BRINGING HNWIS INTO TAX NET: NADRA PROVIDES 3,500 UPDATED PROFILES OF NON-FILERS TO FBR

ISLAMABAD: The National Database and Registration Authority (Nadra) Wednesday provided revised samples of 3,000 to 3,500 profiles of non-filers to the Federal Board of Revenue (FBR) for bringing high net worth individuals into the tax net. Sources told *Business Recorder* that the FBR will analyse the updated samples provided by the Nadra - based on the observations of the FBR. The FBR will also verify the authenticity of the data provided by the Nadra. “The data has been corrected and updated by the Nadra and now the FBR will check these 3,000 to 3,500 updated profiles of non-filers,” they added. During the last visit of Finance Minister Miftah Ismail to the FBR, it was decided that the Nadra would further improve the data and communicate to the FBR for the purpose of broadening the tax base.

The Nadra chairman along with his team briefed the finance minister on the taxpayers’ profiles for expanding the tax net and registration of non-filers. The Nadra has reviewed the data and submitted the updated profiles of the non-filers to the FBR for further analysis. The FBR asked the authority to rectify the mistakes in the data and provide the updated profiles to the FBR.

The FBR and the Nadra are re-working on the data for correction of the profiles of non-filers before the launch of the scheme to ensure the filing of income tax returns by un-documented persons in coming September 2022. Once the FBR is satisfied with the quality of the data, the tax department would launch the Web-Portal for non-filers of income tax returns. The FBR has asked the Nadra to further refine the data so that the citizens cannot question the authenticity of the profiles.

The FBR will upload 3.5 million Nadra profiles of non-filers on the new portal. After an advertisement campaign, the non-filers would be encouraged to file returns in September based on tax profiles shared by the authority. In the past, the FBR had provided third-party data of 14 million people to the Nadra. The authority has mixed its own data with the FBR’s third-party records and finally developed profiles of non-filers. The Nadra has identified 3.5 million non-filers by applying three different methodologies using Artificial Intelligence (AI).

The FBR will upload the profiles on a new portal to be launched for the general public. The FBR will give some time period to the non-filers to respond to the profiles available on the new portal. The FBR will also launch a massive media campaign in this regard. The non-filers would be allowed to file returns free of cost and the FBR will pay Rs5,000 to the tax lawyers for filing of each income tax return of non-filers. Non-filers can come forward and clear their position after analysing their data on the FBR’s web portal. The non-compliant non-filers would face consequences of disabling of their mobile phones or disconnections of their electricity and gas connections, etc.

‘FBR, PRA TO INTRODUCE SINGLE ST RETURN SOON’

LAHORE: The Federal Board of Revenue (FBR) and the Punjab Revenue Authority (PRA) would soon be introducing single sales tax return for taxpayers, said spokesman of the Authority, Umer Farooq. He was addressing an awareness seminar at the Lahore Chamber of Commerce & Industry (LCCI) organised by chairman of its standing committee on business and tax reforms, Kashif Anwar. The objective of the seminar was to raise awareness regarding Punjab Finance Bill 2023 and amendments made to it. A good number of businessmen and tax practitioners were present on the occasion. The spokesman PRA said the Authority has resolved many outstanding issues of the business community and no new tax has been imposed in the present Finance Bill. Meanwhile, the concessions would continue during the ongoing fiscal year as well. The condition of carrying eight years old record has been reduced to the period of five years under the bill, he added.

FBR REVISES CUSTOMS TARIFF ON IMPORTS FROM SAARC STATES

ISLAMABAD: The Federal Board of Revenue (FBR) has revised customs tariff on the import of certain items from the Saarc member states, Free Trade Agreement between Pakistan and Sri Lanka, imports from Malaysia, Turkey and Iran Preferential Trade Agreement and Indonesia-Pakistan Preferential Trade Agreement from July 1, 2022.

In this connection, the FBR has issued SRO 1246(I)/2022 to amend SRO No 1274(I)2006, here on Wednesday. Under the notification, the FBR has exempted the import into Pakistan from the Saarc member states, the goods specified, falling under the heading and sub-heading numbers of the First Schedule to the Customs Act from so much of the customs-duty as is in excess of the rates specified. This is subject to the condition that the imports are made in conformity with the “Rules of Determination of Origin of Goods under the Agreement on SAFTA” and the “Operational Certification Procedures For South Asian Free Trade Area (SAFTA), Rules of Origin” and further subject to the Import Policy Order notified by the Ministry of Commerce. Through SRO1248(I)/2022, the FBR has amended SRO 280(I)/2014, here on Wednesday.

The FBR has exempted on import into Pakistan from Sri Lanka, if made in conformity with the "Rules of Determination of Origin of Goods under the Free Trade Agreement between the Islamic Republic of Pakistan and the Democratic Socialist Republic of Sri Lanka (Pakistan-Sri Lanka FTA Rules of Origin)" and the operating "Certification Procedures for the Rules of Origin", notified by the Ministry of Commerce.

The FBR has also issued SRO 1249(I)/2022 to amend SRO 1261(I)/2007 relating to the exempted imports from Malaysia. The FBR has issued SRO1250 (I)/2022 to amend SRO 558(I)/2004 to exempt the goods specified from so much of customs-duty as is in excess of ninety per cent of the duties leviable. This is subject to the condition that they have been produced or manufactured in Iran or Turkey and imported into Pakistan in conformity with the ECO Rules of Origin notified by the Federal Government for implementing the ECO Protocol relating to preferential tariffs among members of the ECO. The exemption is available on the imports into Pakistan from the Saarc member states, if made in conformity with the SAARC Rules of Origin issued by the Ministry of Commerce.

The FBR has notified SRO 1251 (I)/2022 to introduce amendments in the SRO 894(I)/2006 to allow exemption of goods to the extent of percentage of concession on the import into Pakistan from Iran, if made in conformity with the Pakistan–Iran Preferential Trade Agreement Rules of Origin, 2004, as notified by the Ministry of Commerce under the Preferential Trade Agreement between the Pakistan and Iran.

The FBR has issued SRO1252 (I)/2022 to amend SRO 741(I)/2013 relating to the exemption on the import into Pakistan from Indonesia of the goods from so much of the customs-duty specified as is in excess of the rates specified. Provided further that the goods shall be imported in conformity with the Indonesia-Pakistan Preferential Trade Agreement Rules of Origin, 2012 notified by the Ministry of Commerce vide notification SRO 1485(I)/2012 dated 22nd December 2012, read with the Import Policy Order as notified by the Ministry of Commerce from time to time.

IMPORTS FOR KARACHI IN FY22: SINDH GOVT COLLECTS WHOPPING RS80.4BN INFRASTRUCTURE CESS

KARACHI: The Sindh government has collected a whopping Rs80.4 billion on account of infrastructure cess on imports from Karachi during the financial year 2022. But, the irony of the fact is that Pakistan People's Party-led Sindh government has allocated mere Rs 2.5 billion for the restoration of rain-affected infrastructure of Karachi – the mega city, and revenue engine of Pakistan.

According to the data, exclusively obtained by Business Recorder from the President of Karachi Chambers of Commerce and Industry (KCCI) Muhammad Idrees Memon, the provincial government has collected a total Rs 80.4 billion infrastructure cess on imports that include Rs 76.4 billion by sea and Rs 3.9 billion by air, during 2021-22.

In July 2021, the government collected Rs 6.4 billion infrastructure cess on imports from Karachi's seaports, Rs 7.3 billion in August, Rs 6.7 billion in September, Rs 6.39 billion in October, Rs 6.36 billion in November, Rs 6.42 billion in December 2021, Rs 6.20 billion in January 2022, Rs 6.22 billion in February, Rs 6.22 billion in March, Rs 5.99 billion in April, Rs 5.7 billion in May and Rs 6.4 billion in June 2022. Similarly, the in infrastructure cess tax collected by air stood around Rs 290 million in July 2021, Rs 357 million in August, Rs 377 million in September, Rs 273 million in October, Rs 339 million in November, Rs 407 million in December 2021, Rs 319 million in January 2022, Rs 292 million in February, Rs 332 million in March, Rs 365 million in April, Rs 343 million in May and Rs 258 million in June 2022. "Sindh government has decided to restore rain-affected city's infrastructure and the Sindh Cabinet in this regard has approved Rs2.5 billion from which Rs1.5 billion are for road maintenance on the route of People's Bus Services and rehabilitation of various other roads," Sindh Chief Secretary Dr Muhammad Sohail Rajput informed business community during his visit to Karachi Chamber of Commerce and Industry (KCCI) on Wednesday.

Zubair Motiwala, Javed Bilwani, AQ Khalil and other prominent exporters, and business leaders informed The CS about the issues of business community and the problems of the city and said that business community will help Sindh Government to improve the infrastructure of the city. Speaking at the occasion, the chief secretary said the Korangi Causeway project will be completed by June 2024 at a cost of Rs 5 billion. He said that the experts have identified most vulnerable areas of the city and suggested an engineering solution for rain water drainage at Tower, Gulshan Iqbal 13D, University Road, PECHS and Ahsanabad areas. He further said that the salaries of fire brigade employees and other issues will be resolved on priority basis. "A canal, power station and treatment plant will be built on the Hub Dam which will minimize the water loses" said Chief Secretary Sindh.

"Public-private partnership projects will be carried out in collaboration with Karachi's business community and an IT Park will be built in Karachi under Public Private Partnership" He said. While assuring business community said that he will raise the issue of Citizen Oversight for Karachi projects in the upcoming meeting of Sindh Cabinet meeting. He further stetted that Thar Coal is a successful public private partnership project of the Government of Sindh. In response to a question, he said that the local body elections will be held on time.

DGCV REVISES CUSTOMS VALUE OF DISPOSABLE SYRINGES WITH NEEDLES

KARACHI: Directorate General of Customs Valuation (DGCV) has revised the customs value of disposable syringes with needles under section 25(9) of the Customs Act, 1969.

According to the details, the customs value disposal / auto-disable syringes with needles were earlier determined under section 25A of the Customs Act, 1969 in March 2022. However, the DGCV set aside the valuation ruling vide order in revision No. 45/2022 under section 25D of the Customs Act, 1969, with the direction to determine a fresh custom value of the subject goods. As a result, an exercise was undertaken by the DGCV to re-determine the customs values of subject goods in terms of section 25A of the Customs Act, 1969. For this purpose, the meeting with all stakeholders, and trade bodies including representatives of clearance Collectorates were held at the DGCV office. During the meeting, the importers contended that the values in the existing valuation ruling are on the higher side, therefore, customs values of goods may be rationalized to reflect the true transnational values and the current price end in the international market. The viewpoints of stakeholders were heard in detail and considered to arrive at the customs values of the subject goods. Later, the documents were provided by the importers to substantiate their contention.

Finally, the clearance data, raw material prices, and local market prices including international prices through the internet were examined thoroughly and the information so gathered was utilized and analyzed to determine the customs values of disposal / auto-disable syringes with needles under section 25(9) of the Customs Act, 1969.

CASES OF ELECTRICITY & GAS TARIFFS: APTMA PRAISES FTO FOR PROVIDING RELIEF TO EXPORT-ORIENTED SECTORS

LAHORE: All Pakistan Textile Mills Association (APTMA) has appreciated Federal Tax Ombudsman (FTO) Dr Asif Mahmood Jah for providing prompt relief to export oriented sectors against the inordinate delay caused by Export Oriented Sector Registration Cell (ESRC) of the Federal Board of Revenue (FBR) in processing cases of export units for electricity and gas tariff.

Hamid Zaman, Chairman, APTMA (NZ) said that processing of energy tariff cases was being delayed on lame excuses and false pretexts, forcing the exporters to pay excessive tariff on electricity and gas. Consequently, they were being saddled with extra financial burden reducing their competitiveness in the global market against their local and regional competitors.

Zaman said that textile mills had apprised FTO that a Standard Operating Procedure directions of Economic Coordination Committee (ECC), was issued through FBR Circular No. 04 of 2020 prescribing procedure for enrolment of registered persons to qualify for special energy tariff. Unfortunately, the legally laid down SOP was being blatantly violated by adopting delaying tactics causing immense loss to the applicants.

The matter was immediately taken up by the Honourable FTO who vide his decision in Complaint No. 1974/ISD/ST2022 held that the delay caused by FBR tantamount to maladministration and unambiguously directed FBR to process all cases for concessionary energy tariff on Fast Track day to day basis without any delay or deviation from the prescribed procedure.

APTMA has lauded FTO for cost free redressal of the genuine problem of export industry without any lapse of time. Such decisions go a long way to help the export sector to focus on exports instead of wasting their valuable time in trivial procedural and bureaucratic formalities.

APTMA has expressed the hope that FBR would implement FTO directions in letter and spirit to ensure that all cases, received from trade bodies for energy tariff are processed on priority to avoid irretrievable financial loss to the exporters.

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