DAY: Essay DATE:

Topic: Tax reforms in Pakistan: Perspectives, opportunities and Challenges

Outline:

1. Introduction:

a) Hook

b) General Statements

c) **Thesis statement:** Tax reforms in Pakistan are critical for ensuring economic sustainbility, fiscal independence, and social equity. There are significant opportunities for broad, technology-driven reforms and certain challenges for this also.

2. Perspectives of Tax Reforms in Pakistan

a) Broadening the Tax Base

3 million tax filers out of 240+ million population (world Bank 2023)

b) Digitalization and Automation

FBR's POS system, Track and Trace system introduced in 2022

c) Progressive Taxation Philosophy
Taxing under-taxed sectors and enhancing equity (IMF 2023)

d) Informal Economy Documentation
SBP: informal sector contributes around Rs 7. trillion to GDP.

e) Public Trust and Tax culture
Gallup Pakistan 2021

3. Potential Opportunities for Tax Reforms in Pakistan

a) Improved Investment Climate.
FDI increased in 2025

b) Provincial Resource Mobilization
Punjab Revenue Authority model showed success in GST collection.

c) Fiscal Independence
IMF Report, 2023

d) Increased Revenue generation
Pakistan's fiscal deficit was 7.6% of GDP in 2023 (MoF)

e) Strengthened institutions
PRMP supports FBR reform through $ 400 million package (2019-2024)

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4. Challenges of Tax Reforms in Pakistan

a) Tax evasion and corruption

Transparency international ranks Pakistan 133/180 on corruption index 2023.

b) Political resistance against tax reforms.

2019 trader strikes

c) Informal economy hindering tax reforms.

50% of Pakistan's labor force works informally (IMF)

d) Public distrust for tax reforms

PIDE survey (2022)

e) Limited used of technology.

PRAL audit report (2022): gaps in IT infrastructure within FBR.

5. Conclusion

a) Thesis Restatement

b) General statements

c) Hope note.