NADRA's data mining may finally pay off

LAHORE: Pakistan has finally started exploring data and its potential, as is evident from the recently launched Federal Board of Revenue (FBR) portal of wealth owned by 53 million citizens.

The data, which was already available in scattered form with NADRA and FBR, was consolidated and launched in just two months. The FBR has for years been threatening that it has data of about two million tax evaders. This was the case even few months back when it assured the prime minister that in the first instance it would apprehend 1,000 large defaulters after which other would be nabbed.

However, nothing concrete was achieved through this exercise and only a paltry amount was recovered out of the supposedly evaded tax of billions. In comes Shabbar Zaidi, the legendary chartered accountant, who realised that the tax collectors were not taking benefit of the huge data mine of the citizens available with NADRA.

It goes to the credit of NADRA founders, who saw great opportunity in collecting vital data from the computerised card holders. They pursued the authorities to ensure that every possible financial transaction was carried though the CNIC.

Thus, it was made mandatory to record the CNIC number of persons involved in purchase or transfer of real estate or plots, purchase or transfer of vehicles, which should be electronic. The NADRA data base automatically imparted this information in the data bank of relevant CNIC holder. Similarly, airline tickets, foreign travels, stays in hotels anywhere in Pakistan, as well as the money spent in posh private clubs was all recorded with the CNIC data of each individual. The opening of accounts also required the CNIC of the applicant. NADRA knows all the details except the transactions executed in the bank accounts.

After the induction of the new FBR chairman, the banks were asked to provide the details of all accounts to the FBR (NADRA is not authorised to get account information). The FBR integrated bank account information with the NDRA data and now it has information of the assets and bank transactions of 53 million people of Pakistan.

Of course most of them are not tax defaulters or tax evaders, but a very large number of them are non-filers and many are defaulters of government dues as well. These numbers are much higher and with more authentic information on wealth than the two million odd defaulters the FBR has been trumpeting for over a decade.

This data ocean will have to be handled with utmost care. First of all, the FBR lacks the capacity to handle so many cases. Secondly, the present human resource had been hand in gloves with most obvious tax evaders.

The assets of 53 million individuals are enormous and the FBR has got a vast choice to investigate any one of them. It is at this point that the economic planners should step in to guide the tax collecting machinery. Going after low asset holders would not enrich the national kitty.

Going after actual and big tax defaulters was not in the interest of the tax collectors because most of them have been regularly benefitting enormously by letting these defaulters operate and accumulate wealth in fictitious names.

Technology can issue notices to all the 53 million individuals whose data is available with FBR. But this would create chaos and the larger defaulters would hide under this chaos. Moreover, FBR lacks the capacity to pursue even one fourth of the cases. So, they could let go cases on their discretion and go after cases that do not bribe them.

The economic planners would have to ensure that in the first phase, the bigger and well known tax evaders get nabbed; particularly known smugglers and tainted importers. Audits should be conducted by auditors of high reputation from the private sector. The FBR chairman must be knowing scores of such individuals with amicable reputation.

The data retrieved from NADRA is only a small part that relates to financial matters only. It has got a data mine on social aspects of life as well. The data reveals the number of handicapped or retarded persons residing in each National Assembly constituency.

It reveals educational status in each city or part of the city, the number of doctors and specialists living in each constituency, district or tehsil. It has record of ailments prevailing in each area. The state and each MNA can formulate social sector policies on the basis of this data.

Mansoor Ahmad