

RECORDER REPORT

FBR recovers Rs1.64bn from 6,451 high net worth cases

ISLAMABAD: The Federal Board of Revenue (FBR) has recovered an amount of Rs1.64 billion from 6,451 high net worth cases, which were identified on the basis of economic transactions during last one year.

According to the last one year performance of the FBR issued by the government on Sunday, during last one year 6,451 high net worth cases were identified on the basis of economic transactions. Specialised units have been created within Regional Tax Offices (RTOs) for fast track processing of these cases. As a result of which 2,989 returns have been enforced. Demand created is Rs4,915 million and the tax recovered is Rs1,648 million. Rs189 million have been paid by the taxpayers who availed the amnesty on the basis of the action taken by the specialised units.

Benami Transactions (Prohibition) Rule, 2019 vide S.R.O. 236(I)/2019 dated 11.03.2019 were issued by the IR-Operations Wing which created authorities to function under the Benami Act.

The report said that the taxes collection during the month of July 2019 by the IR-Operations Wing is Rs234 billion against the target of Rs236 Billion which is 99.2 percent of the assigned target. The collection of IR Domestic Taxes in July 2019 has shown an increase of 60 percent compared to collection of July 2018.

During Fiscal year 2018-19 the number of new tax payers who filed returns of income is 348,140 as compared to 146,096 filed during 2017-18 registering an increase of 137 percent. In July 2019 the collection of sales tax is Rs123.4 billion which is 26.4 percent higher than the collection of sales tax in July 2018 which was Rs97.6 Billion. Similarly, FED collection in July 2019 is 20 percent higher than the collection in July 2018.

However the tax collected under the Income Tax (other than Amnesty) in July 2019 is Rs85.2 billion which is 42 percent higher than the collection of Income Tax in July 2018.

The filing of returns of income for tax year 2018 indicated a growth of 62 percent over the last year. The progress of the Performance Management Delivery Unit (PMDU)/FBR revealed that out of total 12,322 complaints received by FBR, 8,435 have been resolved and 3,494 complaints are new complaints, 425 complaints are in-process. The citizen satisfaction percentage is 53 percent.

The Customs Operations Performance included introduction of Devices Identification, Registration and Blocking System (DIRBS), establishment of National Targeting Centre (NTC), Border Management Initiatives for Effective anti-smuggling and Appraisalment, creation of Directorate of Cross Border Currency Movement (CBCM), launch of Authorised Economic Operator Programme, exemption of Custom Duty on import of Plant and machinery by Greenfield projects/industry through supplementary budget, exemption/reduction of Custom Duty (CD) on industrial inputs, export Facilitation through Reduction in retention period, extension of exemption for FATA region,

automation & simplification, increasing coverage of RD Regime; increase in pitch of Additional Customs Duty.

Other initiatives included installation of scanners at various customs stations in Pakistan to facilitate and secure imports/exports, optimum compliance to the provisions of Trade Facilitation Agreement (TFA) to attract Foreign Direct Investment (FDI); generate economic activity; create employment opportunities and promote exports and successful deployment of NCEN in Data Centre of FBR in collaboration with DFID and WCO free of cost. The recent initiatives of Strategic Planning Reforms included establishment of Tax Intelligence Unit (TIU) and Market Monitoring & Intervention (MMI) under the Trust Fund for Accelerated Growth and Reforms (TAGR) Project, launch of Domestic Resource Mobilisation (DRM) Project, creation of Tax Policy Unit within Ministry of Finance, plaza Mapping at Lahore, Karachi and Islamabad, introduction of Currency Declaration System and Advanced Passenger Information System at major airports of the country, forensic audit in Sugar, Tobacco and Steel Industries to address leakages and tax evasion, Implementation of Tobacco Track & Trace System.

The Information Technology initiatives during last one year included Virtual One Stop Shop (VOSS) auto Issuance of NTN, introduction of Alternate Delivery Channel (ADC) for payment of tax through internet banking, ATM. Other steps included introduction of FBR Maloomat which provides the asset information available with FBR to potential taxpayers, Mobile Application (Tax Asaan), the new website of FBR has been launched in the month of April, 2019 and the work on Urdu version of the official website is in progress.

Success of the new website can be gauged from the fact that, in a short period of time FBR's website is now ranked in top 25 websites in Pakistan according to Alexa & Similar Web ranking system.