

Modernizing Toll Collection and Excise Check Posts in AJ&K: A Policy Perspective

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Citation:

Qureshi, H., & Islam, M. (2023). Modernizing toll collection and excise check posts in AJ&K: A policy perspective. *Khyber Journal of Public Policy*, 3(1), Winter 2023, 1-17.

Article Info:


Received: 18/09/2023
Revised: 24/10/2023
Accepted: 2/11/2023
Published: 31/12/2023

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Abstract:

This research investigates the administrative control, operations, and challenges of the Inland Revenue Department (IRD) in Azad Jammu and Kashmir (AJ&K), focusing on its role in tax collection, particularly Road Toll. The study highlights the various heads under which the IRD collects revenue, such as Income Tax, Sales Tax, and Road Toll, among others. The performance of the department in achieving its revenue targets over the past five years is reviewed, with attention to the collection and monitoring processes at the check posts. The study identifies critical gaps in the system, including outdated manual operations, lack of data integration, inadequate staff training, and infrastructure deficiencies. The research concludes that modernizing the check posts through automation and better coordination between departments could significantly improve revenue collection and reduce tax evasion. Key recommendations include the introduction of automated systems, an e-tag system for vehicles, improved data sharing between various governmental entities, and capacity-building for staff. The paper advocates for the revision of relevant laws to support automation and the establishment of a dedicated monitoring cell to ensure better governance of the tax collection process.

Key words:

Inland Revenue Department, Road Toll, Automation, Tax Collection, Data Integration.

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Executive Summary

Road Toll is levied in the State of Azad Jammu and Kashmir (AJ&K) under Section 3 of the Azad Jammu and Kashmir Levy of Tolls Continuance Act, 1956, on commercial vehicles. This toll is collected by the Inland Revenue Department based on the rates specified according to the type and capacity of vehicles, as stipulated in the Azad Jammu and Kashmir Finance Act, 2022, and the notification dated 28th June 2019 issued by the Finance Department, GoAJ&K.

To ensure the collection of Road Toll, seventeen Excise/Road Toll Check posts have been established by the Inland Revenue Department, GoAJ&K, at all entry/exit points of AJ&K connecting the territory of the State to the geographical limits of Pakistan. The field staff of the Inland Revenue Department (RD) is deployed at these check posts to regulate/monitor the movement of excisable goods across the boundaries of AJ&K, collect excise duties and taxes, and perform the collection function of Road Toll tax under the relevant provisions of prevalent tax/fiscal laws applicable in AJ&K.

Reportedly, there is a shortfall in Road Toll collection associated with pilferage in tax revenue and poor monitoring of the transportation of excisable goods across the territory of AJ&K.

This issue has been highlighted/reported by different segments of civil society and departmental resources. In order to ascertain the facts and delve deep into the root causes of the apparent shortfall and propose enhancements in Road Toll generation, followed by the modernization of check posts, this study has been carried out. The study explores the reasons behind the shortfall, issues and challenges faced by the department in the collection of Road Toll, and identifies policy gaps and shortcomings. The analysis reveals that due to a manual system in place, there is tax evasion, smuggling of goods, and the department cannot realistically assign targets due to the absence of real-time data.

In light of the proposition and synthesis, the solution for modernizing Toll Collection and Excise Check Posts in AJ&K has been proposed from a policy perspective. The proposed solution involves the use of Information Communication Technology (ICT)-based services and the automation of the entire system of Road Toll collection, along with infrastructure development and strategic human resource management/capacity building of the existing employees of IRD and recruitment of eligible persons against vacant posts.

Introduction

Pursuant to the 13th Constitutional Amendment, 2018, in the AJ&K Interim Constitution Act, 1974 (as amended), the administrative control of the Inland Revenue Department (IRD) stands shifted to the GoAJ&K (The Azad Jammu and Kashmir Laws Code, Volume XIV, 2021). The IRD is the primary revenue-collecting entity of AJ&K, involved in revenue collection under the following heads, as per the relevant provisions of enforced tax laws (Budget estimates of Receipts, 2023):

Sr.#.	Head of Income	Governing Law	Mode of Enforcement
1.	Income Tax	Income Tax Ordinance, 2001	Adapted
2.	Federal Excise Duty	Federal Excise Act, 2005	Adapted
3.	Sales Tax	Sales Tax Act, 1990	Adapted
4.	Education Cess	Education Cess Act, 1975	Legislated
5.	Motor Tax	Punjab Motor Vehicles Taxation Act, 1958	Adapted
6.	Registration of Vehicles	AJ&K Motor Vehicles Ordinance, 1971	Legislated
7.	Entertainment Duty	West Pakistan Entertainment Duty Act, 1958	Adapted
8.	Road Toll	The Azad Jammu and Kashmir Levy of Tolls Continuance Act, 1956	Legislated
9.	Excise Duty on Medicines	Punjab Excise Act, 1914	Adapted
10.	Vend Act Fee	West Pakistan Tobacco Vend Act, 1958	Adapted
11.	Professional Tax	AJ&K Finance Act, 1991	Legislated
12.	Registration Fee of Real Estate Agents and Motor Vehicles Dealers	AJ&K Real Estates Agents and Motor Vehicles	Legislated
13.	Property Tax	AJ&K Property Tax Act, 2015	Legislated

For the financial year 2022-23, the revenue target assigned to the department was Rs. 36.5000 billion (Direct Taxes and Indirect Taxes), with Road Toll being one of the major heads of Indirect taxes collected by the department. Details of tax collection (Indirect Taxes) for the last (05) years are enumerated as follows in order to observe the trend of assignment of targets followed by the achievement of the assigned targets (Revenue Statement Excise, Sales Tax, and Provincial Taxes, for the Fiscal Year 2019-2020, 2020):

S#	Financial Year	Revised Revenue Target	Target Achieved
1.	2018-19	Rs. 6,010,000,000	Rs. 5,620,654,376
2.	2019-20	Rs. 5,750,693,000	Rs. 5,978,986,000
3.	2020-21	Rs. 7,900,000,000	Rs. 8,067,372,000
4.	2021-22	Rs. 8,767,900,000	Rs. 8,104,232,605
5.	2022-23	Rs. 8,914,740,000	Rs. 7,621,123,678

Revenue Statement Excise, Sales Tax, and Provincial Taxes, For the Fiscal Year 2022-2023, 2023).

In pursuance of Rule 13 of the Azad Government of the State of Jammu and Kashmir Rules of Business (Revised), 1985, issued via the Services and General Administration Department's (S&GAD) notification No. S&GAD/R/A-4(94)/2021(Part-XVII) dated 28th May, 2021 (The Azad Government of the State of Jammu and Kashmir Rules of Business (Revised), 1985, 2021), the Department of Inland Revenue has been entrusted with the functions of imposition, levy, assessment, and collection of all kinds of taxes, fees, and cesses applicable in the territory of Azad Jammu and Kashmir under the relevant provisions of different laws and rules, pursuant to Article 31(5) of the Azad Jammu and Kashmir Interim Constitution, 1974 (as amended), and other general or special enactments as governing laws on taxation matters (The Azad Jammu and Kashmir Interim Constitution, 1974 (as amended), 2018).

Road Toll is levied in AJ&K under Section 3 of the AJ&K Levy of Tolls Continuance Act, 1956 (The Azad Jammu & Kashmir Levy of Tolls Continuance Act, 1956, 1956) and is collected by the Inland Revenue Department on specified rates in terms of notification No.FDT-1(65)PIII/19/10241-90/2019 dated 28th June, 2019, issued by the Finance Department, GoAJ&K. For the said purpose, seventeen Excise/Road Toll Check posts have been established by the Inland Revenue Department, GoAJ&K, at all entry/exit points of Azad Jammu and Kashmir, and staff of the Inland Revenue department is being deployed on these check posts for monitoring excisable goods and performing the collection function of Toll tax.

Statement of the Problem

Excise/Road Toll Check posts have been established by the Inland Revenue Department, GoAJ&K at all entry/exit points on the geographical border of AJ&K adjoining the territory of Pakistan for performing the function of Toll collection under the provisions of relevant tax and fiscal laws at the specified rates. This is in addition to monitoring and checking excisable goods being transported and the related documents. However, a shortfall in road Toll collection associated with pilferage in Tax revenue and poor monitoring of the transportation of excisable goods across the territory of AJ&K has been highlighted/reported by the media from time to time. Therefore, to ascertain the factual position, determine the causes and reasons for the reported shortfall, and devise a mechanism for enhancement in Toll/Revenue collection, a policy decision, an in-depth study is necessitated.

Research Questions

- i. What are the impediments to revenue enhancement in terms of Toll collection?
- ii. Is there pilferage in the collection of Road Toll in AJ&K at different check posts, and if so, how can it be curtailed?
- iii. How can revenue in terms of road Toll collection be enhanced?

Document Review/ Review of Literature

Collection of Toll Tax/Road Toll by the Inland Revenue Department of AJ&K has legal backing in Article 31(5) of the Azad Jammu and Kashmir Interim Constitution, 1974 (as amended). Rule 13 of the Azad Government of the State of Jammu and Kashmir Rules of Business (Revised), 1985 envisions the function of collecting all kinds of taxes, including Direct Tax (Income tax) and Indirect Taxes (all taxes other than Income Tax), applicable in the State of AJ&K by the Inland Revenue Department. Additionally, under Section 3 of the Azad Jammu and Kashmir Levy of Tolls Continuance Act, 1956, issued by the GoAJ&K, the method for collecting Toll tax in AJ&K has been specified. The Sales Tax Act, 1990 also mandates the functionaries/field formations of the Inland Revenue Department, GoAJ&K, to collect Toll Tax and monitor the movement of excisable goods across the borders of the State (The Sales Tax Act, 1990., 1990).

Similarly, the Azad Jammu and Kashmir Finance Act, 2022, issued by the Law, Justice, Parliamentary Affairs, and Human Rights Department, GoAJ&K, via Notification dated June 6th, 2022, and Notification No.FDT-1(65)PIII/19/10241-90/2019 dated June 28th, 2019, of the Finance Department, GoAJ&K, empower the Government to collect Toll Tax from vehicles entering the territory of Azad Jammu and Kashmir at rates specified/notified by the Government of AJ&K through the AJ&K Finance Act, 2022 (The Azad Jammu and Kashmir Finance Act, 2022., 2022) and different notifications from time to time. These rates have been effective since

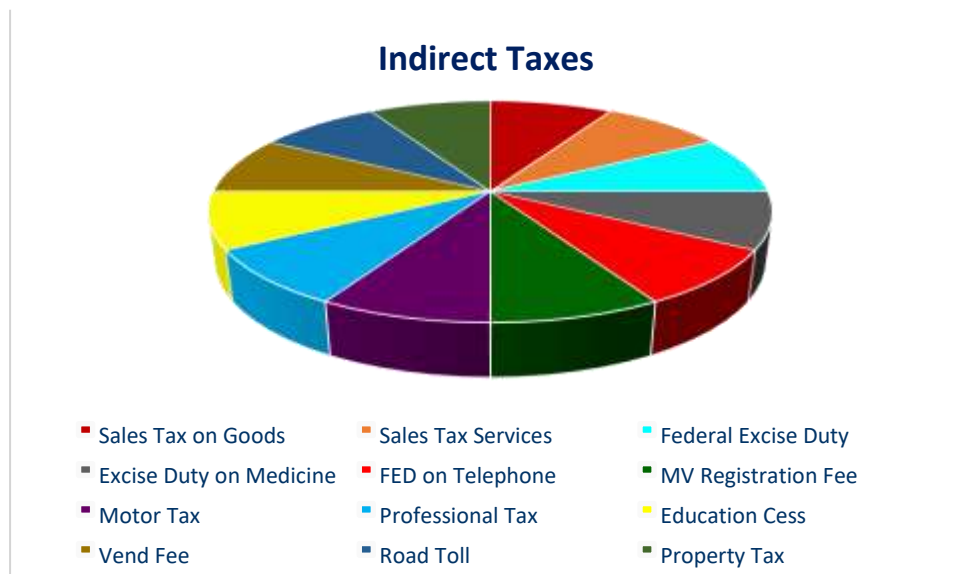
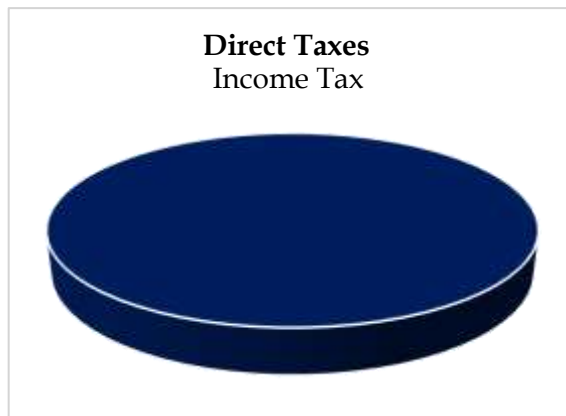
July 1st, 2019, for various categories of vehicles, including private vehicles, public carriers, and goods carriers.

Under the umbrella of the aforementioned legal framework and policies implemented in AJ&K regarding the collection of Toll tax, Excise/Toll Check posts have been established by the Inland Revenue Department, GoAJ&K, at all entry/exit points, and field staff is engaged in the collection of Toll Tax and monitoring of excisable goods being transported to and from the territory of AJ&K. To ensure effective monitoring, Section 40-DA has been inserted into the Sales Tax Act 1990, as adopted and enforced in Azad Jammu and Kashmir, through the AJ&K Finance Act, 2022. This Section provides a legal mandate for the establishment of Check posts at entry points of AJ&K.

Analysis

Situational Analysis

Inland Revenue Department is involved in collection of following categories of taxes;



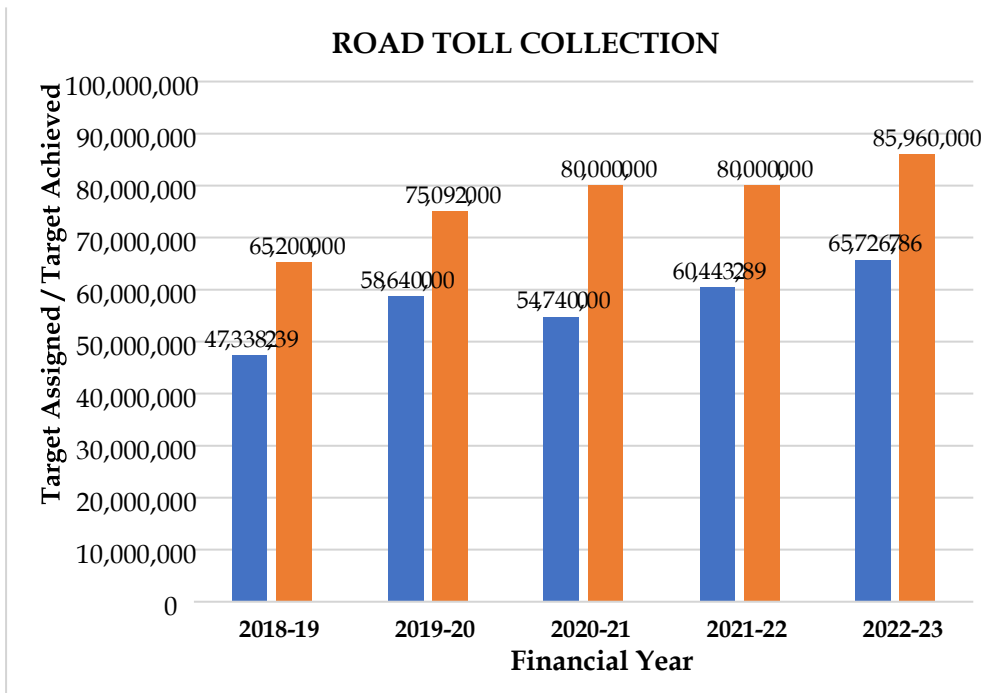
Road Toll constitutes a significant portion of revenue collection. In the exercise of the powers conferred under this Section, the Azad Jammu and Kashmir Central Board of Revenue (AJ&KCBR)/the competent forum, via Notification No. C. No. 2(3)- 1/Enforcement /2156-70/2022 dated December 22nd, 2022, has authorized the Check Posts established and operated by the Inland Revenue Department, GoAJ&K, at the entry/exit points/routes of Azad Jammu and Kashmir territory adjoining the border of Pakistan, for the purpose of examining the goods being transported and the documents related thereto. For this purpose, seventeen Toll Check Posts have been established in Azad Jammu and Kashmir at the following entry points of AJ&K to Pakistan:

S#	District	Toll Check Post
1.	Muzaffarabad	1. Brarkot 2. Kohalla No. 1
2.	Mirpur	3. Mangla 4. Dhan Gali
3.	Bhimber	5. Ali Baig 6. Barnala 7. Kadalla 8. Nand Pur 9. Bharing 10. Pindi Chunja 11. Manawar 12. Manawar-li
4.	Rawalakot	13. 13. Dhalkot
5.	Sudhnuti	14. Azad Pattan No. 1 15. Azad Pattan No. 2
6.	Bagh	16. 16. Kohalla No.2 (Gujar Kohalla)
7.	Kotli	17. 17. Hollar

A workforce from the Inland Revenue Department, including Inspectors Inland Revenue (BS-16), Excise Hawaldar (BS-07), Excise Constable (BS-04), and Excise Sepoys (BS-05), has been deployed at these toll posts. The field staff is engaged in monitoring and checking excisable goods, collecting Toll tax from vehicles, and clearing those vehicles/excisable goods for transportation across the border of Azad Jammu and Kashmir.

The details of Road Toll collected during the last (05) years by the Department of Inland Revenue are as follows (Revenue Statement Excise, Sales Tax, and Provincial Taxes, For the Fiscal Year 2022-2023, 2023):

S#	Financial Year	Revised Revenue Target (Road Toll)	Target Achieved
1.	2018-19	65,200,000	47,338,239
2.	2019-20	75,092,000	58,640,000
3.	2020-21	80,000,000	54,740,000
4.	2021-22	80,000,000	60,443,289
5.	2022-23	85,960,000	65,726,786



(Revenue Statement Excise, Sales Tax and Provincial Taxes, For the Fiscal Year 2022-2023, 2023)

Gap Analysis

Although check posts have been duly established, and the field staff of IRD is deployed for monitoring and Toll collection, there exist the following gaps that need to be addressed to enhance revenue collection in terms of Toll tax on vehicles:

Lack of Modern Equipment/Technology

Check posts in AJ&K are operating on a manual system. There is no automated/digital system for checking vehicles passing through the entry points, collecting Toll tax, and generating computerized receipts after the

payment of Toll Tax. This makes the system obsolete, and the department lags behind other provinces and the Federal Government in implementing this system. This deficiency results in an overall decrease in revenue collection in terms of Toll tax, and the monitoring of excisable goods is also compromised to a larger extent.

Non-availability of Real-Time Data of Vehicles Passing through the Check Posts

The majority of Toll/excise check posts in AJ&K are manually operated. The vehicles arriving there have to stop and pay road toll. Due to the absence of an ICT-based system, the total number of vehicles approaching the check posts is not available. Due to the chances of human error, the data cannot be quantified properly. Owing to this fact, potential revenue generation in terms of Road Toll cannot be estimated.

Automation and E-Governance Issues

The modern world is focusing on e-Governance and ICT-based service delivery. The National Highway Authority (NHA) in Pakistan used the E-Tag facility, which has been replaced with an even better M-tag facility recently. This provides an expedited means of access to frequent users of motorways who wanted unrestricted access to the motorway by opting for a radio frequency identification (RFID) sticker. The Toll booths automatically detect that sticker and allow the vehicles to pass through. No such type of facility exists in GoAJ&K for the payment or regularization of Road Tolls on the designated check posts, which is the dire need of the hour.

Lack of Interdepartmental Coordination and Data Integration

To maximize toll collection and the monitoring of excisable goods, there must be coordination among IRD, Industries Department, Tourism department, Police department, AJ&K IT Board, Department of Information Technology, and FBR, GoP, which is not the case. There exist bottlenecks in the estimation of revenue potential and confiscation of counterfeit products followed by their disposal due to the lack of coordination between police and allied departments with IRD.

Movement of Unauthorized Excisable Goods

Negligence on the part of the field formations of the Inland revenue department has been reported on certain occasions regarding the confiscation of non-duty/tax-paid excisable goods. The Toll posts have failed to play a significant role in curbing the movement of untaxed excisable goods in the past as well. Production and transportation of illicit/counterfeit tobacco products from AJ&K to the territory of Pakistan have been reported in the recent past, raising serious questions about the efficiency and effectiveness of the functioning of these check posts established by the Inland Revenue Department. This activity needs to be curtailed on an urgent basis to secure State Revenue in the form of Excise duties leviable on tobacco products and

to restrict the production of counterfeit products, which results in the enhancement of undocumented economy and revenue pilferage.

Gap between Expenditure and Revenue Collection

According to the official record, total revenue collection from all the check posts on account of Road Toll stood at Rs. 66.000 million for the Financial Year 2022-2023. While the cost of collection, i.e., the salaries and allowances of the employees deployed at these check posts along with the utility bills, etc., amounts to the total revenue of Road Toll collected.

Infrastructural and Logistics Issue

The Department of Inland Revenue is not only lacking in terms of the infrastructure of excise check posts, but also the logistics are deficient. The department is facing a serious issue of a lack of operational vehicles that should be readily available for the departmental field staff and at the disposal of the field functionaries. However, the department is facing a shortage of operational vehicles, which aggravates the condition further. Moreover, the infrastructure of roads and highways in Azad Jammu and Kashmir is also not very good due to the tough, hilly terrain on one hand and the harsh weather conditions including frequent landslides, etc., on the other hand. Therefore, there exist logistic issues faced by the employees of the department of Inland Revenue posted/deployed on these check posts.

Pilferage of Road Toll

Pilferage of Road Toll has been reported time and again on check posts as the system is operating on a manual basis. Moreover, most of the check posts are established on one side of the roads due to which many vehicles do not stop at the designated check posts for payment of Toll tax, and a significant chunk of revenue is being lost. Negligence on the part of the field staff cannot be ruled out in this regard. All of these factors combined lead to pilferage of Toll collection, and a nominal amount is being generated under the head of toll Tax. This gap between potential revenue and actual revenue generation needs to be bridged to streamline the process of toll collection.

Poor Working Conditions at Excise Check Posts

Check posts built by the department are not in good condition. Due to the tough hilly terrain of AJ&K and frequent landslides in the majority of the areas of the State, wear and tear of infrastructure are very common. Due to limited resources and non-availability of funds, it becomes difficult for the Department to reconstruct/maintain these check posts on a regular basis. Owing to the fact that the working environment is not favorable for the field staff of the department, the efficiency of the field formations is affected as they also have no other incentive available for performing this duty.

SWOT Analysis

The system of Road Toll collection in AJ&K is based purely on a manual basis. A SWOT analysis of this system has been done in order to establish the facts:

Strengths

- i. A system is duly in place for the collection of Road Toll with established check posts on every entry/exit point of AJ&K in the adjoining border of Pakistan.
- ii. Field formations of Inland Revenue Department are being deployed on the check posts.
- iii. The system not only collects road Toll but is also envisaged with the function of monitoring and checking of excisable goods produced/transported in/to the territory of AJ&K.
- iv. Monitoring of commercial vehicles and excisable goods by the Inland Revenue authorities helps in broadening the tax base as it helps in estimating the production of excisable goods by the companies/factories, thus determining the net production in the State and reflecting total factories operating under the jurisdiction of Inland Revenue Department GoAJ&K.
- v. These check posts help in Traffic management to some extent by regulating the number of vehicles that approach the road.

Weaknesses

- i. Since the system is operating on a manual basis, there are chances of human error, and all the vehicles cannot be monitored effectively.
- ii. Due to the presence of some loopholes in the system, monitoring of excisable goods and illicit production of non-duty paid goods has not been monitored as effectively as it should be, leading to the loss of State revenue.
- iii. Collusion on the part of tax authorities/field formations with factories/companies involved in tax evasion is reported, which results in pilferage of revenue in the form of duties and other leviable taxes.
- iv. As no data sharing of the total number of vehicles crossing the entry points of AJ&K is there among the Police Department, Federal Board of Revenue (FBR), and Tax authorities of AJ&K, seizure of illicit products and legal proceedings remain a continuous issue.
- v. Due to the absence of real-time data and data integration, the estimation of potential revenue generation through Toll collection system/check posts cannot be made, resulting in the assignment of ambiguous Revenue targets in terms of Indirect Taxes.

Opportunities

- i. As a system for the collection of Road Toll and monitoring of goods is already in place, it can be improved and digitized to enhance its efficiency.
- ii. Capacity building of field formations of IRD being deployed on the check posts can be carried out in line with modern best practices to improve their performance.

- iii. A mechanism of mutual Data sharing between concerned departments/ ministries of AJ&K as well as FBR should be devised by signing an MoU for the estimation of revenue potential and curbing illegal production/smuggling of excisable goods.
- iv. Monitoring of factories established in AJ&K involved in the production of excisable goods should be ensured by the Excise Squads of IRD.

Threats

- i. If the system is not automated on modern ICT-based services, the loss of revenue, in terms of Toll collection and pilferage of excise duty, etc., in the form of smuggling of excisable goods will continue to occur.
- ii. Due to the lack of integrated data and coordination amongst various Departments, the Government will never be able to enhance Tax revenue generation and curtail smuggling of illegal/counterfeit goods.
- iii. Lacunas in the existing system will continue to provide protection to the Tax-evading entities resulting in leakage of revenue in the form of duties and other leviable taxes.
- iv. Due to the absence of Real-time data, GoAJ&K wouldn't be able to assign evidence-based revenue Target, with special regard to Road Toll and Excise duty, to the Department.

Dimensions of the Issue

The Road Toll collection function has been assigned to IRD GoAJ&K under an extensive set of legal backings. The department has established a manual system of collecting this tax along with Excise duty on goods produced/transported to AJ&K through the entry/exit points. As the system operates on a manual basis, certain issues regarding a shortfall in road Toll collection, pilferage in Tax revenue, poor monitoring of transportation of excisable goods across the territory of AJ&K, and lack of efficiency and effectiveness have been reported time and again. The study transpires that these different dimensions of the issue have been attributed to and aggravated by the lack of an ICT-based system, lack of infrastructure and modern equipment, and negligence on the part of the field formations of the Department, which are the major impediments in revenue enhancement in terms of Toll collection. Pilferage in the collection of Road Toll and the loss of Road Toll revenue cannot be ruled out, which can be curtailed/enhanced by the introduction of an automated system of Toll collection.

Outcomes and Results of the Analysis/Issues and Challenges

Non-Digitization/Manual Toll Collection System

Due to the presence of a manual system, different loopholes responsible for tax evasion, malpractices on the part of the field staff of IRD, poor performance by the staff, and smuggling of goods exist. This needs to be tackled by replacing the current obsolete system of Toll collection.

Lack of Data Sharing mechanism between GoAJ&K and FBR/PRA's

There is no mechanism for data sharing in terms of vehicles passing through the entry/exit points of AJ&K to the adjoining provinces, the quantity of goods being transported to and from AJ&K, and allied data pertaining to the collection of Excise duty and the best practices adapted by the other provincial governments. This sense of isolation has brought no good as far as public service delivery is concerned. There is a dire need for a mutual data-sharing mechanism and collaboration to improve the efficiency of the system.

Lack of Data Integration Mechanism

At the first place, complete data regarding the number of vehicles, etc., is not available. The meager information that the Department does have is not integrated and readily available for any analysis or an informed evidence-based decision, which has far-reaching effects on the improvement of the system as well as policy formulation.

Lack of proper Infrastructure

Check posts established in AJ&K are in poor working condition due to harsh weather conditions, landslides, and lack of maintenance. Moreover, no modern equipment for checking and detaining the vehicles or smuggled goods is provided to the staff. This also has a deep impact on the performance and efficiency of the department.

Lack of Effective Human Resource Management

There is a shortage of staff deputed at the check posts. Usually, an Inspector is accompanied by an Excise Hawaldar and 02 Excise Constables, which is insufficient to cater to the needs.

Lack of effective monitoring of Field Staff

There is no proper mechanism for monitoring the field staff. The check posts are usually located in the outskirts of cities in AJ&K and are not prone to frequent surprise visits or monitoring by the senior officers. Therefore, negligence on the part of the staff cannot be ruled out.

Conclusion

The study reveals that the existing network of Toll/Excise check posts established on entry/exit points of AJ&K involved in the collection of Road Toll from commercial vehicles and monitoring of excisable goods, along with the collection of Excise duty and allied taxes, is operational. However, certain policy gaps exist regarding the automation of the Check posts, capacity building of the staff, improvement of infrastructure, provision of better logistics, data sharing amongst different departments, and effective monitoring of factory premises established in AJ&K. Revenue pilferage and the assignment of ambiguous targets to the Department due to the lack of

integrated data also remain major issues. This has been attributed to the existing policy gaps, which have serious consequences amid tax evasion and the illegal movement of excisable goods. In order to improve the system, IRD needs to be well-equipped with modern ICT-based services with trained, dedicated staff to prevent the loss of Tax revenue and smuggling of goods across these entry/exit points by addressing the trouble spots. The only plausible solution is shifting the existing manual system to a fully automated system for the collection of Road toll and allied taxes and monitoring of goods. Only then the check posts could be modernized in the true sense.

Recommendations

In view of the above discussion, the following recommendations have been formulated that must be implemented by the GoAJ&K to maximize the efficiency of check posts associated with Road Toll collection and monitoring of goods being transported across the border of AJ&K:

Recommendations	Time Frame	Implementing Agency
<p><u>Automation of Excise Check Posts</u></p> <p>Excise Check Posts operating under IRD at border to Pakistan are ill equipped to meet the contemporary challenges and need to be turned into smart check posts by application of modern technology to auto-deduct the payable tax and to auto-scan and detect the contraband to check smuggling. This transformation would prevent long queues of vehicles, laborious checking processes and involvement of human beings and make the exercise transparent and time saving.</p>	<p>Immediate, Long Term</p>	<p>IRD, Finance department and IT Department.</p>
<p><u>Introduction of e-tag system on pattern of Motorway/ NHA</u></p> <p>Excise/Toll check posts may be automated and equipped with-tagging facilities, issuance of computerized electronics receipts, on road electronic barriers and installation of cabins on the pattern of “e-tag system” of Motorway Authorities, as applicable in Pakistan.</p> <p>This will help in improving efficiency and increase in revenue generation as all vehicles have to pass through the system and chances of pilferage of revenue will tend to minimize.</p>	<p>Immediate, Short Term</p>	<p>IRD, Finance department, IT Department, AJ&K IT Board.</p>

<p><u>Data Sharing amongst Federal/ provincial governments and departments of GoAJ&K</u> In order to maximize the toll collection/ effective monitoring of excisable goods and modernizing the Toll check posts, there must be a coordination and a comprehensive mechanism of Data sharing regarding smuggling, tax evasion etc. amongst IRD, concerned Departments of GoAJ&K, GoP and provincial Governments. A Memorandum of Understanding (MoU) should be signed between the concerned Governments specifically GoP and Government of KPK, adjoining the most</p>	<p>Long Term</p>	<p>IRD, Industries, Tourism, Police, AJ&K IT Board, IT Department, FBR, GoP and PRAs.</p>
<p>important entry points of AJ&K, and relevant departments of GoAJ&K for mutual Data sharing and assistance.</p>		
<p><u>Amendment in “The Azad Jammu and Kashmir Levy of Tolls Continuance Act, 1956”</u> The Azad Jammu and Kashmir Levy of Tolls Continuance Act, 1956 empowers the collection of Road Toll. For collection of Toll through automated system, the act, <i>ibid</i>, should be amended accordingly so as to provide a legal backing/ insertion of a proviso for collection of Road Toll through an automated system.</p>	<p>Long Term</p>	<p>IRD, Finance Department, Law, Justice, Parliamentary Affairs and Human Rights Department.</p>
<p><u>Data Integration and Revision of Revenue Target in light of Real Time Data</u> Data collected through automated system should be integrated and should be readily available on the official website of IRD. Revenue targets of Road Toll as well as Excise Duty should be assigned to the field formations in light of the Real time Data.</p>	<p>Long Term</p>	<p>AJ&K-CBR, IRD, Finance Department.</p>
<p><u>Capacity building of the field Staff</u> The staff of IRD deputed on the check posts should be imparted necessary trainings and IT based skills in order to perform their duties efficiently and effectively.</p>	<p>Mid-Term</p>	<p>IRD, AJ&K IT Board, MIS Wing of IRD and IT Department.</p>

<p><u>Establishment of a Monitoring Cell by IRD</u></p> <p>After automation of the system, for effective monitoring of Check posts by the AJ&K-CBR/IRD and for gauging the performance of the field staff, a monitoring cell should be established in IRD and a dedicated team should be deputed for monitoring through online system. This will remove the chances of any pilferage and negligence on part of the field staff.</p>	<p>Long-Term</p>	<p>AJ&K-CBR, IRD, AJ&K IT Board, MIS Wing of IRD and the IT Department.</p>
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