



2021
2022

ANNUAL PERFORMANCE **REPORT**

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Foreword by Chairman FBR

The current issue of Annual Performance Report provides an update on FBR's revenue generating efforts during FY 2021-22. This Annual Report includes FBR's performance based on 10 identified key performance indicators. The analysis of data provides an insight into various components of federal taxes and reform initiatives undertaken by FBR with the help of international donors to achieve the goal of transforming FBR into an efficient and modern tax administration.



In the FY 2021-2022 Pakistan's economy was still recovering from the global disruptions, especially Covid 19. In addition Pakistan was also facing the challenges of Balance of Payments. However, due to prudent policies of the government, Pakistan maintained its the achievement of annual revenue target. Pakistan's exports and imports both picked up. FBR was at the leading end of Government's efforts to spur growth and increase revenues without burdening the masses. FBR remained committed to its reform agenda of improving tax administration.

FY 2021-22 would be remembered as a historic year as collection surpassed 6,000 billion mark for the first time in history of the country. The upward revised target of Rs. 6,100 billion has been surpassed by Rs. 48.5 billion with an increase of 29.6% over last year. The collection of sales tax, direct taxes and federal excise duty showed growths of 27.4%, 32.0% and 15.8 % respectively, while the customs duty reflected a growth of 35.0%.

FBR helped more taxpayers than ever to pay their taxes quickly and easily online – 3.35 million people filed income tax returns for the Tax Year 2021 during financial year 2021-22. This is an unprecedented number, which highlights FBRs efforts focused at both taxpayers' education and enforcement activities. During 2021-22, value of customs seizures reached Rs. 66.8 billion reflecting increase of **13.8%** when compared with last year.

FBR remains committed to modernization, reforms and automation. FBR is also cognizant of the fact that no organization can be successful if it does not enjoy the trust of its stakeholders, both internal and external. In the present wave of reforms, FBR is focused on trust building measures by ensuring taxpayer friendly systems and opening communication channels. This approach will go a long way in removing decades of mistrust and usher in a new era of partnership between FBR and all the stakeholders.

I appreciate and commend the efforts of the Reforms Wing in bringing out this issue of Annual Performance Report of FBR for the year 2021-22.

(Asim Ahmad)

Chairman, Federal Board of Revenue /
Secretary Revenue Division

Contents

Foreword by Chairman FBR	2
Introduction.....	4
Functions of FBR.....	5
Chapter-2 Summary of FBR's Performance at a Glance.....	8
Chapter-3 Delivery against Key Performance Indicators	11
KPI-1: Revenue Target Performance	11
KPI-2: Level of Automation	26
KPI-3: Taxpayer's Facilitation	32
KPI-4: Integration of FBR with other revenue agencies & departments	37
KPI -5: Revenue Laws Simplification	38
KPI-6: Risk Based Audits Conducted by FBR	39
KPI-7: Formulation of National Tax / Customs Policy.....	40
KPI-8: FBR Outreach & Human Resource Development	43
KPI-9: FBR representation before various legal forums.....	46
KPI-10: Implementation of Public Account Committee (PAC) directives.....	47
Chapter-4 Implementation of FBR's Reform Agenda.....	50
CONCLUSION	53
Acknowledgments.....	53

Introduction

The people of Pakistan are the primary stakeholders of the State of Pakistan. The State is run with the taxes paid by the masses. Therefore, every citizen of Pakistan has a right to be informed of the activities, performance, achievements, failures and plans of the organization they trust with their taxes. On the other hand, the Government of Pakistan is heavily investing in improving the functioning and performance of FBR. The target is to enable FBR to become an organization capable of achieving the government's target of self-reliance through optimal collection of revenue.

The World Bank's funded Pakistan Raises Revenue (PRR) Program (2019-24) envisages a transformed FBR, using technology and awareness to win the trust of its taxpayers. This report aims to present the performance of FBR against specified key performance indicators in the PRR and to promote awareness about its achievements during the FY 2021-22. The report fulfills a key requirement of the PRR program which pertains to transparency and requires systematic measurement and public reporting of its performance delivery against approved key performance indicators.

These KPIs devised in consultation with the World Bank are comprehensive and cover almost all segments of FBR's performance. The KPIs range from revenue collection, to taxpayer education, to transparency in FBR operations and controls. The outcome of such disclosure and reporting is transparency and accountability of the FBR to the government and to the public, which is critical for building the public's trust in the FBR and the taxation system.

This report also informs about the reforms initiatives undertaken by FBR with the help of international donors to achieve the goal of transforming FBR into an efficient, effective, transparent, and modern tax administration, which seeks recognition for its professionalism and integrity of its workforce.

As part of FBR's commitment to align the organization with its strategic objectives, this report will help FBR to assess the results against key performance indicators and to gauge success in achievement of its overall vision and mission. This will also materially affect the ability of FBR to review the defined targets and to evaluate performance in the implementation of reform agenda over short, medium and long term.

This report has delved into each performance indicator in detail in the second and third chapters, while the subsequent chapters discuss the extent of implementation of the reform agenda by FBR.

Functions of FBR

In the existing setup, FBR is a federal agency of Pakistan that is responsible for enforcing fiscal laws and collecting revenue for the government of Pakistan. It has the following responsibilities:

- a) Formulation and administration of taxation policy;
- b) Levy and collection of federal taxes;
- c) Quasi-judicial function of deciding taxation cases and appeals;
- d) Entering into avoidance of double-taxation treaties with other countries;
- e) Liaison with all Ministries, Chambers of Commerce and Industry as well as International Organizations on taxation and enforcement matters.

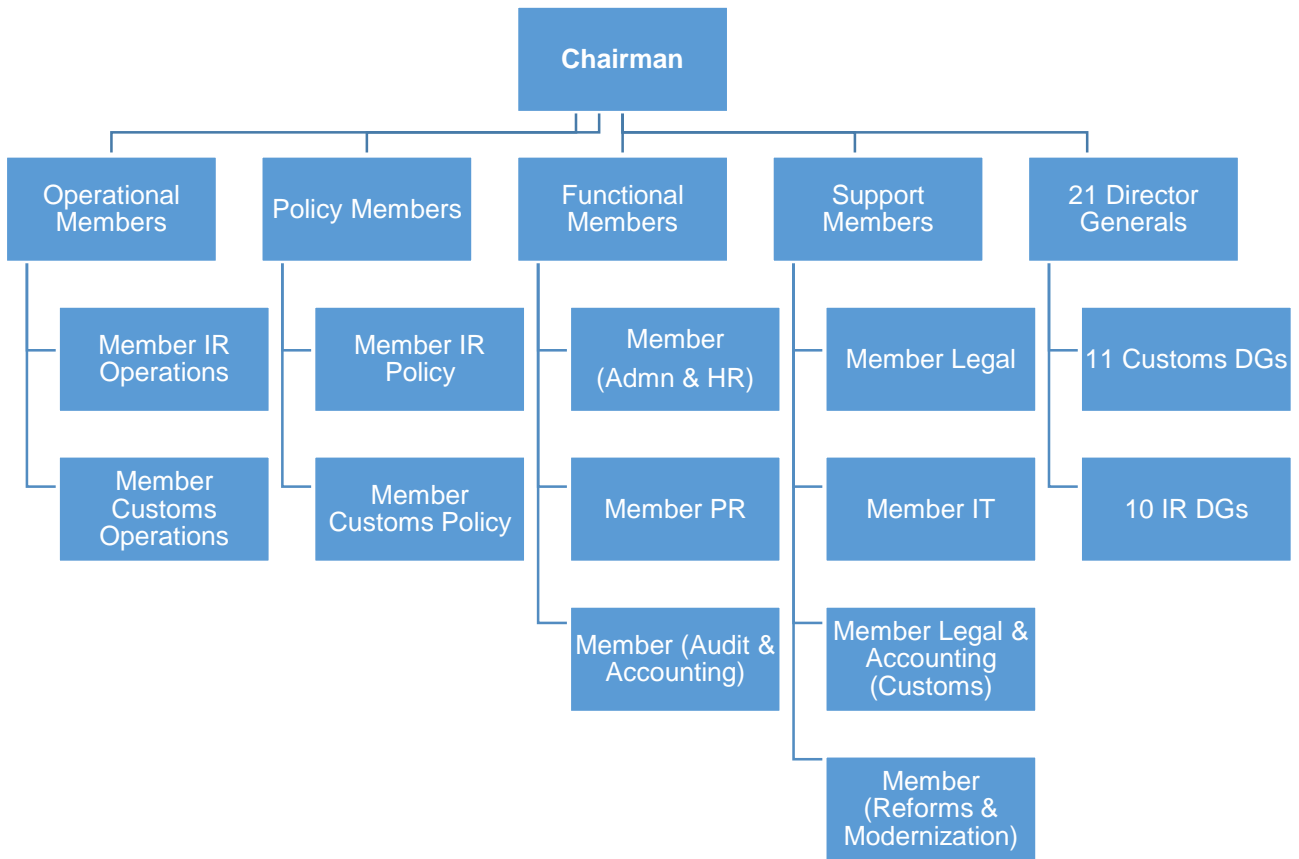
FBR primarily operates through its main collection arms comprising Regional Tax Offices (RTOs), Large Taxpayer Office (LTOs), and Customs Collectorates across the country. FBR has two major wings - Inland Revenue & Customs. Inland Revenue Service administers domestic taxation including Sales Tax, Income Tax and Federal Excise Duties, while Pakistan Customs Service administers import duties and other taxes collected at import stage, and regulates international trade with regard to prohibitions & restrictions imposed by the government.

For the purpose of collection of revenue and broadening of the tax base FBR's powers & functions also include, but are not limited to, carrying out inquiries and audits/investigations into the tax affairs, commanding arrests, attachment as well as public auction of movable and immovable assets of tax evaders.

Organizational Set-up

In the present setup, Chairman FBR is assisted by various Members. Besides this top tier, senior management also includes various Director Generals and Chief Commissioners/Chief Collectors.

Organogram of FBR



FBR's Vision

To be a modern, progressive, effective, autonomous and credible organization for optimizing revenue by providing quality service and promoting compliance with related tax laws.

Mission

To enhance the capability of the tax system to collect due taxes through application of modern techniques, providing taxpayer assistance and creating a motivated, satisfied, dedicated and professional workforce.

Values

Integrity

Professionalism

Teamwork

Courtesy

Fairness

Transparency

Responsiveness

FBR's Strategic Intent

FBR aims to be a smart and modern tax administration with unquestionable integrity, trusted by all the stakeholders. FBR has identified the following strategic objectives, which form the cornerstone of our 5-year Strategic Plan both for Customs as well as for Inland Taxes:

- a) Ensure sustainable increase in domestic revenue by broadening the tax base and facilitating compliance
- b) Provide clarity and certainty about tax obligations
- c) Make it inexpensive and easy for taxpayers and traders to comply and fulfil their obligations
- d) Increase the use of data to improve integrity, acquire insight & improve outcomes
- e) Modernize infrastructure, technology, and enhance automation for digitalized and streamlined services
- f) Facilitate legitimate trade and travel without compromising on customs controls
- g) Enhance fiscal controls, enforcement, and society protection capabilities
- h) Ensure efficient use of resources to deliver quality outcomes and performance excellence
- i) Mitigate tax evasion and non-compliance.
- j) Develop a high performing, diverse, agile and engaged workforce
- k) Work with international donor partners to modernize the tax administration system
- l) Build public trust and confidence in the tax administration system.

Chapter-2 Summary of FBR's Performance at a Glance

Overall Performance of FBR

The Federal Board of Revenue collects more than 86% of all Government revenues. Its mandate includes levy and collection of federal duties, taxes and other levies and formulation and administration of fiscal policies. Its responsibilities also include facilitation of legitimate trade and travel while safeguarding the society and economy through enforcement measures.

The revenue target of 6,100 billion has been surpassed by Rs. 48.5 billion with an increase of 29.6% over last year Total revenue collection of FBR during FY 2021-22 exceeded Rs. 6,100 billion reflecting year-on-year growth of 29.6%, which was a significant achievement in the context of the slow economic growth especially during the first half of the financial year. Equally remarkable was the progress made against long outstanding sales tax refunds. The total sales tax refund payments amounting to a staggering Rs. 378.9 billion reflected a growth of more than 58.1% when compared with the previous financial year.

FBR remains an example of an institution that continues to do more with limited resources. Due to the difficult macroeconomic environment in the country, the expenditure budget allocated by the Federal Government to run FBR was much less than the international benchmark for cost of collection of 1-1.5 percent of tax revenues.

Despite various challenges, FBR was able to surpass the revised annual revenue collection target of Rs. **6,148.5** billion during FY 2021-22. For this remarkable accomplishment, FBR's leadership and workforce deserve appreciation.

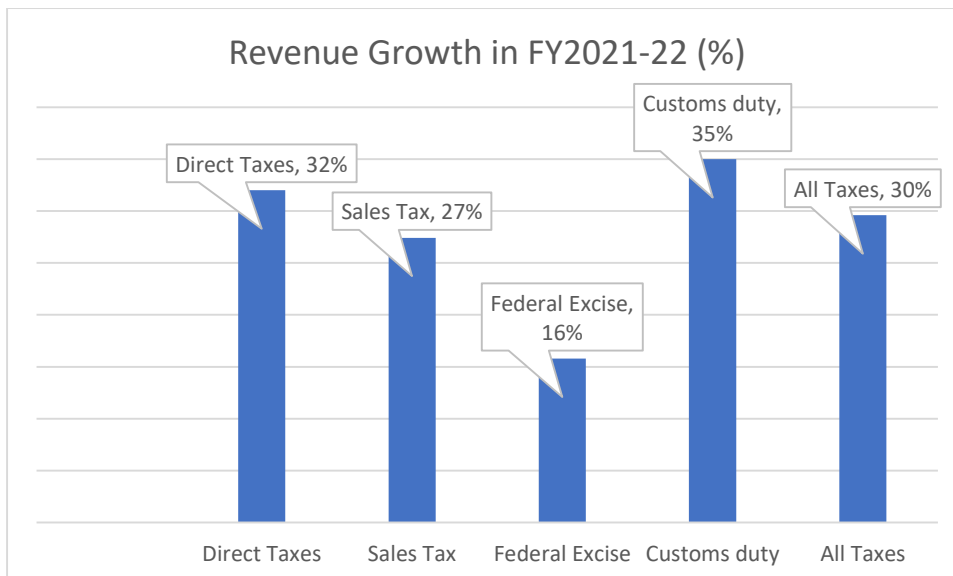
Performance Information



Target Surpassed



Source: Directorate General Revenue Analysis (FBR)

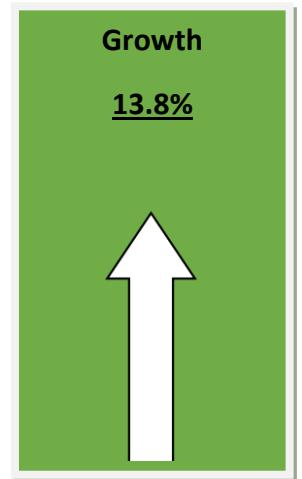
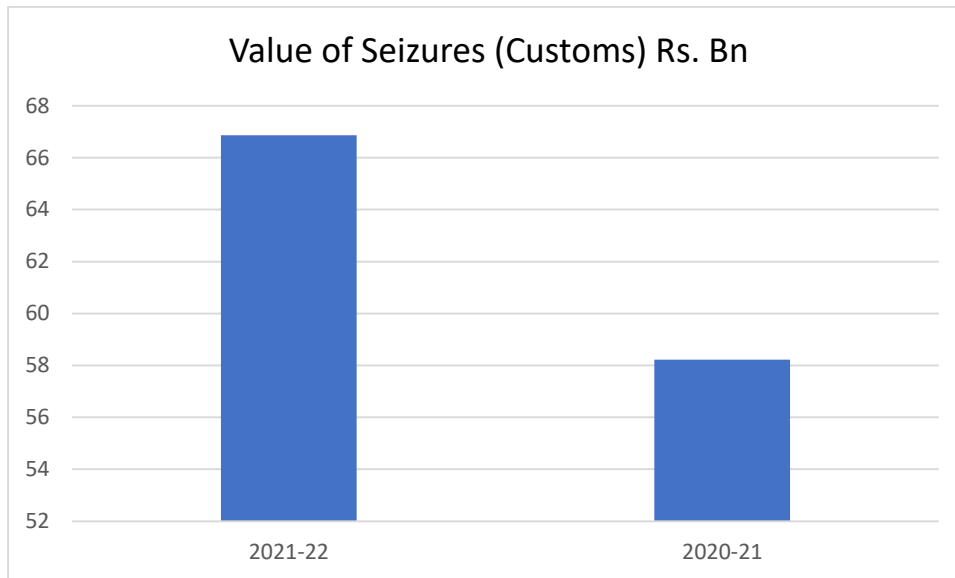


Growth

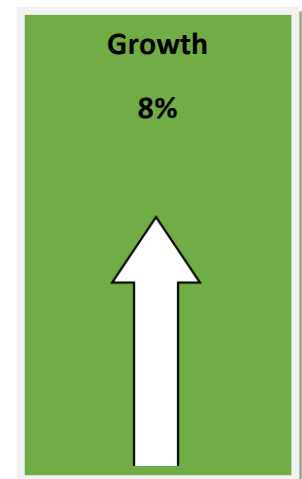
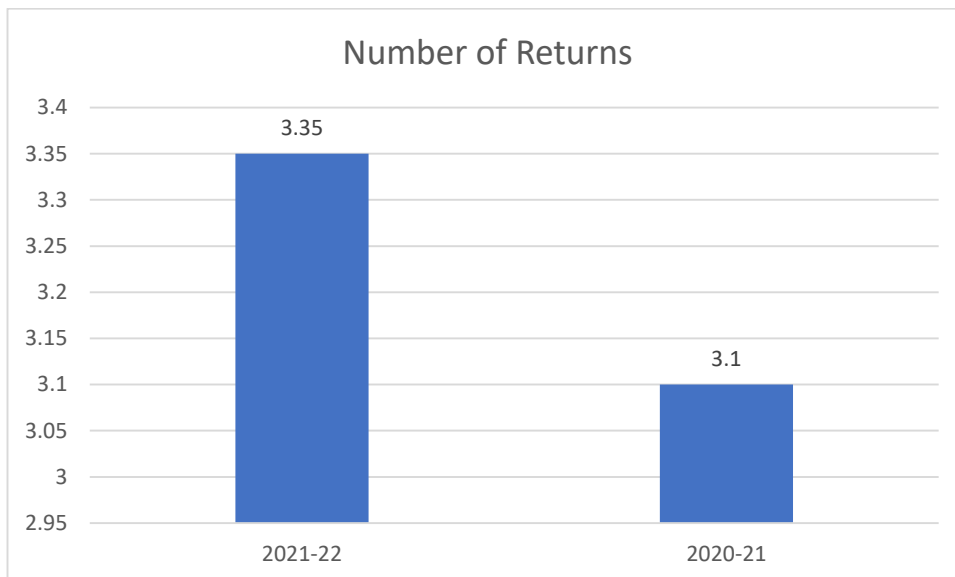
29.6%



Source: Directorate General Revenue Analysis (FBR)



Source: Directorate General Revenue Analysis (FBR)



Source: Directorate General Revenue Analysis (FBR)

Chapter-3 Delivery against Key Performance Indicators

KPI-1: Revenue Target Performance

1) Percentage of target achieved viz-a-viz assigned target

Actual Revenue Performance against Target

FBR collected **Rs. 6,148.5 billion** during FY 2021-22 against the revised revenue target of Rs. **6,100.0 billion**. The FBR surpassed its assigned target by more than Rs. **48.5 billion**.

Table 1: A Comparison of Collection FY 2021-22 vis-a-vis Target

(Rs. Billion)

Tax Head	Target		Collection	Achievement of Revised Target	
	Original Target	Revised Target		Absolute	%age
Direct Taxes	2,182.0	2,227.0	2,284.9	57.9	102.6
Sales Tax	2,506.0	2,576.0	2,532.2	-43.8	98.3
Federal Excise	356.0	337.0	320.7	-16.3	95.2
Customs duty	785.0	960.0	1,010.7	50.7	105.3
All Taxes	5,829.0	6,100.0	6,148.5	48.5	100.8

Source: Directorate General Revenue Analysis (FBR)

Comparative Revenue Performance (FY 2021-22)

In absolute terms during FY 2021-22 FBR has collected Rs. 6,148.5 billion against Rs. 4,745.0 billion collected in the preceding financial year (PFY), indicating a growth of 29.6 percent. All taxes have recorded a positive and double-digit growth (Table 2).

Table 2: A Comparison of Net Collection FY2021-22 vis-a-vis FY 2020-21

(Rs. Billion)

Tax Head	FY2021-22	FY2020-21	Growth (%)
Direct Taxes	2,284.9	1,731.3	32.0
Sales Tax	2,532.2	1,988.3	27.4
Federal Excise	320.7	277.0	15.8
Customs duty	1,010.7	748.4	35.0
All Taxes	6,148.5	4,745.0	29.6

Source: Directorate General Revenue Analysis (FBR)

Refunds/Rebates

It is the policy of the government to support the business community through expeditious refunds through various measures including faster regime in Sales Tax Refunds. In line with this policy, the FBR made higher refund payments as compared to PFY. Accordingly, during FY 2021-22 refunds amounting to Rs. 378.9 billion were paid. The overall refunds paid were higher by Rs. 52.3 billion or 16.0 percent as compared to PFY. Tax-wise refund payments during FY 2021-22 are shown in Table 5.

Table 5: Comparative Position of Refunds/ Rebates Payments

(Rs. Million)

Tax Head	Refund / Rebate		Difference	
	FY2021-22	FY2020-21	Absolute	Growth (%)
Direct taxes	54,221	91,278	-37,057	-40.6
Sales Tax	288,400	208,348	80,052	38.4
FED	-	-	-	-
Customs Duty	36,300	26,967	9,333	34.6
Total	378,921	326,593	52,328	16.0

Source: Directorate General Revenue Analysis (FBR)

Assessment of Tax Collection Performance (FY 2020-21)

FBR collects four major taxes/duties namely; direct taxes, sales tax, federal excise duty and customs duty or international trade taxes. Performance of the four taxes during the year is presented in the following section.

Direct Taxes:

Direct Taxes have contributed 37.2 percent to the total tax collected during FY 2021-22. Net collection stood at Rs. 2,284.9 billion reflecting a growth of 32.0 percent over the PFY collection of Rs. 1,731.3 billion. An amount of Rs. 54.2 billion has been paid back as refund to the claimants in FY 2021-22. The collection of direct taxes comprises withholding taxes (WHT), Advance Tax, Payments with Returns and Collection on Demand (COD).

Withholding Taxes (WHT): Withholding Tax Regime is a global phenomenon and also a source of revenue for government. Withholding taxes are also helpful in broadening the tax base with effective use of IT and automation. In this regard, FBR has launched the “Maloomat TaxRay” application to facilitate the taxpayers by using withholding taxes data. Taxpayers can get the information about their assets and withholding deductions through “Maloomat TaxRay”. To bring further efficiency in the system, an organization to monitor and manage the system of Withholding Tax Regime, the Directorate General of Withholding Taxes, was created through Finance Act of 2008. During last few years the focus has been to reduce withholding taxes. High number of withholding provisions adds to complexity and creates undue burden of compliance on different withholding agents. In an effort, to augment ease of business and simplifying the tax laws numerous sections of Income Tax Ordinance 2001 like; 153B, 23 IA, 23 IAA, 236P, 236Y, 236B, 236L, 236V, 233A have already been omitted.

The WHT collection during FY 2021-22 stood at Rs. 1,534.4 billion against Rs. 1,237.3 billion in the PFY, indicating a growth of 24.0 percent (Table 8). With the exception of WHT on technical fee all other major items recorded positive growth. WHT from exports recorded the highest growth of around 54 percent in collection, followed by electricity, immovable property and dividends with 39.3 percent, 31.9 percent and 30.6 percent respectively.

Table 8: Collection from Major Revenue Spinners of Withholding Taxes

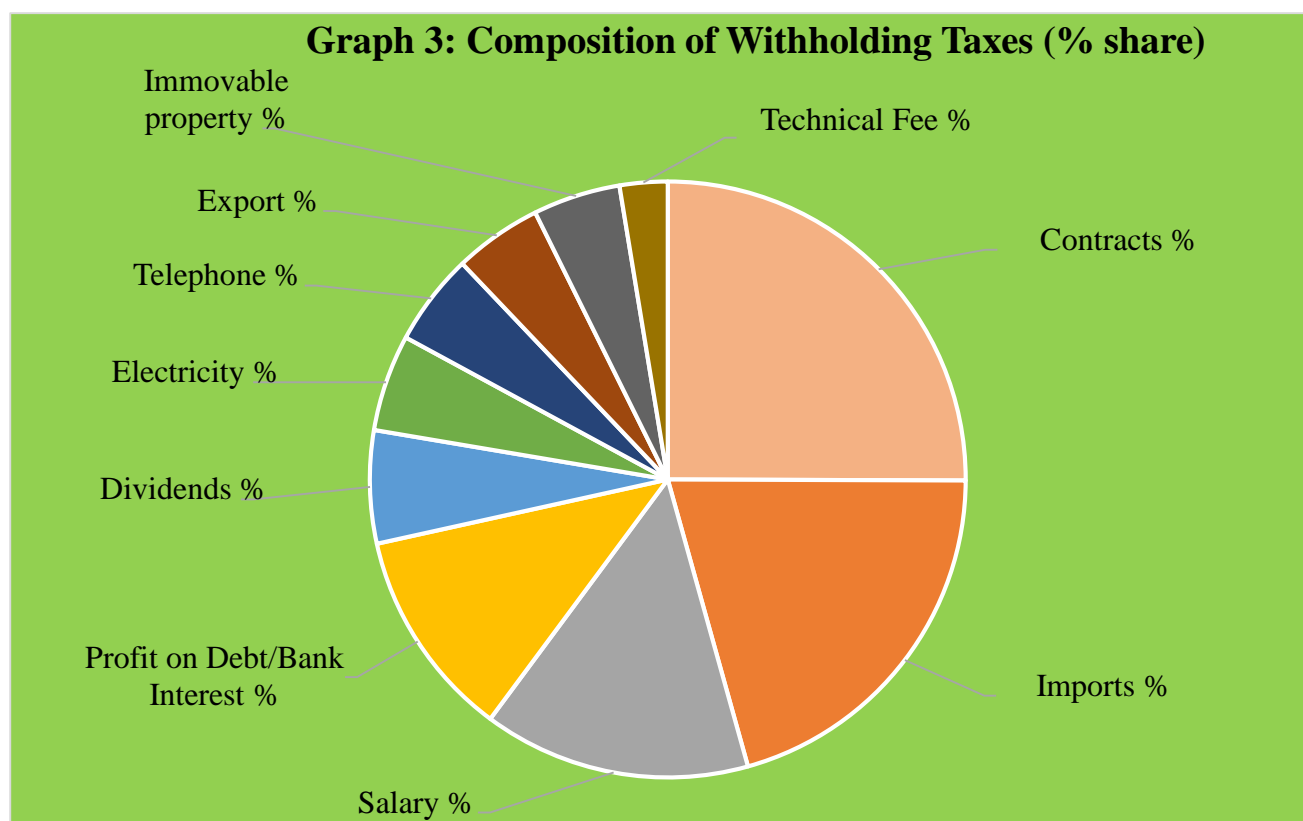
(Rs. Million)

Heads	FY 2021-22	FY 2020-21	Difference	Growth (%)
Contracts [(u/s) 153]	341,419	271,991	69,428	25.5
Imports [(u/s) 148]	281,607	218,499	63,108	28.9

Salary [(u/s) 149]	196,249	151,838	44,412	29.2
Profit on Debt/Bank Interest &	154,962	134,927	20,035	14.8
Dividends [(u/s) 150]	83,328	63,781	19,547	30.6
Electricity [(u/s) 235]	71,412	51,264	20,148	39.3
Telephone [(u/s) 236]	67,889	63,167	4,721	7.5
Export [(u/s) 154]	64,972	42,249	22,723	53.8
Advance tax on purchase/transfer of	64,578	48,911	15,667	32.0
Technical Fee [(u/s) 152]	35,344	35,407	-63	-0.2
Sub-Total (10 Major Items)	1,361,760	1,082,034	279,726	25.9
Others	172,605	155,304	17,301	11.1
Total WHT	1,534,365	1,237,338	297,027	24.0
Share of top 10 in Total WHT	88.8	87.4		

Source: Directorate General Revenue Analysis (FBR)

The composition of WHT collection has been shown in Graph 3. The highest contributor in withholding taxes is the withholding tax on contract payments with 22.2 percent share, followed by imports (18.3%) and salary (12.9%).



Source: Directorate General Revenue Analysis (FBR)

Sales tax remains the top revenue generating source of FBR contributing about 41 percent share in total collection. Sales tax recorded a growth of 27.4 percent during FY 2021-22. In absolute terms Rs. 2,532.2 billion has been collected which is Rs. 543.9 billion higher than the amount collected in PFY (Table 9). Despite substantial increase in absolute terms the target of sales tax has been met to the extent of 98.3

Annual Performance Report of FBR (FY 2021-22)

percent which could be attributed to the high growth in payment of refunds whereby about Rs. 80 billion were paid over and above the amount of Sales Tax refunds paid during the PFY.

Table 9: Collection of Sales Taxes

(Rs. Million)

Tax-Head	Collection		Growth	
	FY 2021-22	FY 2020-21	Absolute	%
Sales Tax (Total)	2,532,228	1,988,305	543,923	27.4

Source: Directorate General Revenue Analysis (FBR)

Sales Tax Domestic Collection:

The net collection of Sales Tax Domestic (STD) was Rs. 791.5 billion against Rs. 872.4 billion in the PFY, i.e. a decline of 9.3 percent. In absolute terms Rs. 80.8 billion lesser revenues have been collected in FY 2021-22 as compared to PFY mainly due to zero rating of petroleum products.

Major Revenue Spinners (Sales Tax Domestic)

(Rs Million)

Commodities/Items	Collection			Share (%)	
	2021-22	2020-21	Growth (%)	2021-22	2020-21
POL Products	107,018	234,900	-54.4	9.9	22.7
Electrical Energy	149,536	131,032	14.1	13.8	12.7
Sugar	65,449	57,766	13.3	6.0	5.6
Cement	35,925	37,272	-3.6	3.3	3.6
Natural Gas	37,058	26,404	40.4	3.4	2.6
Electronics	16,294	13,517	20.5	1.5	1.3
Cigarettes	31,407	27,923	12.5	2.9	2.7
Aerated Waters/Beverages	16,101	14,607	10.2	1.5	1.4
Concentrates of Beverages/Foods	10,769	10,985	-2.0	1.0	1.1
Motor Cars	2,440	9,639	-74.7	0.2	0.9
Sub Total	471,996	564,044	-16.3	43.7	52.2
Others	607,940	516,651	17.7	56.3	47.8
Gross	1,079,936	1,080,695	-0.1	100.0	100.0
Refund/Rebate	288,400	208,302	38.5		
Net	791,536	872,393	-9.3		

Source: Directorate General Revenue Analysis (FBR)

Sales Tax Collection at Import Stage:

Sales tax on imports is also an important component of federal tax receipts. The net collection of STM during FY 2021-22 stood at Rs. 1,740.7 billion against Rs. 1,115.9 billion in FY 2020-21, registering a growth of 56.0 percent.

Major Revenue Spinners (Sales Tax Imports)

(Rs. Million)

Ch	Commodities	Collection			Share (%)	
		2021-22	2020-21	Growth (%)	2021-22	2020-21
27	POL Products	458,975	255,740	79.5	26.4	22.9
72	Iron and Steel	145,355	110,845	31.1	8.4	9.9
84	Machinery & Mechanical	124,933	77,858	60.5	7.2	7.0
39	Plastic Resins etc.	100,329	70,917	41.5	5.8	6.4
87	Vehicles (Non-Railway)	136,853	81,377	68.2	7.9	7.3
29	Organic Chemicals	78,476	38,881	101.8	4.5	3.5
85	Electrical Machinery	82,914	55,579	49.2	4.8	5.0
12	Oil Seeds and Oleaginous Fruit;	49,812	33,310	49.5	2.9	3.0
15	Edible Oil	113,315	75,195	50.7	6.5	6.7
09	Coffee, tea, mate and spices	24,994	70,917	-64.8	1.4	6.4
	Sub Total	1,315,95	870,619	51.2	75.6	78.0
	Others	424,736	245,339	73.1	24.4	22.0
	Gross	1,740,69	1,115,95	56.0	100	100
	Refund/Rebate	0	46			
	Net	1,740,69	1,115,91	56.0		

Source: Directorate General Revenue Analysis (FBR)

The base of STM collection is the import value. In this regard, a look at the import value of major items and overall growth in FY 2021-22 indicates that the collection is well aligned with the growth trend witnessed in the imports (Table 12). Total import value increased by 58.8 percent and collection of sales tax at import stage grew by 56 percent.

Table 12: Growth (%) Comparison: Import Value Vs Collection

Ch.	Commodities	Sales Tax Import	
		% Increase in Import Value	% Increase in STM Collection
27	POL Products	127.9	79.5

87	Vehicles (Non-Railway)	68.5	68.2
72	Iron and Steel	51.9	31.1
15	Edible Oil	51.7	50.7
29	Organic Chemicals	46.6	101.8
39	Plastic Resins etc.	40.6	41.5
84	Machinery & Mechanical Appliances	22.6	60.5
9	Coffee, tea, mate and spices	15.6	18.6
85	Electrical Machinery	15.5	49.2
12	Oil Seeds and Oleaginous Fruit; Misc	1.9	49.5
	Others	46.3	70.9
	Aggregate	58.8	56.0

Source: Directorate General Revenue Analysis (FBR)

Customs Duty

Customs duty constitutes 16.4 percent of FBR revenue collection. Customs duties performed very well during FY 2021-22 with 35 percent growth attained in net collection as compared to PFY. The net collection during FY 2021-22 stood at Rs. 1,010.7 billion, which is Rs. 262.3 billion higher than the amount collected in PFY. It is worth mentioning that customs duties have crossed the 1 trillion mark in FY 2021-22.

It is evident from Table 13 that around 71 percent of customs duty collection has been contributed by 10 major sectors. Out of these sectors, only collection on account of electrical machinery recorded a negative growth. Collection from POL products increased by 172.2 percent, vehicles by 73.4 percent, paper & paper board by 28.7 percent.

Table 13: Major Revenue Spinners of Customs Duties

(Rs Million)

Ch.	Description	Collection			Share (%)	
		FY	FY	Growth	FY	FY
		2021-22	2020-21	(%)	2021-22	2020-21

27	POL Products	256,674	94,280	172.2	24.6	12.2
87	Vehicles (Non-Railway)	192,211	110,860	73.4	18.4	14.3
72	Iron & Steel	66,285	55,580	19.3	6.3	7.2
85	Electrical Machinery	54,668	59,706	-8.4	5.2	7.7
84	Machinery & Mechanical Appliances	49,843	41,793	19.3	4.8	5.4
15	Edible Oil	39,133	34,435	13.6	3.7	4.4
39	Plastic Resins etc.	33,542	26,837	25.0	3.2	3.5
9	Tea & Coffee	19,223	16,896	13.8	1.8	2.2
48	Paper & Paperboards	18,692	14,521	28.7	1.8	1.9
12	Oil seeds and oleaginous fruit	14,379	13,071	10.0	1.4	1.7
	Sub Total	744,651	467,979	59.1	71.3	60.4
	Other	299,289	307,379	-2.6	28.1	39.6
	Gross	1,043,940	775,358	34.6	100	100
	Refund/Rebate	33,246	26,967	23.3		
	Net	1,010,694	748,391	35.0		

Source: Directorate General Revenue Analysis (FBR)

The collection base of the customs revenues is provided by dutiable imports. In this context, collection of customs duty on major items, to a great extent remained commensurate with growth in the value of dutiable imports (Table 14). As a whole, dutiable imports grew by 56.2 percent and accordingly the customs duty increased by 35 percent.

Table 14: Growth (%) Comparison: Dutiable Import Value Vs CD Collection

Ch.	Commodities	Customs Duties	
		% Increase in	% Increase in CD
27	POL Products	118.5	172.2
87	Vehicles (Non-Railway)	70.1	73.4

15	Edible Oil	50.9	13.6
39	Plastic Resins etc.	37.5	25.0
85	Electrical Machinery	28.0	-8.4
48	Paper & Paperboards	28.0	28.7
84	Machinery & Mechanical Appliances	19.7	19.3
9	Tea & Coffee	17.2	13.8
12	Oil seeds and oleaginous fruit, misc. grains, seeds	2.0	10.0
72	Iron & Steel	-3.1	19.3
	Others	4.7	-7.9
	Overall	56.2	35.0

Source: Directorate General Revenue Analysis (FBR)

Federal Excise Duty (FED)

Net collection from FED increased by 15.7 percent during FY 2021-22. In absolute terms this increase translates into Rs. 43.6 billion additional FED collected as compared to PFY. Share of FED in total FBR collection is 5.2 percent. Major sectors which contribute FED revenues are cigarettes, cement, natural gas, services (Table 15). Natural gas, POL Products and LPG grew negatively, however other sectors grew positively during FY 2021-22.

Table 15: Major Revenue Spinners of FED

(Rs. in Million)

S. No	Commodities	FY2021-22	FY2020-21	Growth (Abs)	Growth (%)
1	Cigarettes	117,240	107,330	9,910	9.2
2	Cement	73,470	74,416	-946	-1.3
3	Beverages and Concentrates	22,931	18,537	4,394	23.7
4	Aerated Waters/Beverages	13,795	11,455	2,340	20.4
5	Motor Cars	19,702	15,197	4,505	29.6
6	POL Products	8,576	9,467	-891	-9.4
7	Services Provide: For Inland Travel by Air	16,721	7,203	9,518	132.1

8	Travel by Air	8,912	4,238	4,674	110.3
9	Natural Gas	2,341	2,595	-254	-9.8
10	Liquified Petroleum Gas(LPG)	925	1059	-134	-12.6
	Sub-total	284,613	251,497	33,116	13.2
	Others	36,045	25,549	10,496	41.1
	Total	320,658	277,046	43,612	15.7

Source: Directorate General Revenue Analysis (FBR)

A substantial jump in cigarettes, concentrates used in beverages/food is attributed to inflation and huge increase in FED collection from air travel is the Post Covid positive impact on air travel during FY 2021-22 due to easing down of travel restrictions.

The share of top sectors is about 89 percent, as evident from the following table (Table 16). Cigarette is the top contributor with 36.6 percent share, followed by cement with 22.9 percent and concentrates 7.2 percent share.

Table 16: Share of Major Revenue Spinners of FED

Commodities	Share %	
	FY 2021-22	FY 2020-21
Cigarettes	36.6	38.7
Cement	22.9	26.9
Beverages and Concentrates	7.2	6.7
Aerated Waters/Beverages	4.3	4.1
Motor Cars	6.1	5.5
POL Products	2.7	3.4
Services Provide: For Inland Travel by Air	5.2	2.6
Travel by Air	2.8	1.5
Natural Gas	0.7	0.9

Liquified Petroleum Gas(LPG)	0.3	0.4
Sub-total	88.8	90.8
Others	11.2	9.2

Source: Directorate General Revenue Analysis (FBR)

2) Breakdown of tax receipts by segments

(Corporate tax receipts, AOP's tax receipts, Individuals/Commercial receipts)

Table-12: Breakdown of tax receipts by segments

Tax Receipts by Segments

From July 2021 to June 2022

(Rs. Million)

Category	Income Tax	Sales Tax	FED	Total
Corporate	1,462,772	2,101,101	307,972	3,871,845
AOP	257,090	148,370	815	406,275
Individuals	560,583	275,986	12,952	849,521
Total	2,280,445	2,525,457	321,738	5,127,641

Source: IR Ops Wing, FBR

Breakdown of tax receipts by geography

Table-13: Tax Office-Wise Collection of Income Tax, Sales Tax and Federal Excise Duty during FY 2020-21

Tax Receipts by Regional Tax Offices (Net)

From July 2021 to June 2022

(Rs. Million)

Sr.No	Tax Office	Income Tax	Sales Tax	FED	Total
1	CTO ISLAMABAD	43,071	25,066	363	68,501
2	CTO KARACHI	92,733	35,852	2,237	130,822
3	CTO LAHORE	59,303	90,889	1,870	152,063
4	LTO ISLAMABAD	358,137	327,809	134,034	819,980
5	LTO KARACHI	603,717	925,878	78,379	1,607,975
6	LTO LAHORE	271,517	579,525	69,036	920,079

7	LTO MULTAN	69,124	104,746	753	174,623
8	MTO KARACHI	37,581	52,155	3,227	92,963
9	RTO BBOTTABAD	10,533	20,642	1	31,175
10	RTO BAHAWALPUR	6,623	1,948	18	18,588
11	RTO FAISALABAD	37,979	-17,264	5	20,720
12	RTO GUJRANWALA	17,029	15,082	89	32,201
13	RTO HYDERABAD	26,089	7,808	7	33,903
14	RTO ISLAMABAD	58,756	12,429	132	71,316
15	RTO LAHORE	134,068	74,610	86	208,765
16	RTO MULTAN	35,317	8,097	1	43,415
17	RTO PESHAWAR	63,159	61,384	17,968	142,511
18	RTO QUETTA	29,214	12,501	65	41,780
19	RTO RAWALPINDI	64,823	55,986	185	120,993
20	RTO SAHIWAL	9,457	1,473	3	10,933
21	RTO SARGODHA	14,823	4,156	0	18,980
22	RTO SIALKOT	23,553	-4,541	842	19,854
23	RTO SUKKUR	18,563	1,963	14	20,541
24	RTO-I KARACHI	78,444	101,766	12,400	192,610
25	RTO-II KARACHI	106,830	25,496	22	132,348
Total		2,280,445	2,525,457	321,738	5,127,641

Source: IR Ops Wing, FBR

Table-14: Collectorate Wise Collection of Customs Duty during FY 2021-22

(Rs. Million)

Customs Collectorates	Rs. in Million
	Customs Duty (NET)
Appraisalment (WEST), Karachi	168,664
Appraisalment (EAST), Karachi	250,829
Port Muhammad Bin Qasim	321,413
Enforcement, Karachi	93,524
JIAP- Karachi	28,272
Hyderabad	10,322
Exports – Karachi	5,445

Exports – Port Qasim	(16,753)
Quetta(Appraisalment)	6,351
Quetta(Enforcement)	2,285
Gwadar, Gaddani	9,548
Lahore(Appraisalment)	38,606
FSD(Appraisalment)	41,025
Sambrial, Sialkot	(3,568)
Lahore(Enforcement)	1,042
Multan(Enforcement)	516
Allama Iqbal International Airport (AIIAP), Lahore	17,304
Islamabad	12,228
Peshwar (Appraisalment)	22,475
Peshwar (Enforcement)	1,526
Gilgit Baltistan	116
G Total	1,011,168

Source: Customs Wing, FBR

3. Number of new taxpayers registered

Number of New Taxpayers Registered

Tax Office	Registered Taxpayers of Income Tax as on (30.06.2022)	New Registration from July 2021 to June 2022	% increase	Registered Taxpayers of Sales Tax as on (30.06.2022)	New Registration from July 2021 to June 2022	% increase
CTO ISLAMABAD	36,212	3,362	9.284	8,975	823	9.170
CTO KARACHI	132,066	3,980	3.014	20,126	842	4.184
CTO LAHORE	72,656	8,164	11.237	15,061	1161	7.709
LTO ISLAMABAD	1,469	9	0.613	557	30	5.386
LTO KARACHI	4,245	4	0.094	1,535	273	17.785
LTO LAHORE	2,536	1	0.039	1,229	156	12.693
LTO MULTAN	393	0	0.000	361	73	20.222

MTO KARACHI	10,023	22	0.219	1,455	216	14.845
RTO ABBOTTABAD	101,926	7,680	7.535	2,616	426	16.284
RTO BAHAWALPUR	335,894	34,487	10.267	8,636	1896	21.955
RTO FAISALABAD	554,291	50,923	9.187	26,913	3660	13.599
RTO GUJRANWALA	306,009	33,395	10.913	13,166	1829	13.892
RTO HYDERABAD	277,078	16,041	5.789	6,002	1273	21.210
RTO ISLAMABAD	390,158	29,231	7.492	16,465	2689	16.332
RTO LAHORE	1,406,687	126,930	9.023	63,532	7600	11.962
RTO MULTAN	496,876	65,130	13.108	14,061	2423	17.232
RTO PESHAWAR	446,391	39,779	8.911	16,399	2868	17.489
RTO QUETTA	153,159	12,305	8.034	7,880	1022	12.970
RTO RAWALPINDI	616,943	51,685	8.378	20,965	2343	11.176
RTO SAHIWAL	252,775	32,025	12.669	7,199	2527	35.102
RTO SARGODHA	286,836	27,659	9.643	9,241	1387	15.009
RTO SIALKOT	401,303	46,474	11.581	21,592	2671	12.370
RTO SUKKUR	197,990	10,273	5.189	4,396	1313	29.868
RTO-I KARACHI	379,638	29,684	7.819	32,238	4329	13.428
RTO-II KARACHI	1,105,412	51,779	4.684	27,438	3914	14.265
Total	7,968,966	681,022	8.546	348,038	47,744	13.718

Source: IR Ops Wing, FBR

4. Number of Active taxpayers

Tax Office	Income Tax Filers of TY-2021 (Returns filed upto 30-JUNE-2022)
CTO ISLAMABAD	12,517
CTO KARACHI	48,605
CTO LAHORE	32,450
LTO ISLAMABAD	1,248
LTO KARACHI	3,715
LTO LAHORE	2,317
LTO MULTAN	380
MTO KARACHI	6,007
RTO ABBOTTABAD	41,369
RTO BAHAWALPUR	135,833
RTO FAISALABAD	248,703
RTO GUJRANWALA	132,952
RTO HYDERABAD	115,563
RTO ISLAMABAD	180,665
RTO LAHORE	626,533
RTO MULTAN	202,343
RTO PESHAWAR	150,281
RTO QUETTA	53,243
RTO RAWALPINDI	247,400
RTO SAHIWAL	107,306
RTO SARGODHA	121,296
RTO SIALKOT	156,307
RTO SUKKUR	84,778
RTO-I KARACHI	182,549
RTO-II KARACHI	453,364
Total	3,347,724

Source: IR Ops Wing, FBR

KPI-2: Level of Automation

1) Percentage of processes that are completely automated:

Table-17: Percentage of processes that are completely automated during FY 2021-22.

S. No.	Nature of Process	Level of Automation
1.	Creation of separate Collectorate of JIAP in WeBOC system	100%
2.	PSW & WeBOC Examination on PSW Export GD	100%
3.	PSW & WeBOC Examination on PSW Import GD	100%
4.	PSW & WeBOC Clearance / Release on PSW Import GD	100%
5.	PSW and WeBOC Integration	100%
6.	PSW & WeBOC Integration Open Account Financial, Negative List, Shipping & Clearance Date	100%
7.	PSW Export Financial Instrument	100%
8.	PSW Export SD Dry-off	100%
9.	PSW and WeBOC OGAs Clearance	100%
10.	Bonded Warehouse Management System	100%
11.	Assessment Management System	100%
12.	Land Border Custom Stations configuration	100%
13.	E-Payment	100%
14.	Automation of Duty Drawback	100%
15.	Refund Management System	100%
16.	Carnet De passage Module	100%
17.	Configuration of Bahria Transshipment Hub of Pakistan Limited with WeBOC system	100%
18.	Export Facilitation Scheme (EFS) Module	100%
19.	Un-accompanied Baggage Module	100%
20.	Land Border TP	100%
21.	Uzbekistan Transit Reverse Module for FCL cargo	100%
22.	Uzbekistan Transit Revolving Insurance Guarantee	100%
23.	Uzbekistan Transit Forward Module	100%
24.	Afghanistan Transit Insurance Guarantee	100%
25.	Creation of Export Sample GD	100%

26.	OC Hybrid for clearance of “OC Hybrid” export GDs from Dry ports	100%
27	Prize Distribution / Balloting of POS Invoices	100%
28	Integration of Services Sectors with POS (Development 100% and implementation is in progress)	100%
29	National Sales Tax Return	100%
30	eAppeals	100%
31	DNFBP (Phase I & Phase II)	100%
32	DNFBP (Phase-III)	80%
33	AEOIS CBC	100%
34	AEOIS Compliance Portal	60%
35	E-Hearing Module of Iris	100%
36	Litigation Management System Phase I	100%
37	Litigation Management System Phase II	90%
38	New Mechanism of Exemption process by auto-issuing exemption order.	95%
39	Integration of Exemption Application with PSW	100%
40	CIPRA (complain management System 100% and Adhoc reporting 50%)	75%
41	Registration of Pakistan Origin Card (POC) Individuals	100%
42	Simplified IT Return for SMEs	100%
43	Iris DNFBP Phase-II Mobile App	100%
44	Income Tax Return – 2022	100%
45	Automating the functionality of 14(1) bio metric process	100%
46	AOP Online Registration	100%
47	BIC Portal	100%
48	Fleet Management System (confirmation)	80%
49	Migration of VMs to Newly established Secure network Infrastructure	90%
50	Reconfiguration of replication SQL Server Databases after database upgrade	100%
51	Border Management System - Reconciliation report of all incoming vehicles – Land Border Import	100%
52	Export Facilitation Scheme	100%

53	Carnet de Passage - A new module for CPD	100%
54	Air to Air TP filing without NTN	100%
55	TIR - Carnet Export	100%
56	EPZ-Sub Contracting & Sub-Contracting (Return of Goods)	100%
57	Gwadar Free Zone (GFZ)	100%
58	Barter Trade Export	100%
59	Air Transshipment (Air TP)-Air to Land Transshipment	100%
60	Migration of VMs to Newly established Secure Network Infrastructure	90%
61	Reconfiguration of replication SQL Server Databases after database upgrade	100%
62	Environment Creation, Installation, Configuration, and upgradation of Iris Farm to Enterprise Linux 8, JBoss upgradation to EAP 7.4, JDK upgradation to Ver. 11	100%
63	Windows/Linux OS upgradation for eFBR, PaySYS, IMS/POS, ESBN/Iris-Wallet, MPR, ADC, PPG, ITMS, Knowledge Base etc.	100%
64	WAF implementation (Environment Creation, Installation, Configuration for Iris, eFBR, PaySYS, IMS, ESBN, MPR, ITMS)	100%
65	WAF implementation (SAN Migration, Print Server Migration)	100%

Source: IT Wing (IR)/Customs Wing, FBR

2) Percentage of processes that are re-designed for efficiency:

Table-18: Percentage of processes redesigned for efficiency during FY 2021-22

S. No.	Nature of Process	Level of Automation
1.	New functionalities further added in Post Clearance Audit	100%
2.	New functionalities further added in PSW	100%
3.	Change in Bonding period of vegetable oils (edible / non edible) vide SRO 433(I)/2022, dated 15.03.2022	100%

4.	Configuration E-Auction at PICT and KICT	100%
5.	New functionalities further added in Transit Trade	100%
6.	Gwadar Processing Zone: EPZ Duddar Import & Export Collectorates and sheds have been configured in the WeBOC system.	100%
7.	Empty Container	100%
8.	Extension of utilization period on DTRE approval	100%
9.	Functionality of visibility of Pre-arrival GDs to sea terminal	100%
10.	SRO look up functionality in Automated Duty Drawback (DDB)	100%
11.	Generation of Reconciliation of Report of all incoming vehicles through MIS option	100%
12.	Functionality to cross match Chassis Number in Motor Vehicle Registration System	100%
13.	New provision added in Payment Management system to waive of restriction of payment above 500k	100%
14	Modification/improvements in collection dashboard	100%
15	CDC Report add in Collection Dashboard	100%
16	Request For Provision Of Field Formation-Wise Collection	100%
17	Enhancements & Modifications in Advance Tax	100%
18	Enhancements PRAL Payment Gateway	100%
19	Enhancements in e-Ledger & Demand Register processes	100%
20	Enhancements & Modifications in Exemption Management	100%
21	Revamping of HRIS System (AS per known scope)	90%
22	HRIS and eDOX Database Migration from SQL Server 2012 to 2019	100%
23	MODIFICATIONS / IMPROVEMENTS IN CITRO	100%
24	Enhancements in Email intimation	100%
25	Automation of STGO and exclusion process-section 8b(6)of the sales tax act,1990	100%
26	AVAILABILITY OF OPTION FOR REGISTRATION IN IRIS FOR NON-RESIDENTS	100%
27	Changes in WHT statement and Payments module	100%

28	Iris-Mobile App (Tax Aasan)	100%
29	Enhancements in FBR CRM for Traders	100%
30	Archiving of Data of Production Databases to make OLTP System	95%
31	Both Exadata Firmware patching	100%
32	Grid Infrastructure of both Exadata Upgrade from 12 to 19.	100%
33	Migration of database VMs from Hyper-V to VMWare, for better security	80%
34	EFS Application Amendment	100%
35	Integration of Form I EIF with PSW	100%
36	PSW Export Financial Instrument	100%
37	Form-E integration with PSW	100%
38	Elimination of EIF and EFE	100%
39	PSW - Unified Registration System (subscription and Registration)	100%
40	PSW SD (Single Declaration) Export GD	100%
41	PSW SD (Single Declaration) Export-Release OGS FCL	100%
42	Archiving of Data of Production Databases to make OLTP System	95%
43	Both Exadata Firmware patching	100%
44	Grid Infrastructure of both Exadata Upgrade from 12 to 19.	100%
45	Migration of database VMs from Hyper-V to VMWare, for better security	80%

Source: IT Wing (IR)/Customs Wing, FBR

3) Number of IT systems developed, equipped and launched:

Table-19: IT systems that were developed, equipped and launched during FY 2021-22

Sr. No	Nature of Process	Level of Automation
1	Prize Distribution / Balloting of POS Invoices	100%
2	National Sales Tax Return	100%
3	Tax Assan Portal for NADRA Data (Developed but not implemented)	100%

4	Data Security & auditing implementation is in progress	90%
5	Migration of Web Application VMs from Hyper-V to ESXi	90%
6	WAF implementation	90%

Source: IT Wing (IR)/ Customs Wing, FBR

4) Number of online facilities like mobile application introduced:

Table-20: Online facilities/mobile applications that were introduced during FY 2021-22

Sr. No	Nature of Process	Level of Automation
1	PSW API Enhancements	100%
2	Ind./AOP Registration API	100%
3	PMDU Authentication API	100%
4	Exemption's API for Board of Investment	100%
5	ATL API	100%
6	Open Return API	100%
7	Nadra CNIC Verification API	100%
8	Single Sign-on API	100%
9	Registration API Enhancements	100%
10	Fleet Management System	80%
11	CRM Enhancements	100%
12	CMS	100%
13	CIPRA API	50%
14	POS Nadra Balloting API	100%
15	Traders Complaint and Dashboard	100%
16	Income Tax Return – 2022 (Android & iOS)	90%
17	Tax Asaan - Point of Sales – Prize Draw (Android & iOS)	100%
18	Tax Asaan – Complaint Management System (Android & iOS)	100%
19	Tax Asaan – Tax Asaan Portal (Android & iOS)	80%
20	DNFBP App – OSMQ & other Customizations ((Android & iOS)	100%
21	OVS – DNFBP Registration Status Verification Service	100%
22	Export Facilitation Scheme	100%

23	PSW SD (Single Declaration)	100%
24	Multimodal TIR Transit-Land Border to Sea Port	100%
25	Multimodal TIR Transit-Sea Port to Land Border	100%
26	National Targeting Center WeB portal	100%
27	Introduction to WeB form for online currency declaration at www.weboc.gov.pk	100%

Source: IT Wing (IR)/Customs Wing, FBR

5) Number of initiatives taken for reducing dwell time at ports by Pakistan Customs:

Table-21: Initiatives taken for reducing dwell time at ports by Pakistan Customs

S. No.	Nature of Process	Level of Automation
1.	Roll out Configuration of new Directorates / Collectorates of KPK and Baluchistan.	100%
2.	PSW Real-Time Payment	100%

Source: IT Wing (IR)/ Customs Wing, FBR

KPI-3: Taxpayer's Facilitation

1) Percentage of taxpayers reporting satisfaction with point of contact services

FBR is utilizing Customer Relationship Management (CRM) Software to improve customer's contact experience by tracking, monitoring and archiving issues reported by the taxpayers. Taxpayers lodge complaints by sending emails to helpline@fbr.gov.pk, calling the helpline UAN, and also by visiting the FBR's website www.fbr.gov.pk. FBR has point of contact with taxpayers through FBR's CRM and Prime Minister Delivery Unit (PMDU). The satisfaction level of taxpayers varies at different point of time. For the period from July 2021 to June 2022 CRM System replied 204,713 emails. The satisfaction indicator of taxpayers was 54% for complaints received through PMDU.

[Source: FATE Wing (IR), FBR]

Tax Payer Education and Facilitation

Following steps were taking by FBR on Tax Payers education and Facilitation:

Conferences, workshops, seminars for tax education and awareness sessions held at:

Quaid-e-Azam university, Islamabad

Signing of Memorandum of Understanding (MOUs) for tax education and awareness sessions

Higher Education Department, Government of Punjab, Lahore

Higher Education , Archives and Libraries Department, Government of KPK, Peshawar

University of the Punjab, Lahore

Quaid-I-Azam University, Islamabad

National University of Sciences & Technology (NUST), Islamabad

Work plans and coordination with stakeholders for tax education and awareness sessions

Air University, Islamabad

Comsats University, Islamabad

E-Kutchery with Chairman FBR

Chairman FBR personally hears taxpayers grievances through PR Wing's Helpline & CRM system as monthly activity and it is completed for the months:

July – 2021

August – 2021

September – 2021

November – 2021

December – 2021 (4 weekly Kachehris)

January, 2022

February, 2022

March, 2022

April, 2022

FBR Website-Metrics

FBR Website Metrics from 1st July, 2021 – 30th June, 2022

5,406,605 Users accessed the FBR website

20,156,980 Sessions of FBR Website

99,826,121 Page views on FBR website

FBR website regularly features among the Top 50 website in Pakistan on the Alexa ranking scale

Urdu version of FBR's website launched

Major Issues Resolved through Complaint Redressal Mechanism (CRM)

Provided guidance for ATL related issues (especially procedure for inclusion in ATL)

Assistance for payment of Surcharge for ATL

Provided guidance for newly launched Online ST Registration application

Provided directions for newly launched Biannual Income Tax Withholding Statement

Facilitation for ST Return launched for the new financial year

Assistance for Annual Employer Statement u/s 149

Assistance for Registration of Builders and Developers

Assistance for the Registration of Designated Non-Financial Businesses & Professions

Assistance for the Registration of Non-Profit Organizations (NPOs)

Complaints through representations u/s 7 of the FBR Act, 2007

Received: 64

Disposed: 41

Main Categories: "selection of audit", "maladministration", "condonation of time limit", "refund"

Applications under Right of Access to Information Act, 2017

Received: 43

Disposed of: 24

2) Percentage of refund claims processed through IT systems developed by FBR

Around 100% of refund claims were processed through IT systems developed by FBR during 2021-22.

3) Percentage improvement in Paying Taxes Indicator

Pakistan made paying taxes easier by introducing online payment modules for sales tax, corporate income tax, and reducing the corporate income tax rate. All taxes are being paid online through different methods i.e. Online banking, Mobile Banking, ATMs, Cheque, Demand Drafts and Cash on Over the Counter in 15000 plus bank branches.

4) Percentage reduction in physical examination to facilitate trade across borders

During the Fiscal Year 2021-22, in order to facilitate trade across borders, the physical examination of goods was decreased by 3.05% and 18.75% for imports and exports respectively compared with the previous Fiscal Year 2020-21.

Source: (PRAL Karachi)

5) Percentage increase in Post Clearance Audits and Internal Audit

The table below shows the number percentage increase/ decrease of audit observations with amount involved in audit observation and total amount involved during the FY 2021-22 in comparison to FY 2020-21.

Table-22: Percentage increase in post clearance audits and Internal Audit

FY	No. of Audit	Audit Observations	Amount in the Observations	Contravention Reports Issued	Amount Involved
2021-22	640,831*	12,768	10,352.68	395	2,519.15
2020-21	15,315	3,191	35900.71	436	35962.88
Percentage Increase/Decrease	4184%	400%	-71%	-9.4%	-93%

***Note:** This includes (i) 576,913 audits relating to Special Audit of import GDs assigned by FBR under Para 2 (viii) of CGO 12/2019 dated 30.07.2019 (ii) 17,049 audits relating to Special Audit of export GDs assigned by FBR vide Rule 460 of SRO 571(I)/2020 dated 25.06.2020. **Total 593,962**

Number of processes automated to strengthen (Risk Management System) RMS for facilitating trade.

- i. A newer iteration of the predictive analysis Algorithm, namely the Import Risk Evaluation Engine (IREE), based on an updated machine learning cycle was implemented in FY 2021-22, which has significantly improved the ability of the RMS to selectively target risky consignments leading to an increase in the green channel clearances by 9% compared to previous year.
- ii. On account of intervention at (i) above, the physical examination of imported goods was decreased by 8% for imports and by 11% exports during FY 2021-22 as compared to last year.
- iii. With a view to further reduce human-interface in processing of exporter's duty drawback claims selectivity criteria were developed in the RMS, for auto processing / sanctioning of such claims with direct payments to exporters' bank accounts through State Bank of Pakistan. During FY 2021-22, 72% rebate claims were processed through green channel and currently the rebate payment through green channel has reached to 83.5%.
- iv. To augment the Non-intrusive inspections, the "Blue Channel facility" was introduced in RMS whereby selection of consignments for scanning is made through RMS based selectivity criteria to achieve the objectives of security and facilitation of trade in light of the WCO SAFE Framework of Standards. The module is successfully operational at Karachi and Port Mohammad Bin Qasim. A total of 981 GDs have been processed through blue channel during FY 2021-22.
- v. With a view to comply with standard 3.25 of the Revised Kyoto Convention, Pre-arrival / pre-clearance system was introduced in FY 2020-21. This has also allowed for conformity vis-e-vis Article No.7 of Trade Facilitation Agreement (TFA). During FY 2021-22, a total 14,172 consignments have been cleared before arrival of goods at ports.
- vi. A system based assessment of Goods declarations has been introduced through "Virtual Assessment" module which is based on strict selectivity criteria to achieve the objectives of faceless assessment and quick clearance of consignments. A total number of 1109 GDs have been processed through virtual Assessment during FY 2021-22.
- vii. In order to further reduce the risk of the illegal import and exports of banned items, the module of RMS on manifest has been implemented, wherein the RMS shall run on manifest as well as on Goods Declaration by the trader.

6) Number of taxpayers' representation disposed of during the fiscal year by Audit Wing

60% taxpayers' representations were disposed during FY 2021-22 by Audit Wing.

Source: Audit & Accounting Wing, FBR

KPI-4: Integration of FBR with other revenue agencies & departments

1) Number of functional data bridges established with provincial revenue agencies and other state departments across the nation

Around four functional data bridges were established with provincial revenue agencies and other state departments across the nation such as Banks/NADRA/SECP/PITB/AGPR/SBP/I-LINK/TELCOS, Punjab Land Record/KPRA/SMEDA/Ministry of Interior/E&T Islamabad/E&T Sindh/E&T Punjab/DRAP.

2) Number of data generating processes initiated with other agencies

No data generating processes were initiated with other agencies.

3) Integration of third party databases inflowing data into IRS system

No third party databases inflowing data into IRS system were integrated.

4) Percentage of POS systems integrated in each region/province

About 79.63% POS systems were integrated in each region/province.

5) Percentage of designated imports and domestic production track and traced.

Since the Track and Trace system was not fully functional during 2021-22, no designated imports and domestic production were tracked and traced.

Source: IT Wing (IR), FBR

KPI -5: Revenue Laws Simplification

1) Number of Withholding Sections reduced during the Fiscal Year 2021-22

Table-23: Number of withholding lines reduced vide Finance Act, 2022

S. No.	Section	Description
i.	236 I	Collection of advance tax by educational Institution
ii.	236 Q	Payment to residents for use of machinery and equipment.

Source: IR Policy Wing, FBR

2) Number of tariff lines rationalized during Fiscal Year 2021-22

Table-24: Number of tariff lines rationalized during Fiscal Year 2021-22

Number of Tariff lines Rationalized	Rate of Customs Duty during 2020-21 (Before Rationalizing)	Rate of Customs Duty during 2021-22 (After Rationalizing)
185	20	11
33	20	16
3	20	0
132	16	11
52	11	0
96	11	3
287	3	0

Source: Customs Wing, FBR

The above table shows that during FY 2021-22, FBR took substantial steps for incentivizing the industry through tariff-based measures. In the budget FY 2021-22, the rate of customs duty on 287 tariff lines of raw materials and intermediary goods was reduced from 3 % to 0%. Similarly, customs duty on multiple other tariff lines pertaining to raw materials and intermediary goods were also reduced substantially. During FY 2021-22, 788 tariff lines of Pakistan Customs Tariff were rationalized, as evident from the table above.

KPI-6: Risk Based Audits Conducted by FBR

1) Number of cases selected by FBR through random balloting

No selection has been made by FBR during FY 2021-22

2) Percentage of Risk Based Audits completed during the Fiscal Year

Percentage of Risk Based Audits completed during the Fiscal Year 2021-22 is 60.14%

3) Monthly evaluation of performance reports in respect of audit cases under Section 214 C of Income Tax Ordinance, 2001, under Section 72B of Sales Tax Act, 1990, and under Section 42B of Federal Excise Act, 2005

Table-26: Evaluation of performance reports in respect of audit cases u/s 72B of Sales Tax Act, 1990

S. No.	Opening Balance of Audit Cases	Added During the Month	Deleted During the month	Finalized During the month	Pending
Total	4,734	1,457	869	3,082	2,240

Source: Audit &Accounting, IRS Wing, FBR

Table-27: Monthly evaluation of performance reports in respect of audit cases under Section u/s 42B of Federal Excise Act, 2005

S. No.	Opening Balance of Audit Cases	Added During the Month	Deleted During the month	Finalized During the month	Pending
TOTAL	20	19	2	17	20

Source: Audit &Accounting, IRS Wing, FBR

1) Execution and successful implementation of annual budgetary proposals related to Customs/Inland Revenue Laws, Rules, procedures and allied laws.

- a) Annual budgetary proposals related to Customs laws, rules and procedures successfully executed and implemented during FY 2021-22 are given below:

Relief Measures

- I. Exemptions given earlier by this government on Covid-19 related medical equipment /items have been extended for further six months. Further, additional 35 raw materials required in manufacturing of these items, have also been exempted from customs duties
- II. Exemption of duties & taxes on import of Dietetic Foods for Children with inherited metabolic disorders.
- III. Exemption of all duties & Taxes on import of Diagnostic Kits for Cancer and Corona Virus.
- IV. Exemption of Customs duties on inputs of Ready to use Supplementary Foods (RUSF).

Measures for Incentivizing Local Industry

- I. Vaccines for the veterinary medicines have been exempted from customs duties. Also mechanical silos have been exempted from the customs duties fulfilling the demand from this sector.
- II. To incentives Automotive sector, additional custom duty and regulatory duty on CBU import of vehicles up to 850cc are being exempted. Further, reduction of customs duties are also being provided to electric vehicles
- III. Exemption of additional custom duties on those tariff lines which were @ 0% customs duty in tariff.
- IV. Tariff rationalization under National Tariff Policy 2019, by reducing customs duty on 788 tariff lines.
- V. Additional Customs Duty and Regulatory Duty on 164 tariff headings pertaining to textile related items were removed during current financial year. Besides Additional Customs Duty on 152 tariff codes pertaining to different raw materials/intermediary goods was also removed. Similarly, to meet the demand of value-added textile sector, RD on the import of cotton yarn was removed and later on 5% customs duty on cotton yarn was also removed.
- VI. To give relief to downstream engineering goods manufacturing industry, customs duties and additional customs duty on flat rolled HRC and alloy and stainless-steel products have been exempted

VII. On the request of various local industries, a number of their inputs/intermediary raw materials are being allowed concessional import under new serial number of the fifth schedule through IOCO quota determination.

b) Annual budgetary proposals related to Inland Revenue laws, rules and procedures successfully executed and implemented during FY 2021-22 are narrated below:

Sales Tax & Federal Excise Related Budgetary Measures

Relief Measures

- I. To facilitate small businesses, threshold of annual turnover is being enhanced. Now a cottage industry having annual turnover of up to Rs 10 million will not be required to register for sales tax
- II. Tax exemption on import of auto disable syringes and their raw material and exemption on oxygen cylinders.
- III. Relief for electric vehicles supply and manufacturing
- IV. exemption on import of CKD kits for local manufacturing of electric vehicles, reduction in sales tax rate on locally manufactured electric vehicles from 17% to 1%, withdrawal of value addition tax on import of electric vehicles and CKD kits and withdrawal of federal excise duty on 4-wheelers electric vehicles.

Revenue Measures

- I. Inclusion of sugar in the Third schedule to the Sales Tax Act
- II. Levy of FED on Certain Telecommunication Services
- III. Third party sales made through established online marketplaces within the purview of sales tax.
- IV. Enforcement of sales tax withholding on reclaimed lead and used lead batteries
- V. Withdrawal of certain exemptions and reduced rates

Streamlining Measures

- I. Introduction of prize scheme for customers making purchases from integrated Tier- 1 Retailers
- II. Excluding advance payment from chargeability of sale tax.

Income Tax Related Budgetary Measures

Relief Measures

- I. 12 withholding tax provisions were omitted for FY 2021-22 and 3 more provisions were deleted through Finance Act 2022. These includes withholding and tax collection provisions regarding Banking transactions, Pakistan stock exchange, Margin financing, Air travel services, International transactions through debit and credit cards, and Extraction of minerals.
- II. Withholding tax on oilfield services, warehousing services, security services, logistic services, telecommunication services and collateral management services may be reduced to 3% from existing 8%.
- III. No tax may be collected on imports of books, journals, agriculture equipment and motor vehicles in CBU condition up to 850 cc.
- IV. Enhancing threshold for individuals and AOPs to pay minimum tax on turnover basis from 10 million to 100 million;
- V. Reduce general tax rate from 1.5% to 1.25% which will bereduced gradually each year

Procedural Measures

- I. The system based verified refunds would be issued directly into the bank accounts of taxpayers
- II. Prompt Issuance of Exemption Certificate. After the lapse of statutory time limit, the computerized system would automatically issue exemption certificate to taxpayers.
- III. To provide faceless tax administration, reducing compliance cost and saving precious time of the taxpayers, themechanism of e-hearing has been devised.

Source: Annual Budget Document 2021-22

2) Number of tax treaties executed with foreign countries in order to facilitate investment

Pakistan has signed the protocol to amend the existing Convention for Avoidance Of Double Taxation with respect to taxes on income between Pakistan and Tajikistan, on 17th September, 2021, in Dushanbe during the financial year 2021-22.

Source: International Taxes Wing (IR), FBR

1) Number of field projects completed during the Fiscal Year

Table 28: Details of field projects completed during the Fiscal Year 2021-22

S. No.	F.Y 2021-22	Amount (Rs. in Million)	Status
1	Construction of Zonal Office (IR) at Kohat.	56.308	Completed
2	Construction of covered car parking in FBR (HQ), Islamabad	56.308	Completed
3	Construction of International Hostel and Class Room at DOT Complex, Allama Iqbal Town, Lahore	81.296	Completed
4	Construction of Office Building for Jhang Zone (Inland Revenue)	64.991	Completed
5	Establishment of Inland Revenue Offices in Pakistan.	813.990	Completed
6	Construction of 2nd Floor Over Existing Building of operations @IC-3 PORT QASIM Customs House Karachi	14.10	Completed
7	Construction of Custom House Building at Port Qasim, Karachi. (PC-II)	6.76	Completed
8	Purchase of land for Customs Check Post /Warehouse at Rakhni, Manikhawa, Qamar-ud-Din and Badin, Balochistan.	83.977	Completed

Source: Projects Wing (IR), FBR

2) Number of officers receiving official trainings, inland and abroad, during the Fiscal Year

Table-29: Number of officers received official trainings during FY 2021-22

Time Period	Type of Training	No. of Officer
2020-21 to 2021-22	Online Training/ Workshop/ Webinar/ Event/ Session/ Conference	59
	International Training	15
	Pakistan Institute of Management (PIM)	41
	Pakistan Planning and Management Institute (PPMI)	16
	Institute of Business Administration (IBA)	07
	Lahore University of Management Sciences (LUMS)	03
Total		131

Source: Admin/ HR/ Customs Wing, FBR

3) No. of cases in which disciplinary action under E&D Rules has been taken during FY 2021-22

Table-30: Disciplinary action under E&D Rules taken during FY 2021-22

BPS of Officers	Number of Cases Where Disciplinary Action Taken During FY 2019-20
19-22	11
17-18	13
01-16	48
Total:	72

Source: Admn/HR Wing, FBR

4) Number of media campaigns launched for taxpayers facilitation

Table-32: Media campaigns were launched for taxpayers' facilitation during FY 2021-22

S. No.	Media Campaigns	Medium	Dates
1	Income Tax Return Filing, 2021	Print	18 th September to 30 th September, 2021
		Electronic	18 th September to 30 th September, 2021
		Radio	18 th September to 30 th September, 2021
2	POS Prize Scheme, Retail Outlets (An integrated campaign was run for almost three months)	Print	11, 12, 13, 17, 18, 19, 24, 25, 26 December, 2021 1, 2, 7, 8, 9, 14, 15, 16, 21, 22, 23, 28, 29, 30 January, 2022 4, 5, 6 February, 2022
		Electronic	11, 12, 16, 17, 18, 23, 24, 25 December, 2021 1,6,7,8,13,14,15,20,21,22,27,28,29 January, 2022 4, 5 February, 2022
		Radio	12,17,18,19,24,25,26,31 December,2021 1,2,7,8,9,14,15,16,21,22,23,28,29,30 January, 2022
3	Campaign on DNFBPs	Print	5, 6, 12, 13, 20 and 26 March, 2022

5) Number of taxpayers complaints redressed during the year

Table-33: Number of taxpayers' complaints redressed during the FY 2021-22

Period	July 2020 to June 2021
Total Number of Complaints Received	13388
Total Number of Complaints Resolved	13004
In-Process Complaints	151
Percentage of Resolution	97.1
Total Number of Dashboards	83
Citizen Satisfaction Level	54%

Source: PR Wing, FBR

KPI-9: FBR representation before various legal forums

1) Representation of cases where FBR (HQs) is the sole respondent at Supreme Court/High Courts or FTO

Table-34: Representation of cases where FBR (HQs) is the sole respondent during FY 2021-22

S #	Forum	Total Number of Cases	Representation Filed	Representation Not Filed
1	Supreme Court	0	0	0
2	High Court	9	9	0
3	Federal Tax Ombudsman	0	0	0
Total:		9	9	0

Source: Legal Wings, FBR

2) Individual performance appraisal of each Panel Advocate & Special Public Prosecutors through devised SOP on yearly basis.

Mechanism for individual performance appraisal of each Panel Advocate & Special Public Prosecutors was devised during 2021-22 and their performance is given in Table-34 below:

Table-35: Performance appraisal of each Panel Advocate & Special Public Prosecutors

Total Number of Panel Advocates / Special Public Prosecutors	Performance Evaluation		
	Good	Satisfactory	Unsatisfactory Below Average
321	188	94	39

Source: Legal and Accounting Customs-Wing, FBR

KPI-10: Implementation of Public Account Committee (PAC) directives

1) Preparation and timely submission of Working Papers in PAC for settlement of Audit Paras.

a) Performance of Customs Wing

The table-36 & 37 given below shows that all working papers pertaining to PAC meetings were timely prepared and submitted to the PAC for settlement of audit paras during 2021-22.

Table-36: Submission of Working Papers in PAC for settlement of Audit Paras (Customs Wing)

S. No.	Date of PAC Meeting	Date of submission of Working Papers to PAC	Timely submission of Working Papers to PAC
1.	04.08.2021	01.08.2021	100 %
2.	10.08.2021	05.08.2021	100 %
3.	03.09.2021	01.09.2021	100 %
4.	05.10.2021	01.10.2021	100 %
5.	13 & 14.10.2021	08.10.2021	100 %
6.	11 & 12.01.2022	08.01.2022	100 %
7.	15 & 16.02.2022	11.02.2022	100 %
8.	24.02.2022	21.02.2022	100 %

Source: Legal & Accounting Customs Wing, FBR
Annual Performance Report of FBR (FY 2021-22)

b) Performance of IR Wing

Table-37: Submission of Working Papers in PAC for settlement of Audit Paras (IR Wing)

S No	Date of PAC Meeting	Date of submission of Working papers of PAC	Timely Submission of Working Papers to PAC
1	19.07.2021	16.07.2021	100%
2	04.08.2021	03.08.2021	100%
3	06.08.2021	05.08.2021	100%
4	12.08.2021	11.08.2021	100%
5	03.09.2021	02.09.2021	100%
6	13-14.10.2021	12.10.2021	100%
7	10.02.2022	09.02.2022	100%
8	15-16.02.2022	14.02.2022	100%
9	24.02.2022	23.02.2022	100%

Source: Accounting & Audit Wing, FBR

2) Timely dissemination of PAC directives among field formations for completing requisite actions.

a) Performance of Customs Wing

The tables-38 & 39 given below shows that PAC directives were timely disseminated to the field formations for completing requisite actions during 2021-22.

Table-38: Dissemination of PAC directives among field formations (Customs Wing)

S. No.	Date PAC Meeting	Date of dissemination of PAC directives to field formations.
1.	04.08.2021	17.08.2021
2.	10.08.2021	Agenda not discussed on Customs side
3.	03.09.2021	Agenda not discussed on Customs side
4.	05.10.2021	25.10.2021
5.	13 & 14.10.2021	16.12.2021

6.	11 & 12.01.2022	Meeting postponed
7.	15 & 16.02.2022	Agenda not discussed on Customs side
8.	24.02.2022	27.04.2022

Source: Legal & Accounting Customs Wing, FBR

c) Performance of IR Wing

Table-39: Dissemination of PAC directives among field formations (IR Wing)

S No.	Date of PAC Meeting	Date of dissemination of PAC Directives to Field Formations (Recorded Notes)
1	19.07.2021	20.07.2021
2	04.08.2021	05.08.2021
3	06.08.2021	08.08.2021
4	12.08.2021	13.08.2021
5	03.09.2021	06.09.2021
6	13-14.10.2021	15.10.2021
7	10.02.2022	Agenda not discussed
8	15-16.02.2022	18.02.2022
9	24.02.2022	28.02.2022

Source: Accounting & Audit Wing, FBR

Domestic revenue mobilization is key to realizing sustainable development and providing fiscal space to fund public expenditures. The current Tax reforms aim at business development and investment-friendly environment through voluntary tax compliance, reduction in administrative and compliance costs for taxpayers, which will ultimately promote economic growth.

The FBR reforms have focused on the integration of third-party databases of NADRA, SBP, AGPR and the provincial governments with FBR's centralized databases and a single system for filing of sales tax returns for the federal and provincial taxes.

The Federal Board of Revenue has been analyzing various reform interventions such as Simplification, Technological Access, Facilitation & Communication, Automation of Business Processes, effective compliance controls and enforcement of taxpayer obligation and Institutional development to increase efficiency and accountability.

FBR is innovating to maximize the quality and efficiency of its services. In keeping with the Government policy of enhancing automation, FBR is enhancing its digital services to make them increasingly available to all taxpayers and traders. Realignment of all ICT services with special focus on security, user interfaces with taxpayers and tax collectors, analytics and a comprehensive Management Information System (MIS) is the need of the hour.

Functional data bridges have been established with provincial revenue agencies and other state departments across the nation such as Banks/NADRA/SECP/PITB/AGPR/SBP/I-LINK/TELCOS, Punjab Land Record. FBR lacks the capacity to analyze big data to detect tax evasion. Development of ICT infrastructure and a well-resourced data analysis and research unit to integrate and analyze big data with adequate data security can pave the way for enhancing the capacity of the organization.

World Bank Pakistan Raises Revenue (PRR) Program (2019-24) has helped FBR in achieving the goals set out under the program Disbursement Linked Indicators (DLIs):

1. Broadening of tax base and sustainable increase in domestic tax revenues
2. Reducing scope of withholding tax regime
3. Bringing more transparency in tax system by publicly disclosing and analyzing tax exemptions/concessions.
4. Automatic exchange of taxpayer data with provinces to harmonize the methods for taxation on services and real estate

5. Electronic monitoring of production in key sectors with high risk of tax evasion such as tobacco, beverages, sugar, cement, fertilizer
6. Identification of new taxpayers through automated data sharing and ICT based Business Intelligence
7. Risk-based audit
8. Reduction of frequency of physical inspections and documental checks at the borders
9. Simplification and automation of FBR core business processes
10. Enhancing organizational effectiveness and transparency through systematically measuring and publicly reporting its performance based on key performance indicators.

The FBR is the implementing agency for the Integrated Transit Trade Management System (ITTMS) project under the CAREC- RIBS Program financed by the Asian Development Bank (US\$ 300 million) at three Border Crossing Points (BCPs) of Torkham, Chaman and Wahgh. The facilities include multi-agency administration and accommodation buildings for 24/7 Operationalization, well equipped Import and Export Customs Control Zones (CCZs) and passenger terminals, installation of Gantry, Pass-Through, and Dual View Inspection scanning equipment, cargo surveillance systems and e-Gates for passenger facilitation etc.

The Project will reduce Cost of Doing Business by speedy electronic verification of docs, clearance, weighing, scanning, evaluation of transit goods for expedited cross-border cargo movement under WTO's Trade Facilitation Agreement (TFA) thereby reducing Cost of Doing Business and complementing Geo-Economics. Integration of electronic cargo clearance system of Pakistan Customs, i.e., WeBOC with Pakistan Single Window (PSW) Portal will lead to real-time data sharing with all the concerned stakeholders within the Country and with the regional Single Windows to connect with all the CAREC trading partners. The Project is currently on track and civil works at Torkham and Chaman are being executed with subsequent installation of cargo scanning equipment, port surveillance system, and e-Gates for passenger facilitation with an expected completion date 31st December, 2023.

Moreover, with technical assistance from development partners specifically USAID, IFC and ADB, Pakistan Customs initiated the National Single Window project with a cost of USD 163 million in order to eliminate need for physical engagement between the traders and regulators besides simplifying the procedures and improving predictability. It will facilitate electronic submission of documents and risk based parallel processing and issuance of regulatory approvals relying on data/process harmonization while using modern technology. The business model for execution and operations as well as alignment of participating departments was approved by the Steering Committee in April, 2019. Pakistan Single Window is an ICT-based system and a facility that allows parties involved in trade and transport to lodge standardized information and documents at a single-entry point to fulfill all import, export, and

transit-related regulatory requirements. PSW will connect relevant government departments with each other and with economic operators like importers, exporters, customs agents, shipping agents and transporters in Pakistan for efficient management of cross border trade. Pakistan is committed to implement various provisions of World Trade Organization's (WTO) Trade Facilitation Agreement that includes implementation of a National Single Window (NSW) system before February 2022. The same has been implemented

FBR is utilizing Customer Relationship Management (CRM) Software to improve customer's contact experience by tracking, monitoring and archiving issues reported by the taxpayers. Taxpayers lodge complaints by sending emails to helpline@fbr.gov.pk, calling the helpline UAN, and by visiting the FBR's website www.fbr.gov.pk. FBR has point of contact with taxpayers through FBR's CRM and Prime Minister Delivery Unit (PMDU).

CONCLUSION

Despite various challenges and a pandemic situation, FBR was able to surpass the revised annual revenue collection target of Rs. 6,100 billion during FY 2021-22. The delivery against Key Performance Indicators was on track during the year 2021-22. The other performance indicators especially the Level of Automation, Taxpayer's Facilitation, Integration of FBR with other Revenue Agencies & Departments, Revenue Laws Simplification and Risk Based Audits by FBR were duly focused. Under the World Bank Program, Pakistan Raises Revenue (PRR) (2019-2024) there had been continued collaboration of FBR with the World Bank consultants in various reform areas to achieve the main goals through the Disbursement Linked Indicators earmarked for the Year 2021-22.

The donor agencies and internal drivers have highlighted the need for development of the ICT infrastructure and technical skills to integrate and analyze big data with adequate data security. In this perspective, FBR aims to be a smart, modern and fair tax organization. The aim is to promote voluntary tax compliance through transparent policies and efficient user-friendly tax system.

FBR has planned various reform interventions to modernize and overhaul its antiquated business processes and adopt modern tax administration practices based on big data and business intelligence (BI). The broad areas for strategic reforms have been identified as under:

- (i) Simplification, Technological Access, Facilitation & Communication
- (ii) Automation of Business Processes
- (iii) Improving effective compliance controls and enforcement
- (iv) Institutional development to increase efficiency and accountability.

FBR will continue its commitment for improving its efficacy and service delivery with the support and assistance of its major stakeholders.

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Every effort has been made to ensure accuracy of the data used in this publication.

For more information on the Federal Board of Revenue and its activities, visit online at www.fbr.gov.pk or call 051-111-772-772.