

Ref : <u>KTBA/08.2021/252</u> Date : <u>August 23, 2021</u>

Mr. Asim Ahmad, Hon'ble Chairman, Federal Board of Revenue, Islamabad.

Sub: HACKING OF FBR / PROVINCIAL REVENUE AUTHORITIES DATABASES MANAGED BY PRAL

We draw your kind and urgent attention towards the concerns of Members of KTBA and Taxpayers' alike with respect to recent and perturbing news of hacking of taxpayers' data which is archived, held and managed by the FBR/PRAL for automation and integration of Federal and Provincial Taxes. Your goodself would recall that it is only a couple of months ago, system-based notices were issued mechanically U/s. 122(5) of the Income Tax Ordinance, 2001, to the taxpayers in bulk but were yielded in a compromising manner when the same was highlighted by the KTBA. Surely, this manifests the vulnerability of external tinkering in the system. The silence as to denial or acceptance of the news by FBR/PRAL is bizarre either!

It goes without saying that the data contains sensitive information comprising personal and business information including but not limited to IBANs, CNIC, Date of Birth, Passport which in many ways are associated with taxpayers Banks (both individual and business accounts) and other DFIs both domestically and internationally. Given the practice that data is hoisted and archived at Cloud system resource hence any casual approach in its protection may not only compromise the sovereignty of Pakistan but is likely to end up in grave consequences for taxpayers domestically and internationally.

Taking the advantage of the situation, we may also add that time and again KTBA had objected to the involvement of retired FBR employees and other private persons in the official work across field formations; who are hired by the officers and supervisory staff and are allowed the access to private information/data of taxpayers in soft as well as in hard contents that also make the data vulnerable.

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We, therefore, urge you to kindly ensure that all the steps will be brokered (in association with other regulators) to avoid the data breach recurrences in future!

Thanking you,

Yours sincerely,

(Muhammad Zeeshan Merchant)

President

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C.C to:

- i. Mr. Imran Khan, His Excellency, Hon'ble Prime Minister of Pakistan.
- ii. Mr. Shaukat Fayyaz Ahmed Tarin, Hon'able Minister of Finance, Govt. of Pakistan, Islamabad.
- iii. Dr. Wagar Masood, Special Assistant to the Prime Minister on Revenue Affairs.
- iv. Dr. Muhammad Ashfaq Ahmed, Member-IR (Operations), FBR, Islamabad.
- v. Ch. Muhammad Tarique, Member-IR (Policy), FBR, Islamabad.
- vi. Mr. Sajidullah Siddiqui, Member (Information Technology), FBR, Islamabad.
- vii. Mr. Aftab Hussain Nagra, President, Pakistan Tax Bar Association.
- viii. Press and Media.