Procurement of Services of a Software House/Firm under Framework Agreement
RFP No. GSD (Proc. II)/ ITG-Software Development Services/43688/2022

Addendum# 01
Date: 27-07-2022

With reference to the Bidding Documents, issued to the Pre-Qualified Applicants on July 20, 2022, for the subject procurement, the Procuring Agency is pleased to make the following amendment;

Reference	Previous	Revised
SECTION VII – TECHNICAL REQUIREMENTS *(Line 3, Page 37/80)*	*An initial list of software requirements finalized during the current year is given below:*	*The sample Business Requirement Documents (BRDs) for following IT Streams are enclosed;* 1. ***CBA:*** *Regulatory Violations Reporting System (RVRS)* 2. ***DWH:*** *Enhancing Half Yearly Branch Level Banking Statistics* 3. ***ERP:*** *Provincial Sales Tax Implementation in Accounts Receivable module of CMS (To be implemented in NIBAF)* 4. ***Web Application:*** *SBP Internship Program-online application process*

Rest of the Terms of the Conditions of the Bidding Documents shall remain intact. In pursuant to ITB 8.1, this addendum is also available on the procuring agency's website: https://www.sbp.org.pk/

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Regulatory Violations Reporting System (RVRS)

Version 1.0

Prepared by: Monitoring & Verifications Division
Foreign Exchange Operation Department

15th March 2021

Contents

1.   Project Overview:

2.   Project Purpose, Background and Scope:

3.   As Is Process:

4.   To Be Process (Proposed):

1.   Project Overview:

i.   Log History:

Log No.	Date	Revised By	Summary of Changes
1.0	15-Mar-21		First Version

ii.   Stakeholders:

S. No.	Stakeholder Name	Internal/External	Role
1	FEOD	Internal Stakeholder	>Gathering business requirement for the system. >Issuance of instructions to FEO Divisions at SBP BSC Field offices. >Uploading/Downloading/Modifying Data and Generating custom reports. >Issuance of Show Cause Notices to ADs >Referral of finalized violations to OSED through IOM
2	ISD	Internal Stakeholder	Development of System
3	SBP BSC Field Offices	Internal Stakeholder	Uploading Data on specified formats
4	OSED	Internal Stakeholder	Uploading final decision on instances referred by FEOD.
3	BID	Internal Stakeholder	Referral of Violations booked during onsite inspection.

iii.   Document Approvers:

Approver Name	Approval Designation	Signature/Approval	Date
Shakeel Muhammad Paracha	Head of Department (A)		

iv.   Project Dependencies:

S. No.	Prerequisites
1	Standardization of fields/formats for each violation to be referred by Field Offices and departments of SBPBSC-HOK in order to eliminate duplication and redundancy.
2	Specifying formats of custom reports.

v.   Glossary of Terms:

S. No.	Term	Definition
1	FEOD	Foreign Exchange Operations Department
2	FEAD	Foreign Exchange Adjudication Department
3	ISD	Information Systems Department

S. No.	Term	Definition
4	OSED	Offsite Supervision and Enforcement Department
5	BID	Banking Inspection Department
6	EPD	Exchange Policy Department
7	ADs	Authorized Dealers
8	EORS	Export Overdue Reporting System
9	WeBOC	Web Based One Customs
10	ITRS	International Transaction Reporting System
11	FERA, 1947	Foreign Exchange Regulations Act of 1947
12	FE Manual	Foreign Exchange Manual

2. Project Purpose, Background, Overview and Scope:

1. Purpose:

The purpose of this document is to develop a system/portal that will enable different internal stake holders to timely refer various violations of Foreign Exchange Regulations observed in FX operations of ADs to Executive Forum FEOD and automate the operations of Executive Forum.

2. Background:

SBP vide Notification dated 08-10-2018 empowered the officers of Foreign Exchange Operations Department (FEOD), SBPBSC to exercise the powers entrusted to SBP under Section 23K of FERA, 1947 on all violations observed in FX Operations of ADs that occurred prior to 27-07-2016. In this regard, an Executive Forum was established at FEOD, SBPBSC Head Office for taking enforcement action against non-compliant ADs under Section 23K of FERA, 1947. Subsequently, SBP vide another Notification dated 04-02-2019 further empowered the officers of FEOD to issue show cause notices and to conduct hearings in the name of SBP, under Section 23K of FERA, 1947 on all violations that occurred on and/or after 27-07-2016.

Therefore, in order to initiate enforcement action against non-compliant ADs as per procedure laid down in aforementioned SBP Notifications, the Executive Forum gathered historical data/documents of all pending cases against ADs at Foreign Exchange Adjudication Departments (FEAD), instances of unresolved violations observed by all FEO Divisions at field offices of SBPBSC, violations observed during monitoring of transactions obtained from EORS, WeBOC and ITRS at FEOD-HOK, violations booked during onsite inspection by BID and other violations referred by OSED and EPD. Till Dec 2020, the Executive Forum issued show cause notices to ADs against approximately 135,707 instances of various violations.

However, data received from multiple sources during any day of the year poses a threat of incomplete consolidation and adversely effects the efficiency of enforcement action taken by Executive Forum.

In order to bring consistency and to streamline the enforcement action, the Executive Forum vide Circular dated 26-12-2019 disseminated guidelines to al FEO Divisions at Field offices of SBPBSC regarding referral of regulatory violations to Executive Forum.

3. **Overview:**

Presently, FEO Divisions of SBP BSC, FEOD-HOK, OSED, EPD and BID refer various violations to Executive Forum at FEOD for taking penal action against non-compliant ADs. The violations referred to Executive Forum are sent via emails and IOMs in non-standard and incomplete formats (mostly in hard copies). Moreover, there has been a continuous lag in operations at Executive Forum due to revisions in data from various sources received via emails. Further, sorting each violation bank wise, keeping a record of all emails/IOMs wherein violations are referred, ensuring completeness of data, cleansing the data for accuracy, keeping record of decision against each transaction of every bank and conveying the same to relevant SBP and SBPBSC Departments and Divisions is a cumbersome task.

Therefore, in order to ensure the accurate reporting of data at Executive Forum, to increase efficiency and to streamline the process for seamless operations, it is proposed that an Oracle Based application may be developed where data is uploaded by relevant internal stake holders on standardized formats. The proposed solution shall reduce redundancy and will help in avoiding unnecessary delays in enforcement under Section 23K of FERA, 1947.

4. **Scope:**

The primary scope of the document is to provide baseline requirements for a platform that will streamline consolidation of bank-wise and nature of violation wise data, prevent duplication of data and record action taken by the Executive Forum against each transaction.

3. As Is Process:
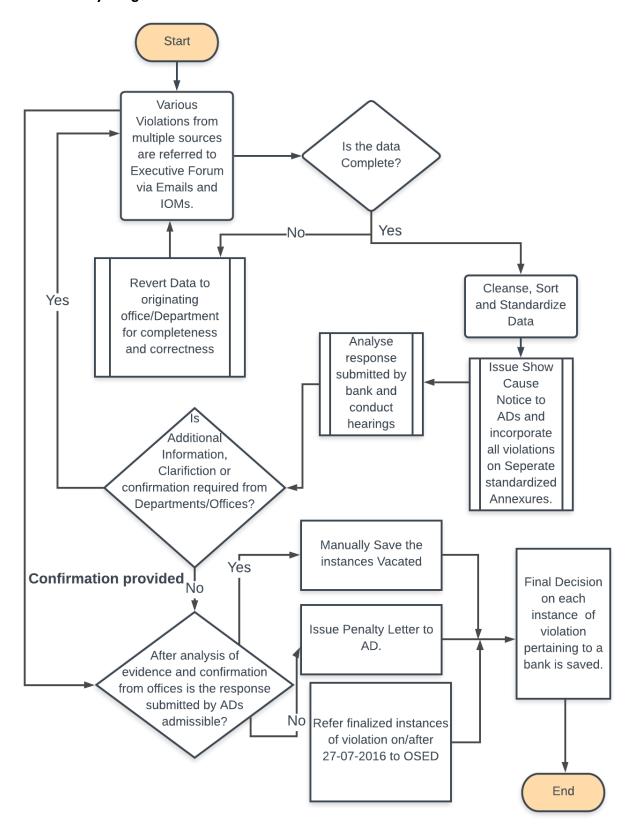
i. **Details of Current Process**

Currently, the Executive Forum receives various violations in non-standard format from various Departments of SBP and FEO Divisions at SBPBSC Field offices. Hundreds of transactions received through Emails and IOMs are reviewed, cleansed, verified and sorted bank-wise in standard formats for issuance of show cause notices to ADs and subsequently hearing opportunity meeting is conducted with each AD. Instances of transactions referred to ADs is manually recorded and tracked which puts impediment in the actual enforcement action. Moreover, the current process possessed inherent risks as mentioned below:

a. Risk of data integrity.
b. Loss of Data stored in various folders and files on different PCs.
c. Issuance of Duplicate Record in Show Cause Notices.

d. Incomplete enforcement due to data missed during consolidation.

e. Risk of miscalculation of penalty.

f. Lack of tracking of emails and IOMs.

Although Executive Forum has disseminated extensive guidelines to SBPBSC field offices in order to streamline the process, however, the above mentioned risks still persist.

ii.   Activity Diagram of Current Practices:

```
                              ┌──────────┐
                              │  Start   │
                              └────┬─────┘
                                   │
                    ┌──────────────▼──────────────┐
                    │   Various Violations from    │      ┌──────────────┐
                    │   multiple sources are       │─────▶│ Is the data  │
                    │   referred to Executive      │      │  Complete?   │
                    │   Forum via Emails and IOMs. │      └──────────────┘
                    └──────────────────────────────┘
```

Start

Various Violations from multiple sources are referred to Executive Forum via Emails and IOMs.

Is the data Complete?

No — Revert Data to originating office/Department for completeness and correctness

Yes — Cleanse, Sort and Standardize Data

Issue Show Cause Notice to ADs and incorporate all violations on Seperate standardized Annexures.

Analyse response submitted by bank and conduct hearings

Is Additional Information, Clarifiction or confirmation required from Departments/Offices?

Confirmation provided — Yes

No

After analysis of evidence and confirmation from offices is the response submitted by ADs admissible?

Yes — Manually Save the instances Vacated

Issue Penalty Letter to AD.

No — Refer finalized instances of violation on/after 27-07-2016 to OSED

Final Decision on each instance of violation pertaining to a bank is saved.

End

4.To Be Process (Proposed):

In order to streamline the process and increase efficiency of operations at Executive Forum it is proposed that an Oracle based platform may be developed with built in modules of different banks containing pre-defined formats for referral of various violations of FE regulations for system generated show cause notices to ADs along with Annexures, Penalty calculations and referral of finalized violations to OSED through IOM.

The proposed solution shall reduce duplication of data and will help in avoiding unnecessary delays in enforcement under Section 23K of FERA, 1947.
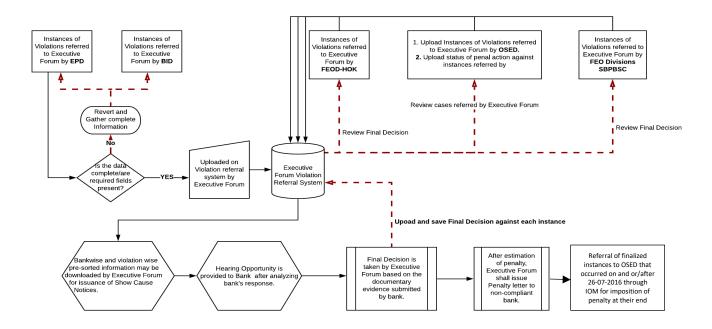
1. **Major Changes to the Business Process:**

   i. Referral of Violations by Field Offices and departments of SBPBSC-HOK on standardized format.
   ii. Development of mandatory fields and data checks for completeness and accuracy of data at the time of uploading.
   iii. Data of violations of all banks (historic and current) shall be stored at one centralized location that will reduce the risk of data loss and data integrity.
   iv. List of value with complete name, code and address of the CEO of respective bank.
   v. Issuance of System generated shoe cause notices to ADs along with Annexures.
   vi. Updation of ADs response against Show Cause notices in the system.
   vii. Penalty calculation mechanism as per pre-defined parameters may also be incorporated in system to reduce the risk of errors.
   viii. System generated IOM for referral of finalized violations to OSED that occurred on and/or after 27-07-2016 for imposition of penalty at their end.
   ix. Penal action taken by Executive Forum and OSED against finalized violations shall be recorded in the system.
   x. MIS Reports for onward submission to Competent Authority.
   xi. Effects of enforcement under Section 23K shall be monitored.

2. **Limitations of the Proposed Solution:**

   i. Executive Forum will have to upload details of few observations received from EPD and BID themselves.
   ii. Violations pertaining to E-Forms reported in EORS will be recorded and marked in the proposed system. However, the decision will not reflect in EORS.

3. Activity Diagram of the Revised Process

Business Impact Analysis/ Deliverables

Sr.	Process Improvement	Process Comparison			Impact Analysis
		Manual	**Automation**	**Improvement**	
1	Reduction in Human Resource Requirement	4	2	2	Referral of violations on standard formats on single platform will reduce the requirement of at least 4 personnel.
2	Expected Reduction in Error rate (% of the total transactions received)	10%	5%	5%	Reduction in duplication of data is expected and risk of receiving incomplete data will be eliminated.
3	Reduction in "Change of Hands"	The process requires data to be referred to Executive Forum and Final Decision to be disseminated to relevant stakeholders	The process requires data to be referred to Executive Forum and Final Decision to be disseminated to relevant stakeholders	The process requires data to be referred to Executive Forum and Final Decision to be disseminated to relevant stakeholders	System will reduce time in referral of data and increase accuracy of data.
4	Reduction in Lead Time (working days)	20 days	5 days	15 days	Automation will assist in eliminating the time lost in getting the data revised which takes several days.
5	Improvement in Correspondence with Stakeholders	Final decision is neither recorded formally nor is it shared with the relevant office.	Relevant office shall be able to view final decision on each transaction.	Field offices of SBPBSC will be able to view and record the final decision and pursue the transactions accordingly.	Decision on instances obtained by field offices from various sources will be consolidated/ recorded and saved for future action and reference.

Enhancing Half Yearly Branch Level Banking Statistics

Version 1.0

Prepared by: <Statistics & Data Warehouse Department (SDWD)>

Date: <Jul 14, 2022>

Contents

1. Project Introduction:

1. Log History:

Log No.	Date	Revised By	Summary of Changes
1.0	July 07, 2022	Sagheer Hussain	First Version

2. Document Approvers:

Approver Name	Designation	Signature/ Approval	Date
Dr. Muhammad Nadeem Hanif	Additional Director	Electronic Approval	July 13, 2022
Dr. M. Ali Choudhary	Research Advisor	Electronic Approval	July 13, 2022

3. Project Dependencies:

#	Prerequisites
1.	Requisition to be signed off by Group Head
2.	Submission of completely filled Performa to ISD
3.	Internal review of scope and assessment of time and resources by ITG and recommendation to Sub-Committee of ISC on Rationalization of IT Projects for its approval.
4.	Formal Acceptance of ITG for inclusion in Business Plan of requesting department.

2. Project Requisition

S#	Item	Description
	After completing the document, please forward to SoftDev.ISD@sbp.org.pk For annual business planning please follow the deadlines set by business planning function.	
1.	Organization: • SBPS • BSC • NIBAF • DPC	SBP
2.	Department Name	Statistics & Data Warehouse Department (SDWD)
3.	Group Name	Research Group
4.	Business Plan FY	2022-23
5.	Project Title (Maximum 80 characters)	Enhancing Half Yearly Branch Level Banking Statistics
6.	Project ID: Specify ITG allotted Project Ref. Number from previous year if the project was included in the automation requirements of previous year but could not be initiated or completed (Spillover project)	
7.	Project Type: • New Requirement • Enhancement	Enhancement
8.	Has the project been approved by Business Side Group Head/MD? (Yes / No)	Yes
9.	Importance at Group/MD Level: • Critical • High • Medium • Low	High
10.	Priority Sequence Number at the Group/MD Level: - For SBP it will be set by Group Head, for projects within the respective group - For BSC, NIBAF & DPC it will be set be MD for projects for the respective organization	
11.	Nature: • New • Spillover (from Year) • Phased (Years Included) (Reasons to be given in case of Spillover Project)	New
12.	Linkage with Strategic Goal & Tactical Objectives *(SG-? And TO-?)*	SG-1 and TO6

S#	Item	Description
13.	**Project Deliverables** Anticipated output / outcome of the development project.	In order to enhance the data coverage, number of new variables are required in existing datasets along with modification in available output reports for incorporating new variables. Additionally, a new dataset for Profit & Loss Accounts is required including the development of its output report. For facilitating in data consolidation/compilation activities, an interactive report is required for each dataset to generate the industry wise output (for all input variables in csv format) for any given reporting period. Further, for monetary aspect, the frequency of all datasets is also need to be revised from 'Half Yearly' to 'Quarterly'.
14.	**Impact:** • Departmental • Organizational • National / International	• Organizational • National
15.	**Beneficial Outcomes:** a) Process improvement b) Risks Mitigation c) Cost reduction d) *Resource Optimization* e) Others *(give brief justification against each of the selected parameters)*	• Process Improvement is expected after the modification in existing reports as well as development of new interactive report • Resource optimization is anticipated due to the addition of new dataset of Profit & Loss Accounts and output reports • Monetary benefits are targeted by revising the frequency of data acquisition from 'Half Yearly' to 'Quarterly
16.	**Sensitivity Level** • *Confidential* • *Normal* • *Unclassified* • *Personal Identifiable Information*	Normal
17.	**Development Platform:** • T24 (Banking / Currency) • Oracle EBS (incl. Payroll, MSS & PMS) • Custom Built Applications • Knowledge Management (KM) • DAP / Data warehouse DWH)	DAP/ Data Warehouse (DWH)
18.	Name and contact details of Project Coordinator(s) from business side.	Ms. Sidra Jabeen, Contact: 021-3245 4983, e-mail: sidra.jabeen@sbp.org.pk Mr. Waqar Ali, Contact: 021-3245 4981, e-mail: waqar.ali3@sbp.org.pk

S#	Item	Description

19.	**Major Stakeholders:**
	Internal: Groups
	             Departments
	External: Banks
	          Government
	          Business Community
	          General Public
		Internal: MPRG, RG
		Departments: MPD, RD, EPRD and FSD
		External: Banks, Government
		Business Community and General Public

20.	Transaction Turnover per annum (Historical/Forecasted)	Around 200,000 transactions per year (Historical)
21.	Existing workload before automaton: (Estimated work-days required per year to accomplish the function manually)	N/A. The system is already automated.
22.	Expected workload after automaton: (Estimated work-days required per year to accomplish the function through automation)	N/A. The system is already automated.
23.	Expected life of automation solution (*Please specify expected life of automation solution in No. of years i.e. how long it will be in use after implementation*)	As long as SBP is acquiring the subject data from scheduled banks
24.	Impact if the requirement is **not** taken up this year	Weak basis of economic policy
25.	Expected number of system users: • *Internal* • *External*	• Widely used by various departments of SBP Internally • Externally used by all scheduled banks
26.	Does the required automation solution involve attaching document files for processing? If yes, please provide size estimation of the largest file (X-MB).	N/A. The system is already automated.

3. Project purpose, background and scope:

1. Purpose:

The purpose of this document is to provide the business requirement details for carrying out the enhancement in existing data acquisition and data compilation formats along with addition of new format for Profit & Loss Accounts.

i. Overview:

Currently, scheduled banks are submitting csv files systematically while reporting the data for various datasets including deposits, advances & bills, liabilities & assets, investments, debt to deposits and disbursements twice a year.

ii. Background/Rationale for initiating development project

In order to enhance the data coverage, number of new variables are required in existing datasets along with modification in output reports. Additionally, a new dataset for Profit & Loss Accounts is required including the development of its output report. For facilitating in data compilation, an interactive report is required for each dataset to generate the industry wise output (csv format) of any given reporting period. Further, for monetary aspect, the frequency of all datasets is also need to be revised from 'Half Yearly' to 'Quarterly'.

iii. Main features

Branch Level monitoring of scheduled banks for subject areas including deposits, advances & bills, liabilities & assets, investments, debt to deposits and disbursements as well as aiming to enhance its coverage by including the subject area of Profit & Loss Accounts.

2. Scope:

Describe the current scope of automated system. Mention the major tasks that need to be automated through the new system:

1. System is already automated for covering the data acquisition for following datasets:
   a. Half Yearly –Deposits
   b. Half Yearly -Advances & Bills
   c. Half Yearly -Liabilities & Assets
   d. Half Yearly -Investments
   e. Half Yearly- Debit to Deposits
   f. Half Yearly- Disbursement

However, in order to enhance the data coverage, number of variables are required in above datasets including the requirement of new dataset for Profit & Loss Account.

2. Modification in existing output reports as well as development of new report for Profit & Loss Accounts
3. Development of an interactive report for helping in data consolidation/compilation
4. Change of data acquisition frequency from 'Half Yearly' to 'Quarterly'

Following items will be **out-of-scope**:

1. Publication Requirement

3. As-Is Process:

Presently, data acquisition, consolidation and compilation is performed systematically through DAP.

1. Issues with current process:

Since the process of data acquisition and compilation is already automated on DAP, so no significant issue is faced. However, development of new interactive report will help further in data consolidation/compilation.

2. Activity/Flow diagram of current process:

Data Acquistion → Data Conslidation/Compilation → Data Publication

3. Process description of current process:

a. **Data Acquisition**: All schedules banks are reporting data systematically through DAP

b. **Data Consolidation/Compilation**: Reported data is consolidated/Compiled through available output reports on DAP

c. **Data Publication**: Data Publication is performed systemically through other workaround

4. To-Be Process (proposed):

1. Major changes to the business process:

Following changes are required in the existing system:

- In order to enhance the data coverage, number of new variables are required in existing datasets along with modification in available output reports for incorporating new variables.
- A new dataset for Profit & Loss Accounts is required including its output report.
- For facilitating in data consolidation/compilation, an interactive report is required for each dataset to generate the industry wise output (for all input variables in csv format) for any given reporting period.
- For monetary aspect, the frequency of all datasets is also need to be revised from 'Half Yearly' to 'Quarterly'.

2. Limitations of the proposed solution:

No limitation.

3. Activity/Flow diagram of the revised process:

```
┌─────────────────┐      ┌─────────────────┐      ┌─────────────────┐
│                 │      │ Data Consolidation/│    │                 │
│ Data Acquisition │  ➤  │   Compilation    │  ➤  │ Data Publication │
│                 │      │                 │      │                 │
└─────────────────┘      └─────────────────┘      └─────────────────┘
```

4. Process description of proposed process:

a. **Data Acquisition**: All schedules banks are reporting data systematically DAP

b. **Data Consolidation/Compilation**: Reported data is consolidated/Completed through available output reports on DAP

c. **Data Publication**: Data Publication is performed systemically through other workaround

5. Accounting/Any Other Detail

This detail is not applicable for this project.

5. System generated reports and formats

Details for input and reports formats are attached below:

Input and Output
Formats.docx

6. Business impact analysis

S. No.	Process Improvement	Process Comparison			Impact Analysis
		Manual	**Automation**	**Improvement**	
1	Incorporation of above changes by introducing new attributes in existing DFS and addition of new DFS for Profit & Loss Account	70%	100%	30%	This will help for improving the Efficiencies in data processing and analysis
2	Expected Reduction in Error rate (% of t1e total transactions received)	20%	0%	20%	The new requirement of interactive report will help to reduce the errors which are being faced during manual data consolidation through excel based sheets separately for each bank.
3	Reduction in Lead Time	2 days	1 day	1 day	The time involved in data consolidation and compilation will be reduced significantly.

Provincial Sales Tax

Implementation in Accounts Receivable module of CMS

To be implemented in NIBAF

Feedback / Key Input

Adeela Koser, Umar Hayat Khan, Syeda Sadaf Baqir, Zafar Iqbal Qazi, Amjad Masood

Compiled by:

Zafar Iqbal Qazi – NIBAF

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1. PROJECT OVERVIEW
1.1 Objective

The purpose of BRD is to identify the area where attention requirement for improving the internal system i.e. current accounting system, system capturing & control of the financial data needs to be incorporated at NIBAF enabling primarily to start charging the sales tax in accordance with the sales tax laws. While doing so, it is equally important to have complete record in coherent manner for maintaining complete record in all aspect for the use of internal & external stakeholder in timely manner.

1.2 Stakeholders

S.#	Stakeholder Name	Role
1	Amjad Masood	Developments/ Amendments / Technical & Business Support
2	Umar Hayat & Shehryar Khalid	Business User of GL System (Data Inputter)
3	Zafar Iqbal Qazi & Adeela Koser	Business User of GL System Supervisors
3	Users: Academics, Hostel, Facilitation & Regional Campus	Invoice Creation (Request and Feed)
4	Main: Umar Hayat Backup: Shehryar Khalid & Adeela Koser	Process and Issuance of AR Invoices to customers. Providing / maintaining necessary income detail & reports for internal & external needs
5	Head IMU NIBAF	Audit of the AR Invoices
6	Director L & D	Director L & D
7	Sr. JD – Accounts	Divisional Head
8	MD NIBAF	Approving Authority

1.3   BRD Document Reviewer

Reviewer Name	Approval Designation	Signature/Approval	Date
Umar Hayat Khan	AD – Income / AR		
Adeela Koser	DD – Tax Desk		
Zafar Iqbal Qazi	JD - Accounts		
Muhammad Laiq	JD - Audit		
Amjad Masood	JD – IT		
Syeda Sadaf Baqir	Sr. Joint Director (HR & Finance)		
Syed Sajid Ali	Director (Learning & Development)		
Riaz Ali Chunara	MD – NIBAF		

1.4 Project Dependencies / Deliverables

S.#	Prerequisites
1	Finalization of business requirements & approval hierarchy
2	Timely development by the developer for UAT of system as well as reports
3	Timely UAT by all business users
4	Timely finalization of development after UAT by the developer for QA
5	Timely submission for QA and version upgrade before Go-Live by ISD
6	Timely Implementation after Go-Live by the developer

2. PROJECT PURPOSE BACKGROUND AND SCOPE

2.1 Purpose

In view of Training services brought into the federal & provincial sales tax net through Finance Act of the respective tax authorities, NIBAF has recently been registered with taxation authorities in places where NIBAF is extending its services in Pakistan. After registration, it is mandatory for NIBAF to issue sales tax invoices to its customers. Further, the scope is enhanced for the issuance and receipt from the customer in advance from its customers.

Currently non-taxable invoices & sales tax invoice (where there is only one taxable entry) are being generated thorough AR-CMS system. In order to implement system based Sales Tax invoices for all taxable income routed through Accounts Receivables module (AR-CMS), Sales Tax calculation needs to be incorporated and processing through this system has to be finalized to generate taxable invoices for NIBAF customers. This document is developed to accurate capturing of sales tax reporting & will specify the complete business requirements to be covered for issuance and recording of sales tax invoices.

2.2 Scope

Implementation of Provincial & Federal Sales Tax invoices routed through Accounts Receivable (AR) module of CMS to fulfill following business requirements:

1. Apply applicable Sales Tax rates on all taxable invoices before audit and approval in CMS?
2. To include all necessary information on the invoices as per pre-requisite database of all taxable invoices to be issued to customers
3. Implementing an appropriate layout of sales tax invoice template for all income routed through AR-CMS system
4. Proper calculation of applicable Sales tax on prescribed rates for each province and Federal territory
5. Proper recording of monetary transaction under AR-CMS and maintaining its flow
6. The invoice number will be auto generated by AR-CMS system.
7. Provision of multiple invoices against one program ID to be incorporated. Further, developing composite invoice handling mechanism.
8. System should have a reliability of data extracted from AR-CMS through appropriate checks
9. Transfer Sales Tax detail with correct GL codes into Oracle GL
10. MIS Reports for extracting data in prescribed format for Sales Tax Authorities (Annex 'C')
11. MIS Reports under sales tax for Accounts of NIBAF as per prescribed frequency (Monthly, Quarterly etc)
12. Applicability to generate composite invoice for more than one type of services which can either be taxable and non-taxable. Accuracy of data flow from AR-CMS to AR-Oracle into GL & subsequent reports.
13. Covering letter and invoices revised formats.

2.3   Overview

All taxable invoices with Federal & Provincial Sales Tax applied on invoices issued to NIBAF customers.

3. Background

Currently all Income invoices are fed in the CMS AR however, calculating and applying accurate Federal & Provincial Sales Tax are new business requirements. Currently, only one invoice can be generated from the system either single taxable entry fall under sales tax or non-taxable invoices from AR system. The application of sales tax, its recording & transfer to GL is yet to develop which is the main course of this BRD.

4.   Pre-Requisites

Before processing invoice through AR-CMS, complete customer database & program IDs on the following variable must exist in AR-CMS system.

1. List of Customers with complete addresses, contact no. e-mails etc
2. CNIC/NTN of customers
3. Valid Sales Tax Registration Number (STRN) under federal & provincial tax authorities
4. Valid sales tax rates applicable for provincial tax authorities including reduced rates
5. Type of invoice (commercial or sales tax invoice)

6. Province and place of services rendered
7. Description of Training Programs with dates or other services rendering
8. Program IDs
9. List of all applicable sales tax child codes
10. Mode of invoice as face to face (F2F) or Virtual training learning (VITL)
11. Invoice Type such as advance, normal.
12. Receipt Type such as advance, normal.

5. **Requisition of Sales Tax Invoices**
   A sales tax invoice needs to include the following mandatory details:
   i. System generated Invoice number (sequential) and invoice issuance date
   ii. Customer name & NTN/CNIC
   iii. Customer billing address
   iv. Customer Province
   v. The words 'Sales Tax Invoice' clearly displayed
   vi. NIBAF name, NTN and mailing address on the header / footer
   vii. A description of the services & quantity/unit/rate price
   viii. Amount exclusive of sales tax
   ix. Sales tax rates applied on each taxable item
   x. Sales tax amount charged
   xi. Gross amount inclusive of sales tax
   xii. Program ID with Dates

6. Template of Invoices

6.1 Commercial Invoice (Non-Taxable activities)

NATIONAL INSTITUTE OF BANKING AND FINANCE

Sector H-8/1, Pitras Bokhari Road, Islamabad, Pakistan.
Ph: 051- 9269850 Ext: 3520 Fax: 051- 9269835-36
NTN: 3248810-6

Commercial Invoice

Customer:

Name:	BANK ALFALAH LIMITED	**Invoice No:**	6688
Address:		**Dated:**	14-Jul-20
City:	Karachi	**Contact No.**	
Program ID	4114013	**E-mail Address**	
Venue	Peshawar		
Date	27-Jun-20		

SR #	DESCRIPTION	No. of Days	No. of Participants	Rate	Amount (Rs.)
1	Training on Adv Issues in Combating TF Risk & Pakistan's Perspective - Online	1	2	5,750	11,500
2	Rental Charges	1	1	1,000	1,000
	Gross Amount Payable				**12,500**

VERIFIED		AUTHORIZED

Note: It is the format of the commercial invoice only and hypothetically filled in.

6.2   **Sales Tax Invoice (Taxable activities):** One Taxable Service against Single Activity Rate

NATIONAL INSTITUTE OF BANKING & FINANCE
STATE BANK OF PAKISTAN
PESHAWAR
NIBAF KPK STRN = K3248810-6

October 2, 2020
NIBAF NTN = 3248810-6

SALES TAX INVOICE

Invoice No.	6762	Inv. Issue Date	30-SEP-20	Due On	IMMEDIATE	Amount:	57,143
Invoice Type	ORIGINAL	S/Tax Province	KPK	Sale Tax Rate 5%		Sales Tax:	2,857
Description	Invoice Receivable					Gross Amount:	60,000

| Customer | 1276 | MCB ISLAMIC BANK (MIB) | NTN/CNIC | 4422426-5 |
| Customer Site | 1287 | Lahore Office - MIB | STRN | K4422426-5 |

| Program | 4112114 | Conduct Assessment Framework (CAF) - Online |
| Remarks: | | From Date | 02-SEP-20 | To Date | 02-SEP-20 | Days | 1 | Participants | 12 |

DETAIL OF INVOICE

Sr#	Description	Unit	Rate	NoP	NoD	Amount
1	Training Program Fee	1	4762	12	1	57,143
2	Provincial Sales Tax (KPK) @ 5% of Gross Amount Rs.57143/-	1	5			2,857
					Total (Rs.) Inclusive of Sales Tax:	60,000

Note: This program was conducted online through KPK NIBAF campus and applicable taxes are as under:

1. Income tax @ 3% (filer Rate) applicable on training services w.e.f 01-07-2019 may be deducted on this invoice.
2. Withholding agent shall deduct 100% of the sales tax charged at reduced rate (i.e. less than the standard rate of 15%) as shown on sales tax invoices issued by a registered person. **(Rule 5(v) of the KP Sales Tax on Services (Withholding Regulations, 2020)**. In case you are not registered with the KPRA as a withholding agent, kindly do not deduct sales tax from this invoice.

*** End of Invoice ***
This is System Generated Invoice, does not require signature
Sector H-8/1, Pitras Bokhari Road, Islamabad, Pakistan, Tel: +92-051-9269850 Ext: 3520

Note: The aforesaid box is editable field and tax notes are populated as per 13.1 annexure with the change of tax authority.

6.3 **Sales Tax Invoice (Taxable activities) -** Multiple Service – Different Rates

NATIONAL INSTITUTE OF BANKING AND FINANCE

Sector H-8/1, Pitras Bokhari Road, Islamabad, Pakistan.
Ph: 051- 9269850 Ext: 3520 Fax: 051- 9269835-36
NTN: 3248810-6 KPK-STRN: K3248810-6

Sales Tax Invoice

Customer:				
Name:	THE BANK OF Punjab		Invoice No:	6688
Address:	ACD Head Office , BOP, 3rd Floor, MM Tower, Gulbeg-II, Lahore		Dated:	14-Jul-20
City:	Lahore		NTN:	0698202-6
Program ID			KPK-STRN:	K0698202-6
Venue	Peshawar		Contact No.	
Date	27-Jun-20		E-mail Address	

SR #	DESCRIPTION	Days	Participants	Person Day Rate	Invoice Excluding Tax	Tax Rate	Invoice including Tax
1	Training on Adv Issues in Combating TF Risk & Pakistan's Perspective - Online	1	2	5,750	11,500	5%	12,075
2	Food Charges	1	2	1,000	2,000	7.50%	2,150
							-
							-
							-
							-
	Subtotal						-
					13,500	725.00	14,225

Note: This program was conducted online through KPK NIBAF campus and applicable taxes are as under:

1. Income tax @ 3% (filer Rate) applicable on training services w.e.f 01-07-2019 may be deducted on this invoice.
2. Withholding agent shall deduct 100% of the sales tax charged at reduced rate (i.e. less than the standard rate of 15%) as shown on sales tax invoices issued by a registered person. **(Rule 5(v) of the KP Sales Tax on Services (Withholding Regulations, 2020)**. In case you are not registered with the KPRA as a withholding agent, kindly do not deduct sales tax from this invoice.

*** End of Invoice ***

This is System Generated Invoice, does not require signature
Sector H-8/1, Pitras Bokhari Road, Islamabad, Pakistan, Tel: +92-051-9269850 Ext: 3520

Note: The aforesaid box is editable field and tax notes are populated as per 13.1 annexure with the change of tax authority.

7. **Debit / Credit Notes (Revision under Invoice)**
   7.1 **Debit Note**

In some cases due to which ever reason, if the earlier issued invoice and reported under related annexure 'C' is to be revised by decreasing the amount of invoice, meaning that the tax amount has to be subsequently to decrease. Then in such cases, there is need to issue revise invoice but ensuring that the invoice number remains the same and following impact to be recorded under the system:

a). Reversal of earlier issued invoice
Income (Dr)

                                    Receivable (Cr)

b). Issuance of Revised Invoice
Receivable (Dr)

                                    Income (Cr)

At month end, a report will be required to be submitted with annexure 'C' under related tax authority and its impact needs to passed on to GL from subsidiary ledger (AR-CMS or Oracle-CMS) on the same date same date. Further, separate entry of revision is to appear.

7.2 **Credit Note**

In some cases due to which ever reason, if the earlier issued invoice is revised by increasing the amount of invoice, meaning that the tax amount has to be subsequently increase, then in such case, there is need to issue revise invoice but ensuring that the invoice number remains the same and following impact is to be recorded under the system:

a). Reversal of earlier issued invoice
    Income (Dr)

                                    Receivable (Cr)

b). Issuance of Revised Invoice
    Receivable (Dr)

                                    Income (Cr)

At month end, a report will be required to be submitted with annexure 'C' under related tax authority and its impact needs to passed on to GL from subsidiary ledger (AR-CMS or Oracle-CMS) on the same date same date. Further, separate entry of revision is to appear. Appended below is the format of recording Debit / Credit Memo:

Sr.	Buyer NTN	Buyer CNIC	Buyer Name	Buyer Type	Sale Origination Province of Supplier	Document Type	Document Number	Document Date	Sale Type
1	684646-4		ABC	Registered	Capital Territory	SI	6546	01-01-2013	Services

Rate	Description	Quantity	UOM	Value of Sales Excluding Sales Tax	Fixed / notified value or Retail Price	Sales Tax/ FED in ST Mode	Extra Tax	ST Withheld at Source	
5	9820 - Workshops			1,000		50			

SRO No. / Schedule No.	Item Sr. No.	Further Tax	Total Value of Sales	

Explanation: i. Buyer Type: Registered or Un-Registered, ii. Document No. Invoice Number, iii. Document Type: DN (Debit Note) & CN (Credit Note)

We require this report for province wise, month wise for all tax authorities on or before 3rd of the next month.

8. **Federal & Provincial Sales Tax Authorities:**

Provincial sales tax will be charged and process in all taxable Income Invoices on behalf of following Provincial Sales Authorities: (please include complete name of authority)

1. FBR   (Federal Board of Revenue)
2. SRB   (Sindh Revenue Board)
3. KPRA   (Khyber Pakhtunkhwa Revenue Authority)
4. PRA   (Punjab Revenue Authority)
5. BRA   (Baluchistan Revenue Authority)

6. AJ & K   (Department of Inland Revenue AJ&K)*

7. GB Province   (Department of Inland Revenue Gilgit Baltistan)**

Tax rates of ICT is used for AK & K.

** *Currently training services are not taxable under GB*

8.1   Federal & Provincial Sales Tax Rates:

Since the major product of NIBAF is training services and appended below is the sales tax rate on training services.

Provincial Sales Tax Authority	*Rate
ICT / FBR (Federal Board of Revenue)	16 %
PRA (Punjab Revenue Authority	16 %
SRB (Sindh Revenue Board)	05%
KRA (Khyber Pakhtunkhwa Revenue Authority)	05 %
BRA (Baluchistan Revenue Authority)	15 %
AJK (Department of Inland Revenue AJ&K) – AJK opted same tax laws as applicable in ICT	16 %
*GB (Department of Inland Revenue Gilgit Baltistan)	Nil

Currently training services are not taxable under GB and to ensure that rates field where available are editable at user end to cope up with future needs

It is to mention here that generally sales Tax rates are revised at every financial year through finance Act / Bill effective from 1 day of July, however, it is the discretion of the tax authority to change it during the financial year.

8.2.   Illustration of Sales Tax on NIBAF services

Levying/charging of sales tax rates are subject to Geographical Location of Program where training services has been actually rendered by NIBAF and received in that province by the customer. In this scenario, following Provincial Sales Tax rates will be applied for processing of invoices through AR-CMS.

NIBAF Campus *	Geographical Program Location	Applicable Provincial Sales Tax Authority	Reimb. of actual expenses	*Catering Services	*Rental	*Training Services
Islamabad	Islamabad	ICT / FBR	not taxable	5%	not tax	16 %
Islamabad	Karachi	SRB	---do---	13%	---do---	05 %
Islamabad	Lahore	PRA	---do---	16%	---do---	16%

Islamabad	Peshawar	KPRA	---do---	10%	---do---	15 %
Islamabad	Quetta	BRA	---do---	15%	---do---	15 %
Islamabad	AJ&K	Department of Inland Revenue AJK	---do---	5%	---do---	16 %
Islamabad	GB	(Department of Inland Revenue Gilgit Baltistan)	---do---	not tax	---do---	-
Karachi	Islamabad	ICT / FBR	---do---	5%	---do---	16 %
Karachi	Karachi	SRB	---do---	13%	---do---	16 %
Karachi	Lahore	PRA	---do---	16%	---do---	05%
Lahore	Peshawar	KPRA	---do---	10%	---do---	15 %
Peshawar	Quetta	BRA	---do---	15%	---do---	15 %
Quetta	AJ&K	Department of Inland Revenue AJK	---do---	5%	---do---	16 %

Note: *Identification of NIBAF campus is must for reporting purpose at the time of entering the invoice /* expense. *Currently training services are not taxable under GB. Sales tax rates are subject to change on yearly basis by related tax authorities or during the financial year as deem appropriate by tax authorities. The rate field under invoice should be editable at user end to cope up with future needs.*

8.3.   Non - Applicability of Provincial Sales Tax

In accordance of revised service level agreement (SLA) between SBP, BSC and NIBAF w.e.f 01-Jul-2019, SBP is to take the impact of NIBAF expenses through grant for meeting its operating expenses to SBP & its subsidiaries. NIBAF in turn do not issue invoices to SBP & its subsidiaries, however, its record will be maintained with the Learning & Development Department, NIBAF for the purpose of sharing it with related stakeholders. The invoices therefore should be entered in CMS in such a way that no financial impact is recorded in GL. However, a report may be generated for the programs expenses and billing to SBP & its subsidiaries.

9. Reporting of Sales Tax & Accounting Entries
Since the scope of the sales tax is enhanced manifold, thus there is need to capture the monetary transaction in orderly manner requiring to open new child code for federal & provincial sales tax authorities.

9.1   Proposed Child Codes
In order to capture Provincial Sales Tax reporting, following child codes are proposed to be opened in AR-CMS & oracle GL against each Authority. These codes will be used while processing of sales tax invoices through AR-CMS.

Proposed Codes to be open and use					
Code	**Description**	**Category**	**Office**	**Primary**	**Alternate**
427025	Payable - Sales Tax on Invoice - ICT / FBR	Liabilities	**NIBAF**	AR / CMS	Direct GL
427026	Payable - Sales Tax on Invoice - SRB	Liabilities	**NIBAF**	AR / CMS	Direct GL
427027	Payable - Sales Tax on Invoice - PRA	Liabilities	**NIBAF**	AR / CMS	Direct GL
427028	Payable - Sales Tax on Invoice - KPRA	Liabilities	**NIBAF**	AR / CMS	Direct GL
427029	Payable - Sales Tax on Invoice - BRA	Liabilities	**NIBAF**	AR / CMS	Direct GL
427030	Payable - Sales Tax on Invoice - AJK	Liabilities	**NIBAF**	AR / CMS	Direct GL
427031	Payable - Sales Tax on Invoice - Gilgit Baltistan	Liabilities	**NIBAF**	AR / CMS	Direct GL
427032	Payable - Sales Tax withheld on NIBAF invoice - Refundable ICT / FBR	Liabilities	**NIBAF**	AR / CMS	Direct GL
427033	Payable - Sales Tax withheld on NIBAF invoice - Refundable SRB	Liabilities	**NIBAF**	AR / CMS	Direct GL
427034	Payable - Sales Tax withheld on NIBAF invoice - Refundable PRA	Liabilities	**NIBAF**	AR / CMS	Direct GL
427035	Payable - Sales Tax withheld on NIBAF invoice - Refundable KPRA	Liabilities	**NIBAF**	AR / CMS	Direct GL
427036	Payable - Sales Tax withheld on NIBAF invoice - Refundable BRA	Liabilities	**NIBAF**	AR / CMS	Direct GL
427037	Payable - Sales Tax withheld on NIBAF invoice - Refundable AJK	Liabilities	**NIBAF**	AR / CMS	Direct GL
427038	Payable - Sales Tax withheld on NIBAF invoice - Refundable Gilgit Baltistan	Liabilities	**NIBAF**	AR / CMS	Direct GL
427039	Payable - Income Tax Withheld on NIBAF invoice	Liabilities	**NIBAF**	AR / CMS	Direct GL
427508	Payable – Access Receipt Against Invoices	Liabilities	**NIBAF**	AR / CMS	Direct GL

9.2 **Accounting Entries:**

Appended below is the possible cases and proposed accounting

Entry	Provincial Sales Tax Authority	Codes (Dr.)	Codes (Cr.)
Issuance of Invoice (Case 01)	ICT / FBR	238514 (Others)	58xxxx(Income) & 427025 (Sales Tax)
	SRB	238514 (Others)	58xxxx(Income) & 427026 (Sales Tax)
	PRA	238514 (Others)	58xxxx(Income) & 427027 (Sales Tax)
	KPRA	238514 (Others)	58xxxx(Income) & 427028 (Sales Tax)
	BRA	238514 (Others)	58xxxx(Income) & 427029 (Sales Tax)
	AJK	238514 (Others)	58xxxx(Income) & 427030 (Sales Tax)
	*Gilgit Baltistan	238514 (Others)	58xxxx(Income) & 427031 (Sales Tax)
Full Receipts (Case 02)	ICT / FBR	496501 / 497006	238514-RA Other / 238512 & 238513 (SBP&BSC)
	SRB	496501 / 497006	238514-RA Other / 238512 & 238513 (SBP&BSC)
	PRA	496501 / 497006	238514-RA Other / 238512 & 238513 (SBP&BSC)
	KPRA	496501 / 497006	238514-RA Other / 238512 & 238513 (SBP&BSC)
	BRA	496501 / 497006	238514-RA Other / 238512 & 238513 (SBP&BSC)
	AJK	496501 / 497006	238514-RA Other / 238512 & 238513 (SBP&BSC)
	*Gilgit Baltistan	496501 / 497006	238514-RA Other / 238512 & 238513 (SBP&BSC)
Partial Receipts (Where ST and IT is withheld)	ICT / FBR	496501,427039 (WHIT) 427032 (WHST)	238514 (RA Others)
	SRB	496501,427039 (WHIT) 427033 (WHST)	238514 (RA Others)
	PRA	496501,427039(WHIT) 427034 (WHST)	238514 (RA Others)
	KPRA	496501, 427039(WHIT) 427035 (WHST)	238514 (RA Others)
	BRA	496501,427039(WHIT) 427036 (WHST)	238514 (RA Others)
	AJK	496501,427039(WHIT) 427037 (WHST)	238514 (RA Others)
	*Gilgit Baltistan	496501,427039(WHIT) 427037 (WHST)	238514 (RA Others)

(Case 03)			
Partial Receipts WHIT not withheld WHST withheld (Case 04)	ICT / FBR	496501,427032 (WHST)	238514 (RA Others)
	SRB	496501,427033 (WHST)	238514 (RA Others)
	PRA	496501,427034 (WHST)	238514 (RA Others)
	KPRA	496501,427035 (WHST)	238514 (RA Others)
	BRA	496501427036 (WHST)	238514 (RA Others)
	AJK	496501,427037 (WHST)	238514 (RA Others)
	*Gilgit Baltistan	496501,427038 (WHST)	238514 (RA Others)
Partial Receipts WHIT withheld WHST not withheld (Case 05)	ICT / FBR	496501,427039 (WHIT)	238514 (RA Others)
	SRB	496501,427039 (WHIT)	238514 (RA Others)
	PRA	496501,427039 (WHIT)	238514 (RA Others)
	KPRA	496501,427039 (WHIT)	238514 (RA Others)
	BRA	496501,427039 (WHIT)	238514 (RA Others)
	AJK	496501,427039 (WHIT)	238514 (RA Others)
	*Gilgit Baltistan	496501,427039 (WHIT)	238514 (RA Others)
Parking of WHIT into advance tax (Case 06)	ICT / FBR	237507 (Advance Tax)	427039 (WHIT)
	SRB	237507 (Advance Tax)	427039 (WHIT)
	PRA	237507 (Advance Tax)	427039 (WHIT)
	KPRA	237507 (Advance Tax)	427039 (WHIT)
	BRA	237507 (Advance Tax)	427039 (WHIT)
	AJK	237507 (Advance Tax)	427039 (WHIT)
	*Gilgit Baltistan	237507 (Advance Tax)	427039 (WHIT)
Tax payments (Case 07)	ICT / FBR	427025 (Sales Tax)	496501
	SRB	427026 (Sales Tax)	496501
	PRA	427027 (Sales Tax)	496501
	KPRA	427028 (Sales Tax)	496501

	BRA	427029 (Sales Tax)	496501
	AJK	427030 (Sales Tax)	496501
	*Gilgit Baltistan	427031 (Sales Tax)	496501

Note:
a.   Gilgit Baltistan is not taxable up till now, however, the situation may change subject to change by the Government of Pakistan.
b.   WHIT (Withholding Income Tax)   &   WHST (Withholding Sales Tax)
c.   For case 06, AR Manager upon the confirmation of the related customer on the monthly pass the entry in the system for parking the income tax withheld & deposited by the customer into advance tax. It may be further ensured that the same information will be forwarded to the NIBAF tax consultant for filing the claim with FBR and maintain all proper record.
d.   On month end, NIBAF will pay out the tax liability raised via proposed entry 01 and report it under the annexure 'C' of the respective tax authorities on 10th of every month which will subsequently be claimed back while e-filing the sales tax return on 18th of every month.

10. Matters of Special Attention

10.1 Accounting treatment for recognizing grant receivable / payable
In accordance with the revised SLA (signed on 15-Sep-2020) among NIBAF, SBP, BSC effective from 1st July 2019, NIBAF is compensated via cost of reimbursement module from make person days payments. Consequently, all receivables & receipts falling under FY 20 is reversed back and following accounting treatment made manually:

Step 01:
Reversal of Income (58xxxx) – Debit (FY 20)
    Reversal of Receivable (238512-Receivable SBP) – Credit (FY 20)
    Reversal of Receivable (238513-Receivable BSC) – Credit (FY 20)
    *Reversal of Receivable (238514-Receivable Others) – Credit (FY 20)
* Impact of PSPC & DPC being related parties were taken off from the receivables others
Step 02:
Reversal of receipt (238512-Receivable SBP)   – Debit (FY 20)
Reversal of receipt (238513-Receivable BSC)   – Debit (FY 20)
Reversal of Receivable (238514-Receivable Others) – Debit (FY 20)
    *238520 Grant receivable / payable SBP   – Credit (FY 20)
 *rather than reversing bank (496501& 497006), payable against grant accounted far under FY20.

This needs to be perform to be carried out from the AR module in order to arrive at reconciled closing balance. Further, we have received receipt under FY21Q1 against training programs as well and only step 2 is performed manually.

10.2   Applied / unapplied receipt

We have been encountered with the issue of un-applied receipt. This problem arises when we receipt in the form of inter-office transfer/ payment instrument is over than the invoice amount (receipt > invoice amount). System only applies the receipt equivalent to invoice amount whereas we do not know what system does for the access receipt against an invoice. We need to resolve the issue permanently. It is suggested that the un-applied amount may be parked into a liability code at the time of receipt and such over receipt may be refunded back to the customers via NIBAF bank account 496501 by 15th of the next month. Appended below is the accounting entries:

Step 01. At the time of receipt
NIBAF Bank Account 496501 / 497006 (Dr)
                    Receivables 238512 to 238515 for SBP, BSC, Others, related parties (Cr)
                    Payable – Access Payment against Invoices (427508) (Cr)

Step 02. At Month end
Payable – Access Payment against Invoices (427508) (Dr.)
                    NIBAF Bank Account 496501 / 497006 (Dr)

Note: Income / AR seat official seek MD approval for over payment and send payment instruments to related institutes. Further, it is to ensure that the balance under this account will be zero by 15th of the next month of all outstanding or otherwise has reasons for delays.

10.3 Advance receipt of training program fee

The process on the subject is as under:

    i.   An intimation email / letter is to be issued by the Learning & Development, NIBAF to its customer regarding advance payment of the training program fee. The training program fee will be communicated inclusive of taxes (break up) will also be mentioned in it. (No accounting required at this point of time).

    ii.   For advance collection, PO / DD is collected from the customers, the same will be proceed by the related L & D official through program ID to AR manager via AR CMS and following entries will be till passed

496501-NIBAF Bank Account (Dr)
428501-Unearned Income (Cr)
Note: No Cash Collection is allowed

iii.   Once the training activity is concluded, the process of initiating of sales tax invoices will be made.
iv.   In case of advance receipt, the following entries will be recorded. (Only demonstration of ICT is given)

428501-Unearned Income – (Dr)
Advance Tax (427039)   –   (Dr)
Sales Tax withheld on NIBAF invoice (427032) – (Dr)

58xxxx Income recognition - Cr
427025- Payable Sales Tax – Cr

Note: Prior to initiation of invoice capturing under the system, an opportunity is there to rectify the monetary detail in alignment with the actual performance of the training program services otherwise for each revision under invoice a separate debit / credit note is required to report to the respective tax authority.

10.4   Tax Deduction Reporting

As of now at the time of receipt, irrespective of the sales & income tax withheld are parked under one account. For matching purpose, the invoice amount is decreased with the deducted amount. We need to bifurcate these deduction into proper head of account since the inception of the AR module. The accounting codes are mentioned at point *9.2 "Accounting Entries"*

10.5   Modification under Current Entry & Reporting

There is need to refine the current reporting of the AR data and appended below are the suggestions

NATIONAL INSTITUTE OF BANKING & FINANCE
STATE BANK OF PAKISTAN
ISLAMABAD

September 1, 2020

NIBAF NTN = 3248810-6
NIBAF KPK STRN = K3248810-6

SALES TAX INVOICE	

Invoice No.	6688	Invoice Date	26-AUG-20	Due On	IMMEDIATE	Amount:	10,000
Invoice Type	ORIGINAL	Inv. Issue Date	31-AUG-20	NON SLA	Sale Tax Rate 5%	Sales Tax:	500
Description	Invoice Receivable					Gross Amount:	10,500

Customer	1334	BANK ALFALAH LIMITED		NTN/CNIC	0698202-6
Customer Site	1346	Karachi - Bank Alfalah		KPK-STRN	

Program	4114013	Adv Issues in Combating TF Risk & Pakistan's Perspective - Online						
Remarks:		From Date	27-JUN-20	To Date	27-JUN-20	Days	1	Participants	2

DETAIL OF INVOICE	

Sr#	Description	Unit	Rate	NoP	NoD	Amount
1	Training Program Fee Online program	1	5000	2	1	10,000
2	Provincial Sales Tax (Kpk) @ 5% of Gross Amount Rs.10000/-	1	5			500
				Total (Rs.) Inclusive of Sales Tax:		10,500

For International Invoices we need to have a box available in invoice showing US$ amount which should not be available to customer

In case of revised invoice the original invoice should be as "Revised"

This is System Generated Invoice, does not require signature
Sector H-8/1, Pitras Bokhari Road, Islamabad, Pakistan, Tel: +92-051-9269850 Ext: 3520

Editable box should be available for recording tax related information. This box will be populated in the same lines as mentioned under Point 6.2 & 6.3. Further, for FY 21, tax comments are in line with point 13.1 "Tax Notes" for respective tax authority.

10.6 International Invoices

NIBAF scope of services is not only restricted to domestic operations, it also provide service to international strategic patterns as well. Invoice would be issued in International currency for training programs separately proposedly in excel sheet, however invoice in system would remain in PKR. For this purpose invoice would be initiated in system in PKR with the help of rate of exchange of that particular date when invoice initiated. However, we need to have US$ amount to be shown within invoice for information (as proposed above) only for internal usage. Appended below is the accounting treatment as follows:

At the time of issuing Invoice

238514 – Receivable Others (Dr)

                    58xxxx – Income (Cr)

At the time of receipt of Invoice

496501-Bank account (Dr)

                    238514 – Receivable Others (Dr)

Note: Where converted invoice amount is equal to the receipt

496501-Bank account (Dr)
591006-Exchange Gain / (Loss) (Dr)

                    238514 – Receivable Others (Dr)

Note: Where converted invoice amount is more than the receipt

496501-Bank account (Dr)

                    238514 – Receivable Others (Dr)
                    591006-Exchange Gain / (Loss) (Cr)

Note: Where converted invoice amount is less than the receipt

Revised Invoice

Currently we do not have option for revised invoice in system. In case invoice issued to customer and at later stage found that there is need amount to be adjusted, upward/downward either side should be carried out through debit/credit memo and after correction, invoice should show as "Revised" instead of "Original" (as under 10.5)

Editable Box

Tax related variation appears time to time and required to be conveyed to customers for their information for this purpose an editable box is proposed to be available in system invoice so alongside tax note so any urgent nature information should be conveyed to concerned (as proposed above in invoice template)

Related Parties

In light with the latest development regarding disclosures as per IAS and SECP, NIBAF is required to disclose separately disclosures of related parties in annual account. A child code "238515-Receivables-Related parties" is allocated for recording related party transactions through AR Module. Appended below is the list of the related parties as on end June 30 2020:-

- Pakistan Security Printing Corporation
- Deposit Protection Corporation

It is to ensure that necessary revision may be easily be populated during the financial year to capture the impact and appended below is the accounting treatment.

At the time of issuing Invoice

238515-Account receivables-related party (Dr)
                          581502-NIBAF Training Charges-Domestic Courses (Cr)

At the time of receipt of Invoice

496501-Bank account (Dr)
                          238515-Account receivables-related party (Dr)

11. Reports

One of the main purpose this BRD document is to make the sales tax invoice and secondary objective is to extract the report thereafter for the purpose of its filing under the different tax authority portal as per stipulated timeliness in accordance with the respective sales tax laws applicable under Pakistan.

Some pivotal reports are chalked down & required on immediate basis and mentioned.

11.1 **Annexure "C" of Sales Tax invoices**

Report Portion (Variables)	Illustration	Explanation as per AR-CMS Requirements
Sr.	1	Buyer means Customer - as per customer database defined under AR/CMS
Buyer NTN	684646-4	Customer NTN (xxxxxxx-x) - as per customer database defined under AR/CMS
Buyer CNIC	xxxxx-xxxxxxx-x	Customer CNIC - as per customer database defined under AR/CMS
Buyer STRN	xxxxxxxxxxxxx	Customer STRN - as per customer database defined under AR/CMS
Buyer Name	ABC	Name of NIBAF - as per customer database defined under AR/CMS
Buyer Type	End Customer	1- Intermediary: Buyer may value add and further sale the services / goods 2- End Consumer
Buyer Status	Registered / Un-registered	Registered / unregistered status of customer
District of Buyer	Capital Territory	District of Customer (Place of service taken by customer)
Document Type	SI	1 - SI : Sales Invoice, 2 - CN: Credit Note, 3 - DN: Debit Note, 4: SSTWH: Sales tax withheld
Document Number	6546	Invoice Number
Document Date	18-01-2020	Invoice Issue Date (dd/mm/yyyy)
Sale Type	Services	Services / Goods
Rate	16%	Sales Tax Rate
Description of services / supplies /HS Code	9856.0000	Description of services i.e Training Service / HS Code as per Tax Authority
Quantity	Nil	In case of supplies
UOM	Nil	In case of supplies
Value of Sales Excl. Sales Tax (Rs.)	1,000	Amount before sales tax apply
Fixed / notified value or Retail Price	Nil	Current, Nil reporting
Sales Tax Payable (Rs.)	160	Sales Tax charged – Payables (Codes: 427025 – 427031) – Province wise
Extra Tax	Nil	Current, Nil reporting
ST Withheld at Source	32	Sales Tax withheld by the customer at the time of receipt (Codes: 427032 – 427038)
SRO No. / Schedule No.	Nil	Customer will provide the information of any exemption, otherwise, "Nil"
Item Sr. No.	Nil	Currently Nil
Further Tax	Nil	Currently Nil

Invoice status	Issued	Invoice Issued to Customer and impact Transfer into AR
Tax Reverse Charged u/s 4	Nil	Nil
Total Value of Sales (Rs.)	1,160	Total (Rs.) Inclusive of Sales Tax

Selection Criteria:

Above report will be generated by selection of following:

1. **From Date: _____   To Date: _____   (calendar option to select date mm/dd/yyyy)**

2. **Select Sales tax Province of Tax Authority: ICT, KPRA, SRB, BRA, PRA, AJ&K, GB (selection option from drop down list)**

Note:
1. **At the end of table, "Total Sum" against all field of Amount columns must be required**

2. **Separate reports will be required for all provisional tax Authorities and can be generated via business user**

3. **Report should be exported into an Excel Format (separately for Province Wise)**

11.2   Income, Receipt during the month (Province Wise)

Report Portion		Explanation
Sr. #	1	Buyer means Customer - as per customer database defined under AR/CMS
Buyer Name	UBL	Customer
Sale Origination Province	Capital Territory	ICT / FBR (provinces of sales tax authorities)
Invoice Number	6546	
Invoice Date (DD-MM-YYYY)	01-06-2020	
Value of Invoice Excl. Sales Tax (Rs.)	1,000	
Sales Tax Payable	160	Sales Tax charged – Payables (Codes: 427025 – 427031) – Province wise
Total Value - (A)	1,160	
Receipt - (B)	1,093	
Receipt Date (DD-MM-YYYY)	10-06-2020	
Instrument No.	PB-111111111	
Instrument Date (DD-MM-YYYY)	13-05-2020	
Instrument issuing party	ABL	
ST Withheld at Source – (C)	32	Sales Tax withheld by the customer at the time of receipt (Codes: 427032 – 427038) - Refundable
ST Withheld at Source Month	June 2020	
ST CPR	ST-20150803-0022-1004183	It is better to get CPR or Evidence WHST deposit to be obtain for claim purpose
IT Withheld at Source – (D)	35	Income Tax withheld by the customer at the time of receipt (Code: 427039)

IT CPR	IT-20150803-0022-1004183	It is better to get CPR or documentary evidence to be obtain for claim purpose
Month of WHIT by Customer	June 2020	
Check (A – B – C – D)	0	The result of this column should be zero
Tax Credited Claimed	**Claimed**	**Tax Credit Claimed = ST Withheld at Source (Codes: 427032 – 427038)**
Tax Credited Claimed Month	**Nov 2020**	Month
Remarks	**Settled**	1- Settled 2- Un-settled 3- Others (And provision is also available for populating remarks

Notes

i. An Illustration may be seen at 11.2.1 format

ii. Report extraction criteria is to be available with AR Manager and provision under Excel is also available for further manipulation.

iii. Provision may be given to Tax Desk to populate the highlighted two rows under the system once claimed from the respective tax authority.

iv. Under AR-CMS two report with description available which may be extended / modified or whatever deem appropriate.

CMS ➡ REPORTS ➡ PARTY WISE RECEIVABLE DETAILED POSITION

CMS ➡ REPORTS ➡ RECEIVABLE POSITION

Selection Criteria:

Above report will be generated by selection of following:

1. **From Date: _____   To Date: _____   (calendar option to select date mm/dd/yyyy)**

2. **Select Sales tax Province of Tax Authority: ICT / FBR (selection option from drop down list)**

11.2.1 Sales Tax on Invoices & its status (Illustration of 11.2)

Recording of Sales Tax					
Report Parameter	1- To (Date)	2- From (Date)	3- Province		
Con	**Format of the Report under ICT with dummy detail for understanding**				
1 S.#	Entry 01	Entry 02	Entry 03	Entry 04	Total
2 Party Name	MCB	KASB	ABL	ABL	
3 Invoice Number	6125	6122	6123	6500	
4 Invoice Amount	1,000	1,000	1,000	1,000	4,000
5 Sales Tax (427025)	160	160	160	160	640
6 Total Amount	1,160	1,160	1,160	1,160	4,640
7 Inv Issue Date	13-Apr-20	11-Apr-20	9-Apr-20	28-Apr-20	
8 Receipt (496501)	1,093	1,093	1,093	1,093	4,372
9 Receipt Date (496501)	28-Apr-20	25-Apr-20	23-Apr-20	15-May-20	
10 WHST (427032)	32	32	32	32	128
11 WHST Deposit Date	28-Apr-20	25-Apr-20	23-Apr-20	15-May-20	
12 Claim Under STRN	Apr - 2020	Apr - 2020	Apr - 2020	May - 2020	
13 WHIT (427039)	35	35	35	35	140
14 WHIT Deposit Date	28-Apr-20	28-Apr-20	28-Apr-20	18-May-20	
15 *Claim – ITRN	Apr - 2020	Apr - 2020	Apr - 2020		
16 **Remarks	settled	settled	settled	un-settled	

* For Serial Number 15 & 16, DD Accounts will be given access to to populate the highlighted information in the system

** The highlighted variables at 5 & 10 are subject to change as & when the province / capital territory selected and appended below is the criteria of selection for information

	ICT - Code	SRB - Code	PRA - Code	KPRA- Code	BRA - Code	AJK - Code	GB - Code
5	427025	427026	427027	427028	427029	427030	427031
10	427032	427033	427034	427035	427036	427037	427038

*** Incase the withholding tax is not available under the e-portal of related tax authority, the matter will be reverted back to AR Manager for necessary action at their end by liasioning with its customer. Adjustement period of sales tax is six month and AR Manager is required to put up case of unsettled entries into Sales tax expenses & clearing the long outstanding entries

11.3 Advance Tax

Report Portion (FBR / ICT)		Explanation
Sr. #	1	
Customer Name	UBL	
Invoice Number	6546	
Activity Description	FIBO-21	Title of the program / activity
Province	Punjab	Federal & Capital provinces only
Invoice issue Date (DD-MM-YYYY)	01-06-2020	
Invoice Amount (Inclusive of Taxes)	1000	
Withholding Income Tax	30	Tax @ 3% of Gross Amount
CPR Date (DD-MM-YYYY)	01-07-2020	
CPR No.	IT-20150803-0022-1004183	Format of the CPR
CPR Financial Year	FY 21	Report under the financial year on the basis of CPR date
Reporting Date (DD-MM-YYYY)		Date of recording in the system

Reporting Extraction Criteria

i. Report criteria is "reporting date" by AR Manager.
ii. Separate reports province wise not required
iii. We may have the option to get the report by having "To" & "From" option under the report.

11.4 Movement of Receivables

Movement of Receivables includes opening balance, invoices issued during the year, receipts during the year, tax and adjustment made party wise. The said reports are not available in system however developer extracted data from system to meet the audit requirements.

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NTN = 3248810-6

AR Financial movement for Audit and Analysis

Based on: As on Report Run Date

C/ID	Party Name	Balance FY-19	Inv'ced-FY-20	Gross FY-20	Receipt All	Receipt-FY20	Tax	Adj.	Curr. Balance
1574	A.F. FERGUSON AND CO.	26,185	0	26,185	0	0	-26,185	0	0
1680	AA Exchange Company (Pvt.) Ltd.	0	18,000	18,000	18,000	18,000			0
1474	AAOIFI	47,724	164,018	211,742	200,373	200,373		11,369	0
1558	APNA Microfinance Bank Limited	118,000	20,000	138,000	98,940	75,660	-2,340		36,720
1294	Albaraka Bank (Pakistan) Limited	192,320	639,000	831,320	725,270	725,270	-95,520		10,530
1682	Ali Ahmed (CNIC=35201-5718919-1)	0	18,000	18,000	18,000	18,000			0
1314	Allied Bank Limited (ABL)	2,892,200	3,635,000	6,527,200	6,238,000	5,319,000			2R9 2~~
1336	Askari Bank Limited								

Note: The aforesaid report is extracted from AR- CMS and may be made as permanent feature.

11.5 AR Aging Report

This report is not available in system, existing report of aging shows upto 360 days

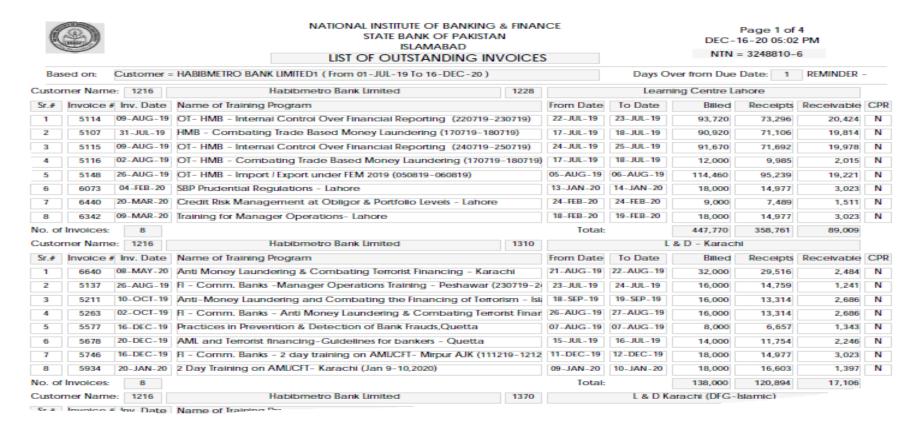| Customer	C/Balance	1-30 Days	31-60 Days	61-90 Days	91-180 Days	181-360 Days	361+ Days	Total
APNA Microfinance Bank Limited	-	-	-	-	-	20,000	40,000	60,000
Albaraka Bank (Pakistan) Limited	-	-	-	2,160	6,120	2,250	-	10,530
Allied Bank Limited (ABL)	-	-	48,000	653,000	387,000	34,000	31,200	1,153,200
Askari Bank Limited	-	-	-	540	4,390	22,640	81,800	109,370
Bank Al Habib Limited	-	42,335	-	-	-	-	-	42,335
Bank Al Habib Limited	-	-	-	1,205,300	212,475	10,345	-	1,428,120
Bank Al Habib Limited	-	-	-	27,000	-	-	-	27,000
Bank Alfalah Limited	-	-	-	144,000	402,000	188,370	199,680	934,050
Bank Islami Pakistan Limited	-	-	16,000	1,440	69,430	2,730	118,560	208,160
Bank of China Limited - Pakistan Operations	-	-	-	-	540	960	19,200	20,700
Best Way Exchange Company-B (Pvt.) Ltd.	-	-	-	-	14,400	-	-	14,400
Citibank	-			-	18,000	-	-	18,000
							-	157,00-

Note: The aforesaid report is extracted from AR- CMS and may be made as permanent feature.

Criteria for aging:
  a. Aging Group = Reporting Date – Invoice Issue Date (into group as mentioned, a case where full payment is recoverable)
  b. Aging Group = Reporting Date – Partial receipt date (into group as mentioned, a case where partial payment is recoverable)

11.6 Party / Group Wise Aging

Under the current practices, income is bifurcated as 238512 – SBP, 238513 – SBPBSC, 238514 – Other than SBP, BSC & related parties & 238515 – Related Parties. Individual parties detail is available, however complete picture customer / Department wise information is not available. Appended below is the extract of the report for individual customer.

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LIST OF OUTSTANDING INVOICES

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DEC-16-20 05:02 PM
NTN = 3248810-6

Based on: Customer = HABIBMETRO BANK LIMITED1 (From 01-JUL-19 To 16-DEC-20) — Days Over from Due Date: 1 — REMINDER –

Customer Name: 1216 — Habibmetro Bank Limited — 1228 — Learning Centre Lahore

Sr.#	Invoice #	Inv. Date	Name of Training Program	From Date	To Date	Billed	Receipts	Receivable	CPR
1	5114	09-AUG-19	OT- HMB – Internal Control Over Financial Reporting (220719-230719)	22-JUL-19	23-JUL-19	93,720	73,296	20,424	N
2	5107	31-JUL-19	HMB – Combating Trade Based Money Laundering (170719-180719)	17-JUL-19	18-JUL-19	90,920	71,106	19,814	N
3	5115	09-AUG-19	OT- HMB – Internal Control Over Financial Reporting (240719-250719)	24-JUL-19	25-JUL-19	91,670	71,692	19,978	N
4	5116	02-AUG-19	OT- HMB – Combating Trade Based Money Laundering (170719-180719)	17-JUL-19	18-JUL-19	12,000	9,985	2,015	N
5	5148	26-AUG-19	OT- HMB – Import / Export under FEM 2019 (050819-060819)	05-AUG-19	06-AUG-19	114,460	95,239	19,221	N
6	6073	04-FEB-20	SBP Prudential Regulations – Lahore	13-JAN-20	14-JAN-20	18,000	14,977	3,023	N
7	6440	20-MAR-20	Credit Risk Management at Obligor & Portfolio Levels – Lahore	24-FEB-20	24-FEB-20	9,000	7,489	1,511	N
8	6342	09-MAR-20	Training for Manager Operations- Lahore	18-FEB-20	19-FEB-20	18,000	14,977	3,023	N
No. of Invoices: 8					Total:	447,770	358,761	89,009	

Customer Name: 1216 — Habibmetro Bank Limited — 1310 — L & D – Karachi

Sr.#	Invoice #	Inv. Date	Name of Training Program	From Date	To Date	Billed	Receipts	Receivable	CPR
1	6640	08-MAY-20	Anti Money Laundering & Combating Terrorist Financing – Karachi	21-AUG-19	22-AUG-19	32,000	29,516	2,484	N
2	5137	26-AUG-19	FI – Comm. Banks –Manager Operations Training – Peshawar (230719-24	23-JUL-19	24-JUL-19	16,000	14,759	1,241	N
3	5211	10-OCT-19	Anti-Money Laundering and Combating the Financing of Terrorism – Isla	18-SEP-19	19-SEP-19	16,000	13,314	2,686	N
4	5263	02-OCT-19	FI – Comm. Banks – Anti Money Laundering & Combating Terrorist Finan	26-AUG-19	27-AUG-19	16,000	13,314	2,686	N
5	5577	16-DEC-19	Practices in Prevention & Detection of Bank Frauds,Quetta	07-AUG-19	07-AUG-19	8,000	6,657	1,343	N
6	5678	20-DEC-19	AML and Terrorist financing-Guidelines for bankers – Quetta	15-JUL-19	16-JUL-19	14,000	11,754	2,246	N
7	5746	16-DEC-19	FI – Comm. Banks – 2 day training on AML/CFT– Mirpur AJK (111219-1212	11-DEC-19	12-DEC-19	18,000	14,977	3,023	N
8	5934	20-JAN-20	2 Day Training on AML/CFT– Karachi (Jan 9-10,2020)	09-JAN-20	10-JAN-20	18,000	16,603	1,397	N
No. of Invoices: 8					Total:	138,000	120,894	17,106	

Customer Name: 1216 — Habibmetro Bank Limited — 1370 — L & D Karachi (DFG-Islamic)

Sr.#	Invoice #	Inv. Date	Name of Training Pr...

Note: The aforesaid report is extracted from AR- CMS and may be made as permanent feature.
Criteria for aging:
  a. From: b: To   (Code Wise 238512 to 238515)
  b. From: b: To   (Date Wise)

11.7 IFRS – 9 Data

NIBAF is required to get accounts receivable data (aging) in the appended below format for its assessment for IFRS-9 as per IAS and SECP requirement.

				IFRS - 9 Assessment					

InvoiceNo	Financial Year	Date of Invoice (A)	Party_Name	Invoice Amount	Payment Date (mm/dd/yyyy) (B)	Payment Amount	Remaining Amount (a-b)	Difference (B - A)	Aging - FY 17
2771	FY 18	11/8/2017	A.F. Ferguson & Co.	261,850	1/4/2018	235,665	26,185	57	31 to 90 Days
2750	FY 18	10/18/2017	ABL	24,000	12/4/2017	24,000	-	47	31 to 90 Days
2917	FY 18	1/5/2018	Albaraka Bank Ltd.	8,000	01/24/2018	8,000	-	19	0 to 30 Days
3296	FY 18	5/28/2018	Albaraka Bank Ltd.	60,000	6/21/2018	60,000	-	24	0 to 30 Days
3248	FY 18	5/17/2018	Albaraka Bank Ltd.	30,000	6/11/2018	30,000	-	25	0 to 30 Days
3403	FY 18	6/29/2018	Albaraka Bank Ltd.	56,000	8/1/2018	56,000	-	33	31 to 90 Days

Criteria
   a. Financial Year to be populated from Date of Invoice
   b. Aging = Payment Date – Invoice Issue Date (for partial payment and remaining amount pertaining to taxes but their detail not forwarded / conveyed to NIBAF)
   &
   Aging = Reporting Date – Invoice Issue Date (for non-payment)

11.8 **Payable – Access Receipt Against Invoices**

Report Portion		Explanation
Sr. #	1	
Customer Name	Pakistan microfinance bank	
Invoice Number	6546	
Activity Description	FIBO-21	Title of the program / activity
Province	Punjab	Federal & Capital provinces only
Invoice issue Date (DD-MM-YYYY)	01-06-2020	
Invoice Amount (Inclusive of Taxes) –a	1000	
Receipt – b	1100	Tax @ 3% of Gross Amount
Over Payment (c: b – a)	100	
Instrument Date	31-10-2020	
Payment (d)	100	
Date of Instrument	10-11-2020	
Instrument No:	Xxxxxxxxx	
Date of Dispatch	15-11-2020	

Note:
* The highlighted portion represent pivotal information of dispatching over-payment.

11.9   **Income Data**

Sr. No	Illustration	Remarks
Name	Khusshali Bank	Party Name
Company	4	1=SBP, 2=BSC, 3=Related Parties, 4=Other than 1, 2, 3
Province	Federal Territory	
Type	F2F - DFG	F2F - DFG, F2F - Others,VITL - DFG, VITL - Others, L&F - DFG, L&F -Others
Date of Issuance	6-Nov-20	Invoice Issuance Date
Invoice No.	2076	
Training Room-580001	61,525	As per Invoice
Hostel Charges-580002	102,800	do
Computer Lab-580003		do
SBP Official Stay-580005		do
BSC Official Stay-580006		do
Service Charges-580503	998	do
Meal Charges SBP-581001		do
Meal Charges-BSC-581002		do
Meal Charges other-581003	105,745	do
Food Charges SBP Official Stay-581005		do
Food Charges BSC Official Stay-581006		do
Trg Charges Intl.-581501		do
Trg Charges Domestic-581502		do
Training charges-Others-581503		do
Training Charges Islamic Banking-581504		do
Misc Income-591004		do
ST-ICT		Applicable Sales Tax as per Invoice
ST-PRA		do

ST-KPRA		do
ST-SRB		do
ST-BRA		do
ST-AJ & K		do
Total	271,068	

Criteria
1.   a. From   b. To   (Both Company and period wise required)
2.   Filter to make available for Party Name, Type and taxes in the same as per MS Excel options

S.#	Province	Sales Tax Code
1	Federal Territory	427025
2	Sindh	427026
3	Punjab	427027
4	KPK	427028
5	Baluchistan	427029
6	AJK	427030
7	Gilgit Baltistan	427031

Filter	Company	Code
1	SBP	238512
2	SBPBSC	238513
3	DPC & PSPC	238515
4	Other than SBPBSC	238514

E2F	Face to Face
VITL	Virtual Training
L & F	Logistics & Facilities

11.10   <u>Receipt Data</u>

Sr. No	Illustration -01	Illustration -02	Illustration -03
Party Name	Khusshali Bank	Khusshali Bank	Khusshali Bank
Company	4	4	4
Province	Federal Territory	Federal Territory	Federal Territory
Type	F2F - DFG	F2F - Others	VITL - DFG
Issue Date	6-Nov-20	6-Nov-20	6-Nov-20
Invoice No.	2,076	2,077.00	2078
Invoice Amount (A)	100,000	100,000	100,000
Sales Tax (B)	16,000	16,000	16,000
Mode of Payment	Inter-Office Transfer	PO /DD / Cheques	RTGS
Instrument Detail / No.	Inter-Office	312345	RTGS
Instrument Date	6-Feb-21	6-Feb-21	6-Feb-21
Instrument / Payment (C)	116,000	100,000	100,000
WHT - Amount (D)	-	10,000	10,000
WHT - Deposit Date	-	10-Feb-21	10-Feb-21
WHT - CPR	-	IT-20150813-0341-1082256	IT-20150813-0341-1082257
ST Amount (E)	-	6,000.00	6,000.00
ST Deposit Date	10-Jan-20	6-Feb-21	6-Feb-21
ST - CPR	-	ST-20150813-0341-1083000	ST-20150813-0341-1083001
Check (A+B) - (C+D+E)	-	-	-

<u>Criteria</u>

1.   a. From   b. To   (Both Company and period wise required)
2.   Filter to make available for Party Name, Type

S.#	Province	Code <mark>Sales Tax (B)</mark>	ST Amount (E)
1	Federal Territory	427025	427032
2	Sindh	427026	427033
3	Punjab	427027	427034
4	KPK	427028	427035
5	Baluchistan	427029	427036
6	AJK	427030	427037
7	Gilgit Baltistan	427031	427038

Filter	Company	Code
1	SBP	238512
2	SBPBSC	238513
3	DPC & PSPC	238515
4	Other than SBPBSC	238514

E2F	Face to Face
VITL	Virtual Training
L & F	Logistics & Facilities
Misc.	Editable Field

12. Important points, controls and constraints must be considered in system

Following are the main points, system controls and constraints of each stakeholder

12.1   Accounts Receivable Manager

i.   It is to make sure that the customer is defined in the system & key information as mentioned.

ii.   It is required to intimate the customer that they have to deposit the sales tax withheld from the NIBAF invoice with the related tax authority & e-file their sales tax return mentioning therein the correct detail of NIBAF particulars in their return enable NIBAF to claim sales tax input adjustment on monthly basis through on line tax authority portal. Falling to which, the customer will be pursed or customer may be ask to deposit the sales tax withheld amount to NIBAF.

iii.   It is to ensure that the all data reports are available with him and should reach to Tax Desk, Accounts within three working days after end of the month enabling to submit the annexure 'C' with the respective tax authorities. In case of any deviation, corrective measure is to be made for proper filling in the reports ASAP.

iv.   It is to ensure that detail of WHIT on quarterly basis is to be forwarded to NIBAF tax consultant for lodging the claim against tax credit with FBR. Further, it is to ensure transferring the impact to GL.

v.   Since NIBAF has been registered under respective tax authorities, The Income / AR Desk make sure to maintain the manual information as mentioned in the aforesaid reports and ensure to supply the same to Tax Desk within three working days after the conclusion of the month.

vi.   It is to ensure timely transferring AR CMS & Oracle working to GL module on appropriate interval.

vii.   Raising debit / credit (decrease / increased in invoice amount along with the tax impact already submitted to the tax authorities only with the differential amount) memo.

viii. Ensure that all reporting formats/ ageing/ IFRS -9 report requirements/ receipts and receivables during a specific period, customer wise information/ period wise receivable and receipt information available and make effort for their automation on priority basis.

ix.   Any new requirement that may arise during the course of automation is to be catered.

12.2   GL Manager

i.   Examine the data transferred into NIBAF GL and forward monthly reports to the initiating desk for cross checking the information & performing necessary reconciliation at their end.

ii.   To supervise that all GL Direct Manual entries passed on in the system pertaining to provisional income & its reversal (from AR Manager), misc. receipt pertaining to Income etc.

iii. Assisting Tax Desk at Accounts NIBAF for making province wise reconciliation for arriving at the sales tax output (levied to customers province wise), sales tax input (withheld & deposited from the supplier) and computing sales tax input out adjustment.

iv. Assist Team for preparing and maintaining manual record on month basis until automation is complete & operational in all aspects.

v. Any other area that needs to be addressed during the automation process.

12.3   System Approval

 Chalk Out mechanism for system approval at the time of issuance.

12.4. Audit requirement to determine accuracy of provincial sales tax invoices

Ensuring the availability of the following information

a.   Venue of Training – City (To ascertain the tax rate application)

b.   Province

c.   Applicable Sales Tax Rate

d.   Charged Sales Tax Amount

e.   Add: Sales / Services charges (Applicable Rate)

f.   Original Attendance Sheet

g.   Computation of Man days

h.   Identification of Parties

i.   Training activity brief or prior approval of the competent authority for performance of the activity.

12.5   Tax Notes

The appended below editable check box should be available to populate the tax related note.

1. Income tax @ 3% (for filer) applicable on training services w.e.f 01-07-2019 may be deducted on this invoice.
2. Withholding agent shall deduct 20% of sales tax charged as shown on sales tax invoices issued by a registered person & active taxpayer. (**Sindh Sales Tax Special Procedure (Withholding) Rules 2014**). In case you are not registered with SRB as a withholding agent, kindly do not deduct sales tax from this invoice.

Under FY21, tax note pertaining to Income tax withholding remain same, however, sales tax note varies under federal & provincial authority. Appended below is the list of notes to be used under invoices.

For income tax
1. Income tax @ 3% (for filer) is applicable on training services w.e.f 01-07-2019 may be deducted on this invoice

SRB-Sales Tax Invoice
2. Withholding agent shall deduct 20% of sales tax charged as shown on sales tax invoices issued by a registered person & active taxpayer. (**Sindh Sales Tax Special Procedure (Withholding) Rules 2014**). In case you are not registered with SRB as a withholding agent, kindly do not deduct sales tax from this invoice.

FBR-Sales Tax Invoice
2. Withholding of sales tax is not applicable on services provided by active taxpayer company to registered persons (withholding agents) who are also registered for sales tax with **FBR (Clause VIII of the Eleventh schedule of Sales Tax Act 1990 updated up to 30-06-2020 through Finance Act).** In case you are registered with the FBR for sales tax or if you are not registered with the FBR as a withholding agent, kindly do not deduct sales tax from this invoice.

PRA-Sales Tax Invoice
2. Withholding agent shall not deduct sales tax charged as shown on sales tax invoices issued by a company registered with the PRA as an active corporate taxpayer/company. (**Rule 3(1) of the Punjab Sales Tax on Services (Withholding) Rules 2015**), kindly do not deduct sales tax from this invoice.

KPRA-Sales Tax Invoice
2. Withholding agent shall deduct 100% of the sales tax charged at reduced rate (i.e. less than the standard rate of 15%) as shown on sales tax invoices issued by a registered person. (**Rule 5(v) of the KP Sales Tax on Services (Withholding Regulations, 2020**). In case you are not registered with the KPRA as a withholding agent, kindly do not deduct sales tax from this invoice.

BRA-Sales Tax Invoice
2. Withholding agent shall deduct 20% of sales tax charged as shown on sales tax invoices issued by a registered person. (**Baluchistan Sales Tax Special Procedure Withholding Rule 2018).** In case you are not registered with BRA as a withholding agent, kindly do not deduct sales tax from this invoice.

It is to ensure that the tax rates field used under system should be editable at user end to make necessary updating due to changes in the tax rates by tax authorities at any point of time.

<SBP Internship Program-online application process>

Version 1.0

Prepared by: <Training & Development Division-Human Resources Department>

Date March 10, 2021

Contents

1. PROJECT OVERVIEW:

1. Log History:

Log No.	Date	Revised By	Summary of Changes

2. Stakeholders:

S. No.	Stakeholder Name	Internal/ External	Role
1	TD&D, HRD	Internal	Announcement of SBP internship program, initiating internship applications cycle, extraction of application data and attachment, further communication with selected interns throughout the internship cycle.
2	ITG	Internal	Development and management of an online platform which will facilitate online internship process. After completion of application process, archiving of application data on servers for record keeping purposes
3	ERD	Internal	Increasing the outreach of internship program through website and social media platforms
4	Universities and Students	External	Apply for internship opportunities online through a streamlined and transparent manner

3. Document Approvers:

Approver Name	Approval Designation	Signature/ Approval	Date
Zeila Tahir	Sr. Joint Director – HRD		01-Mar-21

4. Project Dependencies:

#	Prerequisites
1	Provision of web storage space to save application data and documents.
2	Digital tagging of data and attached documents into singular application format.

2. PROJECT PURPOSE, BACKGROUND AND SCOPE:

1. Purpose:

The purpose of this document is to outline the requirements of a digital platform required to facilitate online internship application process.

2. Overview:

As per existing procedure, internship applications are sought from universities by extending invitations through surface mail or emails. Whereby prospective applications are received from universities after selection of prospective interns at their end. Internship applications of children/sibling of employees are sought after extending invitation through HRD broadcast. After which applications are received in hard copies and emails.

Internship application data is received in multiple formats i.e. hard copies, emails and combination of both. In order to analyze, shortlist, select and archive application data, it must be transferred and tabulated into a standardized digital format through data entry and filling of supporting documents in hard copies. The whole process is asynchronous as data is received in different mediums.

The process entails a significant number of man-hours and time lag in internship applications and selection process which can be reduced through effective use of a digital platform to invite and receive internship applications under the proposed process.

3. Scope:

It describes the current process for receiving internship application and the proposed digital platform to invite and receive internship applications. Following are the major tasks that need to be automated through digital platform:

1. Announcement and invitations of internship applications for SBP summer internship program
2. Submission of internship applications along with required documents in digital format
3. Standardization and sorting of data in a digital format

3. AS IS PROCESS:

After the announcement of SBP summer internship program every year, invitation letters/emails, to seek nomination of prospective & eligible applications, are sent to universities. In response, universities share the nominations in hard copies, emails or both. Due to this modus operandi, eligible students are unable apply directly to SBP internship program. Which hinders the quality of prospective applications.
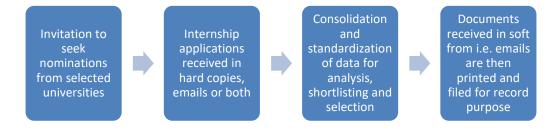
Another cycles for inviting internship application of children/siblings of employees of SBP initiates concurrently after announcement through HRD broadcast. Similarly, internship applications are received in hard copies, emails are both.

After the closing of internship application cycle, data scattered in different mediums is consolidated, sorted and then entered into digital format. This process requires substantial man hours and is prone to errors and omissions in terms of data entry and record keeping. Further, data received through emails have compatibility issues.

1. ISSUES WITH CURRENT SYSTEM:
  a. Internship application data is received in different data medium i.e. hard copies, email or both.
  b. Data received through emails have compatibility issue in terms of attached documents, storage limit of email inbox, archiving of data on bank's internal storage network as ".pst" files are not supported.
  c. Quality of applications is compromised as eligible students cannot directly apply for Summer Internship Program. Nominations are sought from universities and selection of said nominations are at discretion of universities.
  d. Correspondence through surface mail takes times in extending invitation and seeking application
  e. Data entry to standardize the application data is prone to human error and omission. It requires significant duration, resources and man-hours of the bank.

2. ACTIVITY DIAGRAM OF CURRENT PROCESS:

Invitation to seek nominations from selected universities	→	Internship applications received in hard copies, emails or both	→	Consolidation and standardization of data for analysis, shortlisting and selection	→	Documents received in soft from i.e. emails are then printed and filed for record purpose

3. PROCESS DESCRIPTION OF CURRENT PROCESS:

4. TO BE PROCESS (PROPOSED):

1. Major Changes to the Business Process:
Instead of physical hardcopies and emails of internship applications received by TD&D, HRD, the proposed digital platform will facilitate, consolidate, and standardize data in a smooth streamlined manner.

Internship call will be announced over this digital platform through which students will apply for internship through online form along with options of digital attachments. At the end of internship application period, HRD will extract the consolidated application data in standardized digital format along the attachments of documents tagged to each application.

The same process will run concurrently restricted to SBP network only where employees will submit internship application of their sibling/children.
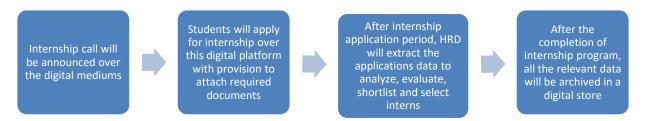
At the end of the internship, the data of internship cycle will be stored and archived in a digital format for future reference and record purposes.

2. Limitations of the Proposed Solution:
The process would require stronger between HRD, ITG and ERD to run the whole exercise smoothly.
The system shall be run on test basis identify any glitches and compatibility issue before the launch of internship program.

3. Activity Diagram of the Revised Process:

Internship call will be announced over the digital mediums → Students will apply for internship over this digital platform with provision to attach required documents → After internship application period, HRD will extract the applications data to analyze, evaluate, shortlist and select interns → After the completion of internship program, all the relevant data will be archived in a digital store

4. Process Description of Proposed Process:

5. Accounting/Any Other Detail

5. System Generated Reports and Formats
1. Data of all internship applications compatible with Microsoft Excel.
2. Attached documents must be tagged to respective internship application.

6. Business Impact Analysis/ Deliverables

S. No.	Process Improvement	Process Comparison			Impact Analysis
		Manual	Automa tion	Improve ment	
1	Reduction in Human Resource Requirement	-	-	-	HR engages officers and data entry operator over a period time to enter the data of applications received through email and hard copies. The proposed digital platform shall reduce the number of required man hours.
2	Expected Reduction in Error and Omission	-	-	-	Data entry of a large number internship application is prone to human error and omission. The proposed digital platform will not require manual data entry
3	Reduction in Lead Time	-	-	-	The time involved in sending invitation of internship application, data entry and standardization and consolidation of data shall be eliminated.
4	Increased Outreach	-	-	-	As current process doesn't allow students to apply directly to SBP. Universities nominate students which restrict the outreach of internship opportunity to students. The proposed digital platform will allow students to apply directly to SBP for internships