



# KHYBER PAKHTUNKHWA

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## KHYBER PAKHTUNKHWA REVENUE AUTHORITY

### NOTIFICATION

*Dated Peshawar, the 8th May 2017.*

No.KPRA/GN/676-81.— In exercise of the powers conferred by section 114 of the Khyber Pakhtunkhwa Finance Act, 2013 (Khyber Pakhtunkhwa Act No. XXI of 2013), the Khyber Pakhtunkhwa Revenue Authority, with the approval of the Council, is pleased to make the following Regulation, namely;

### Khyber Pakhtunkhwa Revenue Authority Business Regulation, 2017 (KPRA REGULATION-1 OF 2017)

#### Chapter-1 (Preliminary)

1. **Short title and commencement:**—(1) This Regulation may be called the Khyber Pakhtunkhwa Revenue Authority Business Regulation, 2017;

(2) It shall come into force at once.

2. **Definitions.** --(1) In this Regulation, unless there is anything repugnant to the subject or context:

(a) "Act" means the Khyber Pakhtunkhwa Finance Act, 2013;

(b) "Authority" means the Khyber Pakhtunkhwa Revenue Authority, established under the Act;

(c) "Business" means all work done by the Authority in discharge of its functions under the Act and rules & regulations made there under;

(d) "Province" means the province of the Khyber Pakhtunkhwa;

(e) "Schedule" means any Schedule appended to this regulation.

(2) Words and expressions used but not defined in this Regulation shall have the same meanings as assigned to them under the Act and Rules made there under.

#### Chapter-II Functions of the Authority

3. **Business of the Authority.** --(1) The Director General shall be the Chief Executive of the Authority.

(2) The business of the Authority shall be run by or under the authority of the Director General.

4. **Directorates.** -- (1) There shall be the following Directorates of the Authority:

- a. Directorate of Human Resources, Administration and Coordination;
- b. Directorate of Finance, Accounts and Audit;
- c. Directorate of Inquiry, Investigation & Audit (Tax);
- d. Directorate of Legal, Tax Policy and Research; and
- e. Directorate of Information and Communication Technology.

(2) The functions of the Directorates shall be as specified in Schedule-1.

(3) The Directorates are responsible for strategic and operational planning, provision of technical advice and guidance to the operational wing (Collectorate), establishment of resource levels and performance targets, measurement systems, and monitoring & evaluation of the field operations. The Directorates shall ordinarily be not involved in operations (case work) except in special circumstances with the explicit approval of the Director General.

(4) Any other function under the Act not specifically mentioned under the Directorates shall be dealt with by the Authority itself.

5. **Collectorate.** --(1) There shall be a Collectorate of the Authority, headed by the Collector and consisting of the officers mentioned in section 56 of the Act, except clause (b) thereof.

(2) In addition to the powers conferred by the Act on officers of the Collectorate, the powers and functions as specified in Schedule-II shall also be exercised and performed by such officers.

6. **Collector (Appeals).** -- (1) Collector (Appeals) shall exercise such powers and perform such functions as assigned to him under section 79 to 81 of the Act.

(2) Appeal to the Collector (Appeals) shall be filed and verified in the form and manner as specified in Schedule-III.

7. **Powers and functions of the Director General.** -- (1) The Director General shall perform the following functions, namely:

- i. implementation of the policies, guidelines and decisions of the Council;
- ii. strategic planning, revenue analysis and forecasting;
- iii. operation of the Authority business;
- iv. administration of sales tax on services or any other taxes, duties and levies that may be assigned to the Authority under a fiscal law;
- v. management of Authority's Fund;
- vi. management of human resource and other assets;
- vii. coordination with the international donors;

viii. spokesperson of the Authority; and

ix. in addition, all cases specified in Schedule-IV, shall be submitted to the Director General;

(2) The Director General, on behalf of the Authority, may call for and examine the record of any departmental proceedings through an impartial committee under this Act or the rules for the purpose of satisfying himself as to the legality or propriety of any decision or order passed therein by an officer, other than Collector (Appeal).

(3) The Director General may, subject to the provisions of the Act or the laws, delegate any of his functions to an officer of the Authority.

8. **Meetings of the Authority.** -- (1) The Deputy Director, Admin shall act as Secretary of the Authority.

(2) the date, time and place of the meeting shall be such as determined by the Director General.

(3) While acting as Secretary of the Authority, the Deputy Director, Admin shall prepare, with the approval of the Director General, agenda for the meeting and shall circulate it among the members, at least two days prior to the meeting.

(4) The Secretary of the Authority shall record minutes of the meeting and the decisions taken therein, shall submit the same to the Director General within two days for approval and shall communicate approved copies to the members.

(5) The Secretary shall be responsible for keeping complete record of the proceedings of the meeting.

9. **Records.**--(1) Each Directorate shall ensure proper record keeping of all official documents, files and papers regarding its respective offices.

(2) The Director shall produce any record pertaining to his respective Directorate, as and when required by the Council or the Director General.

**Director General**  
Khyber Pakhtunkhwa Revenue Authority.

**SCHEDULE-I**  
**Functions of the Directorates**  
[See Paragraph 4(2)]

1. **Directorate of Human Resources, Administration and Coordination**

1) The functions of the Directorate shall be as under:

- (i) development and implementation of the human resource management policies, strategies and plans and performance of other functions as specified in Section 15 of the Act;
- (ii) development and overseeing of office standard operating procedures;
- (iii) coordination among all Directorates for the development of strategic plan;
- (iv) procurement and management of assets of the Authority;
- (v) implementation and operation of the decisions of the Authority and the Council;
- (vi) provision of secretarial support to the Council and the Authority;
- (vii) coordination for the preparation of annual report of the Authority;
- (viii) contract management and administration;
- (ix) documentation and knowledge management;
- (x) making certain that all administrative systems and processes are efficiently working;
- (xi) engagement of legal counsel;
- (xii) maintenance of dairy and dispatch registers;
- (xiii) initiation, coordination and integration of drafting of Rules and Regulations for the Authority;
- (xiv) maintenance of conducive working environment;
- (xv) maintenance and overseeing of the security of offices of the Authority;

2. **Directorate of Finance, Accounts and Audit.**

1) The functions of the Directorate shall be as under:

- i. designing of sound financial management system and internal control framework;
- ii. preparation of annual budget estimates and revised budget estimates of the Authority;
- iii. monitoring and control budgetary allocations to various heads of Accounts;
- iv. establishment and maintenance of the Authority's Fund;
- v. preparation and payment of salary of the employees;

- vi. maintenance of monthly and annual accounts;
- vii. preparation of monthly and annual accounts of receipts and payments;
- viii. maintenance of proper accounts and other records relating to the Authority's financial affairs including its income and expenditures and its assets and liabilities in the manner prescribed in the financial Regulation of the Authority;
- ix. reconciliation of monthly accounts of receipts and expenditure of the Authority;
- x. pre-audit of all payments authorized from the Authority's Fund;
- xi. compilation of monthly accounts of tax receipts and reconciliation thereof with National Bank of Pakistan and Accountant General KPK and District Accounts Offices;
- xii. preparation of annual financial statements of the Authority;
- xiii. maintenance of the petty cash account;
- xiv. engagement and facilitation of internal auditors;
- xv. facilitation of external auditors;
- xvi. maintenance of the Contributory or General Provident Fund Accounts of the employees;
- xvii. preparation and payment of retiring benefits to the employees of the Authority; and
- xviii. coordination with donors on financial matters;

**3. Directorate of Inquiry, Investigation & Audit (Tax):**

- 1) The functions of the Directorate shall be as under:
  - (i) investigation or inquiry into suspected duty or tax evasion and tax or commercial fraud.
  - (ii) investigation of complaints of corruption, malpractices and misuse of authority received by the Authority from the public, press or through any other source against the officers and staff of the Authority and proposing appropriate action.
  - (iii) assisting the Collectorates in terms of policy, strategic planning, backstopping support for enforcement functions and carrying out preventive operations relating to evasion of sales tax.
  - (iv) coordination with the federal government or any other provincial government or any of its statutory body and other forums mentioned in sub section-2 of section-10 of the Act for collection and sharing of information.
  - (v) developing monitoring mechanism and tools for transparent processes in Collectorates.
  - (vi) Planning and designing tax audit procedures;
  - (vii) Developing Annual Audit Plan and its implementation through the Collectorates;
  - (viii) Evaluation of tax audit reports conducted by the Collectorates;

- (ix) Coordination with other Directorates and Collectorates for achieving organizational objectives;

4. **Directorate of Legal, Tax Policy and Research.**

1) The functions of the Directorate shall be as under:

- (i) Formulation of taxation policy proposals for the Policy Making Council;
- (ii) implementation of comprehensive policies and programs for awareness of taxpayers and stakeholders;
- (iii) introduction of tax reforms for broadening tax base;
- (iv) reviewing the existing fiscal laws pertaining to sales tax on services and such other taxes as may be assigned to the Authority by the Government and suggesting improvements;
- (v) framing policies for voluntary tax compliance;
- (vi) processing cases for alternate dispute resolution, as laid down in Section-89 of the Act;
- (vii) processing of cases pertaining to exemption of tax under Section-28 of the Act;
- (viii) coordination in respect of matters relating to the Provincial Assembly and relevant Standing Committees;
- (ix) coordination in respect of tax policy and other financial matters relating to Finance Department, National Finance Commission, Council of Common Interest, Federal Board of Revenue and other Provincial Revenue Authorities;
- (x) conduct research for suggesting new taxation measures along with impact analysis and revenue forecasting;
- (xi) compilation of Annual Report of the Authority;
- (xii) coordination with other Directorates and Collectorates for achieving organizational objectives;
- (xiii) dealing with all legal matters of the Authority;
- (xiv) defending Court cases by or against the Authority;
- (xv) lodging of reference to the High Court against the orders of the Appellate Tribunal;
- (xvi) appointing e-intermediaries to electronically file returns and other electronic returns;
- (xvii) condonation of time limit in terms of Section 99 of the Act;
- (xviii) coordination with Law Department and Advocate General of KP;
- (xix) dealing with legal and administrative matters pertaining to PRAL.

- (xx) processing the cases for revision of any decision or order passed by an officer of the Authority, other than Collector (Appeals) for decision of the Authority, in terms of Section-78 of the Act.
- (xxi) processing of input adjustment claims of the Authority; and
- (xxii) Coordination with other Directorates and Collectorates for achieving organizational objectives;

**5. Directorate of Information and Communication Technologies:**

1) The functions of the Directorate shall be as under:

- i. preparing strategic and operational plans for the ICT components;
- ii. ensure development, implementation and maintenance of policies related to ICT services, including procurement, distribution and assets management;
- iii. adopting modern effective tax administration methods, ICT systems and policies to consolidate assessments, improve processes and organize registration of taxpayers;
- iv. development of computer aided auditing techniques for efficient and effective tax audit;
- v. creation, collection and maintenance of a data bank containing information in any form necessary to achieve the purposes of the Act.
- vi. Developing computerized system of the Authority for receipt of application for registration, returns and such other declarations or information required to be provided under the Act.
- vii. Developing online grievance receipt mechanism and linkup with the redressal system of the Directorate of Investigation & Inquiry;
- viii. develop and maintain an ICT based internal communication system;
- ix. implementation and management of a customized or off the shelf Enterprise Resource Planning System;
- x. knowledge management;
- xi. developing software for electronic invoicing or billing, maintenance of records, filing of tax returns by a registered person or class of persons under the Act.
- xii. ensuring security, transparency and compliance with international standards of ICT systems of the Authority;
- xiii. develop a website of the Authority for hosting all the information for tax payers in both Urdu and English in a very simple language, content on taxpayers' education and assistance and achievements of the Authority etc.;
- xiv. Coordination with other Directorates and Collectorates for achieving organizational objectives;

**SCHEDULE-II**  
[See paragraph 5 (2)]

**Collectorate:**

The functions of the Collectorate shall be as under:

- i. acting as the operational wing for the Authority;
- ii. providing fiscal space by broadening tax base in the Province;
- iii. assessment and enforcement of sales tax on service for enhanced revenue generation;
- iv. registration, suspension and de-registration of taxpayers;
- v. processing of returns and its audit;
- vi. promoting voluntary tax compliance;
- vii. exercising powers of adjudication in terms of Section 76 of Finance Act;
- viii. developing appropriate business processes to collect tax revenue under the proposed tax system, including new or improved forms of withholding and self-assessment;
- ix. monitoring and administering collection of sales tax on services under withholding regime;
- x. developing systems to follow-up tax payer audits, stop-filers and delinquent taxpayers;
- xi. developing transparent, efficient and effective objection and appeal procedures;
- xii. suggest improvements in systems or utilities to enhance the capacity and effectiveness of existing information technology system (PRAL) to meet the information needs;
- xiii. meeting the revenue collection targets set by the government;
- xiv. dealing with all legal matters of the Collectorate;
- xv. providing support to Director Tax Policy, Research and Legal in all Court cases by or against the Authority;
- xvi. ensuring recovery of arrears of tax under Section 87 of the Act;
- xvii. lodging of appeals to the Appellate Tribunal against the orders of Collector (Appeals);
- xviii. issuance of duplicate of tax documents to taxpayers in terms of Section 97 of the Act;
- xix. arranging in consultation with Director HR, trainings at regular intervals for the staff working in the Collectorate;
- xx. seeking guidance from the Authority regarding legal complexities and its interpretation;
- xxi. provide relevant data required for the preparation of Authority Annual Report;
- xxii. Coordination with Directorates for achieving organizational objectives;





FORM: KST-5A

Tax Assessed:

Whether Appeal is within time: Yes  No

If not within time, is application for condonation of delay attached? Yes  No

Grounds of Appeal in brief (Attach extra sheet, if need be):

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Prayer in Appeal (Attach extra sheet, if need be):

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Signature of Appellant or Representative

FORM: KST-5A

Appeal before Collector (Appeals), KPRA  
(Under Section 79 of the Khyber Pakhtunkhwa Finance Act, 2013)

VERIFICATION

I \_\_\_\_\_ S/o \_\_\_\_\_ the  
Proprietor /Partner/Managing director of M/s \_\_\_\_\_ the  
appellant solemnly affirms and declare on oath that:

1. whatever has been stated above is true and correct to the best of my knowledge and belief;
2. I am competent to file the appeal in my capacity as \_\_\_\_\_;  
and  
.. a true copy of this appeal has been sent by Registered Post/AD/ Courier Services or delivered to the concerned respondents in person.

Signature of Appellant or Representative: \_\_\_\_\_

Name (In Capital letters): \_\_\_\_\_

NIC number of person signing the Appeal: \_\_\_\_\_

**Note:** The form of appeal and verification form appended thereto shall be signed:

- a) In case of an individual, by the individual himself;
- b) In case of a company, by the principal officer; and
- c) In case of Association of Partners, by member/partner.

FORM: KST-5A

Appeal before Collector (Appeals), KPRA  
(Under Section 79 of the Khyber Pakhtunkhwa Finance Act, 2013)

INDEX OF ATTACHMENTS

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Singed (Appellant)



**Schedule-IV**  
[See Paragraph 7(1)(ix)]

Cases to be submitted to the Director General:

1. All such papers, reports and statements as are required under the Act to be submitted to the Government, Council or the Federal Government;
  2. Cases of financial sanctions under the delegation of powers and financial power of re-appropriation Regulation of the Authority;
  3. All cases related to press statement releases;
  4. Appeals against the orders of the Directors/Collector;
  5. Contract agreements and consultancy deeds;
  6. All cases of exemptions under Section 28 of the Act;
  7. All cases of delegation of powers under Section 108 of the Act;
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