

Candidates being interviewed for the post of FBR chief

Page No.01 Col No.06

ZAHEER ABBASI & SOHAIL SARFRAZ

ISLAMABAD: The Imran Khan Administration is reportedly interviewing candidates for the post of Chairman Federal Board of Revenue (FBR) from the private sector to spearhead reforms in the tax administration and to broaden the tax base.

Sources told Business Recorder Friday that Prime Minister Imran Khan has interviewed two to three men for the post including Ruhail Mohammed from Engro on the recommendation of Finance Minister Asad Umar.

Sources in the Finance Ministry however expressed ignorance of any developments in the appointment of FBR Chairman from the private sector and added that so far the newly-appointed Finance Minister has not formally interacted with officials of the Finance Division on any matter, including economic issues.

While talking exclusively to Business Recorder, former Federal Tax Ombudsman (FTO) Shoaib Suddle said the selection of FBR Chairman as well as other senior posts must be merit based subsequent to fair competition. Whether these posts are filled from private sector or public sector, their salaries must be market based to prevent any possibility of corruption in the discharge of their functions.

The biggest problem demonstrated by the country's tax machinery is through withholding tax refunds, collecting advance taxes and heavy reliance on withholding taxes in the sales tax mode. These practices have been ongoing for decades and have become more acute during the past 10 years which have badly damaged the economy and exports, former FTO said.

Suddle noted that the FTO office was ready to issue authorization of warrants against big entities involved in tax evasion, but the FBR never showed any interest in proceeding against them.

A leading tax expert suggested the Khan administration to immediately constitute a Fiscal/Tax Policy Board to formulate a viable tax policy for the FBR and restrict the functioning of the FBR to tax administration and revenue collection.

The Fiscal or Tax Policy Board must separate tax policy from tax administration, and be

headed by Finance Minister or Prime Minister and its members/experts should be from government and private sector including Secretary Finance and Chairman FBR, he added.

Former Finance Minister Shaukat Tarin disclosed that annual revenue leakage of Rs 500 billion takes place due to corruption in the FBR. This figure has been increasing with time, tax experts told Business Recorder.