

Report: Roundtable on "Institution of Ombudsman and the Taxpayer Grievance System: An Overview" with Dr. Muhammad Shoaib Suddle, Federal Tax Ombudsman (FTO), on March 07, 2012

## **FBR needs autonomy, experts**

**Aarish U. Khan**

ISLAMABAD: Participants of a roundtable discussion organized by the Institute of Regional Studies (IRS) here on Wednesday agreed that the Federal Board of Revenue (FBR) will have to be made operationally autonomous to improve tax collection and control corruption within the organization. Dr. Muhammad Shoaib Suddle, the Federal Tax Ombudsman (FTO), who was the main speaker of the roundtable titled, "Institution of Ombudsman and the Taxpayer Grievance System: An Overview" shared that the FTO had disposed of 15,827 complaints out of the total of 16,000 cases filed with it since its establishment in 2000, and added that it had decided 85 percent of the cases in favor of the taxpayers.

Dr. Suddle shared that the FBR is required to implement FTO's decision within 30 days or refer the case to representation before the president, because there is no appeal against FTO decisions in any other court. He added that since his assumption of the office of FTO, the average time for resolution of a complaint had been reduced from 117 days in 2009 to 60 days in 2011, and that out of the total 7.89 billion refunded by the FTO to the taxpayers since its inception, 5.98 billion were refunded during his term. Similarly, he said that implementation of FTO decisions had improved from 170 cases in 2009 to 760 cases in 2011.

Dr. Suddle believed that the option of representation to the president by the aggrieved party was a costly delaying process. He added that with the appeal to the president, the implementation of FTO decision is stayed automatically pending presidential response, which usually takes at least two years. Dr. Tariq Hassan, Attorney and Advocate, further added that according to article 199 it was unconstitutional to stay a financial matter beyond six months.

Dr. Suddle termed FBR's lack of required will and capacity to reform as another major challenge to the work of FTO. He suggested a fixed term of service for the chairman of FBR to save him from political influences. He was of the view that ideally the FBR should have been able to take care of most of the individual complaints coming to the FTO so that the FTO could concentrate on systemic problems in the grievance redress mechanisms of the FBR. He also called for improved investigative capacity of FTO and greater public awareness about the institution and its work.

Dr. Abdullah Yousaf, former Chairman of FBR called for a systemic reform within the FBR, which he believed was hampered by frequent policy changes with changes in the government. Dr. Gulfaraz Ahmed, former Federal Secretary, called for documentation of the economy for improving the tax-to-GDP ratio and to tap on the actual revenue

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potential of the country. Dr. Tariq Hassan argued that an emphasis on rectifying how the taxpayer money is spent would also be instrumental in improving the tax-to-GDP ratio. He added that Pakistan was the top philanthropist country of the world and that people did not hesitate from giving away money, but that they did not want to pay taxes because they were not sure about the honest spending of their tax money.

Other participants of the roundtable were: Mr. Ashraf Azim, President of IRS; Brig. (Retd.) Bashir Ahmed, Senior Fellow at IRS; Dr. Pierre Mayaudon, Deputy head of the EU Delegation; Mr. Farhan Bokhari, senior journalist; Mr. Tahir Dhindsa, Sustainable Development Policy Institute (SDPI); and Mr. Nouman Khan, Executive Committee Member, Rawalpindi Chamber of Commerce and Industry.