

Shabbar Zaidi's appointment: Summary with objections withdrawn

ISLAMABAD: Adviser to PM on Establishment Division Dr Shezad Arbab on Wednesday summoned all members of Federal Board of Revenue (FBR) and asked them to comply with the orders of PM on the nomination of Shabbar Zaidi as FBR chairman.

The top hierarchy of the FBR assured the adviser that they would fully comply with the PM orders and would work with new FBR Chairman Shabbar Zaidi after issuance of formal notification to this effect. Dr Shezad Arbab inquired from the FBR members about specific objections but finally told that the prime minister took decision to appoint Shabbar Zaidi keeping in view challenging situation and everyone within the fold of the FBR must comply with the orders of the chief executive of the country.

“We have told him that we are government servants and ready to work with newly nominated chairman,” said one top official of FBR and added that it was expected that the formal notification for appointment of Shabbar Zaidi as FBR chairman would be issued within next 24 hours,” top official sources said.

Earlier, the Federal Cabinet had taken up summary for appointing Shabbar Zaidi as FBR chairman but it was withdrawn because it had raised certain observations on this appointment. The Secretary Establishment Division had submitted a summary to the PM office to appoint Shabbar Zaidi as FBR chairman with reservations that being a tax consultant and partner of Ferguson he has a strong conflict of interest plus his appointment without transparent competitive process will be tantamount to be contempt of court. The summary was withdrawn and a fresh summary was demanded without such observations that would be approved soon because in principle the cabinet had granted its approval on this appointment.

When contacted to newly nominated FBR chairman Shabbar Zaidi and inquired him about observations made by Establishment Division, he replied, “It is their matter and I don’t want to discuss”.

One top official close to PTI gave his candid view and termed the appointment of a chartered accountant having two aspects as on one side he could use his expertise to apprehend potential tax dodgers and secondly it could prove fatal if he rescued these potential tax evaders. So its two edged sword and it will have to see how he performed after assuming his charge at difficult time when all eyes are focused on the performance of the FBR.

Earlier, the FBR’s Officers Association had strongly opposed this announcement and took stance that they could approach court of law if this appointment was approved by the government.

They conveyed their serious concerns and reservations about the government’s decision to appoint Shabbar Zaidi as FBR chairman. They reminded that previously, Islamabad High Court declared Arshad Ali Hakeem's appointment as FBR chairman as illegal and unconstitutional. Being a senior partner of an accountancy firm A F Ferguson & Co, Mr Shabbar’s appointment raises serious doubts about his impartiality and sincerity with premier revenue agency as he is pleading the cases of companies involving hundreds of billions of rupees as tax revenues.

The sources concluded that there are still chances that this appointment might be challenged in court of law. However, when contacted, a renowned businessman opined that the news of Shabbar Zaidi's appointment as FBR chairman has been taken very positively by the business community as it is a very appropriate decision by the government. He said that a tax expert is being made part of the tax machinery of the country.

He said that Shabbar Zaidi is a very credible person and the business community is relaxed and confident that lacunas in the tax system will be removed now. He said that Shabbar's appointment will pave the way for true tax system in the country as earlier dilapidated system was consisting of harassment of businessmen and cumbersome procedures. He said that now the FBR will work in a professional way and the dream of the expanding tax net and accurate tax collection will be achievable.

He said that Shabbar Zaidi is a learned person and is an established writer who has authored many books, including Panama Leaks – A Blessing in Disguise – Offshore Assets of Pakistani Citizens, A Journey for Clarity and Pakistan: Not a Failed State. He had also been the president of the Institute of Chartered Accountants of Pakistan and Chairman of the South Asian Federation of Accountants.

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