

223 tax evasion cases of imported goods disclosed

Karachi: During April to June this year, Directorate General, Intelligence and Investigation (DGI&I)-FBR, Regional office, Karachi has disclosed some 223 tax avoidance cases of imported goods mainly cleared through the Pakistan Computerized Clearance System (PaCCS) involving Rs 680.970 million. Some of 148-contravention cases involving Rs 498.146 million against the textile importers discovered. They cleared imported raw cotton of PCT heading 5201.0010 without payment of 1% income tax accountable under section 148 of the Income Tax Ordinance, 2001. Previously, the exemption was admissible under SRO-567(I)/2008 dated June 11, 2008 for amendment in Part IV of Second Schedule to the said Ordinance. However, the previously mentioned amendment was not approved in the Finance Act, 2008, hence, 1 % withholding tax became payable on cotton at import stage with effect from July 1, 2008. It further said around 12 tax avoidance cases of customs duty and sales tax amounting to Rs 91.310 million noticed against the importers of Lysine Sulphate, which was unduly covered under the concessionary rule of SRO-567(I)/2006 and SRO 1007(1)2005. Some of three cases made against leading cigarette filter manufacturers for availing zero rating facility under SRO-509(I)/2007, which completely admissible to textile sector, on the import of Cellulose Acetate Tow used in cigarette filters.

An official statistics report said, some of 30 more cases amounting to Rs 23.413 million detected because of gross under-assessment in the import of float glass and were cleared through PaCCS as a breach of applicable valuation rulings of customs. DGI&I had also registered some four cases involving Rs 22.840 million-tax avoidance against cement manufacturers, fast food restaurant and IT firm, who reportedly avoid sales tax on the taxable goods, besides adjusting the same as input tax credit. In another case, an importer of mobile phones evaded Rs 1.710 million taxes on the goods cleared through airfreight unit of Model Customs Collectorate (MCC) defensive as gigantic quantity of cell phones, which imported from Hong Kong, had cleared under Pak China FTA regime. The observation department also established six seizure cases involving Rs 3.235 million, of these, two cases made on the import of re-melt able / re-roll able scrap and waste paper, serviceable iron and steel bars and aluminum foil, while, remaining four cases registered against importers involved in the wrong declaration of the value of imported marble slab. The report further said , DGI&I and range office, Sukkur had also seized around Rs 13.640 million smuggled items including vehicles, mobile phones, mobile chargers, wrist watches, cloth, medicines, Gutka, shock absorbers for motorcycles, tyres and tubes, imitation jewelry, auto parts, etc.