

Legalisation of mobile phones, Baggage allowance facility being misused

ISLAMABAD: The Federal Board of Revenue (FBR) and Pakistan Telecommunication Authority (PTA) should investigate any possibility of misuse of facility available to incoming international passengers for legalization of mobile phones under admissible baggage allowance.

Experts said that if there is any loophole in the existing system, the FBR/PTA are required to immediately take action to avert any possibility for legalisation of the smuggled phones under the facility only available to the international passengers under admissible baggage allowance.

According to the customs general order (CGO) 1 of 2019, “The PTA shall provide online application service whereby web-based user interface <https://dirbs.pta.gov.pk/drs/auth/login> utility can be accessed by international travellers for hassle free registration and payment of duty/taxes against mobile devices imported in accompanied baggage. This utility may also be accessed through Franchise of the Cellular Mobile Operators. The aforesaid utility will guide the applicant about the information required to be submitted for online registration of mobile devices. The system in particular will require the applicant/traveller to submit the details of passport number, computerized national Identity Card (CNIC) number, International Mobile Equipment Identity (IMEI) number etc. The said information submitted by applicant will be auto processed/ validated through WeBOC. The mobile devices will accordingly be cleared by the system in accordance with admissible allowances under the Baggage Rules, whereby the first mobile phone in a year will be allowed registration/white listing in DIRBS free of duty/taxes”, CGO added.

The PTA website (device registration system) said: “As per custom baggage rule, an International traveller can avail duty/tax exemption on one mobile device in a calendar year”. A question has been raised if any passenger has not availing the said admissible baggage facility, then whether his data can be fed into the Device Identification Registration and Blocking System (DIRBS) by some other person having timely access to passengers data and also feed IMIE number of smuggled phone for legalization of such illegal phones?

Any possibility of the misuse of this facility needs to be checked/confirm by the concerned authorities, experts said.

They said that the government’s new initiative for smuggling of mobile phones may be compromised due to apprehension of legalisation of smuggled phones through a possible loophole in the existing system at airports.

Apparently, the newly implemented system seems to have an in-built flaw to legalise the mobile phones in the name of incoming international passengers without bringing into their knowledge that their names and passport numbers can be used to legalise illegal phones.

It has been apprehended that smuggled phones may be documented in the name of the data of the international passengers, entitled to baggage facility. There are more chances of misuse of the facility in cases of those passengers who are not availing facility of one free phone without payment of taxes and duties under the Baggage Rules.

The experts suggested that if any kind of such practice is being carried out at any airport, the same should be immediately checked by concerned authorities to save any loss to national exchequer.

These passengers may have no clue that any smuggled phone has been legalised in their names. There is a chance that the anyone having access to passenger’s data at the airport may legalise the phone already

smuggled and available in the local market by using data of the incoming international passengers, who have actually not brought the phones.

There is a possibility that passenger's data along with model/IMEI number of smuggled phone can be fed without payment of duties and taxes to legalise such illegal phones. The incoming international passengers have no idea that their CNIC or passport number can be misused at airport for legalisation of illegal phones, as their data is already available with the customs officials at the airports.

Details revealed that any international passenger, entitled to admissible baggage allowance, is allowed to bring one extra phone without payment of duties and taxes. In many cases, incoming passengers do not bring or declare extra phone at the airport which is required to be legalised without payment of duties and taxes. However, authorities at airports have access to the data of the incoming international passengers. They know that the specific passenger has declared any phone or not. There is a loophole, this data like CNIC/passport number can be fed in the system along with the IMEI number of smuggled phone already available with the person intending to legalize smuggled phone.

There is a possibility that the data and IMEI number of the smuggled phone may be fed in the name of passenger who has not availed the baggage facility and has not declared any phone at the airport. In this way, the new system could easily be bypassed for legalisation of smuggled phones without payment of duties and taxes, tax experts apprehended.

If the said loophole exists, the same should be timely plugged in to prevent misuse of baggage facility for legalization of smuggled phones.

The FBR has recently issued a new procedure for registration of mobile devices brought into Pakistan by international travellers and imported illegally through informal channels by local traders.

As per FBR's CGO, the mobile devices will accordingly be cleared by the system in accordance with admissible allowances under the Baggage Rules, whereby the first mobile phone in a year will be allowed registration/white listing in DIRBS free of duty/taxes.

Now in such cases, there are international passengers, who may not legalise their phones as per admissible allowances under the Baggage Rules, whereby the mobile phone has been allowed to be legalised without payment of duties and taxes.

There is a possibility that the system can be misused in cases where the passenger had not availed the online application service whereby web-based user interface utility can be accessed by international travellers for hassle free registration and payment of duty/taxes against mobile devices imported in accompanied baggage.

SOHAIL SARFRAZ