

JULY-MARCH: FBR SUFFERS MASSIVE SHORTFALL OF RS304BN

ISLAMABAD: Despite imposition of additional taxes of Rs 170 billion on February 14, the Federal Board of Revenue (FBR) has suffered a massive shortfall of Rs304 billion during July-March (2022-23). It is learnt that the tax machinery has provisionally collected Rs5,156 billion in the first nine months of the current fiscal year against the assigned target of Rs5,460 billion for July-March (2022-23), reflecting a huge shortfall of Rs304 billion. Till the filing of the story, the FBR has not officially released data of the tax collection on Friday.

The FBR has provisionally collected Rs 663 billion in March 2023 as compared to Rs 573.6 billion March 2022, reflecting an increase of Rs 89.4 billion. After the imposition of taxes of Rs 170 billion in the mini-budget, the new annual tax target of the FBR has been fixed at Rs7.640 trillion.

According to provisional figures, the FBR collected Rs 663 billion in March 2023 against the target of Rs727 billion, reflecting a huge shortfall of Rs 64 billion.

The FBR has collected Rs5,156 billion in the first nine months of the current fiscal year against Rs 4,375 billion collected in the same period of 2021-22, showing an increase of Rs 780.4 billion.

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FBR SERVES SHOW CAUSE NOTICE ON SSGCL MD FOR NOT DECLARING FOREIGN ASSETS IN HIS WEALTH STATEMENT AND NOT PAYING CAPITAL VALUE TAX

KARACHI: The Federal Board of Revenue (FBR) has served a show cause notice on Imran Maniar, Managing Director of Sui-Southern Gas Company Limited (SSGCL), for not declaring foreign assets in his wealth statement and not paying capital value tax for them. According to official documents, copies of which are available with The News, Ejaz Ahmed, Additional Commissioner of Inland Revenue, Range-1, Zone-II of FBR, Karachi, served a show cause notice to the MD SSGCL Imran Maniar for not declaring properties in the US in his tax returns and subsequently not paying wealth tax and asked him to submit a reply.

The FBR authorities found that the SSGCL MD owned as many as 12 assets in Houston, Texas, worth Rs625.999 million. The show cause notice cited details of those foreign properties. According to the show cause notice, Maniar was required to pay one percent capital value tax on the foreign assets determined under section 8(3)(c) of the Finance Act. It goes on to allege that the SSGCL MD acquired these properties from undeclared sources, therefore, his Rs626.999 million income escaped assessment. He was asked to explain as to why the amount of capital value tax shall not be recovered in terms of subsection 2(b) and 7 of section 8 of the Finance Act 2022 read with rule 6(2) of SRO 1797 (1)/2022.

The FBR directed the officer to submit an explanation along with supporting evidence and was warned of action and charges being framed ex parte besides further legal punitive actions if he evades a response. Meanwhile, FBR and Federal Investigation Agency (FIA) also initiated an inquiry against MD Maniar for alleged forgery and tampering in the official service record of some officers of SSGCL by misusing their official position. The FIA Karachi's Corporate Crime Circle initiated an inquiry against the management of SSGCL, including of Chairperson of SSGCL Board, MD Maniar, and other senior officers for alleged forgery and tampering in Annual Confidential Reports (ACRs) and Performance Appraisal Forms (PAFs) of some officers and directed them to furnish service record of officers, Human Resources manual, standard operating procedures and prevailing rules and regulations.

The FIA took the action after some SSGCL officers sought action against the company's top management, including MD Maniar, for tampering with their service records to harm them. The SSGCL management has assured the FIA of submission of the record by April 3, 2023. This reporter approached MD SSGCL Imran Maniar and spokesman of SSGCL Safdar Khonharo for an official version of the issue, called them many times and then sent them detailed messages but both avoided responding till the filing of the news story. Sources close to the MD, however, rejected the allegations against him, saying he will effectively defend his position.

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ALL DUTIES MUST BE COLLECTED THROUGH THE BANKING CHANNEL, PRESIDENT KATI

KARACHI: Korangi Association of Trade and Industry (KATI) President Faraz-ur-Rehman has welcomed the State Bank's removal of the condition of Cash Margin Restriction (CMR) on imported goods. He said that with this initiative, the shortage of raw materials and essential items will be removed in the country. Suspended industrial production will resume and exports will also recover.

President KATI said that the State Bank should impose third-party payment for the import of luxury and non-essential goods and all import duties should be collected through bank accounts. He said that the government should provide more facilities by abolishing duty on the import of machinery required for the IT sector and technology transfer so that industrialization in the country increases. Faraz-ur-Rehman said that since 2017, the ban imposed on various occasions was bringing disrepute to Pakistan in the international market. Buyers were not preferring to trade from Pakistan due to the ban. President KATI said that the removal of the condition of Cash Margin Restriction by the State Bank will restore the supply of scarce raw materials and essential commodities in the country.

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