

The Azad Jammu and Kashmir Central Board of Revenue Act, 2020

(Act XV of 2020)

Legislated

by

AJ&K Legislative Assembly

Compiled by

SABIR HUSSAIN BALOCH

(August-2020)

The Azad Jammu and Kashmir Central Board of Revenue Act, 2020

Muzaffarabad

Dated:19.05.2020

No. LD/Legis-Act/235-46/2020. The following Act of Assembly received the assent of the President on the 18th day of May 2020, is hereby published for general information.

[Act XV of 2020]

An

Act

to provide for reconstitution and re-organization of Azad Jammu and Kashmir Central Board of Revenue and matters connected therewith or ancillary thereto

Whereas it is expedient to regulate the matters relating to the fiscal and economic policies, administration, management, imposition, levy and collection of taxes and duties, and for the purposes of reconstitution of the Azad Jammu and Kashmir Central Board of Revenue;

It is hereby enacted as follows:

CHAPTER-I Preliminary

1. **Short title, Extent and Commencement.**-(1) This Act may be called the Azad Jammu & Kashmir Central Board of Revenue Act, 2020.
 - (2) It extends to the whole of Azad Jammu and Kashmir
 - (3) This shall come into force at once.
2. **Definitions.**- In this Act, unless there is anything repugnant in the subject or context,-
 - (a) **“Board”** means the Azad Jammu and Kashmir Central Board of Revenue established and re-constituted under Section 3;
 - (b) **“Chairman”** means the Chairman of the Board;
 - (c) **“Committee”** means a committee constituted under this Act;

- (d) **“Department”** means the Inland Revenue Department of Azad Government of the State of Jammu and Kashmir;
- (e) **“Employees”** means the employees of the department;
- (f) **“fiscal laws”** means a general reference to the laws relating to tax matters, including but not limited to, the Sales Tax Act, 1990, Income Tax Ordinance 2001, Federal Excise Act, 2005, and any other law imposing any tax, levy or duty having nexus with taxation, or as the Government, may determine by notification in the official Gazette;
- (g) **“Government”** means the Azad Government of the State of Jammu and Kashmir”;
- (h) **“Human Resource Policy”** means the policy related to employees for the purpose of enhancing efficiency in the functioning of the Inland Revenue Department and the Board, as may be approved by the competent authority from time to time;
- (i) **“Member”** means a person appointed as a member of the Board;
- (j) **“Person”** includes the natural person, entity, any company or association or body of persons, whether incorporated or not;
- (k) **“Policy Board”** means the Policy Board established under Section 6 of this Act;
- (l) **“Prescribed”** means prescribed by rules;
- (m) **“Rules”** means the rules made under this Act;
- (n) **“Regulations”** means the regulations made under this Act; and
- (o) **“Reward & Incentive”** means reward & Incentive whatsoever as prescribed.

CHAPTER-II

Azad Jammu and Kashmir Central Board of Revenue

3. Establishment of the Azad Jammu and Kashmir Central Board of Revenue.-(1)

There shall be a Board to be called the Azad Jammu and Kashmir Central Board of Revenue duly constituted by the Government and consisting of a Chairman and at-least following ex-officio members of the Board in order primarily to ensure representation from department of Inland Revenue and Finance:

- (i) Secretary Inland Revenue (Chairman)
- (ii) Senior Member Board of Revenue (Member)
- (iii) Secretary Finance (Member)
- (iv) Secretary Law (Member)
- (v) Chief Commissioner/Commissioner IR(Direct Taxes) (Member)
- (vi) Secretary Board to be appointed by the Board (Member/Secretary)

(2) Except as provided under sub-section (1) the Government.-

- (a) may make appointment of Chairman for Azad Jammu and Kashmir Central Board of Revenue from amongst a senior civil servant of the Government who is already serving in BS-21 & above and may also change membership of the Board whenever it deems appropriate in the public interest; or
- (b) in opposite circumstances may, however, consider requisition of services of any BS-21 officer from Federal Board of Revenue Govt. of Pakistan and to appoint him on deputation basis for appropriate term and subject to conditions as specified and prescribed by the Government.

(3) The Board may co-opt an additional member, wherever it deems necessary for guidance on a particular matter or to acquire services in a specific matter under consideration of the Board.

(4) The Board shall exercise all the powers and functions conferred on it under this Act and those prescribed by the rules.

(5)The Chairman may designate any Member who shall act as an Acting Chairman in his absence.

(6) The Board shall meet at least once at an interval of two months but a special meeting of the Board may be convened by the Chairman at any time or on the request of any Member.

(7) The Board may constitute one or more committees consist of Members that are appointed by the Board and they shall perform such functions as are entrusted to them by the Board.

(8) The Government may delegate any of its powers under this Act to the Chairman on such terms and conditions as the Government may determine.

(9) Inland Revenue Department shall be Administrative Department of the Board.

4. Powers and Functions of the Board.-(1) The Board shall exercise powers and perform all such functions as are necessary to achieve the objectives and purposes of this Act including, namely:-

- (a) to make policies and strategies for the Department;
- (b) to analyze, review and fix revenue targets of direct taxes, indirect taxes, other assigned tax and non-tax receipts assigned to the Department from time to time;
- (c) to make comprehensive policies to develop the Department into a modern and efficient organization;
- (d) to introduce and implement tax administration reforms;
- (e) to ensure the implementation of all Fiscal laws in force and to make policy guidelines for the purposes of assessment, collection, administration and management of tax, related matters of tax and implementation of Fiscal laws;
- (f) to ensure the implementation of Fiscal laws in a precise, clearer, transparent, convenient and effective manner;
- (g) to correspond with Government of Pakistan and Provincial Governments on tax and other allied matters;
- (h) to address/take up the tax issues with Federal Board of Revenue, Government of Pakistan, other Government line departments and persons in Azad Jammu and Kashmir;
- (i) to make policy decisions in tax matters relating to different Government department;
- (j) to ensure the introduction and implementation of modern and effective tax administration methods, information technology systems and policies for the Department to help it to improve assessments, processes, organize registration of taxpayers, widen the tax base, and make departmental remedies more

efficient including enforcement of, or reduction or remission in, duty, penalty or tax, in accordance with the relevant law for the time being in force;

- (k) to plan and introduce the Department a comprehensive and effective human resource strategy for improving its performance;
- (l) to regulate and enter into any agreement, contract understanding, with any international organization or institution or donor agency or counterpart entity with approval of the Government of Pakistan and the Government;
- (m) to address the representation submitted by aggrieved employees of departments;
- (n) to keep check on the performance of Department in terms of parameters as determined by the Board;
- (o) to make regulations, policies, programs, strategies in order to carry out the purposes of this Act;
- (p) to grant additional allowances or other incentives and rewards to the employees of the Board for improving productivity and performance;
- (q) to carry out any other function, activity and acts, etc., as decided and determined by the Board; and
- (r) to perform any other functions entrusted from time to time by the Government.

(2) The Board may direct the department, where appropriate, issue with the approval of the Government; statutory regulatory orders (SROs), orders, circulars and instructions for the enforcement of any of the provisions of Fiscal Law and the provision of this Act.

5. Human Resource Management.- (1) The powers of the Board in respect of its Employees of Department shall include, *interalia*, the following, namely:-

- (a) power to develop and implement human resource management policies for department;
- (b) assess, identify, create, increase/decrease, designate or re-designate posts within its jurisdiction subject to the concurrence by the Finance Department and approval of the competent authority;
- (c) power to review and make proposals for posting of employees against specialized or available posts;

- (d) power to transfer, select or post any employee against any post in any entity under the Department; and
- (e) power to take any action, issue regulations, guidelines, code of conduct, in order to fulfill the objects and purposes of the Act.

6. Establishment of Policy Board.(1) The Govt. may establish a Policy Board to provide guidance in matters relating to the vision, mission and values of the Board, and to provide policy guidelines in framing fiscal policy and in achieving goals and targets.

(2) The Policy Board shall consist of following members, namely:-

- | | |
|---|----------|
| a) Minister Inland Revenue | Chairman |
| b) Minister Finance | Member |
| c) Minister Industries | Member |
| d) Chief Secretary | Member |
| e) Chairman AJ&K CBR | Member |
| f) Secretary Inland Revenue | Member |
| g) Any other member co-opted by the Board | Member |

(3) The Chairman of the Central Board of Revenue shall act as Secretary for the Policy Board.

(4) The Policy Board shall hold a meeting at least once in each quarter of a financial year.

(5) The Policy Board shall be competent to issue necessary instructions to the Board and Inland Revenue Department to bring in improvement in taxation administration and revenue collection.

7. Representation to the Chairman.-(1) Any person aggrieved by any action done or taken for the enforcement of the Fiscal laws or due to any act of maladministration, corruption and misbehaviour by any officer or employee of the Board or any unnecessary delay or hardship caused due to any administrative process may prefer representation to the Chairman for redress of his grievance.

(2) The Chairman or the Board or any other designated officer, as the case may be, on behalf of the Chairman, shall take the appropriate action to redress such grievance.

CHAPTER-III Miscellaneous

8. **Validity of proceedings.**-No act, proceeding, decision or order of the Board or a committee of the Board shall be invalid by reason only of the existence of vacancy in, or any defect in the constitution of the Board or any committee.

9. **Directors from Government.**-(1)The Government may, from time to time, direct or advise the Board to conduct its affairs and perform its functions in such manner as may be specified by the Government in this behalf.

(2) The Government may also entrust the Board, the functions and powers under any law for the time being in force and such directions shall be binding on the Board.

10. **Annual Report.**-The Board shall prepare an annual report of its activities and present it to the Prime Minister and also lay before the Legislative Assembly within three months of the end of the preceding financial year.

11. **Continuance of service of the employees, etc of the AJK Central Board of Revenue after its reconstitution.**- (1) Subject to the provisions of this Act, any person, who immediately before the commencement of this Act, was in the employment and service of the Board including Department, shall continue to be in the employment and service of the Board including Department, on the same terms and conditions, unless modified or amended under the provisions of this Act or the rules or regulations made thereunder.

(2) All the authorities and officers of the Board and Inland Revenue Department, of the Government functioning and exercising powers immediately before commencement of this Act, shall continue to exercise their respective powers, policies, programmes, reforms, etc., as were being carried out or deemed to be carried out unless modified under the provisions of this Act or rules and regulations made thereunder.

12. **Imposition of any fee or charges.**- The Board, with the prior approval of the Government, may levy any fee or charges for making expenditure on the provision

of enhanced facilities for the taxpayers, or direct cost reimbursement of expenses, and reasonable return on investment or profit wherever services are provided in the matters relating to or under any fiscal law.

13. Indemnity.- No prosecution, suit or other legal proceeding shall lie against the Board, the Chairman or Members for anything done in good faith for carrying out the purposes of this Act, rules or regulations or orders made or issued thereunder.

14. Power to make rules.-The Government may make rules for the purposes of this Act.

15. Power to make regulations.-The Board may make regulations for the proper functioning and to conduct business of the Board.

16. Repeal and savings.-(1) Subject to the provisions of this Act, the Central Board of Revenue Act, 1924 (IV of 1924) as adopted and enforced in Azad Jammu and Kashmir is hereby repealed.

(2) Except as otherwise provided in this Act, the repeal of the Central Board of Revenue Act, 1924 (IV of 1924), undersub-section (1) hereinafter referred to as the said Act, shall not.-

- (a) revive anything not in force or existing at the time of commencement of this Act;
- (b) affect the previous operation of the repealed Act or anything duly done under the said Act,
- (c) affect any right, privilege, obligation or liability acquired, accrued or incurred under the said Act,
- (d) affect any penalty, forfeiture or punishment incurred in respect of any offence committed under the said Act, or
- (e) affect any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid; and any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture or punishment may be imposed as if the said Act had not been repealed.

* * * * *