



TRANSPARENCY INTERNATIONAL-PAKISTAN

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21st June, 2017

Dr. Muhammad Irshad Khan,
Chairman,
Federal Board of Revenue,
Government of Pakistan,
Islamabad.

Sub: Violation of Public Procurement Rules by FBR in the Tender Notice for Supply, Install and Operation of IT- Based Services for Electronic Monitoring of Tobacco System.
Complaint of Collusion by FBR and Complaint of Collusion by FBR.

Dear Sir,

Transparency International Pakistan refers to its letter No. TL17/2405/6A dated 24th May, 2017 on the violation of Public Procurement Rules 2004, of charging Rs. 10,000 fee which is not allowed, as well as not giving in the tender notice, the mandatory requirements date and time of opening of tender in presence of bidders, in the FBR Tender Notice for Supply, Install and Operation of IT- Based Services for Electronic Monitoring of Tobacco System.

FBR did not respond, which confirms that FBR had no ground to justify the violations.

From a complaint received from M/s De La Rue International, England on 15th June 2017, an allegation is made that the procurement is being for a pre-chosen vender. **Annex-A. (3 letters)**

The allegations by the complainant are reproduced below;

We would like to stress again that we fully support the initiative by the FBR to introduce such a scheme and we recognise the value it can bring. Our concerns are that the requirements as described in the tender are biased towards one specific solution and one single bidder and because of this, will not lead to a suitable scheme being specified, will be unnecessarily expensive and disruptive, and ultimately, will not solve the countries problems of illicit trade, or increase tax revenues

It is our assertion therefore, that this tender must be cancelled. A new tender should then be reissued with a focus on selecting a solution that will best solve the challenges faced by the FBR and other key stakeholders, whilst bringing best value to the government and people of Pakistan

De La Rue has for many decades been a supporter of, and partner to Pakistan and has had the honour of working with the government on large and strategically important projects – the development, implementation and ultimate transfer of the Pakistan Security Print Company is a perfect example of this. It is our belief that the success of projects such as these are built on a close consultative partnership

The complainant has also filed a complaint against FBR in CCP.



In 2012, and 2014, FBR tried this very procurement, but for the very same reason of indications of collusion of FBR with pre-chosen parties, both times the procurement process were discontinued when TI Pakistan pointed out similar allegations. TI Pakistan letter dated 17th July, 2014 to Tariq Bajwa, Ex-Chairman FBR is enclosed. **Annex-B.**

The complainant is a very seasoned company, who are working with Pakistan since 1962, as their role is available on the website of Pakistan Security Printing Corporation, which states that although the Pakistan Security Printing Corporation had commenced printing all lower denomination notes by July 1953, the 100-rupee notes of the third series, released in September 1953, were initially printed by Thomas De La Rue in the United Kingdom. This note was later produced by the Security Printing Corporation with the difference in printing being distinguished by the change in font for the serial numbers.

This is a very important project, and will collect over Rs 50 billion additional tax, and in the greater interest of success of plugging tax evasion, TI Pakistan suggest the current RFP may be canceled, or only be proceeded once satisfactory replies to all queries of TIP as well as of M/s De La Rue are provided with sound and solid reasons. FBR must also explain its position for not pursuing Cigarettes tax stamp project which was initiated by FBR and then dropped by them. For all practical reasons and global trend the first monitoring of tax evasion in all economies had been on the heaviest taxed item which without doubt is cigarettes.

Transparency International Pakistan is striving to have transparency in procedures and Rule of Law in Pakistan, which is the only way to eliminate corruption and have good governance in country.

Yours Sincerely,



Sohail Muzaffar
Chairman

Copies forwarded to for information and appropriate action under the mandate vested as the bid submission date is 11 July, 2017;

1. Secretary to the Prime Minister, for information of the Prime Minister, Islamabad.
2. Chairman NAB, Islamabad, with a request to take action under NAO 1999.
3. Minister of Finance, Islamabad, with a request to note that this project is an eye wash patronized by vested interests, and must be streamlined to succeed.
4. Federal Tax Ombudsman, Islamabad, with a request to take action under FTO Ordinance, as FBR seems to be using deliberate delay tactics to avoid real tax collection.
5. Registrar, Supreme Court Pakistan, Islamabad.



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15th June 2017.

Mr Sohail Muzaffar
Chairman, Transparency International Pakistan
4-C, Mezzanine Floor, Khayaban-e-Ittehad, Phase VII,
Defence Housing Authority,
Karachi, Pakistan

Dear Sir,

Our attention was drawn to the letter (attached) issued by Transparency International Pakistan on 24th May 2017 to the Federal Board of Revenue concerning potential transgressions in procurement policy via the publication of the RFP for TAX STAMPS, MONITORING & TRACKING SYSTEM, 24th May 2017.

De La Rue International has expressed for many years enthusiasm to bid for this project and has carried out extensive research and stakeholder engagement (tobacco industry, NADRA, FBR) to ensure a transparent process that, through successful implementation of this project, will bring maximum benefit to Pakistan through significant reduction in illicit tobacco trading and enhanced collection of taxation revenues.

To align with the concerns raised by your organisation, it is our belief that this RFP appears to have been written in such a way as to heavily favour one single vendor, and it does not therefore display the openness expected of such a high profile international procurement process. We believe that far from bringing value and benefit to the FBR, this process will not yield the best technical solution nor bring best value to the Government and people of Pakistan.

We have concerns that such a process as this does not reflect well on the procuring entity (FBR), and could have implications in respect of the reputation and integrity for the relevant Government bodies.

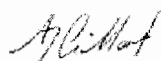
As a result, and after careful consideration, we have taken the decision to raise our concerns formally with a number of parties, not least the FBR itself, and we attach for your information copy of the appeals that we have lodged.

We kindly draw your attention to the fact that our concerns appear to be aligned with not just TI but also other stakeholder and potential bidders for this work, and it remains our firm intention to promote the withdrawal by FBR of this RFP.

Should you wish to discuss the concerns we raise then please do not hesitate to contact us. Our contact details are as per the letterhead.

With thanks for your considered attention to this matter.

Yours Sincerely,



ppJeremy Stillman
Director, Business Development.

De La Rue Contacts for Enquiries:

Andrew Gilbert	andrew.gilbert@uk.delarue.com +44-7979-245511
Bill Taylor	bill.taylor@uk.delarue.com +44-7710-739136

Attachments:

TI Pakistan Letter to FBR dated 24th May 2017
De La Rue International Letter to FBR dated 14th June 2017



Points of contention and questions from De La Rue and NADRA

Section 7.4 onwards

The tender document contains 260 discrete specification items for the track and trace and IT solution, the vast majority of which are mandatory. This appears to be lifted from exclusive specification documents we have previously seen from schemes introduced by a known company in other countries.

It would be more typical for the problem facing the board of revenue to be stated or the solution requirements outlined in the RFP to allow responders to submit solutions that they believe will be the most appropriate to solve the challenges being faced.

This approach is the most common seen for RFPs of this type with 20 or 30 mandated requirements and the freedom for bidders to use their expertise when responding to the RFP. This ultimately gives the revenue authority a number of solutions to choose from based on the quality of their technical response and suitability for the local challenges.

De La Rue question: Can the FBR please explain why this very rigid approach has been taken and where the very exact specification list of 260 items has been taken from?

Sections 6.2 and 7.4.1.6.3

There is a requirement for a specific machine readable security technology to be included and linked to the coding on the stamps. This is a technology that is well known as being supplied by, proprietary to a single company and never known to be licenced. This has been further linked to a requirement for a single mobile reader that can read this security feature and also read the code printed on the stamp.

This is a patented and proprietary technology and involves the purchase of dedicated and very expensive readers.

In order for other vendors to meet this requirement they would have to infringe the patents held by this single bidder or completely redevelop a similar, but non-proprietary technology, with the associated time and cost implications.

The inclusion of this type of feature set precludes other suppliers and increases dramatically the cost to the FBR. It is also important for the FBR to know that this solution is increasingly being rejected by governments across the world (see examples below).

This is not only due to the exclusive supply source and cost, but more importantly, state-of-the-art in this field is to use a secure mobile app that can be made available for smartphones, allowing inspectors, customs officials AND the public to be engaged easily in the authentication process.

This much more flexible approach has a much lower cost and allows the use of existing smartphones or the purchase of new phones with costs as low as \$100 per unit.



Request for Proposals (RFP) – Tax Stamps, Monitoring & Tracking System

Federal Board of Revenue | Pakistan

We have seen this method for authentication and track and trace being specified in many similar tenders in recent years from developing countries such as Sudan, Cameroon, Rwanda, Sri Lanka and Botswana.

De La Rue question: Can the FBR please explain why this proprietary detection technology has been specified, how it expects other bidders to quote against this patented solution and why it believes it has advantages over a secure app and smartphone?

Section 4 Bidder's Profile

The RFP includes a requirement for consolidated yearly revenues of in excess of USD 100 million. Whilst this requirement is something that De La Rue could easily comply with, it is an unusually high revenue requirement in tenders of this type and precludes the vast majority of the likely bidders that have solutions that may be deemed suitable for this RFP.

It is also usual to insist that bidders have not made a loss during a 3 to 5 year period leading up to the RFP. Having a stable and successful business to undertake the requirements of the RFP and work with the FBR is the most important requirement. Simply asking for a high revenue from bidders, does not support this, which is why having a profitability requirement is more usual.

De La Rue question: Can you please explain why a figure of \$100 million annual revenue has been specified and why there is no requirement for bidders to be profitable and successful?

Section 4 Bidder's Profile

The RFP includes a requirement to demonstrate in-house coded stamp production capacity above 10 billion.

This could be considered extreme and prohibitive and limits responses to one single bidder globally and seems to have been included with the intention to exclude all other likely bidders.

It does not seem a necessary requirement given volume estimates today for 4.5 billion tobacco stamps per annum. It is also not clear if this capacity should be 'free capacity', i.e. a large empty factory doing nothing and waiting for work, or a factory that has facilities to manufacture 10 billion stamps per annum, but may be full. Neither situation is realistic nor useful and we have never seen this requirement in a tax stamp RFP.

De La Rue question: Can the FBR please explain why this capacity requirement has been included and what exactly is meant by 'capacity', and how they will overcome the issue of only one bidder being able to meet the requirements?

Section 4 Bidder's Profile

The RFP includes a requirement for the bidder to confirm that, within one year after signing of the contract, all the security tax stamps will be produced, coded & distributed from within the territory of Pakistan.



Request for Proposals (RFP) – Tax Stamps, Monitoring & Tracking System

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Moreover the bidder shall ensure at least \$7.5 million dollars investment in Pakistan relating to Track & Trace system within 1 year after the signing of the contract.

As the FBR will know, the one security print facility in country (PSPC) is engaged in a Joint Venture with a leading global security ink and stamp provider and the same one as mentioned on numerous occasions during this document as the beneficial 'single sole bidder', so is not an option for any other company to partner with. It should also be mentioned that this facility was built and operated by De La Rue before being transferred to the Government of Pakistan. The JV mentioned above came much later. This stipulation therefore precludes all international bidders without a current printing facility in country, or by insisting that a new facility is built, adds considerable and unnecessary cost to any bidder needing to commission such a facility. It is also important to consider that various state-of-the-art tax stamp printing and coding facilities exist elsewhere in the world and are owned and run by the world's leading manufacturers.

These facilities have been invested in over decades and can provide the most advanced solutions. PSPC, the only facility currently in Pakistan has no current stamp facilities or experience. Producing billions of stamps to the exacting standards required for high speed application is a difficult process, so using the experience and facilities of existing international facilities seems a much high quality and lower risk solution.

De La Rue question: Can the FBR please explain why there is a mandated requirement for stamps to be printed coded and distributed from Pakistan, especially given that the only existing security print facility has a current joint venture arrangement with one of the leading bidders?

De La Rue question: Can the FBR please also explain why a figure of \$7.5 million is required as an investment in Pakistan during the first year? Does this relate to the investment required at PSPC to enable them to produce tax stamps?

De La Rue question: Can the FBR explain how it will overcome the issue of the same single sole bidder being able meet these requirements without the obvious competitive disadvantage of having to build a complete new security print facility?

Section 3.6

The requirement for the Bid Currency to be exclusively and strictly PAK Rupees.

De La Rue question: Can the FBR please explain why the currency is stated as PAK Rupees in section 3.6 and in US Dollars in Annex 6?

It is usual for international tenders of this type to ask for quotations using international traded currencies such as Euros, USD or GBP.

De La Rue question: Can the FBR please explain why this is not the case and please consider changing this requirement to allow fair bidding by international businesses?



Section 9.2 Evaluation Formula

Item 1A, 1b) Volume of over 15 billion banderoles (tax stamps) supplied per year for different product categories to gain maximum points

Only one bidder currently produces over 15 billion stamps per annum and this clearly excludes all other potential vendors. This brings no advantage to this RFP as producing 15 billion stamps per year is not required for the RFP and gives no guarantee of quality.

It is also very strange that this has such a high score in the evaluation and that it is this minimum volume or if not zero points. Again, this seems to be biased towards aiding a single bidder. A typical requirement seen in tenders would be 500 million per annum.

De La Rue question: Can the FBR please explain why this 15 billion stamp annual volume has been included and how it can justify the very high points score?

De La Rue question: Can the FBR also explain how it is reasonable to include an evaluation criteria that only one sole bidder can meet?

Section 9.2 Evaluation Formula

Part A and Part B in general

These complete sections refer to experience in multiple countries, with multiple products for multiple years and awards 30% of the complete evaluation criteria based on these answers.

Whilst De La Rue accepts that experience is important when choosing a successful bidder, and indeed we have a great deal of experience ourselves, the levels of experience and references called for are far greater and wider ranging than are typically seen in tenders of this type.

It is our view that the levels of experience described favour one beneficial and sole bidder, giving them the opportunity to gain maximum marks with all other potential bidders scoring zero, or near zero.

De La Rue question: Can the FBR please explain why these levels of experience and references have been chosen?

De La Rue question: Can the FBR also explain how it is reasonable to include an evaluation criteria that only one sole bidder can meet?

Section 7.8 Delivery Timelines

Assumption that domestic manufacturers are equipped with stamping machines.

This is an incorrect assumption. Our intelligence suggests that the large manufacturers in Pakistan do not have stamp application equipment in country. It is also believed that the, in excess of 25, independent smaller manufacturers certainly have none of these facilities.

This assumption shows a lack of understanding or research into this matter. Having worked with the tobacco industry for decades and specified 100s of stamp application machines, it is our belief that the time needed to equip the full manufacturing base in Pakistan with stamp applicators is at least 26 weeks.



De La Rue question: Can the FBR please explain how this can be done within the 22 week suggested timeline and how the timeline will be adjusted to reflect the installation of stamp applicators?

Section 7.8 Delivery Timelines

Fully functional prototype stamps to be tested and approved within 5 weeks.

The stamp applicators discussed above will be needed to test the stamps. This therefore cannot happen until T0+26W.

De La Rue question: Can the FBR please explain how this issue will be allowed for?

Section 7.8 Delivery Timelines

All elements of the time line are very compressed and completely unrealistic. They need to be examined in depth and compared to real life examples of similar schemes from other countries.

Our experience of implementing schemes and our observations of schemes being implemented by our competitors, is that a solution of the scale being considered by the FBR will take 9 to 12 months to fully implement. It should be noted that this assumes delay free access to 'difficult' regions of the country and complete cooperation from all tobacco manufacturers.

It is our observation that this scheme could only be implemented in 22 weeks if a single sole bidder was given 6 months advanced warning and, as mentioned by us during the meeting, be working on this already.

De La Rue question: Can the FBR please explain how the steps shown in the timeline were calculated, the activity expected in each by the bidder, the FBR and the tobacco manufacturers, and how the total of 22 weeks was deemed a realistic full implementation period?

Section 2.1 Project Design and Annex 6 Pricing Schedule

Section 2.1 states that 'The Proposer/Bidder shall offer a solution on a turnkey basis absorbing all upfront capital and ongoing revenue costs. This means the Government of Pakistan will not make any investment towards the project'.

This is not unusual and is well known for many tenders of this type and typically requires bidders to include all costs in the price per 1000 tax stamps. These stamps are then sold by the winning bidder to the revenue agency, by the revenue agency to the tobacco manufacturers, and in this way becomes cost free for the government.

However, Annex 6 – Price Schedule, requires bidders to show pricing for 6 categories of item from tax stamps to mobile devices and from IT infrastructure to hardware and software at the manufacturers. This does not fit with the model described above of having all costs amortised into the per 1000 tax stamp price.

De La Rue question: Can the FBR please explain how the pricing model for the RFP is expected to work?

It is clearly stated in section 2.1 that the government will make no upfront investment, so if items 2 to 6 in the Price Schedule are not to be included in the price of the tax stamps.



Request for Proposals (RFP) – Tax Stamps, Monitoring & Tracking System

Federal Board of Revenue | Pakistan

De La Rue question: Can the FBR please explain how they will be paid for, by whom and when? To produce a carefully calculated price for the project this information is vital.

Annex 6 Price Schedule

Items 5 and 6 in the Pricing Schedule relate to the hardware & software, installation and training for automated and manual systems to be used on tobacco lines.

De La Rue question: In order to price these items accurately; can the FBR please confirm the exact number of manufacturers needing equipment, the number of production sites per manufacturer with the exact addresses, the number of production lines at each production site, the specification of each production line – equipment models, line speed and output levels?

As no time has been allowed for bidders to undertake site visits during the tendering process.

De La Rue question: Can the FBR please also confirm the IT facilities available at each manufacturing site and the availability if any, of internet access and the speeds available? This is obviously critical when calculating the costs of equipment to ensure the required activation and reporting of stamp usages.

There is also a requirement for bidders to undertake installation of the systems at the tobacco manufacturers, service these through the life of the contract and carry-out training.

De La Rue question: Can the FBR please comment on how realistic this is for manufacturing facilities located in the more remote and less secure areas of Pakistan and how the safety of the bidder's personnel will be guaranteed?



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14 June 2017

Mr. Chairman
Federal Board of Revenue
Islamabad
Pakistan

Dear Chairman

RFP for TAX STAMPS, MONITORING & TRACKING SYSTEM
Points of contention and questions from De La Rue and NADRA

We were very pleased to see that The Federal Board of Revenue (FBR) recently published an RFP for TAX STAMPS, MONITORING & TRACKING SYSTEM. De La Rue International has expressed enthusiasm for many years to contribute to this project. We have carried out extensive research and stakeholder engagement during a ten year period to ensure a good understanding of the local requirements and challenges faced by the FBR and by the tobacco manufacturers. This, and our experience of implementing similar schemes across the globe, gives us confidence in our ability to propose solutions that will bring maximum benefit to Pakistan through significant reductions in illicit trade and enhanced taxation revenues.

As you will be aware, we have purchased the tender documents and attended the pre-tender bidders' meeting at the FBR on Thursday 8th June 2017. You will have noted the many less than positive interventions from various parties, which we respect will have made this a challenging forum for to manage. In contrast, we trust you appreciated our intention to contribute constructively on several occasions during this meeting to seek clarification on a number of intervention points and to express our firm opinion that the tender is biased towards a single bidder and does not allow for a competitive bidding process.

As requested at the meeting, we have enclosed herein a document outlining our concerns about the current tender and asking a number of clarification questions. We respectfully ask that the FBR acknowledges receipt of this document, responds fully to our concerns and gives detailed answers to each of the questions raised. In line with normal procedure and process, we would also request please a copy of the attendee register, a transcript of the meeting showing the questions asked by attendees and the answers given, and copies of all questions submitted in writing, noting the party asking these questions and the answers provided by the FBR.

We would like to stress again that we fully support the initiative by the FBR to introduce such a scheme and we recognise the value it can bring. Our concerns are that the requirements as described in the tender are biased towards one specific solution and one single bidder and because of this, will not lead to a suitable scheme being specified, will be unnecessarily expensive and disruptive, and ultimately, will not solve the countries problems of illicit trade, or increase tax revenues.

It is our assertion therefore, that this tender must be cancelled. A new tender should then be reissued with a focus on selecting a solution that will best solve the challenges faced by the FBR and other key stakeholders, whilst bringing best value to the government and people of Pakistan.

De La Rue has for many decades been a supporter of, and partner to Pakistan and has had the honour of working with the government on large and strategically important projects – the development, implementation and ultimate transfer of the Pakistan Security Print Company is a perfect example of this. It is our belief that the success of projects such as these are built on a close consultative partnership. We remain therefore ready to assist the FBR in every way we can and would be available to answer questions or, if you feel it would be helpful, meet in person at a time to suit yourselves.

We respectfully request your considered attention to this matter and we look forward to receiving your full and complete response.

Yours sincerely



pp. **Jeremy Stillman**
Director, Business Development



17th July, 2014

Mr. Tariq Bajwa,
Chairman,
Federal Board of Revenue,
Islamabad

Sub: Objection on FBR Tender for monitoring of Manufacturing Industries, an eye wash, and not a serious effort to collect Rs 2,000 billion tax evasion

Dear Sir,

Transparency International Pakistan has received complaint on the FBR Tender on the expression of interest for setting up of system to monitor manufacturing industries production for eliminating tax theft from the economy.

In this regard FBR is referred to the Cigarettes Tax Stamp project announced by FBR in 2012. TI Pakistan was also included in the team to revise the RFP for that tender. FBR did not process that Project, which required bidders to finance the project with no investment to be incurred by FBR, and the bidder who offered the lowest percentage of additional revenue sharing with FBR would have been awarded the project.

The objections of the complainant are quoted below;

- 1) That there is no universal system that can monitor production for purpose of tax evasion across hundreds of different products, production processes using varied technologies for production.
- 2) That even if an industry-product-production-flow specific system is being sought then the solutions will have following weaknesses;
 - a) Either the production flow by volume or production by weight or production by packs will be recorded. What shall ensure that 1 production line out of many in one factory was not operated without the installed equipment. These production lines can either be monitored by video surveillance which is a primitive idea since a factory may have 10 production lines and would require 30 people to watch the remote video on real time just to know that no fiddling with one of the lines was done. In 5 identified industries FBR will have to monitor 50 odd factories with at least 200 production lines in 3 shifts. Such a counter surveillance is nowhere to be seen and shall require 600 people to do the job. Imagine this system being implemented across all industries in Pakistan
 - b) Another possible way could be to take ERP data from industry, again there will be issues like not all industry will have all ERP modules. Smaller industry will not have ERP solutions at all. Last but not the least ERP is an internal control system and



cannot be made mandatory for any industry for sake of FBR's incompetence to manage the tax theft through their corrupt inspectors and officials.

e) From the FBR document it seems they are seeking ERP based solution as they are asking implementer's experience in Pakistan. Production monitoring in the world, scope of ERP is only available for Oil and Gas industry internationally and never heard of in Pakistan on a large scale.

3) That a system earlier planned for cigarettes was more logical which was to monitor taxes paid on products for sales in the market. All legal and logical taxes on finished products are payable once the products are clear to be moved out of the manufacturing, hence seeking production record will always require an additional surveillance to track good supplied to the market. How can FBR or any other agency who has taken production record through "indigenous smart system", will reconcile goods supplied to 400000 outlets vs goods produced and monitored through the desired system.

4) That what happened to cigarettes tax stamp project? Was that dropped due to pressure from largest tax paying cartel? Or was that a bribe drive just to collect illicit money by threatening a specific industry by announcing tightening of controls by advertisement given out of public money.

5) That has FBR taken industry in confidence through the associations and chambers of commerce on such a step?

6) That what ensures that the associations and chamber of commerce will not jump in against such a plan and all exercise shall go in vein like in the case of cigarettes tax stamp project failure of FBR?

7) That instead of going for highly expensive new experiment in the world of production monitoring on exchequer's funding, FBR should follow the earlier model of cigarettes tax stamp project, based on no funding by exchequer, and additional collection revenue sharing.

8) That can FBR explain the following apprehensions :

a) Why this EOI will be not trashed like the Tax Stamp EOI for cigarettes?

b) From where in the world FBR has taken the idea for production monitoring? Can they be specific about the solutions and their implementation in different economies?

c) Is it not a fact that this experiment is an effort that the entire process, deemed to fail, is to address the desires of FBR technically, and after its failure FBR will announce that they have tried but the system was not successful? The exercise is being undertaken to allow the corrupt mafia in FBR to continue having a free hand in Tax Evasion as has been the practice since decades now.


Tl Pakistan has examined the complaint, and suggest that this whole exercise will cause loss of billions of rupees to the exchequer, as the project is likely to fail, and also many years will be lost to collect the tax evaded money.



In the greater interest of success of plugging tax evasion, TI Pakistan suggest the current EOI may only be proceeded once satisfactory replies to all above queries are provided with sound and solid reasons. FBR must also explain its position for not pursuing Cigarettes tax stamp project which was initiated by FBR and then dropped by them. For all practical reasons and global trend the first monitoring of tax evasion in all economies had been on the heaviest taxed item which without doubt is cigarettes. A sample of four time increase in tax revenue by introducing Cigarettes tax stamp project in one State of India is enclosed for FBR to review and follow.

Transparency International Pakistan is striving to have transparency in procedures and Rule of Law in Pakistan, which is the only way to eliminate corruption and have good governance in country.

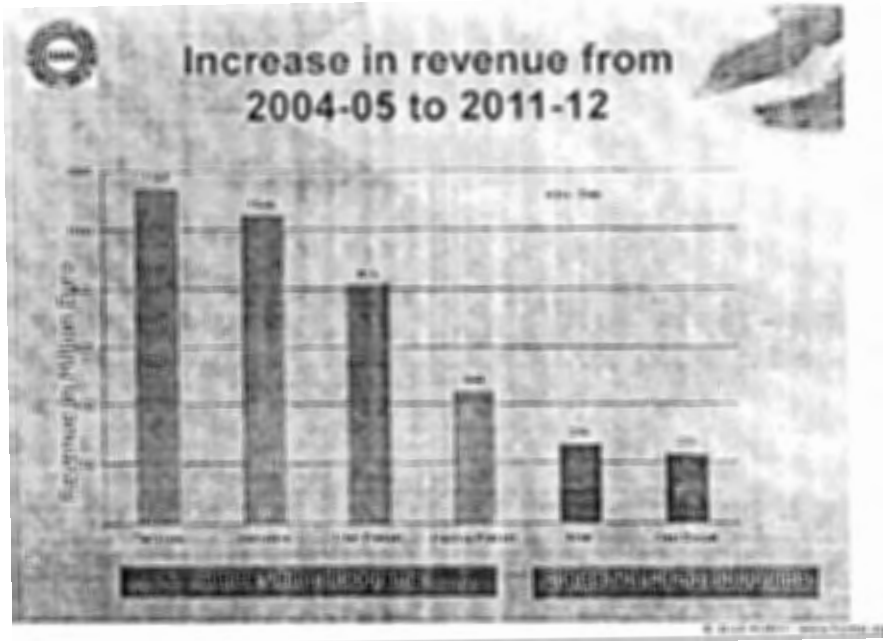
Yours Sincerely,



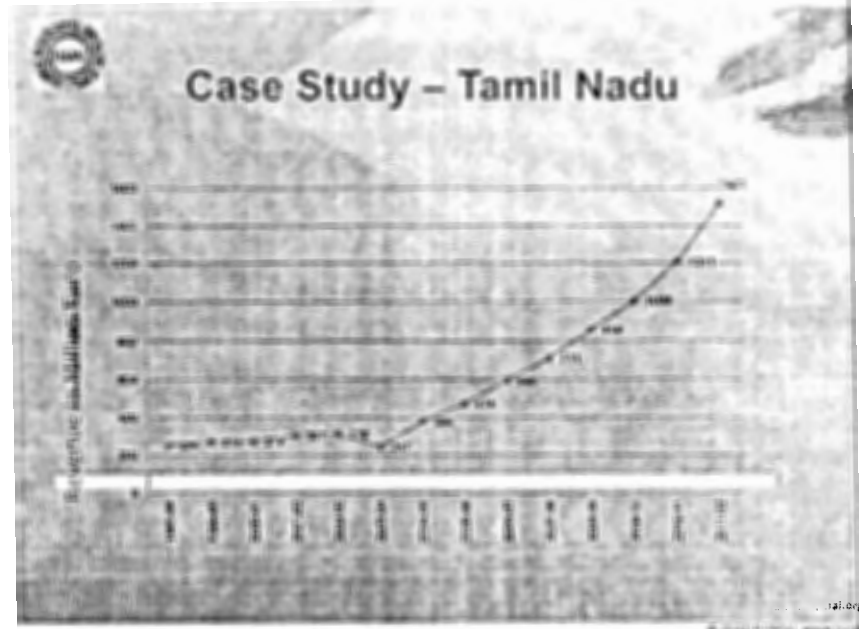
Sohail Muzzafar
Chairman

Copies forwarded for information and appropriate action under the mandate vested as the bid submission date is 23 July 2014, to,

1. Secretary to the Prime Minister, for information of the Prime Minister, Islamabad.
2. Chairman NAB, Islamabad, with a request to take action under NAO 1999.
3. Minister of Finance, Islamabad, with a request to note that this project is an eye wash patronized by vested interests, and must be streamlined to succeed.
4. Federal Tax Ombudsman, Islamabad, with a request to take action under FTO Ordinance, as FBR seems to be using deliberate delay tactics to avoid real tax collection.
5. Registrar, Supreme Court Pakistan, Islamabad.



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