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Faceless audits

FBR unveils new procedure



The Federal Board of Revenue (FBR) has issued a new procedure for conducting faceless audits of taxpayers, defining the functions and responsibilities of the Faceless Audit Unit and its officers.

According to a notification issued by the FBR on Thursday, the Faceless Audit Unit shall perform the following functions and procedures, namely: Audit under section 25 of the Sales Tax Act, including audit of a person selected under section 72B thereof; proceedings and orders under section 11E of the Act; and any proceeding incidental or ancillary to a proceeding referred, including the issuance of notices and requisitions under section 25 of the Act for obtaining information and evidence, and the imposition of penalty and default surcharge arising from the proceedings.

Where a case selected for audit has been allocated to an Audit Unit, the Unit Officer shall proceed to conduct the audit in accordance with the provisions of section 25 of the Act.

The Unit Officer of the Audit Wing may, in the course of the audit, issue further notices or requisitions for information or explanation under section 25 of the Act; obtain information from any other person required for conducting the audit; request the Chief Commissioner to seek physical verification in accordance with sub-section (4) of section 30AA of the Act and the relevant Chapter; request technical assistance, including valuation, forensic or sectoral expertise, from a unit or panel constituted for that purpose; and require a statement to be recorded through e-hearing.

After considering the explanation and the record of any e-hearing, the Unit Officer shall issue the audit report in accordance with section 25 of the Act, containing the audit observations and findings and the reasons for rejecting any explanation furnished by the registered person.

Where proceedings under section 11E of the Act are required, the Unit Officer shall issue the notice and obtain the response of the registered person in accordance with the provisions of the said section 11E and record the findings for onward transmission to the Assessment Unit.

Upon issuance of the audit report, the audit function in the case shall stand completed, and the record shall be made available to the officer or unit performing the assessment function through automated allocation, the FBR added.

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