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IAIO committee formed

FBR to launch public complaint portal



The Federal Board of Revenue (FBR) Tuesday constituted an Internal Affairs & Integrity Oversight (IAIO) Committee and ordered establishment of a public complaint portal to provide taxpayers and businesses a direct channel for reporting alleged misconduct, including the framing of bogus or frivolous cases by tax officials.

The FBR has also constituted separate Performance Review & Compliance Risk Management (PRCRM) Committees for Customs and Inland Revenue Service (IRS) operations, aimed at strengthening headquarters-level monitoring of operational performance, audit quality, risk-based enforcement and compliance.

According to FBR notifications issued with the approval of the competent authority, both initiatives have been introduced with immediate effect.

The IAIO Committee will be chaired by Member (Admin/HR), with Member (IR-Operations) and Member (Operations), Customs as members. The Director General, Intelligence & Investigation (Inland Revenue), and Director General, Intelligence & Investigation (Customs) will serve as co-opted members.

The Chief (Integrity Management Cell) will act as the Secretariat of the Committee.

The committee has been assigned headquarters-level oversight of FBR's integrity architecture and will directly implement GCD Recommendations 5, 6 and 7.

Under its mandate, the committee will consolidate complaints received through the Integrity Management Cell, Regional Integrity Committees, Intelligence & Investigation wings of IRS and Customs, Federal Tax Ombudsman (FTO), FIA, NAB and the Citizens Portal into a single centralised complaints register.

The committee will periodically report complaint volumes, their disposal and outstanding cases to the FBR Chairman.

It will also establish and maintain an Integrity Risk Register, identifying corruption vulnerabilities in high-risk functions including customs clearance, GST refund processing, audit case selection and procurement.

The IAIO Committee will review FTO compliance rates, contested orders and appellate reversal patterns to identify systemic procedural failures and integrity concerns at field formations.

It will further recommend changes to the code of conduct, integrity training programmes and rotation policies, coordinate with FIA and NAB on criminal referrals and maintain an implementation tracker for its recommendations.

A major component of the new framework is establishment of a public complaint portal on the IRS website.

The portal will provide taxpayers, businesses and members of the public with a digitised mechanism to lodge complaints against FBR officials. Complaints submitted through the portal will feed directly into the IAIO's centralised complaints register.

The complainant will first register on the portal and undergo basic identity verification designed to prevent frivolous mass filings.

However, the complainant's identity will remain protected from the official against whom the complaint has been made.

The system will generate a unique anonymised case number, which will be used for subsequent correspondence.

The complaint form will capture details regarding the nature of the complaint, the official involved, relevant formation and supporting evidence.

The IAIO Secretariat will then classify complaints into three broad categories: frivolous or lacking sufficient basis; requiring further investigation; or warranting direct disciplinary action.

Complaints falling into the first category will be closed with reasons, while those requiring investigation will trigger a probe. Cases warranting disciplinary action will be referred immediately.

For greater transparency, the portal will display aggregate complaint information covering volumes, stages and outcomes, while complainants will receive automated email updates at each stage until final disposal.

The IAIO Committee will conduct reviews every quarter and submit a formal Quarterly Report to the Board-in-Council, with the Chair required to personally present the findings.

The report will include consolidated complaints data, disciplinary outcomes by grade, violation and formation, criminal prosecution referrals, FTO compliance and appellate reversal analysis, besides updates to the integrity risk register.

The FBR will share summaries of IAIO quarterly reports with the Ministry of Finance as part of regular governance reporting.

Publication of complaint and disciplinary data will also be coordinated through the IAIO Secretariat.

In a parallel move, the FBR has constituted Performance Review & Compliance Risk Management (PRCRM) Committees for Customs and IRS operations under Notification No. 1540-IR-I/2026.

The PRCRM (Customs) will be chaired by Member (Operations), Customs, with Member (Audit), Customs and Member (Legal), Customs as members. Director

General, Post Clearance Audit will serve as co-opted member, while Chief (Customs Operations) will hold the Secretariat.

The PRCRM (IRS) will be chaired by Member (IR-Operations), with Member (Audit/CRM) and Member (Organisational Audit) as members. Director General (Internal Audit) will serve as co-opted member, while Chief (IR-Operations) will act as Secretariat.

Both committees will provide institutionalised headquarters-level oversight of operational performance and compliance risk management in their respective wings. Their mandate includes reviewing case-processing timelines, identifying persistent deviations from service standards and analysing consistency of enforcement practices across field formations.

They will also monitor the extent to which CRM-identified risks translate into enforcement action, examine the ratio of risk-based to non-risk-based audit selections and identify systemic bottlenecks in enforcement.

The committees will assess audit quality against applicable risk parameters and audit manuals, review MIS integration of audit findings and evaluate post-audit follow-up and recovery performance.

The PRCRM committees have also been empowered to recommend corrective measures relating to procedures, workflows and data systems and track implementation of recommendations made during previous quarters.

Persistent non-performers may be referred to the Board-in-Council for further action.

Each committee will conduct quarterly reviews and submit formal reports to the Board-in-Council, covering performance by formation and function, CRM-to-enforcement translation rates, audit-selection methodology, audit quality, systemic gaps and corrective actions.

The committees will maintain rolling implementation trackers showing the responsible formation or directorate, target timeline and status of each recommendation.

The FBR will share summaries of these reports with the Ministry of Finance, while the summaries will also be made available to the IMF on request.

The PRCRM committees have additionally been tasked with conceptualising and digitising oversight processes through standardised performance-monitoring frameworks for Customs and IRS formations.

The proposed digitised workflows are intended to enable real-time data collection and automated flagging of deviations.

They will also develop a graduated corrective-action framework under which responses to performance gaps could range from nudges and formal warnings to mandatory training and disciplinary referrals, depending on the severity and persistence of the shortcomings. A formation-by-formation Performance Evaluation Report will be prepared every quarter, covering audit quality, CRM-to-enforcement translation, refund-processing timelines and compliance with operational standards.

The quarterly reports are to be submitted to the Board-in-Council within 45 days of the close of each quarter.

Overall, the two initiatives represent a move towards a more centralised and data-driven oversight mechanism within the FBR, combining public complaints and integrity monitoring with measurable performance, audit and compliance indicators across both Customs and Inland Revenue operations.

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