



QUARTERLY REPORT JUL - SEP 2019-20

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Summary



A total of Rs. 22.9 billion has been collected during the 1st quarter of FY 2019-20, posting a growth of 13% against FY 2018-19.

Slower economic activities and reduced tax collection in some of the key sectors, such as telecom, legal practitioners & consultants and insurance have affected revenue collection during the first quarter of FY 2019-20. Constant efforts are being made to achieve the assigned target .

Progress has also been witnessed in other Wings of SRB such as Audit, IT, Tax Policy and HR. SIFM successfully organized 3 training programs including an international training program in collaboration with International Bureau of Fiscal Documentation (IBFD).



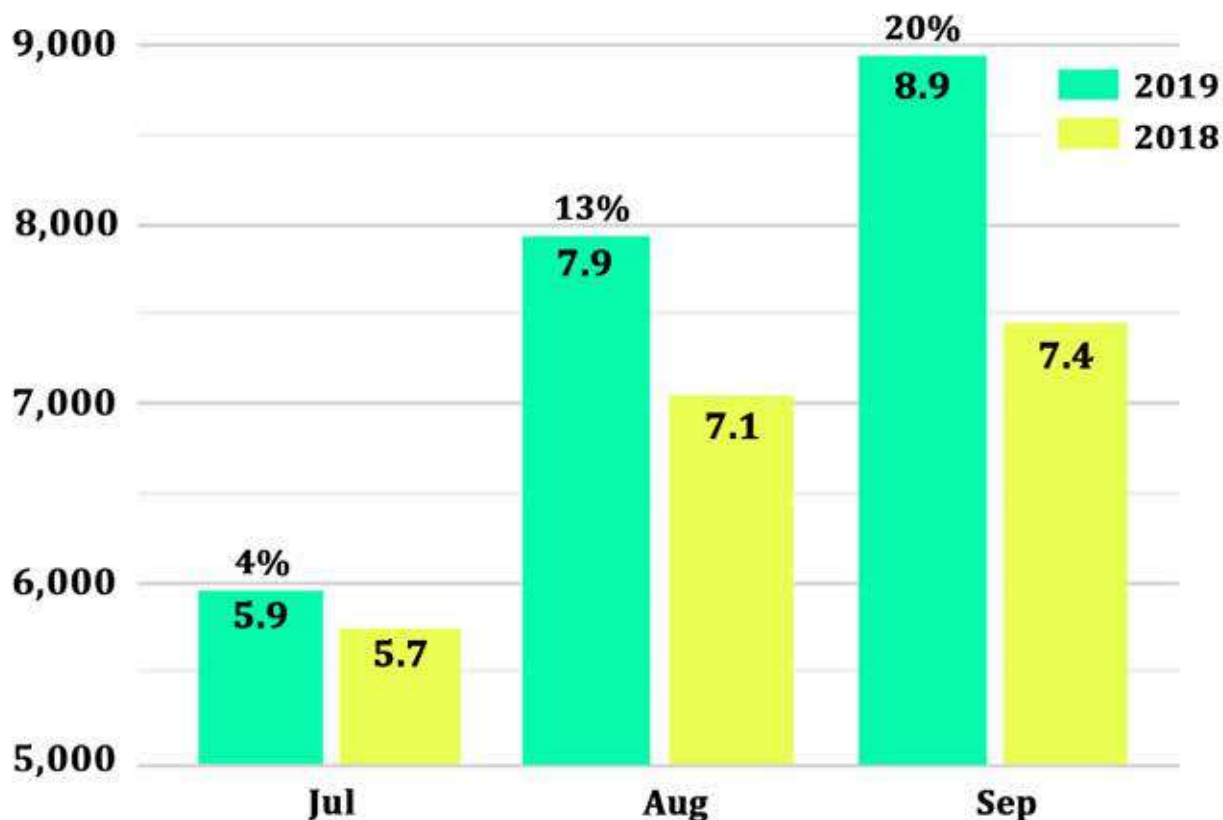
Revenue Growth Momentum



A growth of 13% in revenue collection during the first quarter of FY 2019-20 has been achieved due to continued trust and cooperation of taxpayers, support by the Government of Sindh and relentless efforts made by employees of SRB.

SRB's collection during the first quarter, along-with month-wise breakup is demonstrated in the graph

Rs. in billion

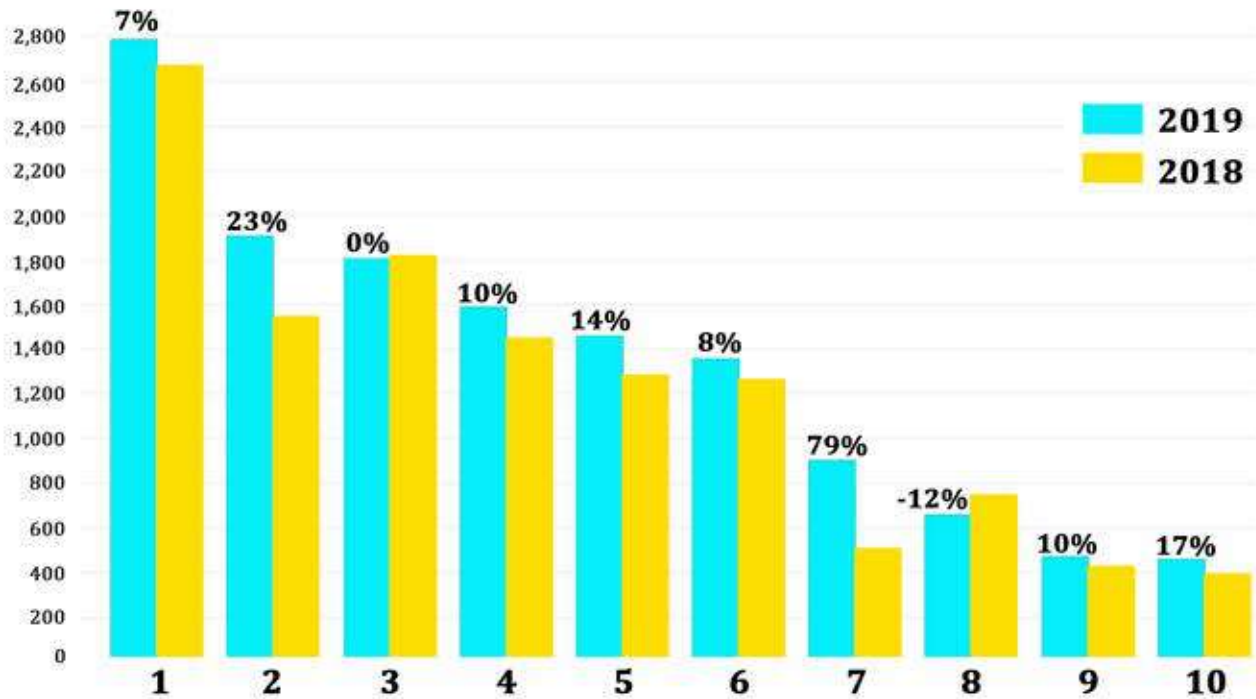


Top Performing Sectors



Sindh Sales Tax on Services is levied on taxable services mentioned in the second schedule to the Sindh Sales Tax on Services Act, 2011. The standard statutory rate stands at 13%. However, certain services are taxed at a reduced rate, whereas the telecommunication sector is taxed at a rate of 19.5%.

The graph shows the contribution of top performing sectors for the first quarter of FY 2019-20



- 1 Port, Airport & Terminal Operators
- 2 Franchise
- 3 Insurance
- 4 Bank
- 5 Contractual Execution

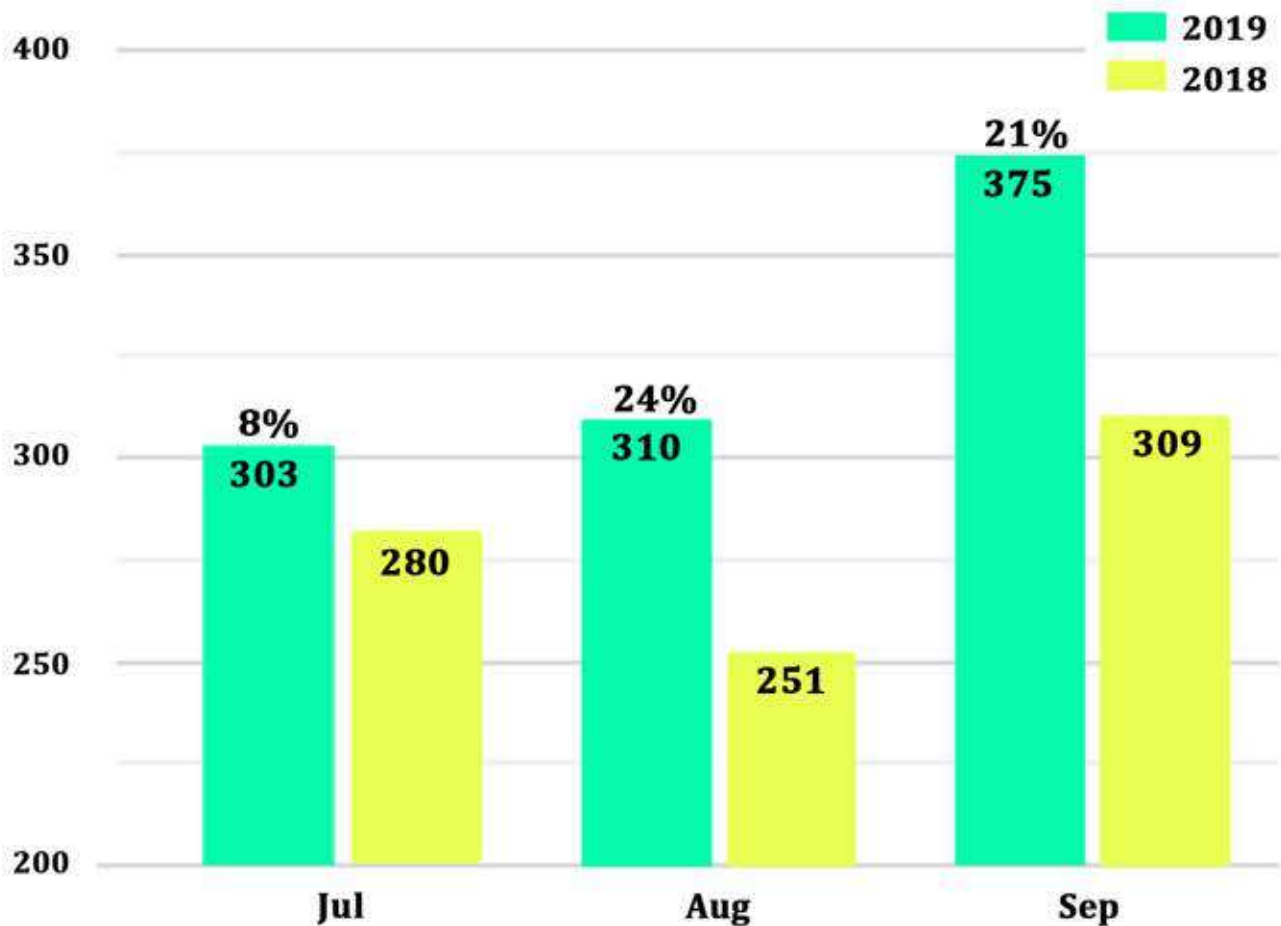
- 6 Telecommunication
- 7 Construction
- 8 Technical, Scientific & Engineering Consultants
- 9 Labor & Manpower Services
- 10 Restaurant & Café

Registration Growth Momentum



One of SRB's top priorities is to increase the tax base. SRB has expanded its tax base through various techniques such as spreading awareness and educating & facilitating taxpayers.

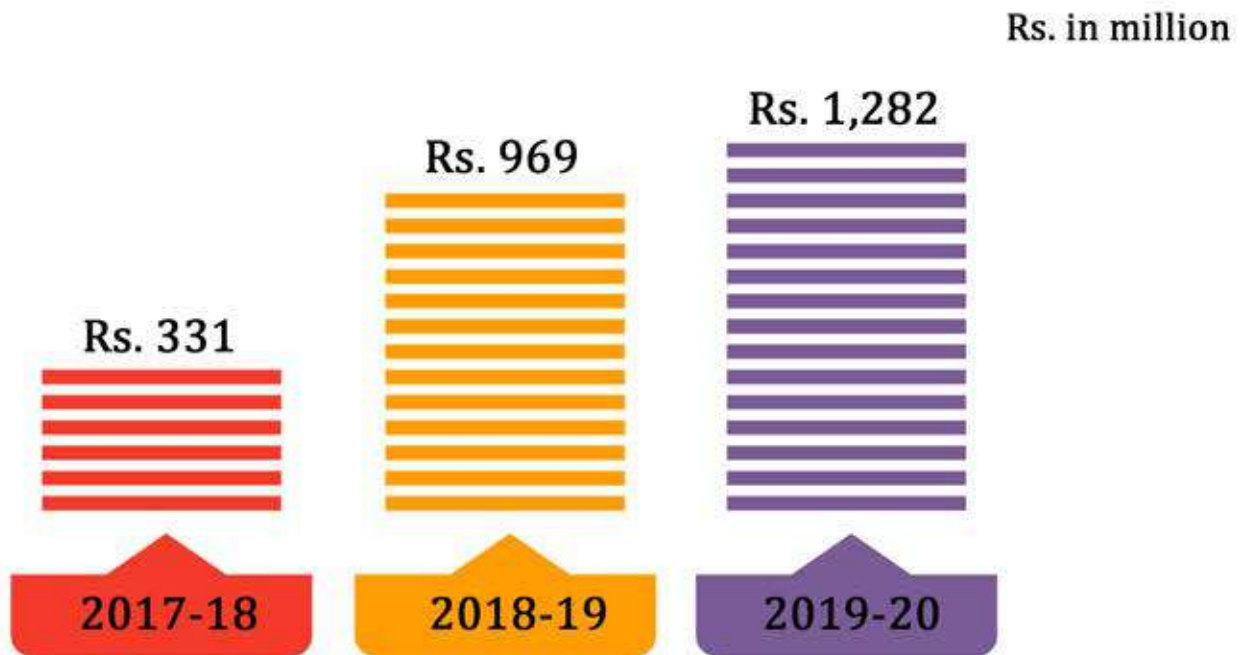
A total of 988 new registrations were recorded against 840 new registrations in FY 2018-19. The graph represents the growth in registrations for first quarter of FY 2019-20 compared to registrations for first quarter of FY



SWWF & SWPF



The collection of SWWF & SWPF has increased by 32% during the first quarter of FY 2019-20 in comparison to the corresponding period during FY 2018-19. The graph shows the growth trend of SWWF & SWPF.



More than 145 cases have been filed in the Courts to resolve issues in the collection of funds. Federal Government/FBR still demands fund contributions under the Federal Act of 1968 and the Federal Ordinance of 1971, which is a cause of concern for establishments liable to deposit their contributions in Sindh.

With cooperation of Labor and Human Resource Departments, Government of Sindh and SRB are actively taking up the matter with FBR and the Federal Government to resolve outstanding issues.



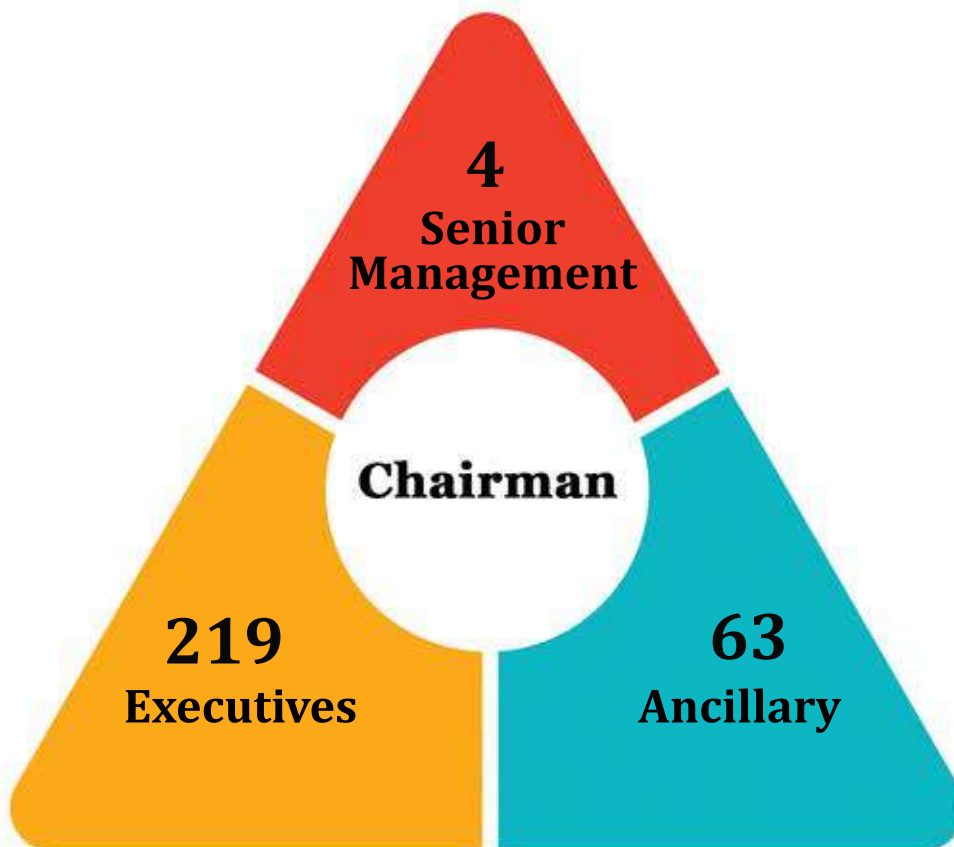
Updating Employee Files

Employee's dossiers have been updated for the purpose of preservation and completion of records.

Advancing HR Policy

To enhance working capacity and empowerment of employees, HR policies are being revised in line with contemporary practices.

Current Working Strength



Tax Policy Wing



Tax Policy Wing deals with Sindh Sales Tax (SST) policies, which include formulation of resource mobilization for the annual provincial budget, amendments in the Sindh Sales Tax on Services Act, 2011, in the Sindh Sales Tax on Services Rules, 2011 and in the Sindh Sales Tax Special Procedure (Withholding) Rules, 2014, and various other Rules and Notifications. Tax Policy Wing also examines various tax-related and exemption-related proposals received from the Chambers of Commerce & Industry, and Trade/Taxpayers' Associations or from the taxpayers and sends its views/comments to the decision-makers. The Chief Minister's Directives, received from time to time, on tax matters are also examined and processed and compliance reports are prepared in this Wing. The Wing is also responsible for issuing Rulings/Clarifications/Notifications/Standing Orders/Circulars for the benefit of the taxpayers and tax collectors and also pertaining to resolution of disputes or removal of doubts. The public complaints in relation to Sindh sales tax matters received on the Pakistan Citizen's Portal and other media (through e-mails, phones or dak) are also attended by the Tax Policy Wing.

Issued Notifications

During the 1st Quarter of FY 2019-20, the Wing issued 13 notifications. 4 Notifications Nos. SRB-3-4/25/2019 to No. SRB-3-4/28/2019 were issued on 08.07.2019 and 1 notification No. SRB-3-4/33/2019 was issued on 28.08.2019, specifying the jurisdictions and functions of the various officers of the SRB in terms of sections 34, 35 and 36 of the Act, 2011.

Another 4 notifications Nos. SRB-3-4/21/2019 to SRB-3-4/24/2019 in relation to the new taxable services levied to SST w.e.f July 1, 2019 were issued on July 1, 2019.

Tax Policy Wing



In compliance of the decision taken by Sindh Cabinet in its meeting dated August 3, 2019 regarding withdrawal of the levy of Sindh Sales Tax on Services of advertisement in newspapers and periodicals and on their websites in Sindh, Tax Policy Wing issued 4 notifications Nos. SRB-3-4/29/2019 to SRB-3-4/32/2019 all dated August 3, 2019.

Circulars

Circular Nos. 3/2019 and 5/2019 were issued on August 2, 2019, and September 16, 2019, respectively, providing extension, to the SRB-registered persons, in the last date for e-deposit of SST for the tax period July, 2019 and August, 2019, respectively, and for e-filing of tax return for the respective tax periods.

On receipt of several enquiries from SRB-registered taxpayers about the requirement to mention Sales Tax Registration Number (STRN) on the sales tax invoices issued by the service providers to their customers/clients/service recipients, TP Wing issued a Circular No. 4/2019 on August 20, 2019 specifying the detailed guidelines regarding issuance of proper sales tax invoice required to be issued by service providers in terms of the provisions of rule 29(1) of the Sindh Sales Tax on Services Rules, 2011.

Complaints and Redressal of Grievances

Besides redressing several issues and grievances received on SRB helpline, e-mails and phones, the Tax Policy Wing also handled 131 public complaints received on the Prime Ministers-sponsored “Pakistan Citizen’s Portal” and resolved all complaints and grievances.

Tax Policy Wing



Meetings

Tax Policy Wing held several meetings with the stakeholders including two Coordination meeting of Provincial Revenue Authorities/Boards held on July 6, 2019 at SRB Karachi and on September 6, 2019 at Islamabad Marriot Hotel with a view to resolving the issues of input tax adjustment/credit by CMOs subsequent to the Honorable Supreme Court's Judgment dated April 24, 2019, issue of taxation on restaurants, taxation on contractual services etc.

TP Wing also attended a meeting held between FBR and Provincial Authorities on July 11, 2019 at FBR (HQ), Islamabad, on the implementation of Single Portal.



Legal Wing



The Legal Wing assists and helps different Wings of SRB in all legal matters, particularly in drafting and pleading at the courts. The Wing also deals with amendments in the laws, i.e. Sindh Revenue Board Act, 2010, and the Rules made therein.

To manage correspondence in legal matters, Legal Wing coordinates with Provincial Government Departments, especially with Law Department, Advocate General Sindh, Prosecution Department, Provincial Assembly and external Counsels engaged by SRB.

The Legal Wing also actively pursues cases by filing responses in Courts in a timely manner and accounts them before court for hearing and disposal.

51

Cases filed during
1st quarter

20

Cases disposed of during
1st quarter

822

Total disposed of cases



In order to advance SRB technologically, IT division has launched various projects. The Wing's key achievements during the first quarter are as follows:

LMS

Developed Library Management System

POS System

Developed software for Point of Sales (POS) System

S&RS

Developed and implemented Suspension & Revocation System for Operation Wing

SRB Website

The official website of SRB is being revamped to make it more user friendly.

SIFM Website

The official website for SIFM has been designed and developed.

Admin Panel

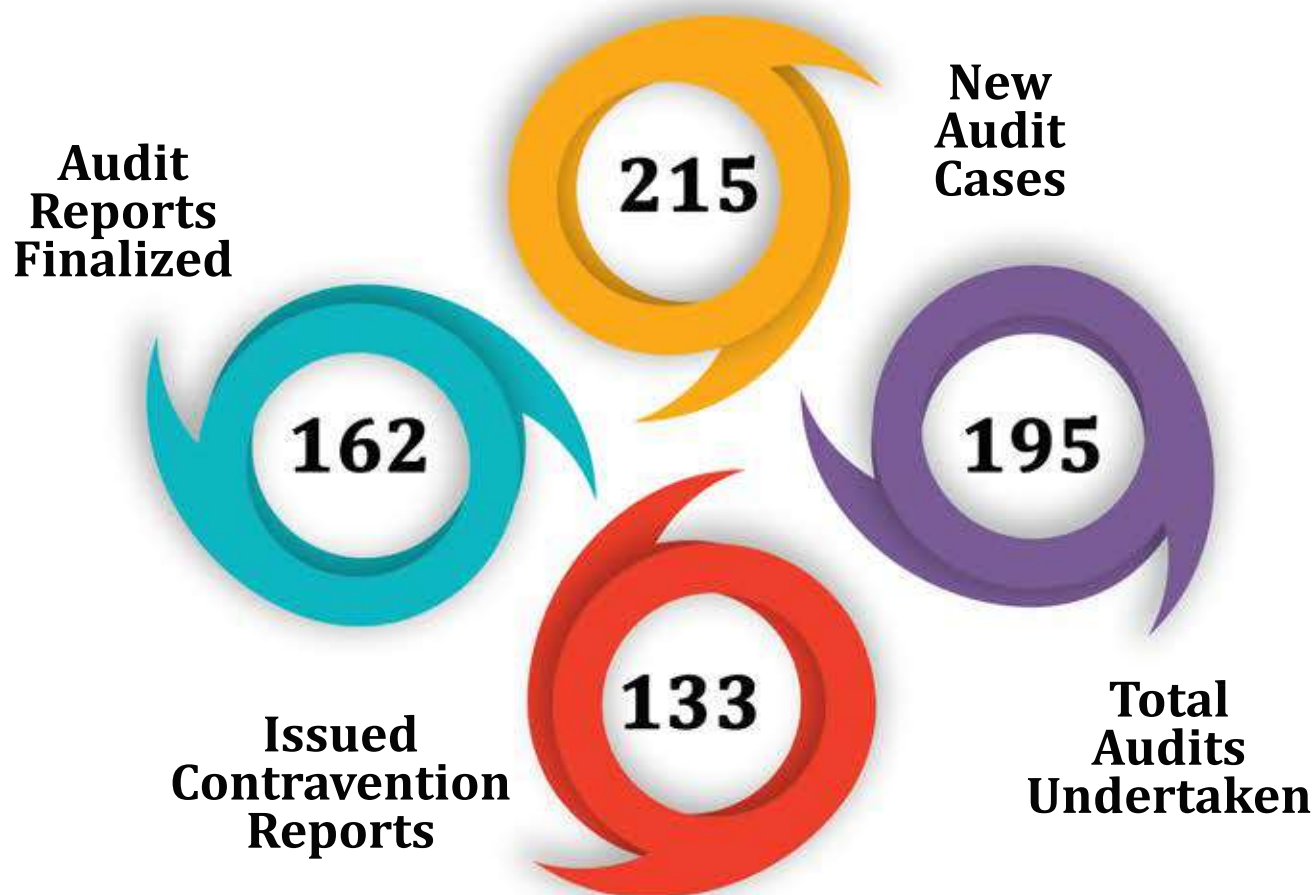
Developed Admin Panel at SRB's website for Appellate Tribunal Order Placement

Audit Wing



A total of 215 cases have been selected to undergo audit for FY 2019-20. Audit notices under section 28 of the Sindh Sales Tax on Services Act, 2011 have been issued to the taxpayers. The Wing is currently maintaining and scrutinizing the record submitted by selected taxpayers.

Progressive position of all audits undertaken as of September 30, 2019





Workshop on Budget for FY 2019-2020

A 3-hour workshop was conducted by Syed Mushtaque Kazimi, Senior Advisor Tax Policy. Over 70 officers of SRB participated in the workshop on Fiscal Budget for FY 2019-20 held on July 3, 2019. Discussion was held on new taxation policies, rules, notifications and amendments made in Sindh Sales tax on Services Act, 2011 in accordance with the Sindh Finance Act, 2019. Various tax related queries were also resolved during the workshop.



Training Program on English Conversational Skills

A course on English Conversational Skills was organized from July 23 to August 8, 2019. The participants were engaged in conversational activities to explore their pronunciation patterns, identify the sound symbols of English language & their correct pronunciation. A group of 30 officers participated in the program.

Workshop on MS Excel 2010 for Professionals

Excel is one of the most widely-used spreadsheet programs around the world. As officers of SRB work with large data, a training program on MS Excel for Professionals was organized from August 16 to 24, 2019. 30 officers were equipped with tools and knowledge on advance functions of Excel.





Workshop on Interpretation of Statutes

Mr. Masood Sabir, Commissioner (Appeals-II), SRB conducted a workshop on interpretation of statutes. The workshop was conducted in two batches comprising 30 participants each on August 7 and 9, 2019 respectively.



The program was an open call for all officers of Head Office. The workshop focused on judicial practices across the Globe, especially in the Common Law jurisdictions (like Europe) that has given rise to certain 'Principles of Interpretation of Statutes' which are recognized and followed by Superior Courts not just in Pakistan but around the world.

Workshop on Deduction of Sindh Sales Tax Amounts from Expenditure Bills of Sindh Government Department

A series of trainings for officers / officials / DAOs of Accountant General (AG-Sindh) office at district level was organized at SIFM from August 27 to September 24, 2019. This series equipped 121



employees of AG-Sindh on: how to withhold/deduct Sindh Sales Tax amount from expenditure bills of Sindh Government Departments/Offices/Projects through SAP automated system. The training was led by Mr. Muhammad Iqbal Lakho, Commissioner II, SRB.



International Training on Best Global Practices on VAT/GST Practices by IBFD

3-day international training on the 'Best Global Practices of VAT/GST' was organized from September 13 to 15, 2019 at IBA, Karachi under the World Bank auspices and funding. The training was conducted by the International Bureau of Fiscal



Documentation ('IBFD') The Netherlands - the oldest international training and research institute on taxation.

The training was led by 3 IBFD experts laying focus on international as well as regional trends and practices of VAT/GST. This afforded a unique opportunity to the tax experts/administrators to explore solutions to problems that are faced in the enforcement of services sales tax in the country and the Sindh province. Besides 124 SRB participants, 16 tax consultants/members nominated by Pakistan Tax Bar Association ('PTBA'), also took part in the training.

An inauguration ceremony held on Sep 13, 2019 was attended by senior government officials, notable personalities from the business community and prominent tax practitioners. Mr. Shaukat Tareen graced the event as chief guest. The inauguration ceremony also hosted speeches by Mr. Khalid Mahmood - Chairman, SRB, Mr. Abdul Qadir Memon - President, PTBA and Dr. Farrukh Iqbal - Dean IBA, Karachi.



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