

FBR HEAD LISTENS TO GRIEVANCES OF TAXPAYERS

ISLAMABAD: Chairman Federal Board of Revenue (FBR) Asim Ahmad has advised the taxpayers to visit their nearest Regional Tax Office and Collectorate of Customs for resolution of their issues on matters of taxation. Continuing the tradition, Chairman Federal Board of Revenue (FBR) Asim Ahmad held another E-Khuli Kachehri at FBR HQs on Friday to listen to the issues of taxpayers and provide prompt assistance.

The occasion provides a platform to taxpayers to voice their concerns directly to Chairman FBR, as well as, give suggestions for speedy provision of tax-related services to promote tax compliance across the country.

Chairman FBR directly received telephone calls from taxpayers and listened to their grievances and recommendations. The Chairman gave on-spot directions to relevant offices to resolve issues of the taxpayers at the earliest. He also advised the taxpayers to visit their nearest Regional Tax Office and Collectorate of Customs for resolution of their issues on matters of taxation. Chairman FBR appreciated the suggestions given by some taxpayers and assured them that their valued input would be duly considered while formulating future tax policies and initiatives for taxpayers' facilitation. He reiterated that FBR was taking all possible measures to facilitate the taxpayers by ensuring timely provision of services. E-Khuli Kachehri by Chairman FBR provides an opportunity to taxpayers to directly communicate with the Chairman for redressal of their grievances and also helps keep a check on the performance of the Field Formations. Chairman FBR has already directed all Field Formations to timely resolve the taxpayers' concerns through improved service delivery.

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'TAX AUTHORITIES CREATED ANOMALIES IN TOBACCO SECTOR'

ISLAMABAD: Seven anomalies have been created by tax authorities through mini-budget for the formal tobacco sector and making it difficult to run their normal business. It was the crux of the briefing extended by the representatives of Pakistan Tobacco Company here on Friday. They stated that in the recent budget, government increased the FED rates for Tier 2 brands by Rs3,000 per 1,000 sticks to Rs5,050 and by Rs10,000 per thousand sticks for Tier I brands to Rs16,500. This has resulted in an increase of 146 percent to 154 percent respectively. The retail price threshold, however, was increased from Rs6,660 to Rs9,000 per thousand sticks – a 35 percent increase only. If cigarette prices cross Rs9,000 per 1000 sticks, it will attract a Rs16,500 rate and lower will fall in the Tier 2 rates.

The officials stated that according to calculations, if 30 percent of Tier II volumes start selling at minimum legal price, just the loss of sales tax revenue to the government will be Rs19 billion. This is because the minimum legal price has not increased in line with past practice.

Historically, the Retail Price Threshold (RPT) used to move in line with the increase in Tier-1 FED but this time there is a deviation from the past precedent and not increasing the RPT systematically will have multiple negative implications. The Minimum Legal Price (MLP) of a law is set at 45 percent of the Retail Price Threshold, now increased to 60 percent. Unfortunately because the Retail Price Threshold did not increase as per past precedent, there was negligible increase in the minimum legal price (MLP). Currently the MLP stands at Rs108. This means the lowest price of any packet of cigarettes as per law is Rs108. As expensive cigarettes become even more expensive, cheaper cigarettes continue to remain cheap and the minimum price of a packet of cigarettes has not increased in line with the Tier 1 increase, with the MLP the 45 percent of the Retail Price Threshold. PTC requested that the retail price threshold should increase in line with the increase in Tier 1 rates so that the minimum legal price in the country.

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FBR DIRECTS ALL CHIEF COLLECTORS TO SURRENDER CONFISCATED FOREIGN CURRENCIES TO NBP

Islamabad: The Federal Board of Revenue has directed All Chief Collectors of Customs to surrender confiscated foreign currencies to those branches of National Bank of Pakistan (NBP) that are dealing in foreign exchange. Sources said FBR has written a letter to All Chief Collectors of Customs with regard to a new mechanism for authentication of confiscated foreign currencies. The letter asks for attention to be given to this by the State bank of Pakistan (SBP). According to new mechanisms, foreign currencies confiscated by law enforcement agencies or other government departments should be surrendered directly to branches of NBP for realization/authentication and onward credit to appropriate accounts. The new process is aimed at streamlining the handling of these currencies and making the overall operation more efficient. Earlier, Pakistan Customs used to submit confiscated currency directly to the SBP.

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