

SBP sets December 31st deadline for online tax collection system

The State Bank of Pakistan (SBP), issuing the online tax payment procedure, has asked banks to make operational the online tax collection system across the country by 31st December 2017. The SBP, through FD Circular No.05/2017 issued Friday, has unveiled the procedure for payment of taxes through online means and ATMs and also allowed banks to charge up to Rs 50 per transaction for online tax payments.

Recently, the State Bank, the Federal Board of Revenue (FBR) and 1-Link have signed an agreement to develop a mechanism enabling public to pay FBR taxes and customs duty using internet banking or ATMs.

The facility would be available round-the-clock/7 days a week. As per the proposed mechanism, banks will add FBR (Inland Revenue) and FBR (Customs) as billers in the Billers Module and develop necessary interface with 1-Link. After the system is made operational, taxpayers/importers will fill their tax and custom duty payment details in the FBR (IRS) and Customs (WeBOC) online modules to generate Payment Slip ID (PSID).

The SBP, under its Vision 2020, has envisaged development of modern and robust payment systems to improve efficiency, security, cost and customer convenience in payments and settlement transactions. The government receipts and payments constitute a major part of the country's payment system which is so far largely dependent on cash and paper-based instruments. This not only hurts the system-wide efficiency but also causes acute hardships to taxpayers in payment of taxes.

According to the circular, as a first step towards modernizing the government receipts and payments, the SBP has decided to allow general public to pay the FBR taxes and duties (P2G) by using internet banking accounts or ATMs.

Therefore, all banks have been advised to add FBR (Inland Revenue) and FBR (Customs) as billers in the Bill Payment System offered by 1-Link and develop necessary integration with 1-Link by 5th December 2017.

Banks may charge their customers a transaction fee of up to Rs 10 per transaction for tax payments of up to Rs 100,000, a maximum of Rs 20 for tax payments of Rs 100,001 to Rs 1,000,000 and a maximum of Rs 50 for all tax payments exceeding Rs 1,000,000. As per the circular, the online tax collection system will be made operational across the country by 31st December 2017 after completion of necessary testing.

The SBP said that banks' ownership and commitment will be appreciated for successful and timely implementation of this strategically important project, which will bring huge efficiency gains besides facilitating the public in hassle-free payment of government taxes and duties.

As per the procedure of electronic collection of taxes for FBR/WeBOC, customers will fill their tax payment details in FBR (IRIS) and Customs (WeBOC) to generate

PSID (Payment Slip ID). The PSID so generated will then be used to access the tax payment details of the customer on the banks' webpage or ATM as the case may be. The customer shall then pay the tax by debiting his/her bank account for onward credit to the respective government account in SBP BSC.

Initially, the online tax payment facility will be made available for all FBR (Inland Revenue and Customs) taxes including income tax, sales tax, excise duty and custom duty. Subsequently, the online collection facility will be extended to other government entities and provincial governments as well. This will be an additional option for payment of taxes as the existing tax payment facility at SBP BSC offices in 15 cities and the NBP branches across the country would remain available.

SBP issued the following stepwise process for online tax payments:

1. The taxpayer will access systems of FBR (IRIS) or Customs (WeBOC) and fill his/her tax payment details to generate PSID (Payment Slip ID) for onward usage.
2. For tax payment, the taxpayer will visit ATM or internet banking portal and inputs his/her PSID generated in step 1 to fetch the tax payment details. After authentication of the payment details of taxpayer or his/her agent as the case may be, confirms the payment of tax.
3. Accordingly, taxpayer's account is debited for onward credit to government account at SBP BSC Office through 1-Link system.
4. As soon as the taxpayer's account is debited, 1-Link system will generate a message for WeBOC or IRIS systems that payment against the PSID has been received.
5. For confirmation, the taxpayer may view electronic display of payment confirmation on screen of ATM or internet banking portal; bank may also send SMS to taxpayer.
6. 1-Link will prepare MT-202 files (bank-wise) for settlement through RTGS.
7. Simultaneously, 1-Link will also prepare a detailed report/file of individual transactions containing PSID-wise detail of taxes collected through its system.
8. Files of MT-202 messages and individual transactions will be fetched from 1-Link secured FTP and then posted for settlement in RTGS and SBP's core banking system respectively.
9. Reports from core banking system based on unique transaction IDs (e-CPR) mapped with PSIDs of IRIS or WeBOC systems will be uploaded at Data Acquisition Portal (DAP) of SBP.
10. The FBR's IRIS and Customs WeBOC systems will fetch the respective reports from DAP for onward uploading in their system.

11. Accordingly, e-CPR/unique transaction ID will be available to taxpayers through FBR's systems, ie, IRIS and WeBOC.

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