

Nadra offers to share 795,000 taxpayers' list

National Database & Registration Authority (NADRA) has shown its willingness to share a list of around 795,000 potential taxpayers who are not on the tax role with the Federal Board of Revenue (FBR) by taking a specific percentage of tax collected from these cases as its share.

It is learnt that the issue of NADRA's offer was discussed during the last meeting of Tax Reforms Implementation Committee (TRIC) which was held for an appraisal of the progress made on various decisions taken during the last meeting of the TRIC and the implementation of various recommendations made by the Tax Reforms Commission. Special Assistant to Prime Minister on Revenue Haroon Akhtar Khan presided over the meeting which was attended by the Chairman FBR, Members and other senior officers of the FBR, Chairman TRC and Members of the TRIC.

The following agenda items were thoroughly discussed in the meeting and the corresponding decisions made: The Federal Board of Revenue (FBR) has received an offer from National Database & Registration Authority (NADRA) to share a list of around 795,000 potential taxpayers who are not on the tax role. However, NADRA asked for a specific percentage of tax collected from these cases as its share. The advisor on revenue asked Member BTB to further explore this offer from NADRA and may ask for a sample data of 100 such cases, to test the effectiveness of the offer.

The commission also discussed the issue of mapping of retail outlets. FBR Member, Broadening of Tax Base (BTB) appraised the forum that a detailed meeting was held with Ms TPL to ascertain the quality of their data and its usefulness for FBR. AS a sample case, TPL shared data of Blue Area Islamabad with PRAL for cross matching with PRAL existing database. A total of 1784 data entries were sent to PRAL, out of which when matched on indicators of registered person and business names, a total of 609 entries were cross identified.

Ashfaq Tola, Member, TRIC informed that TPL has an existing databank of over 3.1 million entries, with around 0.5 million retailers alone. Chief BTB, substantiated the same and appraised the forum that TPL's data is an evolving databank with addition of fresh data on monthly basis. As next steps M/s TPL shall send a letter to FBR, based on which an MOU will be signed for further collaborations. Haroon Akhtar Khan, SA to Prime Minister on Revenue tasked PRAL to present to the TRIC how the TPL data can be utilized, with due regard to the safety of FBR's data. The presentation shall also include the proposed utility of the available data by FBR/ RTOs.

The Member BTB further informed that she recently had a meeting with Chairman NADRA and they are willing to provide FBR with list of around 795000 potential taxpayers who are not on the tax role. However, NADRA asked for %age of tax collected from these cases as its share. The advisor on revenue asked Member BTB to further explore this offer from NADRA and may ask for a sample data of 100 such cases, to test the effectiveness of the offer.

After thorough deliberations and input from the Members, TRIC decided that the CEO PRAL to present the matching/ utility of TPL data, draft letter of Intent and MOU and Member BTB to

present the details of NADRA partnership in BTB. Electronic monitoring of production of the Tobacco Industry: FBR Member (HRM), Convener of the sub-committee apprised TRIC about latest developments on the project. He also informed that pre-bid conference regarding invitation for bids for provision of tax stamps/ track and trace system of the Tobacco Industry was held on 8th June, 2017. Haroon Akhtar, SA to Prime Minister on Revenue stated that the process should be transparent and the next steps and timelines are to be met.

After thorough deliberations and input from the Members of TRIC it was decided that sub-committee may complete the process of submission of bids by 15th June 2017. However, timelines and future course of action to be followed vigorously. Strengthening of tax audit function: The committee was informed that during the last meeting of the TRIC it was decided that advertisements for forensic audit of telecom sector/ banks to be published in the local newspapers latest by 10th May, 2017 followed by international advertisements on the said subject.

Chief (Taxpayer's Audit) apprised TRIC that international tender/ advertisement for requisitioning the services of forensic auditors for carrying out the forensic audit could not be published due to official tour/ leave ex-Pakistan of Member (Taxpayer's Audit).

The TRIC advised Chief (Taxpayer Audit) that advertisement of the subject may be published in the local newspapers latest by 15th June, 2017 followed by International Advertisement. Digital monitoring of tier one retailers and restaurants in Islamabad capital territory: Secretary (ST&FE) informed TRIC that during the last meeting of TRIC it was decided that comprehensive web based RIMS in Islamabad may be implemented for the Restaurants, with certain gas/ electricity threshold, in the budget 2017-18 as policy measures. He stated that due to his pre-occupation in budget exercise the threshold of gas/ electricity could not be decided.

The committee decided that selection of restaurants in the ICT area has to be made by deciding the threshold of electricity or gas consumption. Secretary (ST&FE) and CEO, PRAL to ensure the implementation of the project by June 30, 2017. However, if any approvals required the same may be solicited directly from the Chairman, FBR.

Committee for simplification of laws: Abid Shaban, Member TRIC apprised the committee that during the last meeting it was decided that the recommendations of TRIC may be taken as policy measures for the budget exercise 2017-18 with the approval of FBR/ Member (IR Policy). However, recommendations of TRIC have not been incorporated in the budget.

Sajid Ullah Siddiqui, Chief (IR policy) stated that TRIC had furnished 16 recommendations out of which 04 recommendations of the committee have been incorporated in the budget.

It was decided that Mr. Abid Shaban, Member (TRIC) will furnish his recommendations afresh to the Chairman, TRIC. Appeal Fora: Abid Shaban, Member TRIC made a brief presentation on the FBR's litigation cases and various appellate and legal forums. He pointed out that the number of litigation cases is on the rise. Moreover, the quality of departmental representation is also not upto the mark. The departmental representatives are often found requesting for adjournments and they are also not well prepared to argue the cases. He made a few suggestions for consideration

by the board. The suggestions included placing minimum threshold amounts for cases to qualify for further litigation (Indian model), having a pool of in house advocates, mandatory posting as Departmental representative for the Appellate Tribunal, appearance of the concerned officer who actually passed the impugned order etc. A detailed discussion followed where various issues and other suggestions were examined.

The committee was also appraised about the progress of ADRC . The committee was informed that approximately 20 applications for ADRC have been received and approximately 35 ADRC panels have been constituted. After thorough deliberation and input from the Members of TRIC following decisions were taken: Faheem ul Haq (Member Accounting, FBR) to present a proforma for performance evaluation of the departmental advocates.

A committee was formed to examine and come up with (a) immediate solutions (b) medium term solutions to improve the standard of departmental representation and reducing the backlog of pending case at various litigation for a. The committee shall give presentation in the next meeting.

The committee to comprise the following members including; Faheem ul Haq (Member Accounting FBR); Hafiz Muhammad Ali Andhar, Member (Legal) Abid Shaban, Member TRIC; Yousaf Hyder Sheikh (Chief-IR Operations); Qasim Raza (Chief, Legal - II, FBR) and Faiz Ahmad (Chief, Export Customs).

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