

**Rs250bn tax cases settled in first half of fiscal year**

ISLAMABAD: In a major development, the superior judiciary and appellate tribunal of the Federal Board of Revenue have disposed of 2,174 cases involving tax amount of over Rs250 billion in the first half-year, a move which will help the tax machinery to achieve annual tax collection target.

The resolution of tax litigation cases — pending in different appellate forums including Commissioners Inland Revenue (Appeals), Appellate Tribunal Inland Revenue, high courts and the Supreme Court (SC) — run into billions and are essential to bridge the yawning budget deficit.

Official data released by the FBR showed that as a result of ongoing efforts, in the last quarter (ending Dec 2020), 934 tax cases have been disposed of by high courts and the SC with the revenue involved amounting to Rs81.7bn.

Moreover, 1,240 cases with the revenue involving Rs168.5bn were decided by the Appellate Tribunal Inland Revenue during the same period. The FBR has stepped up its efforts for disposal of tax the litigation cases pending in different appellate fora as part of reforms within the tax machinery.

On FBR's request, special benches for the hearing of tax cases have been constituted by Sindh, Lahore and Islamabad high courts for early hearings and speedy disposal of tax-related cases. In addition to that, a new policy has been introduced for the induction of competent lawyers so that government revenue is not left at the stake of amateur lawyers.

For the period from July to Dec 2020, a target of disposal assigned to the commissioners Inland Revenue (Appeals) was 7,818 appeals against which a total of 17,768 appeals were disposed of, which is in excess of the target by a huge margin.

The FBR has launched the simplified process at the first Appeal i.e. Commissioners Appeals level by implementing the e-filing of appeals since Jan 1, 2021.

Through e-filing, taxpayers can simply file appeals against an appealable order, online, without the hassle of going to their respective field office. Even prior to the launching of e-filing, the disposal of cases have been surpassing the assigned targets as per the Performance Agreement.

It is also informed for the benefit of taxpayers' that the institution of Alternate Dispute Resolution Committee (ADRC) has also been mobilised by virtue of which taxpayers' are encouraged to get their cases settled through these committees in a much lesser time and without incurring litigation costs.

So far on application by the taxpayers, 18 committees have started working for the resolution of cases. The FBR further clarifies that by virtue of a major facilitative change in law through Finance Act-2020, an applicant taxpayer, in order to apply for the resolution of case by ADRC is not required to withdraw his case pending in any other appellate forum.

In order to win the trust of the taxpayers' in this system, the law requires that members of ADRC apart from relevant Chief Commissioner would also include respectable reputable judges, chartered accountants and businessmen nominated by chambers of commerce.

The committee is also empowered to stay in the process of recovery in hardship cases. The FBR also clarified that taxpayers' application has to be finalised by the committee within a short period of 120 days which in itself a big relief is considering the usual time taken in various appellate fora before a case attains finality.