

### **FBR team didn't raid our mills, says Hammad**

ISLAMABAD: After raiding a steel mill owned by an influential minister of the ruling PTI, the FBR has stopped its staff from personally visiting key textile and steel units and directed them to get written declarations for stocktaking the produce of key industrial units instead of dispatching teams to get the required data. The tax officials would now obtain written declarations, as these would be matched with their future production to charge GST at the standard rate of 17 percent.

For textile and steel sectors, the FBR has abolished special taxation regimes and brought them into normal GST regime at the rate of 17 percent with effect from July 1, 2019. The FBR Lahore region team started visiting steel mills located in Lahore/Sheikhupura area. An FBR team visited the steel mill of Minister of State for Revenue Hammad Azhar last Friday and collected all records.

While the FBR officials were at the steel mills, they were directed by the headquarters to leave the premises without getting the required data. When contacted, Hammad Azhar said that the FBR team didn't raid. "As an SOP they were checking all mills for carryover stocks. So they came to ours too and collected the details and left," he said. Now they have been told to change SOP so that the entities provide details themselves," the minister added.

When this correspondent contacted the FBR Chairman Shabbar Zaidi on Sunday inquiring him about the episode, he said it was a routine matter, as the FBR had started stocktaking all major industries keeping in view the changes made in the tax laws through the Finance Act 2019-20. He said the FBR field offices had been instructed to get written declarations instead of visiting the premises of industries, as the FBR wanted full-fledged information so that tax could be collected fully from the current fiscal year.

Another top official of the FBR told this reporter in background discussions that the FBR did not raid any premises and stated that the stocktaking exercise was underway for all textile and steel units which was a matter of routine due to changes in the taxation regime.

Another FBR official said the FBR enjoyed autonomy and they were doing their assigned task in a professional manner. He made it clear that the modus operandi was not changed for any specific individual but for the whole textile and steel industry that an undertaking would be received in shape of declaration about stocktaking and then it would be matched with their future production for the purpose of charging GST at standard rate of 17 percent.

However, the FBR working staff did not agree to this assertion arguing that stocktaking could only be done by visiting the premises without prior intimation. Stocktaking is necessary because it can check misuse of anything for getting extraordinary benefits. With the abolition of zero rating regime for the textile sector, the FBR is eyeing to increase tax collection but there is also apprehension that the business of fake/flying invoices for getting refunds may become rampant, causing heavy losses to the exchequer.

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