

SENATE SECRETARIAT

“QUESTIONS FOR ORAL ANSWERS AND THEIR REPLIES”

to be asked at a sitting of the Senate to be held on

Thursday, the 7th March, 2013

@20. ***Mr. Nisar Muhammad:** (Notice received on 14-02-2013 at 09:10 a.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to state:

- (a) *the names and place of domicile of Appraisers, Examiners and principal Appraisers posted/transferred at Karachi port during the last 10 years; and*
- (b) *the criteria/procedure adopted for the said posting/transfer?*

Mr. Saleem H. Mandviwalla: (a) The information is annexed;

(b) The staff is posted at Karachi Port according to the workload, experience and fitness for the job.

(Annexure has been placed on the Table of the House as well as Library.)

29. ***Mr. Karim Ahmed Khawaja :** (Notice received on 11-02-2013 at 09:15 a.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased state the amount collected under the heads of various taxes and duties since 2002 with year-wise break-up?

@Transferred from the Postal Services Division.

Mr. Saleem H. Mandviwalla: The amount collected under the heads of various taxes and duties since FY: 2001-02 with year-wise break-up is as under:—

(Rs. Million)

Years	Direct Taxes	Customs	FED	Sales Tax	Total
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2001-02	142,505	47,818	47,186	166,561	404,070
2002-03	151,898	68,836	44,754	195,139	460,627
2003-04	165,079	91,045	45,552	219,167	520,843
2004-05	183,372	115,374	53,104	238,537	590,387
2005-06	224,988	138,384	55,272	294,798	713,442
2006-07	333,737	132,299	71,804	309,396	847,236
2007-08	387,861	150,663	92,137	377,430	1,008,091
2008-09	443,548	148,403	117,455	451,744	1,161,150
2009-10	525,977	160,273	124,784	516,348	1,327,382
2010-11	602,451	184,853	137,353	633,357	1,558,014
2011-12	738,424	216,906	122,464	804,899	1,882,693

29-A. ***Begum Najma Hameed:** (Notice received on 11-2-2013 at 13:05 p.m.)

Will the Minister for Capital Administration and Development be pleased to state:

- (a) *whether it is a fact that Federal Government Employees and their family members are entitled to get free medical treatment in Government hospitals in Rawalpindi, if so, the names of such hospitals; and*
- (b) *the details of free medical facilities being provided by the said hospitals?*

Mr. Nazar Muhammad Gohdal: Not related to Ministry of Capital Administration and Development, Islamabad.

30. ***Begum Najma Hameed:** (Notice received on 12-02-2013 at 09:00 a.m.)

Will the Minister for Inter Provincial Coordination be pleased to state:

- (a) *whether it is a fact that Super League matches have been postponed, if so, the reasons thereof;*
- (b) *the loss suffered by Pakistan Cricket Board due to postponement; and*
- (c) *whether the postponement decision was taken in consultation with participating countries?*

Mir Hazar Khan Bijarani: (a) Pakistan Super League (PSL) has been postponed. The response from sponsors, broadcasters, potential franchises and players

has been over whelming. However, PCB was receiving various requests from the stakeholders to give more time to prepare to invest in the League.

Players also agreed to participate in the PSL auction but the process of NOCs from the relevant boards was underway and required some time.

Some Scheduling conflicts that arose after PSL dates were announced like Srilanka extended their tour dates against Bangladesh in March which coincided with PSL dates, which could result in potential star players missing out on the opportunity of participation in PSL.

These were the reasons why PCB has started to look for another period in future to reschedule PSL.

(b) No loss was suffered by PCB, as the PSL has not been cancelled and the arrangements were in very initial stage. PCB is still working to hold this tournament at an appropriate time in the near further.

(c) Since PSL is a domestic Pakistan tournament hence there is no requirement to consult other participating countries. The decision was taken by PCB and PSL Management, keeping in view the aforementioned reasons.

31. ***Mr. Karim Ahmed Khawaja:** (Notice received on 12-02-2013 at 09:10 a.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to state:

- (a) the formula adopted for distribution of resources under the last NFC Award;*
- (b) the percentage of amount being provided to each province under the said Award;*
- (c) the amount of share and paid as well to each province under every Award so far with year-wise break-up?*

Mr. Saleem H. Mandviwalla: (a) & (b) The formula adopted for distribution of resources under the last NFC Award as well as the percentage of amount being provided to each province under the said Award is explained as under:

The share of each province in the net proceeds of divisible pool taxes are derived as follows:

- 1% of undivided divisible federal taxes set aside for KPK for War on Terror Expenditures:

- Out of the balance, during FY 2010-11, the provincial share was 56% and from FY 2011-12 onwards, the share of the provinces is 57.5%.
- The provincial share in the divisible pool taxes is being distributed as per ratio given below:

Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	Total
51.74%	24.55%	14.62%	9.09%	100%

(c) The amount of share and paid as well to each province under every Award so far with year-wise break-up is at **Annex-I**.

31 -A. ***Mrs. Nuzhat Sadiq:** (Notice received on 12-02-2013 at 9:30 a.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to state with reference to Starred Question No. 33 replied on 29th January, 2013:

- the role of State Bank of Pakistan with regard to protection of the value of rupee both within and outside Pakistan;*
- whether it is a fact that the SBP conducts post assessment of its monetary policies, if so, the details of such assessment; and*
- whether the SBP has worked to limit the credit facility to the Government of Pakistan as required by section 9A (b) of the State Bank of Pakistan Act, 1956, if so, its details?*

Mr. Saleem H. Mandviwalla: (a) Since 2000, SBP has been following a flexible exchange rate regime in which the value of Pakistani rupee vis-a-vis other currencies is determined in the foreign exchange market through the market forces of supply and demand in both domestic and international markets.

However, volatility in the foreign exchange market can have implications for the inflation outlook due to potential feedback from exchange rate changes. Therefore, to avoid excessive volatility, ensure smooth functioning of the foreign exchange market, and building its foreign exchange reserves, SBP occasionally intervenes in the foreign exchange market in a calibrated manner. It is pertinent to highlight that SBP does not aim to keep the exchange rate at any pre-determined level.

Research and experiences of central banks support that allowing economic fundamental to determine the value of exchange rate provides stability to balance of payment position.

(b) SBP reviews its monetary policy stance six times in a year; i.e. in the second week of February, April, June, August, October and December of each year. In the review of February and August, monetary policy announcements are accompanied with a detailed monetary policy statement that not only provides assessment of the earlier policy decisions but also analyzes emerging risks and challenges for the economy. On the remaining four occasions monetary policy decisions are communicated through a brief press release only.

The latest monetary policy statement was issued recently on February 8, 2013 (Annexed).

(c) Yes. The government has legislated amendments in the SBP Act in March 2012. As part of these amendments a new section 9C has been included that:—

- (i) The Federal Government borrowing from SBP shall be zero at the end of each quarter barring the ways and means limits.
- (ii) The debt stock of Federal Government owned to SBP as on 30th April, 2011 shall be retired within eight years .
- (iii) If above, provisions are not observed by the Federal Government, Finance Minister shall place before the parliament a statement giving detailed justification of the said failure.

(Annexure has been placed on the Table of the House as well as Library.)

32. ***Mr. Baz Muhammad Khan:** (Notice received on 12-02-2013 at 10:05 a.m.)

Will the Minister Incharge of the Cabinet Division be pleased to refer to Senate Starred Question No. 54, dated 12th July, 2012, and state:

- (a) the names and designations of CDA officers and officials who have their own houses in Islamabad but residing in Government accommodation; and*
- (b) the names and designations of officers and officials who were allotted plots in Islamabad during their deputation in CDA during the last five years?*

Minister Incharge of the Cabinet Division: The reply of Senate Question No. 32 involves lengthy information which is being collected from CDA and shall be placed before the House during next Rota Day.

33. ***Mr. Baz Muhammad Khan:** (Notice received on 12-02-2013 at 10:05 a.m.)

Will the Minister Incharge of the Cabinet Division be pleased to state the number of applications received for issuance of house completion certificate in various sectors during the last three years and the number of pending cases and objections thereon?

Minister Incharge of the Cabinet Division: Following number of applications were received for issuance of house completion in various sectors during the last three years:

S#	Year	No. of cases received	No. of Cases Issued	Observations.
1.	2010	1036	418	618
2.	2011	1107	559	548
3.	2012	1099	503	596
Total		3242	1480	1762

2. The objections normally include NOC from Estate Management, Revenue & Maintenance Directorates of CDA, Scrutiny Fee and removal of violations etc.

34. ***Col. (R) Syed Tahir Hussain Mashhadi:** (Notice received on 12-02-2013 at 10:30 a.m.)

Will the Minister Incharge of the Cabinet Division be pleased to state:

- (a) the details of government taxes being collected by each cellular company from subscribers;*
- (b) whether it is a fact that cellular companies are deducting 5% admin fees and 2% maintenance charges from subscribers; if so, the reasons thereof; and*
- (c) whether the concerned authorities have conducted any audit of the said deductions, if so, its details?*

Minister Incharge of the Cabinet Division: (a) Following government taxes are being levied by the FBR which are collected from the subscribers:

FBR Withholding Tax @ 10%

FBR Federal Excise Duty (FED) @ 19.5%

(b) Yes, it is a fact that the cellular companies have started deduction of 5% service charges from their consumers. The cellular mobile operators approached PTA in September 25, 2008 with a request to introduce 5% service charge on prepaid customers. They requested that due to impact of macroeconomic factors (such as electricity, fuel, inflation, currency devaluation etc), increased taxation and socio-political condition of the country, the cost of delivering services has increased tremendously. Keeping in view the request of cellular mobile operators, PTA approved charging of 5% service fee on prepaid subscribers.

Regarding charging of 2% maintenance charges, the same has not been approved by the Authority. PTA vide its letter dated November 22, 2011 had stopped the cellular mobile from increasing operator assistance charges without seeking prior approval of the Authority. However, the same has been separately challenged by M/S Mobilink, M/S Telenor, M/S CM Pak (Zong), M/S Ufone and M/S Warid in the Islamabad High Court. Honorable Justice Riaz Ahmad Khan, Judge Islamabad High Court has granted stay to all five Cellular Companies on 11th May 2012, 17th May 2012, and 29th May 2012. PTA is persuing the case in the High Court for vacation of the stay order.

(c) Concerned authority is FBR.

35. ***Col. (R) Syed Tahir Hussain Mashhadi:** (Notice received on 12-02-2013 at 10:30 a.m.)

Will the Minister for Economic Affairs be pleased to state the total amount of aid received so far from foreign countries for the flood affectees during the last three years?

Mr. Saleem H. Mandviwalla: The total amount of foreign aid received from foreign countries during 01-07-2010 to 31-01-2013 amounted to US\$ 442.32 million. There was no disbursement, in this regard, prior to 1-7-2010 as floods started during moon soon season of 2010. This does not include amount spent by humanitarian organizations and UN system.

36. ***Col. (R) Syed Tahir Hussain Mashhadi:** (Notice received on 12-02-2013 at 10:30 a.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to state:

(a) *whether the amount of taxes and fuel surcharges collected by private airlines in the country at present goes to the government account;*

(b) if so, the revenue received during the year 2010-2011; and

(c) whether there is any proposal to review the said policy, if so, the details thereof?

Mr. Saleem H. Mandviwalla: (a) The amount of Income Tax, Sales Tax and Federal Excise Duty is deposited by private airlines in State Bank of Pakistan and National Bank of Pakistan and are accounted for by Federal Board of Revenue. Fuel surcharge is not a collection of Federal Board of Revenue.

(b) The revenue (taxes) deposited during 2010-11 from private airlines is given below;

(Rs. in Millions)

Name of Airline	Tax Paid			
	Income Tax	Sales Tax	FED	Total
Air Blue	45.509	113.609	274.951	434.069
Shaheen Air	858.762	98.344	296.500	1253.606

(c) There is no proposal under consideration to review the policy of collection of taxes by FBR from private airlines.

37. ***Mr. Muhammad Talha Mehmood:** (Notice received on 12-02-2013 at 12:15 p.m.)

Will the Minister Incharge of the Cabinet Division be pleased to state:

(a) the number of Base Transceiver Stations (BTS) of each mobile company installed on buildings in the country,

(b) the safety measures prescribed for installation of the said BTS; and

(c) whether installation of BTS on buildings is permissible under the rules/regulations?

Minister Incharge of the Cabinet Division: (a) Operator-wise total number of BTS sites installed on roof top/buildings/water tanks across the country are as follows:—

- Mobilink - 1231
- Warid - 939

- Ufone - 1753
- Telenor - 1150
- CMPak - 1252

FAB being custodian of all the data regarding BTS sites can also be asked to provide the requisite data.

(b) All telecom operators are required to ensure compliance to “Protection from Health Related Effects of Radio Base Station Antennas Regulations 2009” notified by the Government of Pakistan. Before installation of BTS towers (roof top) following precautionary measures are mandatory for operators in light of said regulations:—

- Roof-mounted antennas shall be elevated at least of twenty five feet (25ft) above the height of people who may have to be on the roof top.
- Radiating surface of all roof-mounted antennas shall be kept twenty five feet (25ft) away from the public placed including roof access points, telephone service points etc.
- All roof-mounted directional antennas shall be placed near the roof periphery and be pointed away from the building.
- The large aperture antennas (lower maximum radio/frequency) and small aperture antennas (lower visual impact) shall be considered especially for installation on building roofs.
- Precautions should be taken when designing co-location sites, where multiple antennas owned by different operators are on the same structure, particularly those sites that include high-power broadcast (FM/TV) antennas.

(c) Yes. Installation of BTS on buildings is permissible subject to fulfillment of all pre-requisite formalities as laid down above (b). However, physical structure of tower can only be erected by getting NOC from concerned Local government bodies.

38. ***Mr. Muhammad Talha Mehmood:** (Notice received on 13-02-2013 at 10:35 a.m.)

Will the Minister Incharge of the Cabinet Division be pleased to state:

- (a) *the number of franchises of each mobile company in the country;*
- (b) *the details of guidelines issued to the said franchises for issuance of SIMs to consumers; and*
- (c) *the number of the said franchises which violated the said guidelines and details of action taken against them?*

Minister Incharge of the Cabinet Division: (a) The number of franchises of each mobile company are as under:—

Operator	Mobilink	Ufone	Telenor	Warid	CMPak
Franchises	458	369	791	337	304

(b) PTA, in pursuance to the Policy Directive issued by Ministry of Information Technology, issues detailed guidelines in the form of Standing Operating Procedure (SOP) to mobile companies for sale of SIMs through designated sale channels (Customers Services Centers, Franchisees Retail Outlets), their activation as well as verification of subscribers' antecedents through NADRA's database. The current SOP dated 13th March 2012, stipulates following procedure for issuance as well as activation of SIMs:—

- (1) Customer to visit sale point (CSC, Franchisee etc.) and produce his/her original CNIC.
- (2) The sale agent, after confirming that the CNIC produced is of the intended customer, shall punch in "CNIC Number" and "MSISDN/SIM Number to be sold" and send it to short code 789 through Unique ID (identified allocated SIMs).
- (3) The information received is stored in the 789 database of the relevant company.
- (4) The purchaser then calls at "789" to activate the SIM.
- (5) The Pre-Sale Information i.e. Purchaser's CNIC is displayed on the system's screen of Call Center Agent.
- (6) After obtaining and matching CNIC of the purchaser, the data is fetched online from NADRA.
- (7) Answers to few queries including two secret questions "Mother's Name" and "Place of Birth" are sought and SIMs activated in case correct information is provided along-with acceptance of terms and conditions and declaration that SIM shall not be misused by the caller/subscriber. Otherwise, the caller is advised to visit nearest CSC/NADRA Swift Center for correction of his/her credentials.

(c) PTA monitors adherence of license conditions and laid down procedure (Standing Operating Procedures) by Cellular Mobile Operators (CMOs) from time to time. On the basis of the violations observed during such surveys, due action as specified in the Act/ Regulations/SOPs is initiated against defaulter operator. 98 Franchisees which sold SIMs in contradiction with the laid down procedures have been penalized (suspended/closed) so far.

39. ***Mr. Nisar Muhammad:** (Notice received on 13-02-2013 at 10:55 a.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to state:

- (a) *whether it is a fact that a number of NATO containers disappeared on the way, if so, the loss caused to the national exchequer on this account; and*
- (b) *the number of persons found involved in the said scam and action taken against them?*

Mr. Saleem H. Mandviwalla: (a) The matter is sub-judice before the Hon'ble Supreme Court of Pakistan in suo moto case No.16 of 2010 (ISAF Container Scam). Thus, comments on the issue can not be offered at this stage.

(b) The National Accountability Bureau is investigating the cases of NATO/ISAF missing containers on the directives of Hon'ble Supreme Court of Pakistan. They have not yet concluded the inquiry. NAB has to submit their investigation report before Hon'ble Supreme Court of Pakistan. Therefore, prior to disposal of the instant case by the Apex Court, no comments can be offered at this juncture.

40. ***Mrs. Nizhat Sadiq:** (Notice received on 13-02-2013 at 11:00 a.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased to state whether financial and administrative audit of office of the Auditor General of Pakistan is conducted, if so, when was it conducted indicating also irregularities pointed out in it?

Mr. Saleem H. Mandviwalla: "The Director General (Federal Govt) is responsible for audit of all Audit & Accounts Offices in accordance with Para 30-B (P-11) of Manual of Standing Orders of Auditor General of Pakistan. Moreso, the Administrative Inspection of Pakistan Audit Department Offices as per Para-16 of Manual of Standing Orders of Auditor General of Pakistan is carried out by the Inspection Regulation & Vigilance Wing of the Office of the AGP. The Admn. Inspection of AGP's Office has been conducted upto 2008-2009 & 2009-2010. These Inspection Reports include 51 paras/observations."

41. ***Mrs. Nizhat Sadiq:** (Notice received on 13-02-2013 at 11:00 a.m.)

Will the Minister Incharge of the Cabinet Division be pleased to state:

- (a) the number of tree plantation campaigns launched by CDA during the last five years indicating also the number of plants/saplings planted, the name of areas for which campaign was launched amount spent on each campaign, separately and result achieved thereof; and*
- (b) the steps taken by CDA to look after the said plants?*

Minister Incharge of the Cabinet Division: (a) CDA participates in two tree plantation drives every year *i.e.* Monsoon and Spring. During last five years CDA launched Ten plantation campaigns and planted about 3.632 Million plants in the Urban and Regional areas which include Margallah Hill National Park & Simly Catchments. About Rs. 2.000 Million have been spent on each campaign for public awareness and purchase of plants. Above 80% survival is achieved in the Urban areas & 40% in Regional areas, whereas Dry afforestation is carried out which is dependent on rain.

- (b) Following steps are being taken for after care of the plantation:—
 - (i) Watering through Eighteen water tankers in Urban areas.
 - (ii) Maintenance of Plantation by the field staff.
 - (iii) Fencing for protection of plantation has been carried wherever required especially in the newly developed sectors and on highways.

41-A. ***Syeda Sughra Imam:** (Notice received on 13-02-2013)

Will the Minister for Inter Provincial Co-ordination be pleased state:

- (a) whether it is a fact that services of all Lady Health Workers have recently been regularized, if so, the number of such workers;*
- (b) the per annum financial implications on account of regularization of the Lady Health Workers; and*
- (c) whether the said financial burden would be borne by the Federal Government or respective Provincial Governments?*

Mir Hazar Khan Bijarani: (a) The honourable Prime Minister of Pakistan has been pleased to approve the regularization of Lady Health Workers (LHWs) *w.e.f.* 01-07-2012.

- 2. The number of such workers, to be regularized, is 105086.

(b) Current year allocation for the Program under Federal PSDP FY 2013 is Rs.11.0 billion. With regularization, there will be an additional requirement of Rs.5.4 billion.

(c) It will be borne by the Federal Government till June, 2017 as per the decision taken in the meeting of the Council of Common Interests (CCI) held on 23-1-2013. From then onwards, it will become Provincial liability.

41-B. ***Syeda Sughra Imam:** (Notice received on 13-02-2013)

Will the Minister Incharge of the Establishment Division be pleased to state:

- (a) *the total number of employees regularized in the Federal Government as a consequence of the Government's Regularization Committee / policy in all Ministries, Divisions, Departments, Autonomous and Semi Autonomous Bodies, Subordinate Offices, State Enterprises and Corporations and Organizations; and*
- (b) *the financial implications of this decision?*

Minister Incharge of the Establishment Division: (a) The Cabinet Sub-Committee on regularization, under the Chairmanship of Syed Khurshid Ahmed Shah, Minister for Religious Affairs, while having its secretariat in Establishment Division has regularized more than forty three thousand(43,000) Federal Government Employees of Ministries, Divisions, Departments, Autonomous and Semi-Autonomous Bodies, Sub-ordinate Offices, State Enterprises and Corporations and Organizations till 31-12-2012.

(b) Information is being collected from Finance Division.

41-C. ***Mr. Abdul Haseeb Khan:** (Notice received on 13-02-2013 at 4:40 p.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased state:

- (a) *number of cases in which refund was made under the head of "sales tax" since July 2008 indicating also the amount so refunded; and*
- (b) *whether it is a fact that in a number of said cases the refund was obtained fraudulently, if so, the details of such cases indicating also the names and other particulars of the persons found involved in those cases and action taken against them?*

Mr. Saleem H. Mandviwalla: (a) Number of cases in which refund was made under head of "Sales Tax" since 2008 is 118,169 and the amount involved is Rs. 147.354 billion.

(b) It is not a fact that FBR has cleared bogus refunds in said cases. In fact FBR foils all such attempts of seeking bogus refund on fake/flying invoices by bogus individuals and companies. FBR continuously evaluates the fake/flying invoices and claim of bogus refunds. Recently Computerized Risk-based Evaluation of Sales Tax (CREST) has been launched to plug all such attempts.

41-D. ***Mr. Abdul Haseeb Khan:** (Notice received on 13-02-2013 at 4:40 p.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased state:

(a) *the quantum of losses to the economy of the country due to war on terror from 1st July, 2010 to 31st December, 2012; and*

(b) *the quantum of funds received as aid / assistance from US in connection with war on terror during the said period and details of its utilization?*

Mr. Saleem H. Mandviwalla: Detail of Disbursement made so far *w.e.f.* 2002-03 to 2011-12 is tabulated below:

\$ Million

Year	Disbursed	Year	Disbursed
2002-03	1921.3	2003-04	1380.9
2004-05	2721.8	2005-06	3358.5
2006-07	3381.3	2007-08	3659.3
2008-09	4688.1	2009-10	3666.7
2010-11	2618.3	2011-12	3032.5
2011-12 (July-Sep.)	384.7	Total July 2002 to Sep. 2012	

42. ***Mr. Muhammad Talha Mehmood:** (Notice received on 14-02-2013 at 9:20 a.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased state:

(a) *the share of each province in the proceeds of divisible Federal Taxes; and*

(b) *the amount actually disbursed to each province since 2010-11 with year-wise break-up?*

Mr. Saleem H. Mandviwalla: (a) The share of each province in the net proceeds of divisible pool taxes are derived as follows:

- 1% of undivided divisible federal taxes set aside for KPK for War on Terror Expenditures;
- Out of the balance, during FY 2010-11, the provincial share was 56% and from FY 2011-12 onwards, the share of the provinces is 57.5%,
- The provincial share in the divisible pool taxes is being distributed as per ratio given below:

Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	Total
51.74%	24.55%	14.62%	9.09%	100%

(b) The amount actually disbursed to each province since 2010-11, with year-wise break-up is as under:

(Rs. in Billion)

Components	PUNJAB	SINDH	KPK	BAL	TOTAL
FY 2010-11	421.308	199.784	133.435	83.337	837.865
FY 2011-12	483.37	229.36	152.99	93.26	958.976
FY 2012-13 (up to 31.01.2013)	309.128	146.677	97.845	66.620	620.270

43. ***Ch. Mohammad Jaffar Iqbal:** (Notice received on 14-02-2013 at 9:40 a.m.)

Will the Minister for Finance, Revenue and Planning and Development be pleased state:

- (a) *whether it is a fact that FBR has cleared certain cases of refund/ adjustment to bogus individuals and companies on fake and flying invoices during the first half of the current fiscal year, if so, the details thereof;*
- (b) *whether FBR had evaluated the value / volume of such refunds/ adjustments on the same account during the last four fiscal years, if so, the details thereof alongwith the value / volume of such refund / adjustment with year-wise breakup; and*
- (c) *the steps being taken by the Government to curb such practice in future?*

Mr. Saleem H. Mandviwalla: (a) It is not a fact that FBR has cleared bogus refunds. In fact FBR foils all such attempts of seeking bogus refund on fake/flying invoices by bogus individuals and companies.

(b) FBR continuously evaluates the fake/flying invoices and claim of bogus refunds. Recently Computerized Risk-based Evaluation of Sales Tax (CREST) has been launched to plug all such attempts.

(c) In order to check the menace of bogus refunds, the FBR formulated a policy of strengthening the internal controls to eliminate the curse of bogus refunds on the one side and ensure the speedy and transparent issuance of genuine refunds on the other.

The salient features of the policy are spelled out are as under;

- Facilitating the genuine taxpayers through a signal free refund issuance system by sorting out genuine refund claims from fake and fraudulent ones and ensure the issuance of the former in a fair and transparent manner.
- Putting in place a monitoring mechanism for checking fraudulent refund claims while allowing the free exercise of the legal powers of the field formations.
- The monitoring system generates timely **RED ALERTS** based on credible evidence for the concerned field formations and refund issuing authorities suspicious/bogus refunds claims. This ensures proper scrutiny of such refund claims before their issuance and thwarts efforts of plundering the national exchequer both on the part of taxpayers and officials of the department.

The Directorate General, Intelligence & Investigation (Inland Revenue) has been activated to detect any such frauds. This Directorate General has so far intercepted and blocked bogus refunds amounting to **Rs. 2,007,932,903/-** in 87 cases.

ISLAMABAD :
The 6th March, 2013.

IFTIKHAR ULLAH BABAR,
Secretary.