penalty under section 33 of the Sales Tax Act, 1990, and section 19 of the Federal Excise Act, 2005, representing an amount of tax sought to be evaded must have been imposed.

- In terms of sub-clauses (d) of clause (iii) of Rule 2, difference between tax originally paid on the basis of income originally assessed/declared (if any) and the tax calculated/computed on account of re-assessment of income framed on the basis of information collected or provided resulting in and leading to an assessment/determination of tax owed to the state.

Provided that a corresponding penalty under Sl. 12 of sub-section (1) of Section 182 of the Income Tax Ordinance, 2001, representing an amount of tax sought to be evaded must have been imposed.

**(vii) Meritorious Services**

The term “Meritorious Services” means and includes exceptional performance in any or a combination of the following areas:-

- (a) Exceeding budgetary targets through extra-ordinary planning and efforts;
- (b) Displaying exceptional results in the recovery of arrears;
- (c) Enlarging the base of tax-payers by adding large number of new taxpayers whose contribution to revenues would be substantial;
- (d) Exceptional performance in defending cases (by the Departmental Representatives) before the ATIR.
- (e) Displaying extra-ordinary devotion to duty and acumen towards making some original contribution.

**(viii) Extraordinary Performance**

The term “Extraordinary Performance” means a duly notified activity-oriented task assigned to and performed by an officer or a staff or a group of officers/staff up to an exhibited degree of excellence and within the timelines prescribed and pre-notified for the purpose.

**(2) Admissibility of Reward**

A reward shall be admissible to eligible persons of designated entities on account of eligible performance exhibited while enforcing and/or performing functions and duties under the specified statutes, and at the prescribed rates.

**4. Competent Authority**

- (i) For purposes of clause (iv) of Rule 2 --
  - (a) Member (Inland Revenue - Operations) shall be the Competent Authority to sanction reward to officers/members of staff deployed in entities designated in clauses (a) to (c) thereof; and

