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### **Full enforcement of FBR Act proposed over new agency**

KARACHI: A consultative committee has suggested full enforcement of Federal Board of Revenue (FBR) Act, 2007 to make the country's apex tax body more efficient, advising against setting up of a new revenue collection agency, sources said on Tuesday.

The FBR, earlier this month, constituted three such committees in its Karachi, Lahore, and Islamabad offices. The committee from Karachi, headed by Faiz Illahi Memon, Chief Commissioner Inland Revenue, Large Taxpayers Unit (LTU), submitted its recommendation on planned restructuring of the board.

"The committee is strongly in favour of implementation of FBR Act, 2007 in true spirit rather than venturing into any experimentation," a source said. Sources said the committee recommended formation of Pakistan Revenue Service (PRS) to create a new federal government service group for tax officers.

The government faced stiff resistance from revenue officials on proposed restructuring of the FBR and formation of a new Pakistan Revenue Authority (PRA).

Syed Shabbar Zaidi, chairman FBR, constituted consultative committees and approved Term of References (TORs) to ensure participation of tax officials in the restructuring and reforms process. A large number of senior officers of Inland Revenue Service (IRS), at a meeting, termed the PRA as "an ill-conceived reforms plan".

The meeting had unanimously agreed the Inland Revenue Services (IRS) is in "support of meaningful and transparent reforms aimed at creating a viable automated and effective revenue organization".

The sources said the consultative committee in Karachi had recommended the appointment of officers should be remained with the Federal Public Service Commission (FPSC), instead of outsourcing it to private sector.

According to the committee the FPSC's hiring procedure is transparent. "However, the hiring for tax officials may include certain conditions, as required for the job, such as the candidate should have an education background of business administration, accounting, or commerce etc," the source said.

Regarding the issue of surplus employees, the committee argued that it was a misconception on part of some quarters that the IRS was already facing shortage of staff. However, the committee recommended skill development programme for improving computer literacy of lower cadre staff.

Recently it was reported the FBR was collecting around 80 percent of the total revenue through collection of withholding tax therefore around 22,000 employees were much higher than the required staff.

The consultative committee also presented a comparison of human resource strength and revenue of many developed and developing countries, where ratio of staff as per revenue was much higher compared to Pakistan.

On the issue of appointing deputy chairmen for IRS and customs, the committee pointed out that the former was collecting about 85 percent of the total revenue collection; therefore, postings at the top level should be in proportion with revenue collection.