



International Conference on Digitalization of Taxes in Pakistan

Technical Assistance Mission to the Federal Board of Revenue, Islamabad

20-22 June 2023

CONCEPT NOTE

Description

Integrated national financing frameworks (INFFs) are a planning and delivery framework to help countries finance sustainable development and the SDGs. ESCAP is one of the executing agencies of a DA13 project on “Towards integrated national financing frameworks,” which addresses capacity gaps identified by target countries in one or more of the four INFF building blocks: (i) assessment and diagnostics, (ii) financing strategy, (iii) monitoring and review, and/or (iv) governance arrangements. The project puts a substantive focus on mobilizing financing for productive investments in recovery and the Sustainable Development Goals (SDGs), including through improving tax compliance.

A rapid assessment of the country’s financial needs for the SDGs conducted by ESCAP found that enhancing tax revenues should be an important priority, as the country has a low tax-to-GDP ratio, and this hinders the country's ability to invest in critical infrastructure and public services. Therefore, improving tax compliance should be an important element of Pakistan financial strategy, which is the second pillar of INFFs.

The present conference is in the context of an ESCAP technical assistance project to the Federal Board of Revenue, which focuses on four areas of Information and Communication Technology (ICT) applied to tax administration: e-Invoicing, e-withholding tax systems, point of sale (POS) systems, and track and trace for goods in the manufacturing industry. The conference focuses on the first three areas.

The use of these ICT tools can improve the efficiency and effectiveness of tax administration in Pakistan by enabling better monitoring and control of tax collection processes. Ultimately, this will result in increased revenue for the government which can be used to finance critical infrastructure and public services, promoting sustainable economic growth and development in Pakistan.

Participants

The target participants of the conference are officials and staff from selected departments of FBR, selected officials and experts from related ministries and public agencies, and selected stakeholders from the private sector.

Objectives

The conference will address challenges in Pakistan's tax compliance systems by leveraging ICT through the following objectives:

- Facilitate knowledge exchange on best practices and lessons learned in implementing ICT systems such as e-invoicing, e-withholding tax systems, and POS systems for tax compliance.

- Evaluate potential strategies that FBR could consider for an implementation of such ICT systems that are both effective and adapted to the national needs.
- Identify capacity needs and support the development of training programs for FBR staff and other stakeholders to effectively implement and maintain ICT systems.
- Explore potential public-private partnerships and collaboration opportunities to support the adoption and integration of ICT solutions for tax compliance in Pakistan.
- Assess existing infrastructure and systems to identify areas for improvement and recommend strategies for modernization and digital transformation.
- Facilitate dialogue and engagement among relevant stakeholders, fostering a collaborative approach to addressing tax compliance challenges through ICT.

Tentative program

Time	Sessions
	Day 1 - 20th June 2023 (Tuesday)
09:00 - 09:15	Opening Remarks by ESCAP and FBR FBR: Chairman FBR (Tentative, subject to confirmation) UNESCAP: Mr. Alberto Isgut, Economic Affairs Officer, Financing for Development Section, ESCAP
09:15 - 11:00	Practical Issues in the Implementation of E-Invoicing <ul style="list-style-type: none"> • Presentation-1: <i>Mr. Mark Stockwell, Director of e-Invoicing, Australian Taxation Office</i> followed by Q&A
11:00 - 11:15	Coffee Break
11:15 – 13:00	Strategy for Implementing E-Invoicing in Pakistan <ul style="list-style-type: none"> • Presentation-2: <i>Mr. Frank Chan</i> on additional international experiences • Presentation-3: <i>Mr. Ali Saeed</i>, Deputy Director (Digital Invoicing) on Pakistan experience and plans by • Presentation-4: <i>Mr. Omar Bin Ahsan</i> on e-invoicing on how private partners support and collaborate with FBR to implement e-invoicing in the country? Open discussion <ul style="list-style-type: none"> • Where Pakistan stands in the international context on e-invoicing described? And where it intends to go? • Understanding challenges to e-invoicing in Pakistan related to IT systems, infrastructure, legal and policy frameworks, institutional coordination, human resources, cybersecurity, data privacy, and other • Cooperation and engagement by the private sector • Coordination across levels of government • Towards an action agenda on e-invoicing in Pakistan: priorities, addressing systems and infrastructure bottlenecks, strengthening inter-government collaboration, and collaboration with the private sector • Is there a need to amend existing legal and policy frameworks, including data privacy and cybersecurity? • Key implementation elements
13:00	End of the Session/Lunch
	Day 2 – 21st June 2023 (Wednesday)
09:00 – 09:10	Recap of Day 1 and Overview of Day 2

09:10 - 11:00	<p>Practical Issues in the Implementation of an E-Withholding Tax System</p> <ul style="list-style-type: none"> • Presentation-1: by <i>Mr. Travis Wright, Director, Australian Taxation Office</i> and <i>Ms. Chontelle Weyman, Director and Single Touch Payroll Employer & Intermediary Lead, Australian Taxation Office</i> followed by Q&A
11:00 - 11:15	Coffee Break
11:15 - 12:30	<p>Strategy for Implementing an E-Withholding Tax System in Pakistan</p> <ul style="list-style-type: none"> • Presentation-2: <i>Mr. Frank Chan</i> on additional international experiences • Presentation-3: <i>Ms. Haneen Saif, Deputy Director (SWAPS), FBR</i> on Pakistan experience and plans for e-withholding tax system by <p>Open discussion</p> <ul style="list-style-type: none"> • Where Pakistan stands in the international context on e-withholding taxes described? And where it intends to go? • Understanding challenges to e-withholding taxes in Pakistan related to IT systems, infrastructure, legal and policy frameworks, institutional coordination, human resources, cybersecurity, data privacy, and other • Cooperation and engagement by the private sector • Coordination across levels of government • Towards an action agenda on e-withholding taxes: priorities, addressing systems and infrastructure bottlenecks, strengthening inter-government collaboration, and collaboration with the private sector • Is there a need to amend existing legal and policy frameworks, including data privacy and cybersecurity? • Key implementation elements
12:30 - 13:30	<ul style="list-style-type: none"> • Presentation-4: “Raast: Pakistan's first instant payment system and it's key features” By <i>Mr. Faisal Mazhar, Senior Joint Director in Digital Innovation and Settlements Department, State Bank of Pakistan</i>
13:30 - 14:30	End of the Session/ Lunch
Day 3 – 22nd June 2023 (Thursday)	
09:00 – 09:10	Recap of Day 2 and Overview of Day 3
09:10 - 10:00	<p>Practical Issues in the Implementation of POS Systems</p> <ul style="list-style-type: none"> • Presentation-1: by <i>Mr. Rastislav Gabik, Director, Financial Directorate of the Slovak Republic</i> followed by Q&A
10:00 - 10:45	<p>Practical Issues in the Implementation of POS Systems (Cont'd)</p> <ul style="list-style-type: none"> • Presentation-2: <i>Mrs. Maria Gold-Tajalli, Desk officer in the BMF at the Federal Ministry of Finance, Austria</i> followed by Q&A
10:45 – 11:00	Coffee Break
11:00 – 11:45	<p>Practical Issues in the Implementation of POS Systems (Cont'd)</p> <ul style="list-style-type: none"> • Presentation-3: <i>Mr. Attila Mizanyi, Head of the Risk Analysis and Data Science Department of the Central Management at National Tax and Customs Administration, Hungary</i> followed by Q&A
11:45 – 12:30	<p>Strategy for Implementing POS Systems in Pakistan</p> <ul style="list-style-type: none"> • Presentation-4: <i>Mr. Frank Chan</i> on additional international Experiences • Presentation-5: <i>Mr. Osama Sameer, Deputy Director, (POS) FBR</i> on Pakistan's experience and plans <p>Open discussion</p> <ul style="list-style-type: none"> • Where Pakistan stands in the international context on POS systems described?

	<p>And where it intends to go?</p> <ul style="list-style-type: none"> • Understanding challenges to the implementation of a POS system in Pakistan related to IT systems, infrastructure, legal and policy frameworks, institutional coordination, human resources, cybersecurity, data privacy, and other • Cooperation and engagement by the private sector • Coordination across levels of government • Towards an action agenda for the implementation of a POS system in Pakistan: priorities, addressing systems and infrastructure bottlenecks, strengthening inter-government collaboration, and collaboration with the private sector • Is there a need to amend existing legal and policy frameworks, including data privacy and cybersecurity? • Key implementation elements
12:30 - 13:30	<p>Assessing Human Resources and Training Needs of FBR Staff <i>Open discussion</i> Facilitation by Mr. Alfonso Pellegrino</p> <ul style="list-style-type: none"> • Human resource requirements for e-invoicing, e-withholding and POS • Current capacities and training needs
13:30 – 14:30	Lunch Break
14:30 – 15:30	<p>Closing Remarks by ESCAP and FBR FBR: Mr. Tariq Pasha, Special Assistant to Prime Minister (Subject to confirmation) UNESCAP: Mr. Alberto Isgut, Economic Affairs Officer, Financing for Development Section</p>