

**PRESIDENT'S SECRETARIAT (PUBLIC)
PRESS WING**

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ISLAMABAD 17th July 2020: President Dr. Arif Alvi has appreciated the role of Federal Tax Ombudsman (FTO) in resolving complaints of the taxpayers against the maladministration of tax authorities as well as using Own Motion powers to unearth irregularities in the taxation system and establishment of IT based complaint registration system to facilitate the aggrieved taxpayers.

The President expressed these views while talking to Federal Tax Ombudsman Mushtaq Ahmad Sukhera, who called on him at the Aiwan-e-Sadr today.

The President expressed his satisfaction over the proper utilization of traditional and digital media by Federal Tax Ombudsman Office to promote awareness among the taxpayers regarding free of cost services for redressal of complains and efforts to digitalize FTO office services using IT based Complaint Management Information System (CMIS) and development of an Android App to facilitate the taxpayers in complaint registration process as well as establishment of paperless office environment in FTO Secretariat. The President emphasized that there was a need to create more awareness about the efficacy of the forum by utilizing the traditional as well as digital media.

President Dr. Arif Alvi also observed that there was room for improvement to the President in the Act/Law of Federal Tax Ombudsman to make this institution more effective in order to provide speedy justice to the taxpayers. He assured his support to the institution in the discharge of its duties and functions.

Federal Tax Ombudsman Mushtaq Ahmad Sukhera presented report on performance of FTO office during 2019 along with comparative figures of last 5 years, which showed significant growth in almost all measurable indicators of performance from 2015 to 2019.

President Arif Alvi was apprised that sanction and payment of stuck up tax refunds of Rs. 5864.94 million were facilitated to the taxpayers and 82.59% recommendations made by the FTO Office were implemented by FBR and its subordinate officers during 2019.

Federal Tax Ombudsman apprised the President that the majority of the taxpayers' complaints were regarding grievances in the assessment processes. However, dealing with assessment issues is not the mandate of FTO. Improvement in the Act/law of FTO office in this regard will enable FTO office to look into such matters where glaring maladministration is visible, he added.

Federal Tax Ombudsman reported that during 2019, FTO office received 2510 fresh complaints and 202 own motion cases involving huge revenue and glaring maladministration, were registered. After adding 458 complaints carried over from previous year and some inspection report based cognizance, all registered cases totaled to 3171. Out of these, 2633 complaints were disposed of during the year 2019, compared to 1880 complaints redressed during the calendar year 2018.

Federal Tax Ombudsman said that, he tried to unearth irregularities, using his Own Motion powers and to improve such areas of taxation system where glaring maladministration was

visible. FTO Office conveyed its recommendations to FBR regarding misuse of zero-rating facility and audit of manufacturers, misuse of jewelry export and illegal gold trade, unlawful compulsion of non-residents to file returns, irregularities in seizure, auction and smuggling of non-custom paid vehicles, irregularities and under-realization of Federal Excise Duty and Sales Tax from cigarette manufacturers, evasion of tax on agriculture income, ghost manufacturers and bogus sales tax refunds, fake invoices to evade taxes, smuggling of Iranian Petroleum, border tax evasion,

The FTO further said that Inspection of two FBR offices (CIR – Appeals -Faisalabad and Collector MCC, Quetta) was also conducted to investigate complaints of inefficiency, malpractices and corruption. As a whole, 25 research studies and proposals have been sent to FBR during 2019 for systemic improvement, he added.

FTO also presented a few proposals to the President regarding harmonization of period mentioned in Section 14(2) and 14(5) of Federal Ombudsmen Institutional Reforms Act, 2013, filing of unnecessary representations by FBR and contesting the decisions of the Hon'ble President in Courts, contrary to letter No.1/12/2003-Imp.II, dated 20th August, 2015 of the Cabinet Division.
