

## **Rs933m revenue loss: FBR moved for action against CIID head**

Page No.06 Col No.06

**LAHORE: A Customs Intelligence and Investigation Directorate (CIID) official has approached the top Federal Board of Revenue (FBR) authorities with a request to initiate disciplinary proceedings against his CIID boss Shaukat Ali for his alleged involvement in causing duty and tax loss of Rs933 million during his tenure as Collector Faisalabad Model Customs between 2012 and 2013.**

The complaint against Customs Intelligence boss was filed by Amir Bashir several months ago and a copy was provided to Dawn recently. The national accountability bureau (NAB) had decided to initiate an inquiry in March but hasn't done anything so far, Customs Intelligence sources told this reporter about a month ago and provided a big pile of inquiries against him finding him guilty of charges levelled by Amir Bashir.

A number of efforts to contact Mr Ali failed as he did not reply calls made to him and messages left with his staff in Islamabad over the last couple of weeks.

The Federal Tax Ombudsman also has recommended an inquiry by NAB against the DG.

Documents show that on a complaint in 2013, the Federal Tax Ombudsman investigated the matter and asked the FBR to identify the circumstances which led the distant importers like Gilgit-based importers to prefer Faisalabad Dry Port for clearance of their imported goods in 2011-13. The Ombudsman asked the revenue authority to submit compliance report within 30 days. The Inquiry Committee constituted by the FBR to identify those circumstances submitted the report in January 2018 after a lapse of five years.

The complainant has placed before the FBR chief a copy of the inquiry report that identified the circumstances that attracted distant importers to Faisalabad. It calculated that these "circumstances" had caused loss of Rs933m to government revenue.

According to inquiry, 50.8pc of 1,188 old/used machinery containers cleared from the dry port in Faisalabad were cleared the same day, which was unprecedented.

The inquiry has drawn a correlation between the time taken to clear an old/used machinery container and the average duty/taxes collected on each container. It found that, on an average, duty/taxes of Rs630,325 were realised on each container in 2011-13 which rose to an average duty/taxes of Rs1,415,630 per container in the subsequent collector's tenure who stopped same day clearances. According to the analysis of the report the difference of Rs785,630 in duty/taxes collected on each of 1,188 containers cleared in 2011-13 had caused a loss of Rs933m to government revenue.

The report pointed out the possibility of a 'systematic fraud' at Faisalabad dry port cannot be ruled out. However, inquiry proposed forensic audit of the clearances of containers during period to ascertain the revenue loss.

The complaint before the FBR chief questions the bona fide of forensic audit alleging that revenue losses have all become time barred due to delay in the implementation of the Tax Ombudsman's Order.

Sources say the FBR has assigned forensic audit to the Directorate of Post Clearance Audit, Lahore, which has no expertise in forensic audit. The complaint alleges that the Directorate of Post Clearance Audit will not go against FBR and therefore will not seek to establish revenue losses which have become time barred due to the FBR's defiance of the Ombudsman's order for five years.

*Published in Dawn, July 10th, 2018*