

Updated Project Information Document (PID)

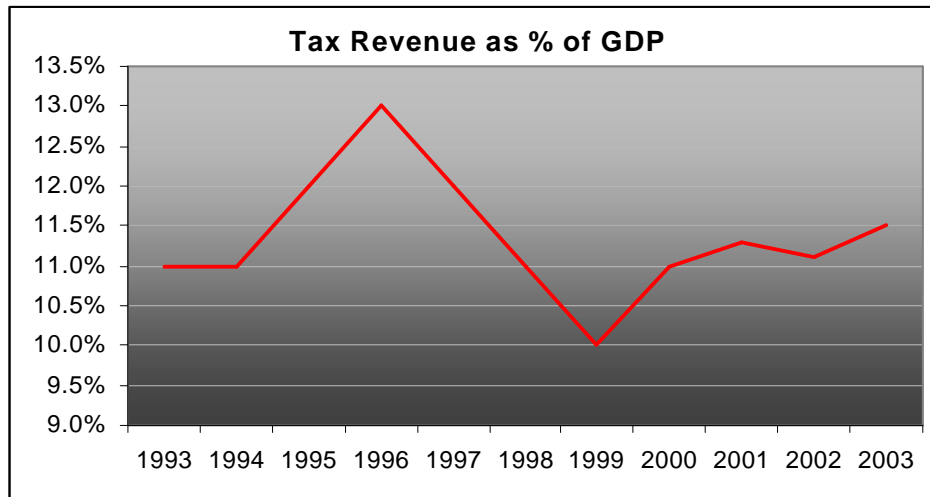
Report No: 30640

Project Name	PAKISTAN - Pakistan Tax Administration Reforms Project
Region	South Asia Regional Office
Sector	General public administration sector (100%)
Theme	Tax policy and administration (P); Trade facilitation and market access (P)
Project	P077306
Borrower(s)	GOVERNMENT OF PAKISTAN
Implementing Agency(ies)	CENTRAL BOARD OF REVENUE Address: Constitution Avenue, Islamabad Contact Person: M.S. Lal, Member (Policy & Tax Reform) Tel: 0092-51-9201482 Fax: 0092-51-9208864 Email: taxreforms@cbr.gov.pk
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1. Country and Sector Background

Background

Since the early nineties, successive governments have tried to reform Pakistan's tax system. These attempts, however, have yielded limited results and the tax to GDP ratio has remained in a narrow band, between 11 to 13 percent since the 1990.



Source: Central Board of Revenue

*The graph only represents Tax Revenue collected by CBR

According to the Organization for Economic Cooperation and Development, tax revenue as a percentage of GDP in developed countries ranges from around 30 to 50 percent, with an average of 38 percent, while the average in developing countries is about 18 percent. Although Pakistan's tax/GDP ratio at 12.9 percent is well below the average for developing countries, it does not fare too badly when compared with other

countries in the region.

Table 1 : Tax to GDP ratio, selected countries

Regional Countries	Tax to GDP Ratio (FY02)
Singapore	15.4
Sri Lanka	14.5
Thailand	13.8
China	16.8
Philippines	12.3
Indonesia	13.1
Pakistan	12.9*
Bangladesh	12.6
India	14.6
Nepal	9.6
Iran	8.5

Source: World Development Indicators 2004

** The 12.9% tax/GDP ratio includes other taxes that are in addition to those collected*

by CBR

Pakistan's Federal Bureau of Statistics completed in May 2004 a comprehensive revision of the national accounts statistics. The base was moved from 1980/81 to 1999/00 and several new sectors of economic activity were included. The results of this revision are a nominal GDP for 1999/00 and subsequent years that are about 20% higher than previously estimated levels. The Project Appraisal Document (and the IMF's Eighth Review document of June 2004 and the Bank's PRSC program document of August 2004) uses the "old" GDP series.

Sector Issues

The low tax to GDP ratio in Pakistan is primarily due to inherent weaknesses in the tax system including: (i) inefficient tax administration; (ii) a narrow tax base; (iii) skewed tax structure; (iv) a complex and non-transparent tax system; and, (v) corruption and tax evasion. Each of these issues is discussed in detail below.

(i) Inefficient tax administration: Despite previous reform efforts, many of the long-standing deficiencies in tax administration have not been rectified. The tax department has suffered from profound institutional weaknesses related to poor management, weak human resources, low pay, lack of adequate systems of financial and physical control, low quality and quantity of tax auditors, unduly bureaucratic processes with excessive scope for discretion and rent seeking by individual staff, deteriorating physical infrastructure, lack of transparency in the collection of import duties, and resistance to change. Other critical shortcomings include: (i) poor identification of non-filers and stop-filers; (ii) poor audit program design, implementation, and sequential follow-up; (iii) poor use of database for cross checking; and (iv) absence of tax transit and audit/inspection controls in customs.

(ii) Narrow tax base: Approximately 39.41 million men and women are employed in Pakistan. Of these, only about 1.53 million (3.9 percent) pay tax. This ratio is quite low especially when compared with that of the US - 46 percent, UK - 48 percent and Australia - 53 percent.

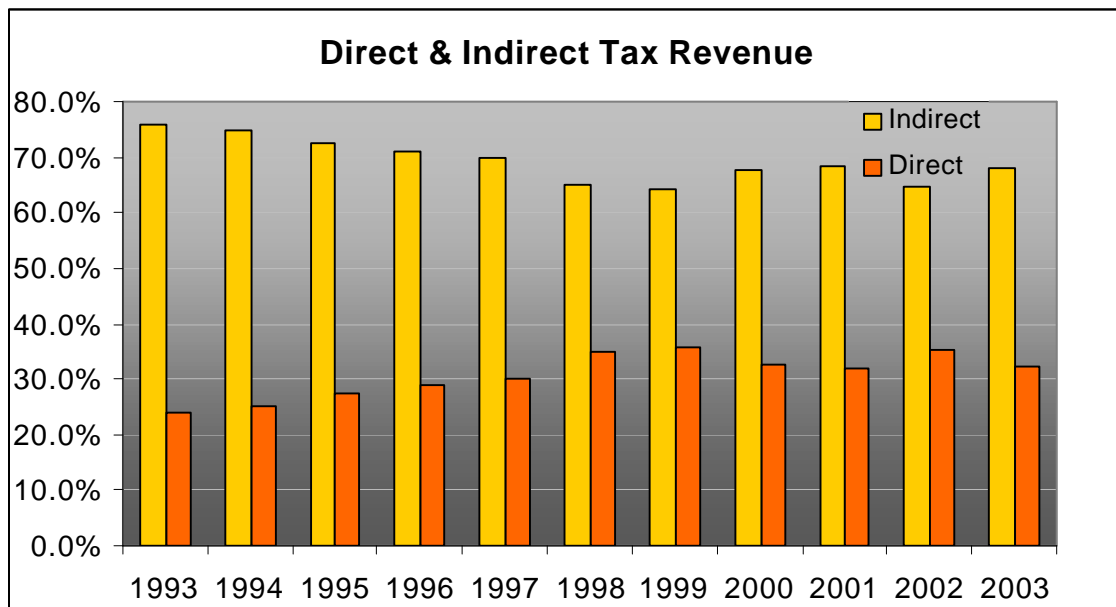
The tax base in Pakistan is narrow due to three main reasons. Firstly, a large proportion of the employed labor force is employed in small-scale agriculture or informal enterprises, which usually do not pay regular/fixed wages and, if they do, these earnings are below the taxable threshold.

Secondly, the salary allowance and privileges of certain groups are given concessions under the Income Tax Ordinance 2001 and the Income Tax Rules 2002. These include widows, pensioners, research organizations, non-governmental organizations and those working in international development agencies. Such concessions exclude a large number of individuals from paying income tax and effectively reduce income tax revenue.

Thirdly, many transactions in Pakistan are made on a cash basis and are not documented. This makes it difficult to identify and register individuals and businesses and once registered, it is still difficult to assess income earned, corporate profits and turnover.

(iii) Skewed tax structure: In most developing countries, where income distribution is uneven, it is easier to generate revenue by taxing usage of commodities rather than the wealth/income of the rich. This mechanism, however, raises the cost of living for lower income groups. For countries trying to improve standards of living, this can prove counterproductive unless introduced with zero-rating on basic goods and services used by the poor.

Historically, the Government of Pakistan has relied heavily on indirect taxes to meet its fiscal needs. While efforts have been successful in reducing this dependence, indirect taxation still constitutes nearly 68 percent of government's total tax revenue. This is composed of sales tax - 66 percent, customs - 19 percent and the remaining 15 percent through central excise duty.



(iv) Complex tax system: Pakistan's tax laws are complicated and the process of filing returns and collecting refunds cumbersome. Moreover, the system is characterized by frequently changing and ad hoc legal and administrative arrangements, which provides opportunities for increased discretion and enhanced opportunities for corruption. Taxpayers in Pakistan often have insufficient or uncertain

knowledge of their tax obligations and there is little support to help them understand the laws and/or motivate them to improve compliance. This leads to a serious undermining of taxpayer confidence in the tax system, which in turn, filters through to lower tax revenue.

(v) ***Corruption and tax evasion:*** In Pakistan, salaries and incentives for tax officials have been highly inadequate and fall short of what officials could earn in the private sector. In various surveys conducted to identify the root causes of corruption, including perception survey carried out by the Task Force on Tax Administration, poor compensation was cited as one of the primary reasons for corruption. Other reasons included the discretionary powers of tax officials, lack of accountability, complex structure of tax system, greed and societal pressures. In addition, the taxation system provided CBR employees opportunities to accept and/or demand bribes and fostered extortion. There are broadly two levels of corruption: firstly, a smaller proportion of corrupt officers that extort the level of payments that no reward system can address; secondly, a larger proportion of officers involved in corrupt practices are doing so in order to feed, clothe and house their families. Improving the compensation and reward system that is linked with performance, reducing discretionary powers, introducing tax assessment and collection procedures that do not involve contact of taxpayers with tax officials, training and education of tax officials and taxpayers and developing adequate accountability mechanisms would help towards eradicating this ill from the system.

On the other side, the informal structure of the economy and non transparency of the tax code and tax collection practices also make it easy to manipulate data and evade taxes. In addition, the causes of corruption in the private sector include; lack of tax culture, high tax rates, greed, lack of accountability and fear of extortion or wastage of money paid in taxes. However, the main reason for tax evasion cited in the surveys was the belief of people that they do not get anything in return of the taxes paid. Simplifying the tax system, educating the taxpayers, improving mechanisms for compiling data and keeping records along with appropriate collection and enforcement procedures can go a long way in addressing this problem.

Government Strategy

Realizing that increasing tax revenue is critical for fiscal development, the Government has adopted a two-pronged strategy: *tax policy change* - to make the tax system more responsive to growth and easier to administer; and, *tax administration improvements* - to increase efficiency of collection. Specifically, the Government plans to make the tax policy more equitable, bring more taxpayers into the net, reduce the number of taxes, streamline the tax laws to make them taxpayer friendly, improve tax enforcement, and put in place a tax administration system which is efficient and responsive.

Government efforts to reform have been more concerted during the last few years. In June 2000, a Task Force supported by the Bank was set-up to review the problems of CBR. The Task Force presented a detailed report in May 2001 and recommended a complete shift in the tax system from assessment to a risk based system with simpler laws and procedures that relies on audit and reduces the contact of tax officials with taxpayers. Based on this approach, in November 2001, CBR developed a broad strategy for reforms focusing on: (i) restructuring of CBR along functional lines and integration of income, sales and excise taxes; (ii) reengineering and automating business processes and workflows; (iii) establishing databases for reporting and audit purposes; (iv) introducing self assessment system for filing of tax returns; (v) improving services for the taxpayers; and, (vi) strengthening the human resource base. To improve its fiscal position, the Government intends to enhance the tax to GDP ratio that has remained stagnant at around 11 to 13 percent as a result of a narrow tax base, weak tax administration, a complex tax regime, and widespread culture of tax evasion and corruption. For this, the Government is focusing on improving

tax policy and strengthening tax administration. Tax policy reforms include: (i) abolition of wealth tax; (ii) introduction of two-tier Agriculture Income Tax in all provinces; (iii) reduction in multiplicity of taxes both at federal and provincial levels; (iv) rationalization of various taxes; (v) reduction in Corporate Tax for banking and non-banking companies from 58 to 47 percent and from 45 to 43 percent respectively; (vi) extending General Sales Tax to fourteen categories of services; (vii) broadening the base of General Sales Tax; (viii) rationalization of import duties, bringing down maximum tariff to 25 percent and reducing tariff slabs from five to four; (ix) lowering of income tax rate to 35 percent; (x) gradual withdrawal of Central Excise Duties; and, (xi) eliminating all tax whitener schemes.

Simultaneously, the Government made extensive policy reforms including change in organizational structure of CBR, which has provided management with some level of autonomy through the Cabinet Committee on Federal Revenues, to implement reforms and has allowed private sector induction at the top level. Within this framework, CBR has increased the salary levels of about 150 staff working at pilot reform initiatives as part of reform team. The staff was selected through a competitive process of internal job postings. In addition, job descriptions and a database of staff with their education and skills has also been developed. This is a major step in determining training and capacity building requirements as well as identifying non trainable staff who will be linked to the performance management system. All these initiatives have given the 'change' signal and has helped create ownership for the reform agenda.

The Government has cut the number of tax exemptions significantly as a move towards an SRO free culture. In the last three budgets, over 75 exemptions were withdrawn under Income Tax and GST while the GST coverage was also expanded to include 14 additional categories. Income Tax exemptions through SROs were discontinued and are now required to be part of the Finance Bill. Most of the remaining exemptions correspond to core policy objectives or international agreements and are estimated to cost nearly 0.5 percent of GDP.

The CBR, while it continued with its short term 'quick win' reforms, also started preparation of a medium/long term reform program with Bank assistance. A Project Preparation Facility of US\$2.9 million was processed in 2002 to support implementation of the reform initiatives as well as hiring of an international consulting firm (Maxwell Stamp) to prepare a comprehensive strategy with implementation timelines and costs for the medium/long term reform program.

Short term reform measures focus on design and testing of pilot schemes including the Large Taxpayer Unit (LTU), the Medium Taxpayer Unit (MTU), customs selectivity and post clearance audit, sales tax refund program, universal self assessment scheme, human resource information management system and training and staff development. These reforms have partly been supported through the Public Sector Capacity Building Project approved by the Bank in early 2004. The medium/long term program will focus on development of the reforms across the country and throughout CBR operations.

Essentially, the reform program is based on the following seven integrated building blocks:

- (i) While remaining a government department, CBR will be provided with greater autonomy in determining its own policies and strategies in relation to recruitment, salaries, investment and operation methods.
- (ii) Restructuring the CBR into a modern functionally based and integrated Revenue Organization.
- (iii) Promotion of voluntary tax compliance and the re-orientation of its operating culture towards a transparent service-oriented organization through the implementation of a comprehensive taxpayer,

and internal staff, education, training and facilitation program.

- (iv) Adoption of modern effective tax administration methods and policies through re-engineering of its operating procedures, particularly focusing on:
- Introducing a consolidated self-assessment scheme;
 - Minimizing the taxpayers - tax officials interface;
 - Adopting ‘Selectivity and Risk Management’ principles;
 - Replacing the present transaction based audit practice with the application of selective post return and clearance audit method across all taxes;
 - Systematic and comprehensive registration of taxpayers in a single register applicable across all taxes;
 - Widening of the tax base;
 - Amending the Tax and Customs laws to enforce reforms as necessary;
 - Introducing fair and equitable appeals and appeasement procedures;
 - Introducing stronger enforcement penalties; and
 - Redesigning tax processes to reflect increased functionality and gradual integration of tax administration.
- (v) Increased use of information technology and systems, both proprietary and custom built, across all taxes to reduce processing times, increase administrative efficiency & transparency, and ensure that the benefits of shared information are reflected in increased levels of compliance.
- (vi) Improvements in productivity of CBR staff and management through a comprehensive Human Resource Development program to substantially raise staff skills, quality level and integrity in line with international standards through training, monitoring, restructuring and redeployment.
- (vii) Rationalization and refurbishment of accommodation, fittings and equipment to accommodate the new processes and programs.

2. Objectives

The development objective of the Project is to fundamentally reform the Central Board of Revenue (CBR) for a more efficient and effective revenue administration system. The project aims to facilitate and promote voluntary compliance, increase the overall collection result and guarantee fairer and more equitable application of tax laws. Additionally, the new human resource policy framework and management system combined with modernized procedures and institutional structure will lead to an increase in transparency and integrity of the tax administration operations. The project aims to strengthen tax administration to contribute to the achievement of fiscal targets and facilitate the collection of optimum tax revenues.

The Tax Administration Reform Project (TARP) seeks to support the reforms initiated by the government for improving tax administration. The overriding objective is to raise tax revenue through improved compliance with tax laws and broadening of the tax base; improving effectiveness, responsiveness and efficiency of tax administration through institutional and procedural reforms; improving collection through transparent and high quality tax services; and strengthening audit and enforcement procedures.

This Project follows the successful completion of an IDF Grant which was extended to the Government in 2000 to facilitate development of implementation plans for institutional reform of CBR. TARP supports the continuation and effective implementation of the reforms initiated to enhance the capability of the tax system. Specifically, project objectives include:

- a. ***Improving organizational efficiency and effectiveness of revenue administration:*** Create an autonomous, transparent, and efficient CBR that is organized around functional lines, encourages self assessment and dispenses a fair and equitable process of tax administration. This will include modernizing tax operations for faster and reliable processing of tax returns, increased capacity for record keeping and management of data through effective integration of business processes and information systems. In addition, this will include improvements in staff productivity and morale through adoption of best practice policies for recruitment, training, performance evaluation and compensation.
- b. ***Promoting compliance through strengthened audit and enforcement capacity and transparent and high quality tax services:*** Compliance will be enforced through a risk based audit system as well as fair and effective enforcement mechanisms that directly respond to changes in the environment using information technology and a new intelligence and risk management system. Voluntary compliance with tax and custom laws will be promoted through an intensive taxpayer education and facilitation program, re-engineering of CBR's business processes and reorienting its operational culture towards a transparent and service-oriented organization. This will include building effective-working relationships with taxpayers and minimizing contact between taxpayers and tax officials to reduce discretion on part of tax officials and subsequent opportunities for corruption.
- c. ***Improving trade facilitation through modern and internationally acceptable customs procedures:*** Introducing simplified, modern and risk-based import and export clearance and related procedures, and bringing the system in line with internationally acceptable standards to improve trade facilitation.
- d. ***Improving integrity and fairness of tax administration:*** Implementation of a comprehensive anti-corruption strategy, including the creation of an internal audit and internal affairs unit, regular taxpayer and staff feedback surveys, and the dissemination of a new code of conduct. To design and implement a new administrative dispute resolution mechanism.

3. Rationale for Bank's Involvement

Bank support would provide high-quality technical advice based on worldwide and regional experience in tax administration; convey credibility and transparency to the reform effort; strengthen the hands of the pro-reform elements in the Government and CBR; and promote efficient and effective use of the resources supporting the Government's program. The Bank during the reform process in collaboration with other donors provided both technical assistance from IMF and grant financing from DFID.

In addition, the pilot initiatives in tax administration that were supported by the Bank, have started to show positive results and it would be highly valuable for the Bank to support implementation and replication of these reforms on a national basis for the country to realize its full benefits.

4. Description

The proposed Project will support the Government revamp the tax administration system. It would support initiative to redress major shortcomings in tax administration through investment in human resource and information technology, modernizing collection and audit procedures, fostering voluntary compliance, and strengthening the institutional framework for tax enforcement. This proposed Project has funding support in the form of a grant by DFID.

The Government is committed to reform institutions through incentives and accountability to breakout from a vicious cycle of high rates, predatory administration, tax evasion and low revenues to a virtuous cycle of lower rates, equitable tax structures, fair administration, voluntary compliance and higher revenue. CBR reform is an important pillar of Government's broader strategy for reforming public sector institutions. Similar reforms have also been initiated at the State Bank of Pakistan, Securities and Exchange Commission of Pakistan, WAPDA, and the Office of the Auditor General. Additionally, the Government has also launched a wider Public Sector Capacity Building initiative with the Bank's assistance.

As its commitment, the Cabinet approved the reform strategy for CBR which allowed it to prepare a comprehensive reform program. Moreover, the Government established a Cabinet Committee for Federal Revenues headed by the Finance Minister, which not only gives CBR autonomy to implement the reform program but also to institute mechanisms which would sustain the reforms once they have been implemented.

The proposed Project is designed around a comprehensive reform strategy and includes the following seven components: (i) Management and Institutional Development; (ii) Improving Revenue Operations; (iii) Strengthening Revenue Services; (iv) Creating a Tax Compliant Culture; (v) Adopting Responsive IT Systems; (vi) Infrastructure Up-gradation and Development; and, (vii) Project Management and Implementation. Within these components training, consultant services for business process re-engineering and information technology will also have DFID financial support during implementation.

(i) Management and Institutional Development

The CBR's human and institutional development strategy will support and enhance the broader tax reform strategy by driving:

- Strategic changes within CBR's organizational structure;
- Transformation of the organization's culture & ethos; and,
- Development of sound people-management policies and procedures.

(ia) Organization and Policy

CBR headquarters is currently organized on a hybrid basis with excessive line functions reporting to the Chairman. At the field level, direct and indirect tax administration are totally separate. The direct tax administration is based wholly on the geographic distribution of taxpayers with multiple tiers of decision-making and supervision. A service function and program is lacking. Appropriate structures to deal with large taxpayers have only recently been introduced on a pilot basis. Government rules and regulations do not provide sufficient administrative and financial flexibility for an efficient management of its operations. CBR does not have the necessary discretion to re-allocate budgeted funds within main appropriations to react to changing expenditure needs.

This subcomponent will support activities aimed at moving from a tax-type to a functional structure at CBR headquarters and in the field offices. Activities would include streamlining the management structure at CBR headquarters and consolidating the fragmented office network for income tax and sales tax administration into twelve regional tax offices (RTOs). A formal annual planning process will be introduced and the performance measurement system will be revised and broadened. The subcomponent will also assist in reviewing the requirements for more financial, functional, and administrative flexibility and developing related accountability mechanisms. It also aims to improve the legal framework for tax administration and support strengthening of tax policy capacity. In addition, support to the design and implementation of a comprehensive integrity

strategy for the CBR will be provided.

(ib) Human Resource Development

This subcomponent addresses the following core areas of human resource development:

- (1) Human Resource Management: The organization is significantly overstaffed, particularly at lower organizational levels. Furthermore, the expectation of job security is stronger for a career untied to performance criteria. This will need to change, especially when more widespread use of information technology and reengineering of business processes take place during the modernization process. This is expected to bring about competition for jobs requiring new competencies and change the operational and administrative environment of CBR.

This subcomponent will support: workforce rationalization; creation of new and redefining existing professional positions to meet new functional and operational requirements; development of a human resource management policy framework; and, adoption of new pay and benefits regime, including merit-based pay and incentive systems.

- (2) Training Delivery: The current training system is not geared to address the existing training needs of CBR. For most staff, there is no explicit linkage of training to career advancement or promotion, and neither training needs analysis is carried out by the local offices of CBR. Finally, lack of performance evaluation leads to a haphazard application of an essentially supply driven training. The CBR in-house study on "Traning needs analysis" recently published needs to be implemented.

This would support: (i) development of a new CBR training strategy to meet the requirements of the new functional organization, including the core area of management. It would also help CBR establish an integrated training directorate for tax and customs administration; (ii) coordinate preparation and supervision of training needs analysis and prepare requisite training plans for all staff as a part of the annual performance evaluation process; (iii) prepare annual training plan focusing on specific training in functional areas for upper-level staff and management skills for officers; (iv) offer refresher courses for technical staff and officers; (v) organize an internal induction training, not through the Civil Service Administration, focused exclusively on content germane to tax administration; (vi) provide advanced training on an assessed needs basis, and establish facilities so that courses can be carried out on a decentralized basis; and, (vii) allocate budget resource to the training function.

- (3) Improve Professional Ethics: A Code of Conduct and Ethics need to be implemented in addition to the general code of conduct that applies to all government officials promulgated in 1964. Because the working environment of CBR differs from that of most public servants, experience from other countries suggests that development of a separate code for routine revenue administrative work is needed. Timely enforcement is a critical element in implementing such codes. In CBR, there are protracted delays in processing cases of corruption caused by understaffing, which will need to be remedied.

This supports development of a special code of conduct and ethics through: (i) training of managers to brief staff on its contents, their rights and responsibilities, and enforcement

procedures; (ii) training of staff assigned to investigate inquiries into staff alleged breaches of the code; and, (iii) development of clear guidelines for managers and supervisors on how to deal with complaints alleging staff corruption.

(ic) Internal Audit

CBR lacks a dedicated internal audit function to ensure that the business processes established are properly followed.

This subcomponent will establish a specialized internal audit functions in CBR. It will set up a central internal audit office for planning, program direction, procedures, training and evaluation of the internal audit program throughout the CBR. Field-based internal audit units will be established to implement internal audit plans in the operational components of customs and taxation.

(id) Internal Affairs and Vigilance Units

In the current organizational structure there is no dedicated department in CBR responsible for the detection of cases of collusion between revenue administration officials and taxpayers. In practice, this has led to a situation where CBR is confronted with multiple interference and inquiries from outside agencies, such as the National and Regional Accountability Bureaus, the Federal Investigation Agency, and the Investigation Bureau. This has led to questionable inquiries into CBR's daily operations, as quite often issues raised during such investigations are highly technical in nature and the probing agencies do not have the necessary competency and knowledge. Regarding disciplinary measures against corrupt officials, the main responsibility lies with the Director General of Inspections and the Director General of Inquiries. In practice, there are substantial delays in enforcing disciplinary measures and a lack of focus in the organization on expediting processing corruption case.

This subcomponent will assist in creating a specialized internal affairs function and vigilance function at CBR headquarters. These functions will be responsible for investigating allegations against CBR officials and detecting corrupt practices and corrupt officials.

(ie) Change Management

This subcomponent will support activities aimed at developing and implementing appropriate strategies for managing organizational change at all levels of the tax administration, including communication strategies to explain the rationale and potential impact of the planned changes to all managers, officers, staff, taxpayers and other stakeholders.

(ii) Improving Revenue Operations

CBR will reorganize itself to meet the management and functional requirements and challenges of a modern tax administration system. The long term vision of CBR provides for a functionally integrated tax administration system; moving to such a structure will avoid the present duplication of functions such as audit, collection and enforcement across departments. Managing direct and sales taxes separately makes it more expensive to comply and more difficult for taxpayers who have multiple tax dealings to comply. The integration will provide taxpayers with a single point of access, enabling them to easily obtain all the information required to assess their tax liabilities. However, recognizing the challenges of the change process during the transition period, CBR will maintain the separation of function by tax type in the initial reform period with the aim of gradually reducing this over time, while carefully considering the legal, political, geographical and revenue implications.

In order for CBR to make this major reform program a success, it will ensure that its organizational structure supports the procedural and operational changes arising from the reforms. The following are some of the main subcomponents that will be addressed by the proposed project.

(ii) Direct Tax

Of the three revenue administrations, Direct Tax is the one which has the greatest need of reform. Its operations are performed through costly, inefficient and ineffective processes and procedures at 96 locations by more than 750 circles. The collective revenue yield of such operations has been chronically poor and grossly short of potential. Mutual dissatisfaction of taxpayers and of the CBR's staff is persistently high, under current operations.

The project will support government's planned reform of direct tax by: flattening the organization structure, improving the identification and registration process, specializing the handling of large and medium taxpayers affairs, establishing a tax-payer self-assessment/self-declaration approach, maintaining a taxpayer database containing all assessment and payment data, establishing capability to quickly detect taxpayer non-filing and non-payment.

Twelve Regional Tax Offices (RTOs) will be the focal points for all Direct Tax operations in the mid to long term (except for large taxpayers, which will be handled by LTUs). The functional program areas to be carried out at each of the 12 future RTOs are Taxpayer Facilitation (includes Registration); Taxpayer Audit; Collection & Enforcement; Investigation of Tax Fraud/Evasion; Information Processing; Human Resources; Information Technology; and Legal.

Direct taxes will require use of information technology to support several functions. The direct tax organizational units (e.g., LTUs and RTOs) will require appropriate hardware, system software and network support. In addition to the hardware, this subcomponent envisages the development of following software systems:

- *Taxpayer registration system:* This system will register taxpayers for direct taxes. Currently, CBR is using a National Taxpayer Number for all taxpayers. However, for ease of data capture from data sources outside CBR, it is recommended that the CBR uses National Identification Card (NIC) number for individual taxpayers and continue to use NTN for business taxpayers.
- *Income tax information processing and accounting system:* This system will process a filed tax return and update a taxpayer's account. The Tax Management System (TMS) developed at the MTU can be expanded to provide this functionality.
- *Case tracking System for collection/enforcement:* This system will track a case and provide its status (received, closed and inventoried, etc.) as it proceeds through the system.
- *Computerized audit selection system:* This system will select cases for audit based on audit selection criteria established by member audit.

Among the most important project strategies and initiatives for Direct Tax are:

- (a) Establish more specialization units for handling of direct operations for the country's largest taxpayers;
- (b) The operations of the LTU will serve as "a model office" for replication to CBR's operations elsewhere;
- (c) Two more LTUs will be established in the mid term. The three LTUs will be the focal point in the future for all operations applicable to the country's largest taxpayers;

- (d) Decentralize operations for other taxpayers based on functional structures;
- (e) The operations of the MTU will serve as an interim “model office” for the re-engineered operations of Direct Tax and will be replicated to other sites across the country in the short term;
- (f) Based on the results of the Lahore “model office test”, five more MTUs are already scheduled to be established;
- (g) In the medium to long term, the MTUs will become part of the 12 Regional Tax Offices (RTOs), where Income and Sales Tax operations will first be co-located, and in the long term, integrated.
- (h) Several data processing operations for Income Tax under a universal self-assessment system will be established to process income tax returns, tax payments, and other documents. Among the numerous operations’ requirements for data processing centers are rapid processing of all documents; electronic documentation of accurate information for the integrated tax information system’s databases; and “capture” of key data for taxpayer control and enforcement – risk-management information; identification of non-filers and stop filers; verification and matching of 3rd-party information for audit, collection & enforcement; etc.

In order to achieve the objectives stated above, this subcomponent will support a series of reform initiatives including: (1) legal authority; (2) organization and management; (3) business processes and procedures; (4) human resources (including training and recruitment); (5) facilities and infrastructure; and, (6) information technology.

(iib) Sales Tax and Central Excise

The Federal Sales Tax Act, 1990, enables the federal government to impose ST based upon the value added at each stage of selling of the goods. Internationally, this form of taxation is known as Value Added Tax (VAT). At present, there is a universal rate of 15 percent applied to most goods. Exemption is provided for a number of goods including most basic foodstuff, drugs, computer hardware and software, selected agricultural equipment, commercial ships and aircraft. Exports, sales to diplomats, and supplies in the Export Processing Zone are all zero-rated. The ST does not apply to transactions within the Federally Administered Tribal Zones (FATA) and Provincially Administered Tribal Zones (PATA). An Act of Parliament cannot be enforced in these districts without agreement of the Provincial Assembly and Governor. Agreement to enforce the Federal Sales Tax Act has not been obtained. The constitution empowers the Federal Government to levy excise duties other than on liquor, opium or narcotics. The most pressing issue with ST and excise duties that this component will address is the limited number of ST registrants and their poor compliance - about 88,000 registered units.

This component will also review the number of goods and services that currently receive an exemption. To bring ST in Pakistan in line with general international practice, the share of ST should be distributed equitably and requires increase in the scope of goods and services liable. ST will also be developed to allow for tax input credits for office equipment, office supplies, building materials, electricity consumed and other items used to support taxable activities. The input tax claims and ST refunds system will be reviewed and streamlined. Sales taxes will need use of the taxpayer registration, case tracking and computerized audit selection systems discussed above. In addition, sales tax information and communication system would be developed to process and reconcile a filed sales tax return.

(iic) Customs

The long-term objectives of the customs reform component are to modernize import and export clearance procedures, and related procedures that impact upon trade facilitation, in accordance with internationally accepted principles and methods and will also improve revenue collection. The building blocks of the CBR's reform strategy in customs are based upon the following principles, guidelines and procedures. The application of the principle of customs controls will allow the CBR to:

- focus on high-risk areas and therefore ensure more effective use of available resources;
- increase ability to detect offences and non-compliant traders and travelers;
- offer compliant traders and travelers greater facilitation; and,
- expedite trade and travel.

Risk management has been universally adopted as a key principle in customs procedural reform. According to the General Annex of the Revised Kyoto Convention, "*Customs controls should be carried out on a selective basis using risk management*". The Chapter defines *risk management* as -- the systematic application of management procedures and practices which provide Customs with the necessary information to address movements and consignments which present a *risk techniques to the greatest extent possible*.

Customs will move progressively away from "blanket" controls and detailed procedures that impact on all or most importers and exporters, to interventions that are highly targeted towards identified risk shipments, traders and goods.

Reforms will also introduce self-assessment and provide the speedy clearances to those that have proved and maintained their dependability. Face-to-face contact will be limited and CBR plans to strictly limit access by customs agents to secure accommodation. Plans call for development of a system enabling electronic preparation/submission of declarations, internet/EDI transmission, selection of declaration for audit based on risk analysis, and electronic assessment/release.

(iii) Strengthening Revenue Services

(iiia) Audit

At present, there are different audit schemes for different taxes, and the development of audit programs varies both in quantity and quality. In certain cases, individual employees have developed advanced control programs and audit case selection systems. Rewards are based upon fulfillment of the goal set for collection rather than the number and quality of audits.

Some of the problems plaguing the audit function include: lack of cost effectiveness; non differentiation of the various forms of control; audit experiences not extracted and distributed throughout CBR; the auditing process characterized by a bargaining process between the auditor/collector and the taxpayer; and, the selection of cases for audit not carried out according to a structured risk assessment – carried out randomly.

Selection of cases for audit, under risk-assessment systems is very difficult anywhere in the world. A great deal of work still needs to be done to establish a viable system in the CBR, and the time is now to do so, before the next round of tax returns is filed under USAS. Despite the need for transparency in tax administration, this data should not be shared with taxpayers and tax practitioners as is the practise world wide.

The project will support the establishment of a Tax Audit Function as a separate functional stream. It will also develop an automated approach to audit-case selection based upon consideration of the risks of under reporting and underpayment of taxes and case distribution among auditors with specialized functions. The audit function will be strengthened through independent quality reviews and audit parameters will be imbedded in the Information Management system, allowing the system to identify returns/filings for further scrutiny.

(iiib) Voluntary and Enforced Collection

The establishment of an effective collection and enforcement function is a critical element of any tax administration reform. Accordingly, CBR will establish a Collections and Enforcement Function at the head office which will be responsible for providing direction, developing policies and procedures and providing support to regional operations. The Function will be responsible for identifying non-filers and taking appropriate action. It will also assist in updating registration records. To summarize, the Function will be responsible for the following activities:

- Enforcement / Collection;
- Monitoring of filing and payments including withholding taxes;
- Demand outstanding returns;
- Recovery of outstanding taxes;
- Imposing interest and penalties;
- Conducting internal/external surveys; and,
- Collecting data on taxpayer assets, to aid eventual enforced collection.

An integral part of the Collections and Enforcement Function will be the development of a computer system and tax database that will facilitate the collection of taxes. This will issue notices, calculate interest and penalties, and identify non-filers. It will interface with external sources of information like banks and utility companies to identify non-filers or stop-filers and to facilitate collection. Unlawful practices at the taxpayer level, are addressed under 'collection and enforcement' in the section 'creating a tax complaint culture'.

(iiic) Appeals and Dispute Resolution

Improved Revenue services will also focus on appeals and dispute-resolution processes. The Appeals and Dispute Resolution sub component will address development of systems, procedures and processes which must be perceived as fair, expeditious and transparent by all interested parties. Highlighted will be a single, two-phase avenue of appeal for all kinds of taxes. The first phase will be at an administrative, but quasi-judicial level, followed by a judicial level, if necessary. The national appeals and adjudication system will be uniformly administered across the different tax disciplines.

This sub component would also support pilot efforts to meet the objectives described above. For example, the soon to be established pilot "Dispute Resolution Complex" at the present Sales Tax (East) Collectorate in Karachi will test functional specialization of re-engineered dispute resolution processes. This pilot proposes to improve:

- Alignment of tax laws;
- Infrastructure and facilities;
- Training and tenure posting of adjudicating officers;
- Protection from extraneous influences and investigating agencies;
- Countrywide computerization of Adjudication Collectorates;

- On-line access of the adjudicating officers to data on valuation, imports-exports, local production of goods, information/profiles of taxpayers, case laws, latest ruling/judgments of superior courts; and
- Computer-generated adjudication orders.

(iiid) National Intelligence and Risk Management

At present, there is inadequate focus on intelligence and risk management and there is limited operational capacity. This function however, becomes highly critical with the introduction of Universal Self Assessment and involves much more than simple data collection.

This sub component provides for creation of an intelligence-gathering function at the national level which will cover and support all operational areas of the three Revenue streams at the field level – Direct Tax, Sales and Excise Taxes, Customs, Exports. A national risk-management function will be co-located with the intelligence function to provide similar support field operations. The risk-management function will design automated systems and databases based on ratios/taxpayer profiles/industry and goods “profiles”/etc. to gather, analyze and identify cases for audit and enforcement which have the greatest risk for revenue loss to the Government. The intelligence function will focus heavily on creation and use of automated databases for the identification and preparation of cases for field investigation which meet criteria for potential tax/customs fraud or evasion.

(iiie) Customs and Tax Frauds

Customs and tax frauds pose a serious economic, industrial and social threat to Pakistan. CBR under the project will introduce measures that would protect against these threats.

This subcomponent would support creation of an integrated Tax & Customs Fraud function with specialists to investigate alleged offenses by taxpayers/traders under the relevant legislation and recommend for prosecution those confirmed cases, after careful, thorough, documented and professional investigation. Together with a highly-qualified, highly-trained staff of investigators, the function will be provided with well developed, integrated IT and communications systems.

This highly-specialized function does not yet exist in the CBR and will need to be established. Assistance will be sought from Revenue and Customs Investigation organizations of other countries, since the CBR’s investigation staff will also be required to establish liaison with international and national organizations to facilitate mutual support and assistance in their respective investigations.

(iv) Creating a Tax Compliant Culture

(iva) Taxpayer Education and Facilitation

Tax facilitation and education is currently minimal and will need to be strengthened considerably if universal self-assessment requiring taxpayers to maintain transaction documentation to be successful. The tax education and facilitation function will include a strong and well coordinated communications program promoting the development of greater compliance and a user friendly, supportive interface between the CBR and corporate and individual taxpayers. It will also introduce a program outlining the principles of a good tax administration system (transparent, fair, automated, simple and cost-effectiveness); develop a quality assurance monitoring program; and introduce easy-to-comply-with forms and document requirements that are compatible with a computerized operation.

The tax administration system will provide taxpayers with a single point of access, enabling them to easily obtain all the information required to assess their tax liabilities. This will be instigated through the establishment of 60 to 75 Taxpayer Facilitation Centers (TFCs). A key objective of the TFCs will be to promote tax facilitation through the promotion of self-assessment for tax liability.

The TE & F will research, plan, design, develop, implement and manage programs to elicit ideas, opinions and feedback from the taxpayers, TE & F staff, and other stakeholders. It will establish an ongoing monitoring and quality assurance program involving the launch and facilitation of forums between appropriate internal and external stakeholders.

(a) Communications Program: The quality of service that taxpayers can currently access varies across Pakistan. The reform strategy will address this inequality and raise service standards across all areas. A key component of this effort will be the application of modern basic communication principles, ensuring that taxpayers have access information. Explanatory literature will also be developed and updated regularly. The literature (publications, brochures and booklets) will cover dissemination of laws, rules, procedures and changes from time to time particularly with reference to the universal self-assessment and record keeping requirements.

(b) Internet Facilities: The information super highway, or the Internet, is an important driving force behind the new work methodology, enabling improved communications both between CBR and the taxpayers as well as within CBR. By making IT an integral part of the organization, CBR will revolutionize the way it functions and manages its relationships with taxpayers by reducing the interaction with taxpayers.

(c) Call Centers: Considering evolving demands, a call center will be established to facilitate taxpayer contact through e-mail, letters, faxes and telephone calls. The potential to successfully introduce this component of the TE & F function is high. At present, 'hits' on CBR's web-page show that a number of taxpayers are willing to use modern technology to an extent that would not otherwise be possible were contact restricted to face-to-face consultations. Moreover, the call center will answer both internal and external questions and queries. As such, it will also be used as a communication tool to unify tax administration procedures and practices within the CBR itself.

(ivb) Taxpayer Identification and Registration

The ability to identify taxpayer's revenue activities is an essential element of a modern tax system and begins with registration. CBR's intent is to have a highly accurate taxpayer registration system for all tax purposes and for all taxpayers. This will: (a) facilitate exchange of data; (b) avoid duplicate and erroneous registrations; and, (c) establish a database of taxpayer information. Data scrubbing exercises have already been conducted by the MTU in Lahore to clean up and organize National taxpayer Numbers of taxpayers in its jurisdiction; this exercise will be extended to national scale with project rollout. Third party information will be matched against information declared by each taxpayer to ensure full and correct reporting and payment of taxes. Interfaces will be built with such external reporting sources to capture appropriate data.

(v) Adopting Responsive IT Systems

The information technology strategy will help the CBR transform the way it functions and supports it's

reform objectives. The strategy will be driven by selected CBR officers from the tax administration and IT departments, supported by tax specialists and other specialists covering areas such as audit, HR, information communication technology (ICT) and taxpayer education.

Therefore the ICT strategy will be based on the following principles:

- Determining a technology path that will support CBR's ICT needs of today and its future objectives considering its users' skill level, and the need for a practical approach to bring technology to users; and,
- Providing technology to enable CBR to achieve its revenue and reform targets by making procedures and their application transparent and providing easy access to timely and accurate information for decision making.

The goal of the ICT strategy is to move from a highly manual to an automated environment in which computers are used to facilitate decision making by various functional and technical teams/ authorities. To support this, information will be made available at all strategic points within the organization to:

- Improve management control to levels approximating those experienced in industrialized countries;
- Increase transparency of tax administration;
- Reduce interaction with taxpayers in day-to-day operations;
- Manage information for broadening the tax-net, increasing revenues, and facilitating trade;
- Identify and adopt international best-practices; and,
- Allow for multi-directional communication under the electronic signatures ordinance, 2002.

Despite substantial past investments in information technology by CBR, desired results have not been achieved because standard IT development methodology has not been followed. IT project management has been inadequate with almost no preparation for a user interface, little management ownership and isolated systems development. Moreover, the development of IT systems in the past has proceeded in an ad hoc and unplanned manner so that most departments operate stand-alone modules that are not integrated into the main system.

Learning from these previous mistakes, CBR's IT strategy includes a long-term harmonized information management structure that provides complete, accurate, and up-to-date information, which is delivered in a useful manner and at a reasonable cost. The ICT strategy moves away from manual systems to independent PC LANs and enterprise-wide, network-based clients. It will move processing work to end users' desktop while maintaining shared resources, thus reducing the load on centralized resources. Finally, the server technology will supply cost-effective computing and will provide the foundation for swift, effective and efficient execution of all tax administration tasks. This will require that the entire process and work culture is re-engineered. Experience indicates that organizational capacity in terms of human resource plays a critical role in successfully deploying a new business strategy using information technology.

Information input, output, and storage requirements are a basic ingredient in any systems planning across the CBR, no less than transaction processing. Data management will thus be a key consideration in the Information Systems Planning process. A decision on the extent of storage of previous years' data will be made by all relevant stakeholders as part of a data management plan, prior to the commencement of any large data conversion exercise. The storage, retrieval and cataloging of these records, in electronic form preferably, will involve a coordinated plan starting from changes in tax law/regulation to design of the

physical systems for movement of paper, all the way down to design of paper forms for annual returns going forward; a study and commensurate optimization along the entire chain of information flow in physical and electronic form is called for.

The CBR will maintain a two-tier MIS system which will provide all statistical information and tools necessary to support multi-dimensional revenue analysis and prediction/projection capabilities for CBR's national budget exercise. The central MIS system will also provide modules to capture and process all HR, financial and budget-related information including asset management.

A Central Information Depository System will also be developed providing easy, on-line access to all relevant acts, all SROs, case history, transaction profiles, sector profiles, revenue profiles, industry profiles, manuals, rules, procedures, publications and announcements. Currently, CBR employees do not have easy access to this information impacting their productivity. The provision of this repository would enhance employee productivity and improve working conditions.

(vi) Infrastructure Up-gradation and Development

CBR's workforce tolerates working conditions which hinders their efficiency considerably. To address this, CBR will improve the physical working environment for its employees. As re-engineering and computerization of working processes (and the reduced number of tax offices) leads to reductions in the number of staff required, the per-capita cost of providing better working conditions becomes more manageable. Better conditions are likely to translate into further improvements in productivity.

Office modernization so far is mainly focused on a small number of pilot sites. There is a basic need to develop a comprehensive accommodation modernization plan. This plan should be developed simultaneously with the reorganization of the tax administration as any delay in the latter could mean significant additional costs in independently implemented capital investments and refurbishments. In addition, offices will need to be consolidated and in the case of sales tax and direct tax co-located. Currently, substandard short term leased accommodation is not conducive to carrying out the business of revenue administration. Finally, the ability of the CBR to lease or rent accommodations of appropriate quality is compromised but the inability of CBR to gain the necessary autonomy over managing its infrastructure required to remedy these issues.

This subcomponent supports: the preparation of a comprehensive accommodation modernization plan in line with the roll-out of the functional organization; the ownership of more buildings by CBR as part of the accommodation reform process; opening up the possibility of entering into long-term leases for office space where major renovations have been carried out; gaining assurances for the Public Works Department that infrastructure will be routinely performed in a timely manner; granting sufficient authority to CBR so that needed infrastructure for the roll-out of the LTU, MTU and RTOs is available.

(vii) Program Management and Implementation

This component would finance a structure for implementing the project, including: a Project Management Unit (PMU) which would provide overall coordination as well as take responsibility for managing the incremental changes necessary to effect implementation of each component and related activities of the Project. The PMU would also be responsible for reporting on Project implementation and manage all disbursement, procurement and financial management activities under the project and according to Bank Guidelines.

An integral part of the PMU responsibilities will be establishing the *monitoring and evaluation* component of the proposed project. The PMU has established performance indicators detailed in the Project Implementation Plan (PIP) to monitor impact of the project and measure its success. The key areas that will be monitored include; the ratio of revenue collected to GDP, taxpayer satisfaction surveys, audit enforcement, labor efficient processes, the use of IT and the improved organizational structure. In each of these areas the PMU will prepare a baseline scenario with objective and subjective performance targets.

Project Cost Detail

Management and Institutional Development
 Improving Revenue Operations
 Strengthening Revenue Services
 Creating a Tax Compliant Culture
 Adopting Responsive IT Systems
 Infrastructure Up-gradation and Development
 Program Management and Implementation
 Preparation Advance

5. Financing

Source (Total (US\$m))

BORROWER (\$23.10)

IBRD (\$24.40)

IDA (\$78.50)

UK: BRITISH DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID) (\$23.00)

Total Project Cost: \$149.00

6. Implementation

(a) Institutional arrangements:

(i) Executing Agency: The Central Board of Revenue (CBR) will be the implementing agency. The new Chairman of CBR is fully committed to undertake the reforms. Private sector professionals were inducted as members to head functional areas, middle management is being trained in change management, new qualified people are being inducted from outside, and a restructuring team of CBR staff members was selected to spearhead the reform internally. To ensure sustainability of reforms, a Cabinet Committee for Finance and Revenues (CCFR) headed by the Finance Minister was created and the Board was given a permanent fixed-term tenure, granting CBR greater autonomy from the government. CBR, through CCFR was also given financial and managerial autonomy on staff recruitment/compensation and investments in training and facilities for the purpose of institution building. The Chairman of CBR, and the Board would be responsible for overall implementation of the project, with each member responsible for implementation of components within his/her functional area.

(ii) Project Management Unit (PMU): The unit has been constituted and is operating under Member Policy and Restructuring. The member reports to the Chairman. The unit, apart from several key administration staff will also hire full-time outside consultants to assist in implementation of the respective project components. An integral part of the PMU responsibilities will be to establish *monitoring and evaluation* component of the proposed project. The PMU has established performance indicators detailed in the Project Implementation Plan (PIP) to monitor impact of the project and measure its success. The key areas that will be monitored include the ratio of revenue collected to GDP, taxpayer satisfaction surveys, audit enforcement, labor efficient

processes, the use of IT and the improved organizational structure. In each of these areas, the PMU will prepare a baseline scenario with objective and subjective performance targets.

(iii) Accounting, financial reporting and auditing arrangements: Project records and accounts would be maintained by the PMU to reflect, in accordance with sound accounting practices, the operations, resources, and expenditures for each project activity. The accounts will be consolidated annually into financial statements for the project as a whole. Supporting documentation will be made available to Bank missions and independent auditors as required. For expenditures incurred on the basis of Statements of Expenditures (SOEs), all records providing evidence of such expenditures will be retained by the PMU until at least one year after the Bank has received the audit report for the fiscal year in which the last withdrawal from the Credit Account or payment out of the Special Account is made, whichever is later. Project records and accounts, including the Special Account and SOEs, will be audited annually in accordance with appropriate auditing principles consistently applied by auditors acceptable to the Bank, with terms of reference for auditors and reports approved by the Bank. The Bank's Financial Accounting, Reporting, and Auditing Handbook (FARAH) published in January 1995 would be used by the auditors in accordance with the Bank's auditing guidelines. Audit reports will be furnished to the Bank, within four months after the closure of the Government's fiscal year.

(b) Project Implementation:

The Project will be implemented over a five year period. Sub-project rollouts will be staggered to minimize resource pressure. The basic underlying premise of the project is the PMU will be responsible for overall implementation along with all Members who would be responsible for delivering results in their own functional areas. Implementation performance will be monitored by the PMU and reviewed quarterly by Bank Staff (including consultants as necessary) to enable the Bank and the Government to evaluate achievement of project objectives. Such reviews would also enable, at an appropriate time, determination of the size, scope and timing of a possible follow-on project and will also feed into the wider civil service reform initiatives.

7. Sustainability

Prospects for sustainability increase when the Government itself drives a reform program and incorporates international experience and stakeholder feedback in the design. The Government has discussed the reform program at various levels to ensure stakeholder buy-in. In addition, a clear strategy has been prepared providing for implementation of reform measures over the short, medium and long term. The short term measures have already shown visible and positive outcomes which give strength to the reform program and improve its chances of being sustainable.

8. Lessons learned from past operations in the country/sector

Lessons learned from Bank supported tax administration reforms in LAC, EAP, ECA Regions, and previous efforts to improve tax administration in Pakistan, highlight the following as success factors: (i) high level political support and ownership of program; (ii) presence of ‘champions of change’ within the tax department; (iii) market based salary structures and merit based career development prospects; (iv) special attention to taxpayer facilitation; (v) reduction in the discretionary powers of tax officials; (vi) simplification of procedures for filing and processing of tax returns; (vii) establishment of a consultative process with representative trade bodies in tax administration matters to improve compliance; (viii) training and greater continuity of staff in functional postings to develop expertise; and, (ix) adequate counterpart funding for the project and adequate funding for tax administration; (x) the project involved extensive consultations with all major donors including IMF, ADB, DFID, USAID that was spread over several missions and in some cases involved joint missions with IMF, DFID provided donor support in the form of a grant.

The project contains the following features to incorporate the lessons learnt:

- *Ownership*: Support of the governments’ own initiative to reform tax administration.
- *Commitment to reform*: Supported at the highest levels of government, with clear public commitment of the Finance Minister to overhaul tax administration. Commitment of Chairman CBR and management staff to reforms.
- *Vision and Strategy*: CBR has ‘vision’ of a renewed tax administration system that is shared. It has already developed a strategy to achieve this vision that has been approved by the Cabinet.
- *Compliance culture*: make efforts to promote tax compliance, through the provision of improved services, a self assessment system, as well as implementation of a strengthened audit effort to raise the perceived risk of detection of non-compliance;
- *Customer-oriented*: a large effort will be made to educate tax payers and ensure their satisfaction with the tax collection service; and
- *Incentives*: introduce better and performance based staff incentives,
- *Institutional Arrangements*: an established mechanism to ensure smooth implementation and adherence to Bank guidelines on procurement and financial management.

9. Environment Aspects (including any public consultation)

Issues : Not Applicable

10. List of factual technical documents:

Revenue Administration Reform Project – Bulgaria; Ln3384S

Second Tax Administration Modernization Project – Russian Federation; Ln46880

Tax Administration Reform Project – Jamaica; CPL-37580;SCL-3758A

Tax Administration Modernization Project – Hungary; CPL-36350;SCL-3535A; SCPM-3635S

Asian Development Bank: Modernization of Customs Administration Project – PAK Loan33140-01

International Monetary Fund; Tax Administration TA Mission February 2003

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Note: This is information on an evolving project. Certain components may not be necessarily included in the final project.