



**TRANSPARENCY
INTERNATIONAL-PAKISTAN**

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Advisory Committee

13th August 2012

Mr. Ali Arshad Hakeem,
Chairman,
Federal Board of Revenue,
Government of Pakistan,
Islamabad.

Subject: Collection of GST on sale of pre paid cards by 5 Cellular Companies, PTCL,
wireless phone and Internet Companies-TIP Suggestion

Dear Sir,

Transparency International Pakistan recommends to the Federal Board of Revenue to make a fool proof system for the transfer of GST collected on sale of pre paid cards by 5 Cellular Companies, PTCL, wireless phone and Internet Companies.

These prepaid cards are sold to outlets/shopkeepers in cash by all these companies, and then the outlets sell them to public.

FBR may make a policy, and direct all Cellular Companies, PTCL, wireless phone and internet providers to get the pre-paid cards stamped as GST collected, and numbered by FBR prior to sale. These companies shall deposit the 19.5% GST when they take the delivery of pre-paid cards duly stamped and numbered by FBR.

Through introduction of this new system the leakage of GST on pre paid cards will be stopped and FBR is expected not only to collect 100% GST on pre paid cards (in the TIP suggested system estimated to be 8-10 billion monthly).

This will also enable savings on loss of bank interest on the delayed deposit of GST of 30 days as per current procedure, which will add billions of rupees revenue to the exchequer.

With Regards,

Syed Adil Gilani
Advisor

Copies forwarded for the information and action under the authority vested in their respective jurisdictions:

1. Chairman, Public Accounts Committee, Islamabad.
2. Chairman, NAB, Islamabad.
3. Minister Finance, Islamabad
4. Federal Tax Ombudsman, Islamabad
5. Registrar, Supreme Court of Pakistan, Islamabad.
6. Chairman, PTA, Islamabad