

## Imposition of regulatory duties, taxes by government: authority linked to parliamentary sanction

The government cannot impose regulatory duties and increase taxes without the approval of Parliament, argued senators on Wednesday. The issue of regulatory duty (RD) imposed by the government on more than 700 items came under discussion during the meeting of Senate Standing Committee on Finance on Wednesday and Senator Kamil Ali Agha termed the regulatory duty on 797 items illegal.

"Tax cannot be imposed without the approval of the Parliament," he said while Senator Mohsin Aziz stated that neither can the government increase or impose taxes without seeking approval from the Parliament. Chairman of the committee Senator Saleem Mandviwalla stated this is an important issue and will be taken up in the next meeting of the committee.

While giving a briefing to the committee on progress of Modaraba case, Director Investigation National Accountability Bureau (NAB) stated that the matter is being pursued to recover the amount involved in the scam through confiscation of land. He stated that a total of 29 groups were involved in Modaraba scandals and there are 31,477 affectees with a claimed amount of Rs 22 billion.

"We have arrested 45 people and all of them are in jail while references against them are in accountability court," the official added and maintained that NAB has been able to recover around Rs 645 million in addition to the identification of properties worth Rs 4 billion of the people involved in the scam. The committee expressed concern over inability of Federal Board of Revenue (FBR) to develop a system that could have conducted the audit of the withholding taxes collected by big companies, like telecom operators. These observations were made by senators when a progress report of the FBR on audit of withholding taxes collected by the telecom sector was presented to the committee.

Senator Kamil Ali Agha said that the issue of the audit of withholding taxes was raised four years ago. He said telecom operators are collecting billions of rupees withholding tax but it is not clear whether it is deposited to the FBR.

The FBR officials agreed to the committee's suggestion of outsourcing audit of telecom sector and stated, "We will coordinate with the provinces on the proposal of outsourcing audit of withholding taxes of telecom sector. We will go for that as it will make the audit more transparent."

They added, "We have got the data and synchronized it without system and preliminary finding will be shared with the committee." They added that they will provide an analysis of the telecom operator's transactions data to the finance committee within a few weeks. The committee was told that four telecom operators have deposited Rs 48 billion to the government with Rs 12 billion by each operator.

On the issue of Rs 1.5 billion fraud of Abandoned Property Organization (APO), the meeting was told that an investigation was carried out and misappropriation of Rs 1,544.498 million was initially identified. The Securities and Exchange Commission of Pakistan (SECP) said that the metro bus scam has been sent to the Federal Investigation Agency (FIA) for investigation.

The committee was further informed that Chinese authorities have completed their investigation and as soon as enforcement would be initiated, the SECP would be informed by China. The committee was also briefed on the progress of SECP on the alleged manipulation of share price of the Bank of Punjab (BoP).

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