

### **Undocumented economy to be brought into tax system**

ISLAMABAD: After assuming his charge, Federal Board of Revenue (FBR) Chairman Shabbar Zaidi in his maiden meeting issued instructions barring tax officers to attach bank accounts in order to restore confidence of the business community.

“No bank account attachment unless the taxpayers’ CEO/principle officer/owner is informed at least 24 hours prior to attachment and the FBR chairman’s approval is obtained,” the instructions to all chief commissioners issued by the FBR chairman stated on Friday.

Talking to reporters outside the Q Block (Finance Ministry), Shabbar Zaidi said that there were estimates of 30 to 40 percent undocumented economy and he would focus on bringing undocumented economy into the formal tax system.

He said that he wanted to give respect to taxpayers and wanted to bring more people into the tax system. When asked about the reasons for barring attachment of bank accounts, he said that he only instructed to get approval of the chairman and inform them 24 hours prior to moving ahead. He said he wanted to restore the confidence of the business community as he stated that he would focus on those who were paying nil or negligible amount in shape of taxes.

Earlier, in his first address to the FBR employees here at Board’s headquarters, he said the biggest challenges being faced by the tax machinery are achievement of revenue collection targets, broadening the tax base and removing trust deficit between taxpayers and the FBR.

He vowed to work with the existing team of the FBR members and did not talk about

any change in the existing team of tax managers. He also emphasised the need to document all the economic transactions, which could be great source of revenue generation for the country.

The FBR chairman assured that the issues being confronted by the FBR employees would be addressed under his leadership. He sought the support of all the officers to work as a team for the betterment of the institution and country. He thanked the prime minister for reposing trust in him and pledged to bring an improvement in the working and performance of FBR as per expectations of the prime minister.

About the broadening of the tax-base, he gave the example of United Kingdom (UK) that the ratio of taxpayers in UK is higher as compared to its population. On the other hand, the number of taxpayers in India is very less as compared to its population. The UK tax authorities have implemented the electronic system where no potential taxpayer can hide or conceal. Therefore, effective systems can effectively be used in netting the new taxpayers.

To a question on improving the image of the FBR, he said that the interaction between the taxpayers and tax officials create such kind of impressions which would be improved through automation and electronic systems.

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