

From: **Asif Siddiq Kasbati** <asif.s.kasbati@professional-excellence.com>

Date: Fri, Dec 26, 2025 at 7:49 PM

Subject: CDQC298= FBR Suspends Customs Inspector Over Extortion and Misconduct Allegations

36+ Customs Duty Quick Commentary – CDQC 298

A. Background

1. This refers to **TLQCs in trail, blue, italic and after double line** (a) 3396 of 17.12.25 about IMF 11 New Conditions for \$7 billion: Anti Sugar Mafia & Corruption, Tax Legal Reference, etc (b) 2908 of 24.9.24 about Rs 2B Valid Refund delay issue: Officer suspended & S. 138B Refund Matters & Your Action
2. We also refer to several Other QCS including (a) TLQC3092 of 22.4.25 about PTBA exposes Suspension issue & Bureaucrat hindering Digitalization (b) TLQC3091 of 22.4.25 about FBR appoints 438 Inspectors, BTB / Corruption & Be ready (c) TLQC3016 of 27.1.25 about 119 Parliamentarians Membership Suspended for not Filing Tax Returns (d) TLQC2905 of 30.9.24 about Fake Refunds to Tea Mafia: FBR Officer suspended & being investigated (e) EIQC268 of 11.11.23 about Corruption acceptance by PPP Representative on Media

B. Updated Commentary

1. Further to the KQU 3695 of 11.12.25, **being an important matter**, we would inform you about [FBR Suspends Customs Inspector Over Extortion and Misconduct Allegations](#) (**Attachment 298.1**), in the ensuing paragraph, with emphasis in **bold** & Underline for quick reading.
2. A Customs Inspector at Islamabad International Airport has been suspended on complaints of extortion, harassment & misconduct. Disciplinary proceedings have been initiated under the Government Servants (Efficiency & Discipline) Rules, 2020.
3. FBR remains committed to the highest standards of integrity, transparency and discipline. The Board reiterates its resolve to protect national revenue and restore public trust.

C. Further Details & Services

Should you require any clarification or explanations in respect of the above or otherwise, please feel free to email Mr Amsal at amsal@kasbati.co with CC to info.kasbati@professional-excellence.com.

Best regards for Here & Hereafter

Asif S Kasbati (FCA, FCMA & LLB)

Managing Partner

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From: Asif Siddiq Kasbati <asif.s.kasbati@professional-excellence.com>

Date: Wed, Dec 17, 2025 at 5:36 PM

Subject: TLQC3396= IMF 11 New Conditions for \$7 billion: Anti Sugar Mafia & Corruption, Tax Legal Reference, etc

A. Background

1. We also refer to the related Important TLQC's in **trail, blue, italic and double Line** (a) 3391 of 12.12.25 about IMF directions: Improve FBR Structure and Reduce FBR Rules making authority & Officers Powers (b) 3373 of 4.12.25 about IMF Corruption, etc Report details Ex Sindh Governor; Govt could not Counter IMF Report

2. We also refer to several Other TLQCs including (a) 3387 of 11.12.25 about IMF direction: Tax Simplification Plan by May 2026 (b) 3370 of 3.12.25 about IMF Indicts Rampant Corruption Governance, Elite Capture, Institutional Breakdown but No accountability (c) 3366 of 1.12.25 about IMF highlighted over Rs 4.5 Billion Corruption (while Budget Revenue is 12.5 Billion) – Mr Kamran Khan, etc (d) 3360 of 24.11.25 about IMF highlighted Ad hoc Changes in Tax Policies and Governance & Corruption Issues

B. Updated Commentary

1. Further to KQU 3701 of 15.12.25, **being an important matter**, we would inform you about IMF imposes 11 new conditions to Pakistan's \$7 billion bailout package (**Attachment 3396.1**) in the ensuing paragraph, with emphasis ours in **bold** & Underline for quick reading.

2. **The IMF has slapped Pakistan with 11 more stringent conditions to address corruption vulnerabilities, end elite capture of the sugar sector and unearth the true cost of foreign remittances. The new conditions have also been imposed to reduce losses in the power sector through private sector participation, improve governance and service delivery, and enhance the effectiveness of the highly inefficient FBR.**

3. The IMF released the Staff-level Report for the Second review of the \$7 Billion bailout package, which disclosed that the lender has imposed 11 additional conditions on Pakistan. **With the fresh additions, the total number of conditions has risen to 64 in the short span of one and a half years.**

4. According to the report, Pakistan will publish on a government website the asset declarations of high-level federal civil servants by December next year. The purpose is to identify mismatches between income and assets. The report stated that the government also plans to expand this obligation to high-level provincial civil servants and allow banks full access to their declarations.

5. **By October next year, Pakistan will publish an action plan to mitigate corruption vulnerabilities in 10 identified departments based on institutional-level risk assessments.** The National Accountability Bureau will lead and coordinate the development of action plans for agencies identified as facing the highest risks.

6. **To strengthen provincial capacities to mitigate corruption risks, provincial anti-corruption establishments will be empowered to receive financial intelligence and continue receiving capacity-development support for financial investigations of corruption offences within their jurisdiction.** The IMF's new conditions followed the publication of the Governance and Corruption Diagnostic Assessment report, which exposed deep weaknesses in Pakistan's legal and governance systems.

7. The IMF has also instructed Pakistan to complete a comprehensive assessment of remittance costs and structural impediments to cross-border payments, complemented by an action plan by May next year. The condition comes after remittance costs were projected to rise to \$1.5 billion in the next couple of years. Remittances remain the single largest source of financing Pakistan's contained imports.

8. **By September next year, the government will conduct a comprehensive study of bottlenecks hindering local currency bond market development and publish a strategic action plan to address required improvements.**

9. To break the elite capture of the sugar industry, the IMF has imposed a condition requiring the federal and provincial governments to agree and the federal cabinet to adopt a national policy for **sugar market liberalisation by June 2026**. The policy must include recommendations on licensing, price controls, import and export permissions, zoning, and clear implementation timelines. The FBR's poor performance has also triggered new conditions. The IMF has asked the government to finalise a roadmap by end-December to prioritise reforms; assess staffing requirements and roles; set timelines and milestones; estimate revenue impacts; and determine key performance indicators (**KPIs**) to monitor progress.

10. Based on this roadmap, the government must complete all actions necessary to fully implement at least three priority areas agreed with IMF staff, including any required subordinate legislation, staff hiring and allocation, and initial KPI reporting.

11. By December next year, the government must also develop and publish a comprehensive medium-term tax reform strategy, including a sequenced roadmap of tax policy, administration and legal reforms, clear governance arrangements, and a resource plan for implementation.

12. By the same deadline, the government will finalise preconditions for private-sector participation in HESCO and SEPCO and sign public service obligation (PSO) agreements with each of the seven largest entities before the next budget is submitted to Parliament.

13. The government will also prepare and submit to Parliament amendments to the Companies Act, 2017 to strengthen compliance for unlisted firms, modernise corporate governance structures and align regulations with international best practices. It will also publish a concept note outlining the scope, objectives and expected outcomes of proposed amendments to the SEZ Act, including the rationale for reform and KPIs.

14. The government has agreed to the need for a mini-budget if revenues fall short of expectations by end-December 2025, according to the IMF. The measures would include raising federal excise duty on fertilisers and pesticides by 5%, imposing excise duty on high-value sugary items and broadening the sales tax base by moving select items to the standard rate. The IMF has also extended the deadline to publish an action plan to address vulnerabilities highlighted in the Governance and Corruption Diagnostic report.

C. Further Details & Services

Should you require any clarification or explanations in respect of the above or otherwise, or require Income Tax, Federal & Provincial Sales Tax or Withholding Tax Statement, Advisory, Return Filing or Review services, please feel free to email Mr Amsal at amsal@kasbati.co with CC to info.kasbati@professional-excellence.com, asif.s.kasbati@professional-excellence.com.

Best regards for Here & Hereafter
Asif S Kasbati (FCA, FCMA & LLB)

From: **Asif Siddiq Kasbati** <asif.s.kasbati@professional-excellence.com>

Date: **Tue, Sep 24, 2024 at 5:22 PM**

Subject: **TLQC2908= Rs 2B Valid Refund delay issue: Officer suspended & S. 138B Refund Matters & Your Action**

A. Background

EIQC 268 dated 11.9.24 (in trail, blue, italic and after double line) about Corruption acceptance by PPP Representative on Media

B. Updated Commentary

Further to KQU 2986 dated 6.9.24, **being an important matter**, we would inform you about Officers suspended for valid refunds (Attachment 2908.1)

2. The FG has suspended two tax officers for issuing multi-billion rupees *prima facie* Genuine Tax Refund, which the FM himself had instructed to release aimed at removing a bottleneck in the way of \$80 million Saudi investment in a Pakistani company.

3. *The development comes amid yet another decision of the government to slow-down the releases of Rs 23 billion worth exporters' matured refunds after the huge tax shortfall a move that is also in breach of PM*

4. The FBR suspended a commissioner and a deputy commissioner for issuing a **Rs 2 billion refund to Gas & Oil Pakistan Ltd (GO)**, a fuel pump and retail store operator. According to two FBR notifications, the officers were suspended for 120

days or until further notice, following a report from the Directorate General of Intelligence & Investigation alleging the Refund was illegal.

5. Sources revealed that the officers had processed the refund under the direct orders of FM Mr Muhammad Aurangzeb. The minister's directive sought to resolve a bottleneck in the conclusion of an \$80 million acquisition deal, in which Aramco acquired a 40% equity stake in Gas & Oil Pakistan Ltd.

6. Two senior FBR officers confirmed to The Express Tribune that these instructions originated from the FM and argued that no illegality was involved, as the company's refunds had been overdue for several months. The Rs 2 billion refund was recorded as a receivable in GO's balance sheet, and the foreign investor required the issue to be resolved. The refunds were processed in May under FBR headquarters' instructions and were finally paid two months ago.

7. Due to the urgency, the FBR office opened on May 28th national holiday to clear the refund. The FBR's Intelligence and Investigation Directorate later objected to the refund's issuance on a holiday and to the processing of the amount for goods declared in October 2023, sources said. Senior officers familiar with the case stated that rules allowed refunds to be claimed up to six months after the goods declaration.

8. FBR slows down refunds, after facing a staggering revenue shortfall of Rs 98 billion during the first two months of this fiscal year, the FBR has slowed down the release of overdue sales tax refunds to taxpayers. Despite collecting Rs1.456 trillion in taxes after taking significant advances and imposing Rs1.8 trillion in taxes the FBR now faces the daunting task of raising nearly Rs 1.2 trillion in September to meet the IMF's quarterly target.

9. FBR sources indicated that achieving the quarterly target seemed impossible without extraordinary measures. A strategy has been implemented to minimize the shortfall by delaying refunds and taking additional advances. On Monday, the FBR was supposed to issue Rs 23 billion worth of refund orders but decided to delay them, also holding back the release advice to the State Bank of Pakistan.

10. Sources mentioned that the plan was to release only Rs 10 to Rs 12 billion refunds in small amounts. In August, the FBR had issued Rs53.3 billion in refunds, with expectations that this figure would be higher in September. However, the finance minister's recent assurances of timely refund releases contradict the FBR's actions, as no refund orders were issued, breaking from routine practice.

11. Sensing the FBR's tactics, four Pakistani exporter associations publicly reminded PM Mr Shehbaz Sharif of his promise to clear exporters' refunds within 72 hours. The government had imposed a 29% income tax on exporters, with the PM personally assuring timely refunds. Yet, faced with its first significant revenue setback this fiscal year, the FBR has deviated from the PM commitments.

12. When contacted, FBR spokesperson Mr Muhammad Bakhtiar denied that any decision had been made to block refunds, stating that they would be cleared in due course.

13. Meanwhile, Minister of State for Revenue Mr Ali Pervaiz Malik instructed the FBR to resolve Rs 138 billion in deferred refund cases from previous years, affecting both exporters and local industrialists. Malik also urged the FBR to broaden the definition of export-oriented sectors beyond the current five and ensure that all Exporters refund are processed through the Fully Automated Sales Tax e – Refund (Faster) System.

C. Multiplication

Although all the Commentaries are to the extent of the Subscribed IDs only, however, your Goodself is allowed to share this QC for the Noble Cause to Eliminate or at least Reduce the Bribery Culture, which is Haram as per Hadis-e-Mubarikah.

Your Multiplication of this email via forwarding this Email, Whats app, etc will be Sadqa Jaria and good for Here & Hereafter.

D. Further Details & Services

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*Best regards for Here & Hereafter
Asif S Kasbati (FCA, FCMA & LLB)*