

### **FBR establishes working group on institutional reforms**

ISLAMABAD: The Federal Board of Revenue (FBR) has established a working group comprising senior tax officials to further refine the broader framework for the FBR reforms, and prepare a comprehensive document in the light of reform plan submitted by Dr Ishrat Hussain, the adviser to the prime minister on institutional reforms.

Sources told Business Recorder here on Tuesday that the working group had been given a deadline of September 3rd, 2020, for providing their feedback on the framework for the FBR reforms.

The working group comprises Muhammad Abu Bakar, chief (projects and reforms), who has been assigned the job to submit a proposal on functional and organisational restructuring.

Under the working group, Uzma Munir, SA to Member Inland Revenue Operations Wing, would be responsible to deal with the same area of functional and organisational restructuring of the FBR.

Muhammad Majid, chief Taxpayer Audit Wing, would deal with the reform framework of risk-based audit.

Another member of the working group, Najib Qadir, chief Legal FBR has been given the important assignment of improving the appellate system.

Talha Aziz Qadir, chief IT Wing, has been given the assignment to suggest improvements in the automation and business process re-engineering including simplification of codes, rules, laws, and procedures for filing taxes.

Saeed Khan Jadoon, chief (Customs) would focus on customs operations under the framework of the FBR reforms.

Saleem Akhtar, chief HRM would give suggestions on the integrity management and barrister Noshewan Khan, chief International Taxes would deal with the area of international taxes. Dr Najibullah, chief Policy (IR) Wing has been given the assignment to give suggestions on reducing the scope of the withholding tax regime.

Ejaz Ahmed Bajwa, chief Management Inland Revenue and Saleem Akhtar, chief HRM would submit their feedback on the human resource policies and management and they would also submit proposals on more autonomy to the field formations.

Dr Yasmin Fatima, chief Reforms (Reforms and Modernization Wing) would be responsible to submit proposals on the media management and public outreach and monitoring and evaluation.

According to the framework for the FBR reforms, it is strongly proposed to devolve the board's administrative and financial powers to the field formations including Large Taxpayer Units, Regional Tax Offices, and Model Customs Collectorates to make the field formations more independent.

The plan has also proposed more autonomy to the FBR's field formations with organisational restructuring to incorporate functional responsibilities.

Under the integrity management reforms, the FBR will create deterrence against corruption by revising efficiency and disciplinary rules for taking strict and prompt action against the tax officials found involved in malpractices and negligence, while performing their duties.

The framework for the FBR reforms also focused on the integration of third-party databases of the Nadra, the SBP, the AGPR, and the provincial governments with the FBR's centralised databases, and a single system for filing of sales tax returns for the federal and provincial taxes.

Under the human resource management plan, the FBR will take measures to attract, retain and motivate high calibre professional staff with integrity.

The improvement in the working environment of the FBR is also very important under the reform plan.

One of the key proposals of the reform framework is the revitalisation of the FBR Policy Board and Steering Committee for guidance and ensuring accountability for results.

The simplification of tax codes, rules, laws and procedures for the taxpayers is also an important component of the FBR reforms.

Under the reform plan, the FBR will completely automate system for allocation of cases for audit with the help of data analysis and business intelligence tools.

It is proposed that 95 percent of the audit should be conducted of the large taxpaying units.

The framework disclosed that the FBR would focus more on administration, enforcement and implementation of the tax polices, and less focus on making of the tax policies.

The basic framework for the FBR reforms further revealed that the FBR should have more operational autonomy for implementation of the tax polices and collecting revenue. The FBR should have less focus on the tax policy formulation and more focus on administration, enforcement and implementation of the existing tax polices.

The plan included reconfiguration of the board itself by reducing the number of FBR members from 13 to eight under the reforms plan.

Under the FBR reform plan, the withholding taxes would be phased out, and an automated surveillance and monitoring system would be setup for the whole value supply chain.

On the refund side, the FBR plan has proposed complete computerised issuance of income tax refunds and non-exports sectors sales tax refunds without any human intervention, the sources added.

In order to improve the appellate system of the FBR, the framework of reforms focus on maximizing use of Alternate Dispute Resolution, and separation of audit function from adjudication and automation of appeal processes.

Under the framework for the FBR reforms, track and trace system is to be implemented in 10 sectors/industries and widening the scope of the point of sale system for the retailers to cover a large number of retailers with real data transmission to the FBR, the sources added.