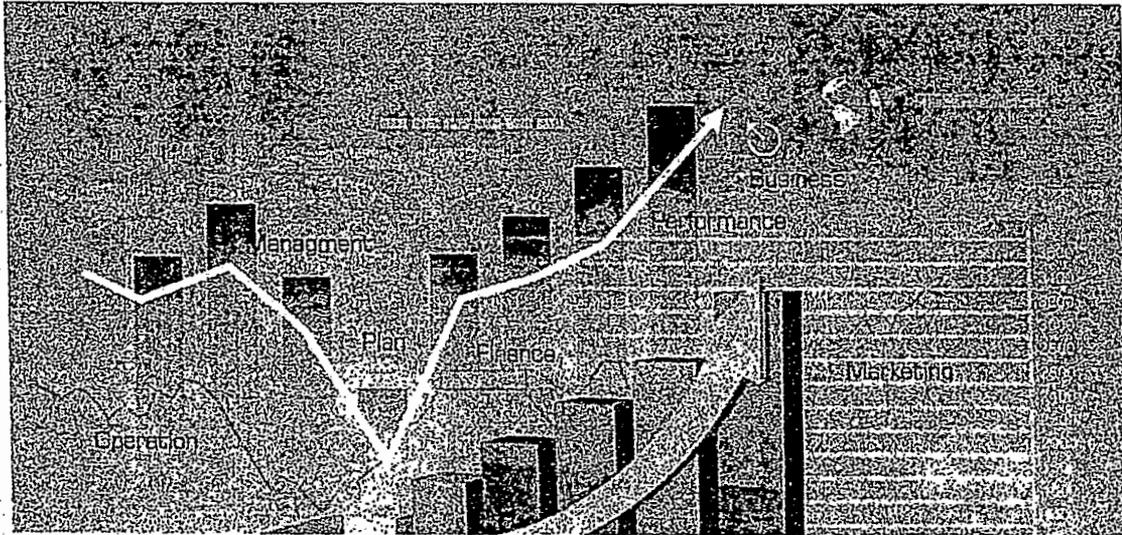


SENATE OF PAKISTAN



REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE AND REVENUE



REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE AND REVENUE ON STARRED QUESTION NO.89 RAISED BY SENATOR MOHSIN AZIZ IN THE SITTING OF THE SENATE HELD ON 10TH SEPTEMBER, 2024, REGARDING "THE DETAILS AMOUNT COLLECTED BY FBR UP TO JULY 2024, BY DEDUCTING RS. 01 FEE ON EACH INVOICE, POINT OF SALE (POS) SERVICES FEE INDICATING ALSO THE UTILIZATION OF THE SAME".

PRESENTED BY
SENATOR SALEEM MANDVIWALLA
CHAIRMAN

SENATE SECRETARIAT

REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE AND REVENUE ON STARRED QUESTION NO.89 RAISED BY SENATOR MOHSIN AZIZ IN THE SITTING OF THE SENATE HELD ON 10TH SEPTEMBER, 2024, REGARDING "THE DETAILS AMOUNT COLLECTED BY FBR UP TO JULY 2024, BY DEDUCTING RS. 01 FEE ON EACH INVOICE, POINT OF SALE (POS) SERVICES FEE INDICATING ALSO THE UTILIZATION OF THE SAME".

I, Senator Saleem Mandviwalla, Chairman Senate Standing Committee on Finance and Revenue have the honor to present the report of the Committee on "Starred question no.89 raised by Senator Mohsin Aziz in the sitting of the Senate held on 10th September, 2024, regarding "The details amount collected by FBR up to July 2024, by deducting Rs. 01 fee on each invoice, point of sale (POS) services fee indicating also the utilization of the same".

The Committee comprises of the following honorable Members:-

1. Senator Saleem Mandviwalla	Chairman
2. Senator Farooq Hamid Naek	Member
3. Senator Sherry Rehman	Member
4. Senator Mohsin Aziz	Member
5. Senator Syed Shibli Faraz	Member
6. Senator Anusha Rahman Ahmad Khan	Member
7. Senator Shahzaib Durrani	Member
8. Senator Fesal Vawda	Member
9. Senator Ahmed Khan	Member
10. Senator Manzoor Ahmed	Member
11. Senator Syed Faisal Ali Subzwari	Member
12. Minister for Finance and Revenue	Ex-Officio Member

2. The Committee considered the matter in its meeting held on 23rd October and 13th November, 2024 at 2:00 p.m. in Committee Room No.1 & 2, Parliament House, Islamabad. The meeting held on 23rd October, 2024, was attended by the following Members.

1. Senator Saleem Mandviwalla	Chairman
2. Senator Sherry Rehman	Member
3. Senator Fesal Vawda	Member
4. Minister for Finance and Revenue	Ex-Officio Member

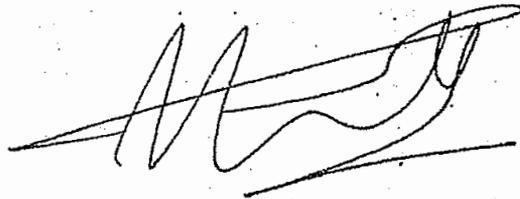
3. The meeting held on 13th November, 2024, in Committee Room No.2, was attended by the following Members.

1. Senator Saleem Mandviwalla	Chairman
2. Senator Farooq Hamid Naek	Member
3. Senator Mohsin Aziz	Member (Via Zoom)
4. Senator Anusha Rahman Ahmad Khan	Member
5. Senator Shibli Faraz	Member
6. Senator Manzoor Ahmed Kakar	Member
7. Senator Faisal Ali Sabzwari	Member
8. Senator Danesh Kumar	Special Invitee

4. Senator Mohsin Aziz criticized the one-rupee tax under the POS system, highlighting its burden and the lack of spending on intended beneficiaries. He questioned why collected funds were used for FBR promotion, despite governmental and IMF financial support for FBR upgrades.
5. Representative from FBR clarified that funds were allocated to support POS operations and advertisements verifying invoice authenticity. Adjustments increased reward amounts for larger invoices to encourage participation, while audits were ordered to ensure transparency in fund utilization. The tax collecting body acknowledged ongoing challenges, such as businesses not issuing proper receipts. Measures like penalties and shop closures for non-compliance were discussed. Enforcement efforts continue, but widespread non-compliance persists, with 80% of transactions bypassing the POS system.
6. The Chairman FBR admitted low enforcement capacity but stated that FBR's ongoing transformational program would improve enforcement within 5-6 months. He proposed a dedicated session to discuss operational enhancements and government-approved measures to strengthen compliance.
7. After detailed discussions and deliberations Senator Mohsin Aziz was satisfied with FBR's response and the Committee disposed of the matter.
8. The Committee also gave approval for presentation of this report to the House.



(IFFAT MUSTAFA)
Secretary Committee



(SENATOR SALEEM MANDVIWALLA)
Chairman Committee