

ONE ASIA ONE TAX

November, 2025

ANWAR KASHIF MUMTAZ

President
Pakistan Tax Bar
Association



It is with great pride and privilege for me on behalf of the Pakistan Tax Bar Association (PTBA) to extend my warmest greetings and heartfelt congratulations to the Asia Oceania Tax Consultants Association (AOTCA) on the occasion of its Annual Meeting/ International Tax Conference, hosted by Nepal Chamber of Tax Consultants. AOTCA has consistently played a vital role in promoting cooperation, mutual understanding, and professional excellence among tax professionals across the Asia-Oceania region. This Annual Meeting/International Tax Conference is not only a platform to share knowledge and best practices, but also an opportunity to strengthen regional ties and collectively address the evolving challenges in tax policy, administration, and advisory services.

As a representative body of dedicated tax professionals in Pakistan, PTBA shares AOTCA's vision of fostering ethical tax practices, enhancing taxpayer rights, and promoting transparency in tax systems. We remain committed to contributing to regional and global dialogue on tax reforms, digitalization, and fair taxation.

PTBA's publication "One Asia, One Tax" honours the significance of AOTCA Annual Meeting / International Tax Conference, resonating deeply with the evolving vision of regional integration, cooperation, and harmonization in the field of taxation. As economies across Asia and Oceania continue to grow, the call for greater collaboration among tax professionals and authorities becomes ever more essential. This theme reflects not only a shared aspiration for coherence in tax policies but also an understanding that sustainable development, transparency, and fairness in taxation are best achieved through collective effort.

Pakistan Tax Bar Association (PTBA), as a longstanding member of AOTCA, proudly supports and contributes to this unified vision. Our association remains committed to fostering professional excellence, cross-border dialogue, and mutual learning across jurisdictions. We believe that this publication will serve as an important reference and inspiration for policy makers, practitioners, and thought leaders across the region.

Let this publication mark a new chapter in our journey toward a more connected, cooperative, and prosperous Asia — where tax systems serve the people, respect sovereignty, and promote growth through understanding and solidarity.

I commend AOTCA's leadership and member organizations for their continued efforts in advancing the profession, especially in times of rapid change and economic complexity. We are confident that this meeting will yield fruitful discussions, valuable insights, and meaningful collaborations.

On behalf of PTBA and the entire tax professionals' community of Pakistan, may this Annual Meeting / International Tax Conference pave the way for greater unity, professional exchange, and tax harmony across our region.

I would like to congratulate the conference organizing committee and the leadership of Nepal Chamber of Tax Consultants for organizing such a relevant and an informative conference in tough times. This shows the commitment of AOTCA Member Bars towards regional cooperation harmony and brotherhood.

Wishing all the participants a successful, enlightened, and a memorable Annual Meeting / International Tax Conference / Conference.



Harmonizing Tax Regimes and Single-Rate VAT: Merits, Demerits, and Social Equity Measures

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Tax harmonization and the adoption of a single-rate VAT are increasingly considered by policymakers seeking to simplify tax systems, boost compliance, and foster regional integration. However, while these reforms offer substantial efficiency and administrative benefits, they

also raise important questions about social equity. This article explores the merits and demerits of harmonized, single-rate VAT regimes, with a particular focus on social equity measures, drawing on global case studies and recent policy innovations.

MERITS OF HARMONIZING TAX REGIMES

1. Administrative Simplicity and Transparency. A harmonized tax regime with a single VAT rate streamlines administration for governments and taxpayers. Multiple rates and exemptions complicate compliance, increase the risk of errors, and create opportunities for disputes and fraud. By contrast, a single-rate VAT minimizes compliance and administrative costs, reduces ambiguity, and fosters transparency. For example, New Zealand's GST is a global benchmark for VAT design. Its broad-based, single-rate structure minimizes compliance costs and distortions in consumption decisions, generating significant revenue efficiently.

2. Economic Efficiency and Investment Incentives. Harmonization reduces distortions in capital allocation and consumption. When different goods and services are taxed at varying rates, consumers and businesses may alter their behavior to minimize tax liability, leading to inefficiencies. A single rate ensures horizontal equity—households are treated equally regardless of consumption preferences—and avoids such distortions.

Slovakia's 2004 flat tax reform replaced five income tax brackets and two VAT rates with a single 19% rate for both corporate and personal income tax, and VAT. The reform improved investment incentives, reduced distortions, and made the tax system simpler and more transparent.

3. Revenue Mobilization and Fiscal Stability. A harmonized VAT regime can be broadly revenue-neutral, as seen in Slovakia, where revenue lost from direct taxes was offset by increased VAT and excise tax collections. Countries like Georgia and Nepal have also demonstrated that broadening the VAT base and standardizing rates can significantly boost tax-to-GDP ratios, improve compliance, and support increased spending on health and education. Georgia reduced its VAT rate from 20% to 18% and implemented a standard rate on all goods and services. Tax-to-GDP rose from 7.62% to 23.18%, compliance improved, and bribery among tax officials declined.

4. Facilitating Regional Integration and Trade. Harmonized tax regimes are particularly beneficial in regions seeking deeper economic integration. When countries align their VAT rates and rules, cross-border trade becomes simpler, reducing compliance costs for businesses and facilitating fair competition.

5. Digital Transformation and Modernization. Harmonization can anchor digital transformation in tax administration, as seen in India's GST reform. The move to a unified GST regime improved the tax/GDP ratio, enhanced the business climate, and supported sustained growth and resilience.

DEMERITS AND CHALLENGES OF HARMONIZATION

1. Social Equity and Regressivity. A single-rate VAT is often criticized for its regressive impact—lower-income households spend a higher proportion of their income on

consumption and thus bear a heavier tax burden. While broad-based VATs are efficient, they may exacerbate inequality unless offset by targeted welfare measures.

Preferential VAT rates and exemptions are often used to address distributional concerns, but evidence shows they are not well targeted toward poor households overall. Cash transfer schemes, especially universal transfers funded by broadening the VAT base, are more effective in reducing poverty and inequality. Uzbekistan launched a progressive VAT compensation scheme for low-income households registered in the Unified Register of Social Protection. The system provides full VAT refunds on essential goods, replacing previous limited benefits. This initiative aims to strengthen social support, reduce living costs for vulnerable populations, and promote fiscal efficiency through predefined monthly refund limits. A recent innovative proposal for a "Personalized VAT" combines a single-rate VAT with targeted transfers to the poorest deciles, compensating for increased tax pressure and resolving the equity-efficiency dilemma.

2. Loss of Policy Flexibility. Multiple rates and exemptions allow governments to pursue social and economic objectives, such as promoting certain industries or providing relief to vulnerable groups. Harmonization and single-rate regimes reduce this flexibility, potentially limiting the ability to respond to specific policy needs.

3. Gender Equity Considerations. Tax systems can have explicit and implicit gender biases. For example, Indonesia's VAT regime does not provide exemptions for essential goods disproportionately consumed by women, such as hygiene products and childcare services. Applying a gender lens to tax policy is crucial for advancing equity.

4. Political Economy and Stakeholder Resistance. Tax reforms that eliminate exemptions or standardize rates often face resistance from affected stakeholders. Businesses benefiting from preferential rates, or sectors accustomed to exemptions, may lobby against harmonization. Political will and effective communication are crucial for successful implementation.

5. Administrative Costs at Low Rates. The principal costs of administering a single-rate VAT are similar regardless of the rate. However, at very low rates (below 10%), administrative costs may consume a disproportionate share of revenue, making VAT less attractive.

6. Complexities in Multinational Contexts. Harmonization across countries can be complicated by differences in economic structure, administrative capacity, and political priorities. The European Union's experience with VAT

harmonization illustrates the challenges of aligning tax bases and rates while accommodating national interests.

SOCIAL EQUITY MEASURES IN PRACTICE

Social equity measures in value-added tax (VAT) policy are increasingly leveraging targeted approaches and digital solutions to improve outcomes for vulnerable populations. For example, Uzbekistan offers full VAT refunds on essential goods to low-income households using a digital Social Card. This system ensures that support is delivered efficiently and transparently to those who qualify, replacing less precise blanket VAT benefits. Research indicates that cash transfers—especially universal ones funded by a broadened VAT base—are more effective and better targeted for poverty reduction than VAT exemptions. Such transfers can generate substantial net gains for the poorest households by directly compensating for the regressive impact of consumption taxes.

Addressing social equity also involves considering gender-specific impacts within tax policy. In Indonesia, the absence of VAT exemptions for goods predominantly used by women, such as hygiene products and childcare services, underscores the importance of applying a gender lens to tax design. Digital tools, like Uzbekistan's Social Card, not only enhance the targeting and delivery of social benefits but also boost transparency and administrative efficiency. Furthermore, innovative models such as a "Personalized VAT" which pairs a single-rate VAT with targeted transfers to low-income groups demonstrate how efficiency and equity can be balanced, enabling broad-based revenue collection while maintaining strong social protection.

HOW DIGITAL TOOLS IMPROVE VAT EQUITY MEASURES

1. Targeted Social Protection and Refunds. Digital tools allow governments to implement VAT equity measures with greater accuracy and effectiveness. In Uzbekistan, for instance, a progressive VAT refund system utilizes a Unified Register of Social Protection and digital social cards to provide full VAT refunds on essential goods, such as bread, flour, and sugar, to low-income households. This targeted mechanism replaces broad, less precise VAT benefits, ensuring that assistance is directed specifically to those in need while also setting monthly refund limits to maintain fiscal sustainability.

The system's core features include unified digital registries that centralize eligibility information and streamline the delivery of benefits. Digital social cards automate the refund process, minimizing administrative errors and enhancing transparency. Additionally, predefined monthly limits are established to help manage fiscal risks and prevent misuse, ensuring that resources are allocated

efficiently and equitably.

2. Improved Targeting and Inclusion. Digitalization enables governments to more precisely target social transfers and VAT rebates by using unified registries and digitized tax systems, which help ensure that benefits reach registered low-income households. This approach minimizes leakage of resources, enhances the equity of fiscal reforms, and provides rights-based access for vulnerable groups. In addition, it reduces fragmentation within social protection programs and expands coverage for marginalized populations, ultimately strengthening the overall effectiveness and inclusivity of social equity initiatives.

3. Data-Driven Policy and Analytics. Digital tax administration systems play a pivotal role in supporting VAT equity measures by collecting and analyzing large volumes of data, which allows governments to closely monitor the impact of these policies and make timely adjustments. The integration of automated income tax filing, IT-based risk assessment tools, and the use of sex-disaggregated data enhances compliance, strengthens audit effectiveness, and promotes fairness in revenue administration. These systems offer significant benefits, including the ability to track performance through key indicators, increase compliance and reduce instances of fraud, and provide transparent reporting that supports accountability.

4. Financial Inclusion and Accessibility. Mobile banking and digital payment systems empower unbanked populations by making it easier for them to receive VAT refunds and social transfers. These digital tools democratize access to essential services, including financial services, education, and healthcare, which helps reduce disparities and fosters entrepreneurship. As a result, digital solutions enable a broader reach to remote and underserved communities, lower barriers to accessing benefits, and contribute to the empowerment of women and marginalized groups.

5. E-Governance and Transparency. Digital transformation streamlines public services, enhances transparency, and fosters citizen engagement by making VAT administration more efficient and accessible. E-governance initiatives not only reduce opportunities for corruption but also improve public trust in government. These advancements result in more efficient service delivery, lower administrative costs, and greater accountability within tax and social protection systems.

6. International Best Practices and Toolkits. Global organizations such as the OECD, World Bank, and Asian

Development Bank (ADB) have created VAT Digital Toolkits to assist tax administrations in adopting digital solutions aimed at improving VAT equity. These toolkits offer practical strategies for addressing the unique challenges associated with digital trade and VAT administration, with a particular emphasis on the needs of developing economies. For example, Uzbekistan's recent reforms provide a valuable case study: under Presidential Decree No. 13 (2024), the country introduced a digital VAT refund system targeted at low-income households. By leveraging digital social cards and a unified registry, Uzbekistan transitioned from a 1% VAT benefit to offering full VAT refunds on essential goods, which significantly strengthened social support and lowered living costs for vulnerable groups. Automated systems were implemented to enhance fiscal efficiency and transparency, while monthly limits were established to curb potential abuse.

Despite these advancements, certain risks remain. Delays in implementing digital systems can restrict the reach and equity of VAT benefits, while fragmented funding sources and weak tax administration capacity may compromise the overall effectiveness of such reforms. However, there are important opportunities as well. Unified registries and digitized tax systems lay the groundwork for more equitable, climate-resilient, and pro-poor fiscal governance. Additionally, incorporating institutionalized gender and climate assessments into these reforms can further improve the inclusivity and long-term impact of social service delivery, helping to reduce poverty in a sustainable way.

Conclusion. Harmonizing tax regimes and adopting a single-rate VAT offers compelling advantages: administrative simplicity, economic efficiency, enhanced compliance, and support for regional integration. However, these benefits must be balanced against challenges of social equity, loss of policy flexibility, stakeholder resistance, and administrative costs. Digital tools are transforming VAT equity measures by enabling precise targeting, efficient delivery, and transparent administration of social protection and tax benefits. They empower governments to reach vulnerable populations, monitor outcomes, and adapt policies in real time. As countries continue to digitize their tax systems, the potential for more equitable and inclusive VAT regimes grows, provided that implementation is robust and inclusive.



TAX COMPLIANCE, RATES, AND REBATES FOR FOREIGN INVESTORS IN PAKISTAN

REHAN SIDDIQUI

General Secretary, Pakistan Tax Bar, Association & Partner, Bakertilly Pakistan



South Asian countries are taking steps to enhance their tax structures in order to attract foreign investment in the highly competitive global capital economy. While there are many prospects in the region, Pakistan in particular is establishing a unique niche. Pakistan's value

proposition is evident when compared to regional titans like China, with its large manufacturing and commerce network, or India, with its enormous population and market depth.

There is a compelling strategic case for Pakistan that goes beyond the numbers. It provides crucial access to regional trade routes such as the China-Pakistan Economic Corridor (CPEC), a robust domestic market of around 245 million people, and a youthful Labor population.

Compliance with the Federal Board of Revenue (FBR) is the initial step for any foreign entity entering Pakistan. Registration for a National Tax Number, yearly return filing, and compliance with withholding tax laws on income such as dividends and royalties are all required steps in the process. Investors are encouraged to carefully negotiate this structure, possibly with the assistance of local experts, to mitigate issues like procedural complexity, even though it guarantees credibility.

However, its payments are what really interest Pakistan. Strong incentives are provided by the government, including tax breaks for industries like renewable energy and information technology. These actions are intended to boost return on investment and promote sustained

dedication. For investors, the tax-to-GDP ratio is a crucial indicator. This differs greatly across the Asia-Oceania area. At 5.7%, Pakistan's ratio is still among the lowest, indicating both a difficulty for the exchequer and a relatively lower current tax burden for new firms like other developing country, reliance in on income tax and the sizeable contributions from VAT and remittances. This discrepancy emphasizes Pakistan's capacity to raise money in the future and its standing as a market with a little financial barrier to entry.

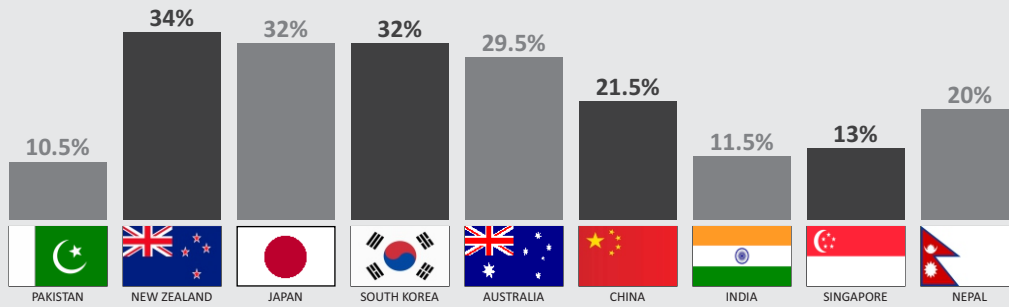
Pakistan makes a strong argument on the rates themselves. For the industrial taxpayer's, the typical corporate tax rate of 29% is reduced to an alluring 20%, which is competitive with regional peers.

In conclusion, Pakistan is gradually creating a tax system that is more competitive and welcoming in the ever-changing Asia-Oceania region. Success for the savvy investor will depend on two factors: careful adherence to regional laws and a proactive strategy for taking advantage of the substantial incentives available. Even while there are challenges along the way, strategic planning, and a deep comprehension of the local environment whether in Pakistan, India, or Nepal can lead to substantial growth and profitability in these exciting markets.

This article presents a comparative analysis of selected countries in the Asia-Oceania region based on the following criteria.

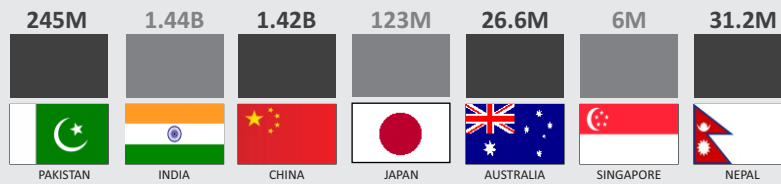
TAX-TO-GDP RATIO

2024



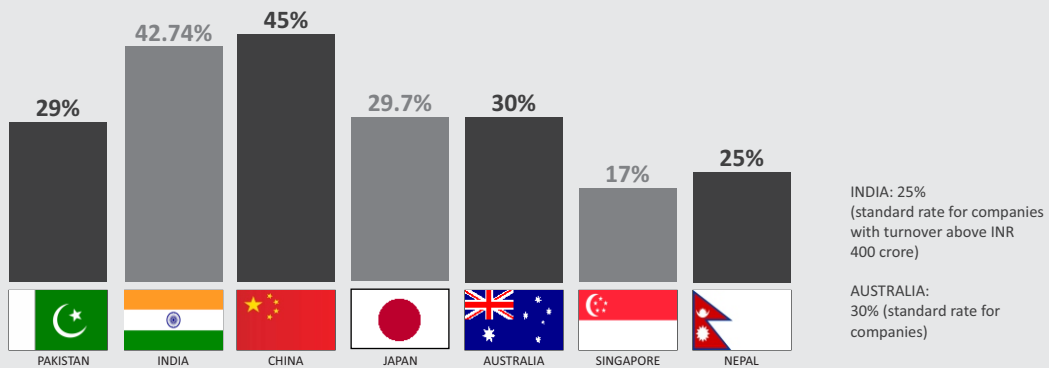
TOTAL POPULATION - 2024

M = Million | B = Billion

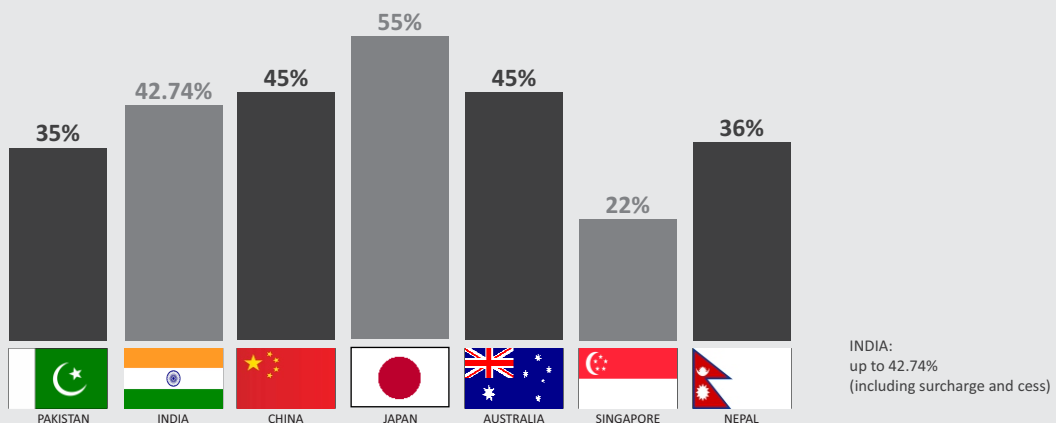


CORPORATE TAX RATES

Standard Rate



INDIVIDUAL TAX RATE



PAKISTAN TAX BAR ASSOCIATION

The Pakistan Tax Bar Association aims to be the effective voice of tax professionals and taxpayers, we have many Advocates, Professional Accountants, and Tax consultants in its fold. It has a long tradition of organizing Seminars, Workshops, and Conferences on taxation measures and fiscal policies.

In the last fifty years, Bar has established, promoted and maintained high standard of honesty, efficiency and integrity in the conduct of professional duties so as to enhance the status, dignity, prestige and honor of the profession. The Association is regularly printing and publishing News & Views, papers, Periodicals and Books for promotion of professional education amongst the members of the Bar in particular and citizens of the country in general.

Bar has played a very positive and vital role in formulating, suggesting and assisting the Government of Pakistan measures for creation of tax culture in Pakistan and to build the economy of the country. It is also affiliated with many National and International Associations / Organizations and establishing training academy in the near future. Bar is also encouraging its members for higher education and establishing awards, medals, and scholarships for those members with exemplary academic records.

OUR MISSION

To strengthen and promote quality professional tax practice and assist tax professionals in enhancing their knowledge and abilities, so as to be of service to the citizens by ensuring availability of due process of law, levy of fair tax and dispensation of justice.

OUR VISION

To be the effective voice of tax professionals and taxpayers.

PTBA 14 POINTS

1. Mirror policy i.e. for tax filers and only in case of mismatching of the data, notices are to be issued by the FBR.
2. Taxes should be imposed on all incomes, and active tax payers list should immediately be at 20,000,000.
3. Reduce indirect tax, increase direct tax and rate of taxes should be rationalized to broaden the tax base.
4. Artificial Intelligence ("AI") in FBR for themselves and evaluation of Tax-filers and mapping of non-filers as well.
5. Filing of Appeals before ATIR through IRIS-FBR web portal.
6. Monitoring of Withholding Taxes u/s 161 of the Income Tax Ordinance, 2001 ("ITO, 2001") after determination of actual default.
7. Audit / Assessment u/s 122(5A) of the ITO, 2001, if the 2 conditions are fulfilled i.e. if the deemed assessment is erroneous in so far pre-judicial to the interest of revenue.
8. Notices for verification of Gift, Loan, Investment asking notices issued on the IRIS System and verified on system and closed it, and if not verified Order has to be passed and in this context it shall be after providing proper opportunity and reasons for the addition if any.
9. Desk audit of Nil Tax Return. Data matching bases notice should issue.
10. ADR instead of CIT (Appeals).
11. Intelligence & Investigation ("I & I") Department and Benami departments should only give reports/information to Concerned Zonal Commissioner and the proceedings will be initiated and concluded by the Concerned Commissioner.
12. In supply chain if any party is not at any default, the party cannot be penalized for the reason that it is a part of the supply chain under the provisions of Sales Tax Act, 1990.
13. Point of Sale ("POS") should be implemented at every level of trading/services/property trading/agriculture trading activities to curb tax evasion and smuggling.
14. FBR should identify the status of Tax filers' including but not limited to number of non-filers becoming filer & filers' scoreboard on FBR website.

MEETING WITH CHIEF JUSTICE OF PAKISTAN



with the Chief Justice of Supreme Court of Pakistan with PTBA was a significant opportunity to discuss legal matters and judicial policies.

MEETING WITH CHAIRMAN SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP) ON ZOOM

In this meeting President apprised the chairman that our members who are dealing with the SECP across Pakistan are facing challenges which in our opinion are creating hardship for new startups and investors, who are coming to Pakistan with the impression that the SECP is equally vibrant and responsive. However, they are facing challenges which include but not limited to timelines, penalties and technical glitches on the SECP web portal.

Following issues were discussed in that meeting:

- 1) Obtaining digital certificate for the company and their hefty fee
- 2) Availability of SECP web portal
- 3) Updation of SECP guidelines and circular on the web portal
- 4) Hefty penalties on non-compliances
- 5) De-centralization of winding up process
- 6) Simplification of rules and procedures in order to promote corporatization and foreign investment.

MEETING WITH STATE BANK OF PAKISTAN

In this meeting following issues were discussed:

1. Facilitations to foreign and local investors
2. Smooth processes for transmission of dividend, repatriation of profit and payment of interest
3. Visibility to trace the application to get exact reason of non-approval

MEETINGS MEETING WITH FPCCI



with the Chief Justice of Supreme Court of Pakistan with PTBA was a significant opportunity to discuss legal matters and judicial policies.

President Anwar Kashif Mumtaz, visited FPCCI headquarter in Karachi along with senior members of his team and discussed the matters of mutual interest regarding tax reforms.

Muhammad Suleman Chawla, Acting President FPCCI has agreed to the various proposals of PTBA including to form a joint committee to promote tax culture in Pakistan, broadening of the tax base, simplification of taxation rates and creating awareness.

President PTBA, outlined his plan of action:

- I. chambers & associations should have zero tolerance for the non-filers when it comes
- II. chambers & associations should not verify or endorse those businesses which are not regular tax filers
- III. FPCCI & PTBA should jointly organize National Tax Day on 24th February 2024
- IV. there should be valid, up-to-date and reliable national tax database
- V. chambers & associations should promote awareness in the business community to pay their taxes
- VI. FPCCI & PTBA should also collaborate in research and development activities to propose taxation reforms to the federal and provincial government

EXECUTIVE COMMITTEE (EXCOM) MEETINGS

S/No.	DATE	HOST MEMBER BAR
1	9.11.2023	LAHORE TAX BAR ASSOCIATION
2	16.11.2024	ZOOM MEETNG
3	19.01.2024	HYDERABAD TAX BAR ASSOCIATION
4	20.04.2024	SAHIWAL TAX BAR ASSOCIATION
5	06.07.2024	LAHORE TAX BAR ASSOCIATION
6	09.11.2024	FAISALABAD TAX BAR ASSOCIATION
7	31.01.2025	MULTAN TAX BAR ASSOCIATION
8	18.05.2025	PESHAWAE TAX BAR ASSOCIATION
9	01.08.2025	LAHORE TAX BAR ASSOCIATION

MEMBERSHIP OF ASIA OCIANA TAX CONSULTANT ASSOCIATION (AOTCA)

As you all are aware that president has reinstated the membership of PTBA with AOTCA. As the tax is subject which needs continues updation and professional development. Therefore, to share international experience and knowledge, membership of international association is very vital.

Our seniors Mr. Rehan Hasan Naqvi, Mr. Younus Rizwani Shiekh and Mr. Naeem Shah were the key source in hosting the AOTCA conference in Pakistan in the year 2004. To follow the footsteps of our seniors, President after taking charge of PTBA was eager to revive AOTCA membership and finally we are able to revived the AOTCA membership in 2023 after 15 years. Recent meeting of AOTCA was held in China last month but due to visa restrictions and security reasons, delegation from PTBA was unable to become part of that conference. However, president has attended the conference via zoom and share his views and offer full support to AOTCA from Pakistan.

PTBA also bid to host AOTCA meeting in Pakistan for the year 2026. We had prepared a presentation which was presented during the course of the above meeting and same is available on the below link.

<http://>
However, Hong Kong won bid for hosting the AOTCA meeting for the year 2026. The next meeting of AOTCA for the year 2025 will be held in Nepal. The next President of AOTCA is from Indonesia.

Hopefully, we will participate in good numbers in AOTCA forthcoming meeting next year (2025) in Nepal.



am Sorry !!!!!





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سچ اور سچ کے سوا کچھ نہیں! **ABC** CERTIFIED باقاعدہ تصدیق شدہ اشاعت

وہی ہے مشرق و مغرب کا مالک (اقتدار)

روزنامہ مشرق

چیف ایڈیٹر: عبد الباقی شاکر

چیف ایڈیٹر: حاجی شورش علی کاکڑ

جلد: 14، 13 شوال المکرم 1445ھ، 22 اپریل 2024ء، 9 مئی 2024ء، 2081 صفحات، قیمت 10 روپے، شمارہ: 40

ساہیوال میں ایگزیکٹو باڈی پاکستان ٹیکس بار ایسوسی ایشن کا اجلاس

احسان شیخ، زاہد عتیق چودھری اور طاہر محمود بٹ نے لیچرز کے ذریعہ شرکاء کو آگاہی دی

ساہیوال (یورورپورٹ) ساہیوال میں تاریخی میٹنگ برائے ایگزیکٹو باڈی پاکستان ٹیکس بار ایسوسی ایشن منعقد ہوئی جس کی میزبانی ساہیوال ٹیکس بار ایسوسی ایشن (رجسٹرڈ) نے کی۔ جس میں ایگزیکٹو باڈی کی میٹنگ ہوئی اور سینئر ممبرانہ جیسے کہ جس میں تین لیچرز ہوئے۔ پہلا لیچر آرٹیفیشل انٹیلیجنس پر ہوا جو کہ احسان شیخ نے دیا سیکرٹس پر وضاحت، تجاویزات برائے بجٹ 2024-25 زاہد عتیق چودھری نے دیا (ایڈووکیٹ سریم کورٹ) اور انکم ٹیکس پر طاہر محمود بٹ نے خطاب کیا اور تجاویز دیں جن سے پاکستان بھر سے آئے 32 ٹیکس بار کے صدور و نمائندگان نے آگاہی حاصل کی۔

روزنامہ نوائے وقت (2) 14 جون 2024ء



پاکستان ٹیکس بار کے صدر انور کاشف ممتاز، سینیئر نائب صدر محمد زبیر، جنرل سیکریٹری رحمان صدیقی، خزانچی سید وسیم ہاشمی پریس بریفنگ دے رہے ہیں





گوار: مکران ہائی بار ایسوسی ایشن اور پاکستان ٹیکس بار ایسوسی ایشن کے اشتراک سے گوار میں ٹیکس آگاہی سیمینار منعقد ہوا۔ صدر پاکستان ٹیکس بار نے ٹیکس نظام کی بہتری اور عوامی شعور اجاگر کرنے پر زور دیا، جبکہ ٹیپٹ کشنر گوار نے شہر کو ترقی کے لیے ٹیکس فری زون بنانے کی تجویز دی۔

TGP News Update

gwadarPost / f TheGwadarPost / TheGwadarPost / TheGwadarPost /

DAWN FRIDAY JUNE 14, 2024

Bar slams more powers to FBR men

KARACHI: The Pakistan Tax Bar Association (PTBA) has criticised the increase in taxes on salaried individuals and sales tax as oppressive. It also believes that giving the FBR officials more powers will lead to greater harassment of taxpayers.

PTBA President Anwar Kashif Mumtaz, at a press conference held at Karachi Press Club on Thursday, labelled the budget FY25 as counter-productive to economic activities and

obstructive to business.

He said that increasing taxes on the salaried class has added to the burden of those already paying taxes. Additionally, the rise in the sales tax would negatively affect the business community.

He said that increasing the powers of FBR officials will lead to greater harassment, and the government should focus on digitalisation instead of expanding the powers of tax officials to minimise human interaction.—Staff Reporter

BUSINESS RECORDER

Lahore, Friday 29 November 2024, 26 Jamadi-ul-Awwal 1446

Tax-related cases

CJP wants dedicated benches for speedy justice

TERENCE J SIGAMONY ISLAMABAD: Chief Justice Yahya Afridi wants dedicated benches for expeditious disposal of tax-related cases.

Reaffirming its commitment to improving service delivery and expanding access to justice, the chief justice, on Thursday, presided over two meetings at the Supreme Court, Islamabad.

The first meeting was attended by Justice Ayesha A Malik and Justice Shahid Bilal Hassan, along with Muhammad Salim Khan, registrar of the Supreme Court, Sher Shah, a renowned development expert, and other core team members.

The agenda focused on reviewing progress in key reform areas, including IT advancements, case man-

agement improvements, human resource optimisation, capacity building, training initiatives and broader public consultation via feedback mechanism.

The chief justice and the judges acknowledged the significant progress made in these domains and commended the team for their dedication. They also gave them a nod to proceed in the matter with a few constructive suggestions to enhance the reform initiatives and ensure their support for effective implementation.

The chief justice also chaired another meeting to address pending tax cases before the Supreme Court.

The session was attended by representatives from the tax bar and the legal team of the Federal Board of Revenue

(FBR), Islamabad. Discussions focused on critical issues, procedural modalities, and strategies for the expeditious disposal of tax-related cases.

The chief justice apprised the participants about the formation of dedicated benches to hear tax cases and stressed the importance of categorising cases while discouraging frequent adjournments to expedite proceedings. The bar representatives assured their full cooperation and expressed gratitude for the steps taken to address these concerns.

These deliberations underscore the Supreme Court's unwavering resolve to promote institutional growth, deliver timely justice, and enhance case management for the benefit of all citizens. The court remains committed to fostering transparency, accountability, and efficiency in its operations.

Forex reserves

> from page 1
the reviewed period, SBP's reserves grew by \$131 million, climbing to \$11.419 billion from \$11.288 billion the previous week. However, net foreign reserves held by commercial banks decreased by \$22 million, settling at \$4.657 billion by the end of last week.

THE DAILY JANG LAHORE

جنگ لاہور

نمبر 46

جلد 26

تاریخ: 29 نومبر 2024

پیشرفت پر اطمینان

سپریم کورٹ ٹیکس مقدمات نمٹانے کیلئے الگ بینچ تشکیل دے گا۔

اسلام آباد (جنگ) سپریم کورٹ میں دیے گئے اعلامیہ کے مطابق جمعرات کے روز ٹیکس مقدمات نمٹانے کیلئے الگ بینچ تشکیل دے گا۔

بقیہ 26

چیف جسٹس یحییٰ آفریدی کی زیر صدارت اجلاس میں ٹیکس بار ایسوسی ایشن کے نمائندگان اور ایف بی آر کی لیگل ٹیم بھی شریک ہوئی، اجلاس میں ٹیکس مقدمات نمٹانے کیلئے الگ بینچ تشکیل دیتے ہوئے چیف جسٹس نے کہا کہ وکلاء مقدمات جلد نمٹانے کیلئے التواء لینے سے اجتناب کریں، جبکہ ٹیکس بار نمائندگان نے مقدمات کے جلد فیصلوں میں تعاون کی یقین دہانی کرائی، چیف جسٹس نے IT، کیس مینجمنٹ میں اصلاحات میں پیشرفت پر اطمینان کا اظہار کیا۔

ادو پوائنٹ

مسلسل اشاعت کے 24 سال

پاکستان ٹیکس بار کا معلومات کے حصول کے لئے چیئر مین ایف بی آر کو خط

ریٹرنڈز کے طعنے زور دینے کا گرہ لگایا، دوہرہ ٹانگہ نظام کے ذریعے کتنے لوگوں کو ٹیکس ٹریٹ میں لایا گیا آگاہ کیا جانے ٹیک ایڈ فلائنگ انوائسز کے حوالے سے مہم چلائی گئی، ایف بی آر کے تحت کتنے لوگوں کے خلاف بکتاریو نیو اکٹھا ہوا

1 اوتار 1 دسمبر 2024

لاہور (آرڈو پوائنٹ اخبار تہ ترین - این این آئی۔ 01 دسمبر 2024ء) پاکستان ٹیکس بار ایسوسی ایشن نے فیڈرل بورڈ آف ریونیو کے اقدامات سے متعلق معلومات کیلئے آرٹیکل 19 اے کے تحت درخواست ارسال کر دی۔ پاکستان ٹیکس بار کے صدر انور کاشف ممتاز، چیئر مین صدر ذابہ عتیق چودھری، فاروق مجید، نائب صدر عاشق علی رانا، جنرل سیکریٹری ایمان صدیقی، جوائنٹ سیکریٹری سید عرفان حیدر اور سیکریٹری اطلاعات عمران خان کی جانب سے چیئر مین ایف بی آر راشد محمود لنگویال کو لکھے گئے خط میں پارٹیکل کے حوالے سے استفسار کیا گیا ہے۔

خط کے متن میں کہا گیا ہے کہ جو ریٹرنڈز کے طعنے زور دینے لگے تھے ان کی کارگرگی کیا ہے، ایف بی آر دوہرہ ٹانگہ نظام کے ذریعے کتنے لوگوں کو ٹیکس ٹریٹ میں لایا ہے اور آئندہ نئے لوگوں کو ٹیکس ٹریٹ میں لانے کے لیے کیا حکمت عملی اختیار کی جاتی ہے، ایف بی آر کی جانب سے ٹیک ایڈ فلائنگ انوائسز کے حوالے سے مہم چلائی گئی اور ایف بی آر کا اندراج کیا گیا ہے، ان ایف بی آر کے تحت کتنے لوگوں کے خلاف ایکشن لیا گیا اور ان سے بکتاریو نیو اکٹھا کیا گیا، ایف بی آر ٹیک ایڈ فلائنگ انوائسز کے غلطے کے لیے کیا اقدامات اٹھا رہا ہے، ٹیکس نظام کے مسائل کے حل اور بہتری کے لیے کیا اقدامات اٹھائے جا رہے ہیں اس حوالے سے بھی آگاہ کیا جائے۔

پاکستان ٹیکس بار کے صدر اہل نے مزید کہا ہے کہ پاکستان ٹیکس بار ملک بھر کی 32 ٹیکس بارز پر مشتمل نمائندہ بار ہے جو ٹیکس دہندگان کے حقوق کی ضمانت اور ٹیکس اہوائت پر سے کرانے میں ایف بی آر اور حکومت کی معاون ہے، ٹیکس قوانین اور ٹیکس پالیسیوں پر ریٹرنڈز اور بکتاریو نیو اکٹھا کرنے سے باخبر رہنا اور اپنے ممبران کو باخبر رکھنا جاری اولین ترجیحات ہیں کیونکہ ٹیکس بار کو حق اور ٹیکس میں بد جانے میں پاکستان ٹیکس بار کا بکلیوری کردار ہے۔



ٹیکس بار نے FBR سے 4 نکاتی تفصیلات طلب کر لیں

ٹیک ایڈ فلائنگ انوائسز کے حوالے سے ایف بی آر، بکتاریو نیو اکٹھا ہوا

لاہور (نیوز پورٹر) پاکستان ٹیکس بار ایسوسی ایشن نے ایف بی آر کے اقدامات سے متعلق معلومات آر کی جانب سے ٹیک ایڈ فلائنگ انوائسز کے کیلئے آرٹیکل 19 اے کے تحت چیئر مین ایف بی

حوالے سے مہم چلائی گئی اور ایف بی آر کا اندراج کیا گیا ہے، ان ایف بی آر کے تحت کتنے لوگوں کے خلاف ایکشن لیا گیا اور ان سے بکتاریو نیو اکٹھا کیا گیا، ایف بی آر ٹیک ایڈ فلائنگ انوائسز کے غلطے کے لیے کیا اقدامات اٹھا رہا ہے۔



ایٹلی جنس اینڈ انوسٹی کیشن ڈائریکٹوریٹ (گمشدہ) کی بندش کا خیر مقدم

سبر ایجنسیز میں ایف بی آر راشد محمود لنگویال ٹیم کے سربراہ ٹیکس بار ایسوسی ایشن

لاہور (ای این این) پاکستان ٹیکس بار ایسوسی ایشن نے ایٹلی جنس اینڈ انوسٹی کیشن ڈائریکٹوریٹ (گمشدہ) کی بندش کے خیر مقدم کرتے ہوئے کہا ہے کہ ایٹلی جنس اینڈ انوسٹی کیشن ڈائریکٹوریٹ کے سربراہ ٹیکس بار ایسوسی ایشن کے صدر انور کاشف ممتاز، چیئر مین صدر ذابہ عتیق چودھری، فاروق مجید، نائب صدر عاشق علی رانا، جنرل سیکریٹری ایمان صدیقی، جوائنٹ سیکریٹری سید عرفان حیدر اور سیکریٹری اطلاعات عمران خان کی جانب سے چیئر مین ایف بی آر راشد محمود لنگویال کو لکھے گئے خط میں پارٹیکل کے حوالے سے استفسار کیا گیا ہے۔



گواہ، مکران بار ایسوسی ایشن کے زیر اہتمام پاکستان ٹیکس بار ایسوسی ایشن کے تعاون سے سید ظہور شاہ ہاشمی آڈیو ریم آر سی ڈی کونسل میں ٹیکس آگاہی سیمینار میں ڈپٹی کمشنر گواہ محمود الرحمن رانجھا، پاکستان ٹیکس بار ایسوسی ایشن کے صدر انور کاشف ممتاز، جنرل سیکریٹری محمود ایمان صدیقی، مکران ہائیکورٹ بار ایسوسی ایشن کے صدر محراب خان گجلی ایڈوکیٹ، نامور قانون دان سعید فیض ایڈوکیٹ خطاب کر رہے ہیں



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Tax on foreign property income PTBA for larger bench to address 'conflicting rulings'

RECORDER REPORT KARACHI: The Pakistan Tax Bar Association (PTBA) has called for a larger bench to address conflicting rulings on the taxation of foreign property income, highlighting a growing legal uncertainty affecting Pakistani tax residents with properties in the UAE and UK.

In a letter sent to the chairman, Appellant Tribunal Inland Revenue (ATIR), PTBA said that recent contradictory decisions by different divisional benches of the ATIR have created confusion over whether rental income and capital gains from properties in the UAE and UK are taxable in Pakistan.

The Lahore Registry, in two separate rulings in 2022 and 2024, determined that such income is not taxable in Pakistan. However, the Islamabad Registry ruled in November 2022 that similar income from UAE properties is taxable. These inconsistencies have created significant uncertainty for taxpayers, said PTBA, urging for clarity on this matter to ensure proper tax compliance and administration.

The association has formally requested the formation of a larger bench under Rule 3(2) of the ATIR (Functions) Rules, 2023, citing a precedent from 1997 which established that conflicting decisions by benches of equal strength can lead to "complications, confusion, and chaos" in tax administration. The resolution of this issue is particularly significant for the growing number of Pakistani tax residents who own properties abroad, especially in the UAE and UK.

...community can contribute their professional prosecutors general at provincial level.

‘Pakistan 100 years behind in implementation despite years of digital transformation rhetoric’

Naeem Sadiq says absence of integrated digital systems prevents effective governance and accountability; president of Pakistan Tax Lawyers Association says digitalising taxation in Pakistan a structural reform that requires political will, legal changes, innovation and collaboration with private sector

By our correspondent

The Concerned Citizens Alliance (CCA) organised a seminar at the Pakistan Medical Association (PMA) House, Karachi, on Wednesday, focusing on the transformative role digitalisation can play in governance and taxation.

The event featured two detailed presentations followed by a question-and-answer session with representatives from the business community, labour unions, professional associations, and civil society.

The first presentation, titled ‘How Digitalisation Can Revolutionise Governance and Service Delivery,’ was delivered by prominent social activist Naeem Sadiq. He stressed that despite years of rhetoric around ‘digital transformation’, Pakistan remains a hundred years behind in actual implementation. He criticised the government’s outdated and inefficient administrative practices, citing the example of over 6,000 physical copies of an Eid holiday notification being circulated in June 2025, something that could have been managed through a single email.

Sadiq pointed out that Pakistan lacks basic data systems, with no consolidated records of sales tax fraud in the country. He said that the government’s failure to invest in digital infrastructure, such as a unified database for tax records, is a major barrier to effective governance.

He also highlighted the need for a structural reform in the tax system, which requires political will, legal changes, innovation and collaboration with the private sector.

At the end of the seminar, Sadiq said that digitalisation is not just a tool, but a mindset. He called for a complete overhaul of the government’s administrative system to make it more efficient and transparent.

Continued on page 14

Money Matters, The News International Karachi

Monday, July 14, 2025

TAXATION

Evasion by design

By Anwar Kahlil Mumtaz

Sales tax evasion in Pakistan has become a pervasive threat to the country’s economic stability, government revenue and fair competition in the business sector.

While sales tax is intended to be a key source of funding for public services and infrastructure, fraudulent business practices have hollowed out the system, allowing billions in revenue to slip through the cracks. These deceptive activities not only deprive the state of much-needed funds but also place law-abiding businesses at a significant disadvantage, forcing many to compete in a race to the bottom to survive.

At the heart of sales tax fraud in Pakistan lies a series of well-orchestrated schemes. One of the most common is the use of fake or flying invoices, where businesses create fictitious purchase records to claim input tax refunds on transactions that never took place. These fabricated invoices inflate expenses, enabling companies to either lower their tax liabilities or demand bogus refunds. In many cases, these invoices are issued by shell companies — firms set up solely for fraud and quickly shut down once authorities begin investigating.

Alongside this is the rampant underreporting of sales, particularly in sectors that remain largely cash-based, such as retail, hospitality and construction. Without point-of-sale systems or digital records, many businesses can easily conceal their transactions, evading sales while appearing legitimate.

Another sophisticated method of evasion is circular or self-dealing trade. Here, a network of businesses repeatedly trade the same goods in a loop, each claiming input tax credits while the actual movement of goods is minimal or nonexistent. Eventually, one company — often a ghost firm — disappears without paying the due tax, leaving the government with substantial unpaid liabilities.

Meanwhile, misclassification of goods is a quieter but equally damaging tactic. Businesses deliberately label taxable items as exempt or assign them to lower tax brackets, such as declaring luxury goods as essentials to benefit from reduced rates. This form of evasion is especially common in imports, where incorrect HS codes are used to avoid duties and taxes.

The digital economy, too, has opened new avenues for manipulation. Online businesses, digital service providers, and e-commerce platforms have begun using virtual structures and offshore entities to reduce their tax liabilities. Some shift profits to foreign countries to avoid paying domestic sales tax, while others falsely claim input credits on digitally manipulated invoices. The complexity of cross-border transactions and the absence of stringent digital regulations make these schemes harder to detect and punish.

Despite the sophisticated nature of these frauds, the reasons behind them are deeply rooted in structural weaknesses. High sales tax rates, especially when coupled with complex compliance procedures and slow prosecution rates, create a disincentive to pay taxes. Corruption and collusion within the tax administration exacerbate the problem further. In some cases, businesses pay bribes to avoid scrutiny or to get fraudulent refunds processed.

This culture of impunity undermines any serious attempts at reform and erodes public trust in the system. Consumers, too, play a role — many willingly accept cash transactions to avoid paying tax, thus reinforcing the off-the-books economy.

The responsibility for this widespread fraud does not rest solely on business owners. Tax consultants and accountants often act as enablers, using their expertise to exploit legal grey areas or even forge documentation. Government authorities, due to inefficiency or complicity, allow fraudulent businesses to operate unchecked. And while some consumers are unaware of the implications of tax evasion, others knowingly participate in the shadow economy to save a few rupees, unaware that they are contributing to the weakening of the country’s economic fabric.

Tackling this problem requires a multi-pronged approach. Stronger enforcement and more frequent audits are essential. Surprise inspections and real-time monitoring systems could deter businesses from engaging in fraud. Equally important is the adoption of digital technologies. Mandatory e-invoicing and AI-based tax analytics can help identify suspicious transactions and detect anomalies. A centralized digital record-keeping system would improve transparency and make it more difficult for ghost firms and bogus invoices to survive scrutiny.

Legal reforms must also be a priority. Harsher penalties, including criminal charges and public blacklisting, can create a strong deterrent against tax fraud. At the same time, whistleblower programmes offering financial incentives could help uncover fraud from within companies. Educating the public about how tax fraud affects national development and encouraging them to demand proper invoices can shift consumer behaviour and build a culture of compliance.

On a broader level, international cooperation is crucial. With many companies exploiting cross-border loopholes and tax havens, information sharing between governments and international audits can help trace fraudulent transactions and prevent tax evasion beyond national borders.

Sales tax fraud in Pakistan poses a significant challenge, undermining governance, exacerbating inequality and hindering economic development. The revenue lost each year could be used to fund schools, hospitals and infrastructure projects that lift millions out of poverty. Curbing this menace requires a strong political will, institutional reform and active public participation.

And only a transparent, accountable and technologically equipped tax system can help Pakistan create a fair business environment, ensure economic justice and security for its people.

The author is the president of the Pakistan Tax Bar Association.

PESHAWAR TAX BAR ASSOCIATION

(Member Bar of Pakistan Tax Bar Association)

PRE-BUDGET SEMINAR

on Saturday, 17th of May, 2025

Chief Committee

SPEAKERS AND TOPICS

FIRST SESSION: BUDGET PROPOSALS ON INCOME TAX BY MR. FAWAD AZIZ AWAN, ADVOCATE

BUDGET PROPOSALS ON SALES TAX (FEDERAL AND PROVINCIAL) BY MR. AMMA

With Mr. Anwar Kahlil Mumtaz, President of Peshawar Tax Bar Association



PESHAWAR TAX BAR ASSOCIATION

(Member Bar of Pakistan Tax Bar Association)

CHIEF GUEST

PRE-BUDGET SEMINAR

on Saturday, 17th of May, 2025

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BUDGET PROPOSALS ON SALES TAX (FEDERAL AND PROVINCIAL) BY MR. AMMA

With Mr. Anwar Kahlil Mumtaz, President of Peshawar Tax Bar Association

7th Executive Committee Meeting

on Sunday, 18th of May, 2025

at Grandeur Lounge, Marsak Road, Peshawar

Chief Committee





www.ptba.com.pk