

Universal Service Fund

(A company setup under Section 42 of the Companies Ordinance 1984)

Request for Submission of Proposals (RFP)

For

Hiring of Tax Consultant for Tax Services

Tender ID: USF/TDRS/ TAXConsultant /2020/03

Issued at Islamabad

USFCo Fourth Floor, HBL Tower, Jinnah Avenue, Islamabad Pakistan	Tel: 051 9212308-09 Fax: 051 9214261 URL: www.usf.org.pk
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PART I

1. INTRODUCTION

Universal Service Fund (USF) is a company incorporated under section 42 of the Companies Ordinance, 1984 (the "Ordinance"), in accordance to Universal Service Fund Rules, 2006 ("USF Rules") promulgated by Federal Government of Pakistan in exercise of the powers conferred under clause (ab) of Sub Section (2) of section 57 of the Pakistan Telecommunication (Re-organization) Act, 1996. The primary objective of USF is to plan, develop, finance and execute Information Communication Technology (ICT) and Telecommunication network projects and services to un-served and under-served areas of Pakistan. Universal Service Fund (USF) having its office in HBL Tower, Jinnah Avenue Islamabad.

USF invites sealed bids / proposals from capable Firms / Companies, which are registered with the Sales tax and Income Tax authorities of FBR and are on Active Tax Payer List (ATL), for provision of Tax Consultancy Services for a period of One year (Extendable , maximum for a period of two years, with mutual consent of both parties, on same terms and conditions).

2. BIDDING PROCESS

- a. Firms / Companies will be selected after an open, competitive and transparent bidding process in accordance with Public Procurement Regulatory Authority (PPRA) Rules.
- b. The selection process will be based on Rule 3-C i.e. Least Cost based Selection of Procurement of Consultancy Services Regulations, 2010 of Public Procurement Regulatory Authority and bidding process shall be Single Stage Two envelop Procedure of PPRA Rules.
- c. The bid shall comprise a single package containing two separate envelopes. One envelope shall contain Technical Proposal and second envelop shall contain the Financial Proposal.
- d. The envelopes shall be properly sealed and marked as "FINANCIAL PROPOSAL" and "TECHNICAL PROPOSAL" in bold and legible letters to avoid confusion.
- e. Initially, only the envelope marked as "TECHNICAL PROPOSAL" shall be opened.
- f. The envelope marked as "FINANCIAL PROPOSAL" shall be retained in the custody of USF without being opened till the evaluation of Technical Proposal.
- g. USF shall evaluate the technical proposals in a manner prescribed in section 9 of this document without reference to the price and reject any proposal which does not conform to the specified requirements.
- h. The financial proposal of bids found technically nonresponsive shall be returned un-opened to the respective bidders;
- i. After the evaluation and approval of the technical proposals, the financial proposals of the technically qualified bidders will be opened at a time, date and venue announced and communicated to bidders in advance.

- j. Bid Security, in the shape of a CDR/Demand Draft/Pay Order in the name of 'Universal Service Fund', shall be provided in a separate envelope along with the technical proposal.
- k. No financial instrument shall be acceptable other than specified in clause (j).

3. ELIGIBILITY & QUALIFICATION CRITERIA

Bidders must comply with the following clauses

- a. The Bidder may be either a Firm or a Company.
- b. Bidders shall submit Copy of following registration documents with relevant authorities.

In case of Company	<ul style="list-style-type: none"> 1. Incorporation certificate from Security and Exchange Commission of Pakistan (SECP). 2. NTN Number & STRN 3. Proof of being on ATL on the time of submitting the proposal
In case of Firm	<ul style="list-style-type: none"> 4. Form-C issued by registrar of Firms 5. NTN Number & STRN 6. Proof of being on ATL on the time of submitting the proposal

- c. Bidders registered as Category-A only, as per SBP Latest List of Panel of Auditors, can participate. (Attach-Registration documents).
- d. Bidders must have a minimum five (05) years of relevant working experience at national level, in provision of similar tax consultancy services, from the date of registration with concerned Authorities.
- e. The Bidder's name must be on Active Taxpayers List (ATL) of FBR for Income tax and sales tax (if required) as on the date of bid submission and onward throughout the contract period in compliance of the Eligible Bidders (Tax Compliance) Regulations, 2015.
- f. The Bidder shall provide an undertaking on stamp paper of Rs. 20 dully attested by the oath commissioner / notary public that the Bidder has not been declared blacklisted by any Government/Semi-Government institutions.
- g. USF shall not entertain incomplete or partial bids.

4. INSTRUCTIONS /GENERAL CONDITIONS

- a. The bidder will be selected after an open, competitive and transparent bidding process in view of Rule 20 of the PPRA Rules (The Rules).
- b. Proposals shall be submitted in English/Urdu language as per Rule 6 of the Rules,

- c. All prices mentioned in the Financial Proposal shall be in Pak Rupees (PKR) and inclusive of all applicable taxes.
- d. Each page of the Technical and Financial Proposal shall be numbered and signed by the authorized representative of the Bidder. The representative's authorization shall be confirmed by power of attorney accompanying the proposal.
- e. For clarification on any item of this RFP, the bidder may send a written query, till five (05) days before the proposal submission date.
- f. All clarifications will be communicated to the registered Bidders through e-mail and shall be uploaded on the USF website at the specific tender's web page.
- g. USF may reject all bids or proposals at any time prior to the acceptance of a bid or proposal.
- h. The bidders shall bear all costs associated with the preparation and submission of their respective bids and USF will, in no case, be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.
- i. Bidders must quote exact Tax Consultancy Services as mentioned in ToRs.
- j. Bidders are under obligation to read and understand complete information package/bid documents, USF shall not be responsible towards the Bidders for any of their claim or complaint which may arise as a result of non-reading or misreading the bid documents/information package by Bidders.
- k. USF is the originator of information package/bidding documents, any clarification or interpretation communicated by USF, whether in response of a query or otherwise, shall be deemed final, conclusive and will override all other interpretations, meanings and explanations not originated from USF.
- l. Successful bidder will be issued Letter of Intent (LoI) and shall submit Letter of Acceptance (LoA). Upon submission of LoA by Successful bidder a formal contract will be signed.
- m. USF requires that Bidders to observe the highest standard of ethics during the procurement and execution of such contract. In pursuit of this policy, the USF:
 - I. Defines, for the purposes of this provision, the terms set forth below as follows:
 - II. RFP" means this Request for Proposal to procure the Tax Consultancy Services.
 - III. "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - IV. "fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
 - V. "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

- VI. “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
 - VII. “obstructive practice” is deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede USF investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation
- n. USF will reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the contract in question.
 - o. In the event that there is more than one qualified bidder i.e. they have quoted equal prices in financial bid, the tied qualified bidders (provided both bidders have quoted lowest price) shall be notified by USF and they will submit revised financial proposals in compliance with the RFP. The revised bid amount must be either equal to the original submitted bid or less than previous bid amount. The revised financial proposal shall be submitted in a sealed envelope that is securely closed.
 - p. Firm / Company (Existing External Auditor) of USF who shall not be eligible to participate in this bidding process.

5. BID SECURITY / PERFORMANCE GUARANTEE

- a. A bid security in the form of a CDR/Pay Order/Demand Draft , in the name of ‘Universal Service Fund’, of value PKR 50,000/- (Pak Rupees Fifty Thousand Only) must be attached **in a separate envelope**, with the technical proposal otherwise the unopened financial proposals shall be returned and bid will be rejected.
- b. Payment of bid security in form other than the instruments specified at clause 5(a) shall not be entertained and accepted. USF shall return such bids unopened to respective bidders.
- c. Bid Security of Bidders who does not technically qualify shall be returned with the unopened financial bid within ten (10) days from issuance of technical evaluation report.
- d. Bid Security of technically qualified Bidders will be released after ten (10) days of the signing of the contract with the successful Bidder and bid security of the successful bidder shall be released after submission of the performance guarantee as mentioned in clause 5(e).
- e. Performance Guarantee equivalent to 05% of the signed contract value in shape of Bank Guarantee will be submitted by the successful Bidder, which is mandatory. In case of non-submission by the Bidder within the stipulated time as mentioned in Letter of Intent (LoI), USF shall proceed accordingly.

- f. The Performance Guarantee submitted by successful bidder will be valid till the term of the contract and shall be released after the successful completion of the contract.

6. TECHNICAL PROPOSAL

Technical Proposals to be submitted by the applicants shall be in compliance with the requirements laid down in the RFP and ToR.

The Technical proposal shall be clearly marked with the following: -

“Tender ID: USF/TDRS/TAXConsultant/2020/03”

“TECHNICAL PROPOSAL”

The technical proposal shall include;

- a. A covering letter from the head of the Firms / Companies or an authorized representative of the applicant entailing the objectives and the executive summary of the bidder’s business-
- b. The following documents will be provided as part of the technical proposal:
 - i. Brief description of the Firm / Company
 - ii. All documents mentioned in this bidding document shall be attached with technical proposal
- c. Compliance against each clause and sub-clause of RFP and ToR must be attached. Following conventions shall be used in the compliance checklist;
 - i. Fully Complied (FC)
 - ii. Not Complied (NC)
- d. Noncompliance to any clause and sub clause of RFP and ToR may lead to disqualification.
- e. Additional Information (If Any)

7. FINANCIAL PROPOSAL

The bidder shall submit Financial Proposals specified in the RFP (bidding process) in separate envelope. Envelop shall be clearly marked with the following:-

“Tender ID: USF/TDRS/ TAXConsultant /2020/03”

“FINANCIAL PROPOSAL

“Do Not Open With the Technical Proposal”

Note: Please DO NOT attach the bid security with financial proposal. Bid security must be attached with the technical proposal.

The Financial Proposal shall include the following;

Sr	Description	Category	Price	Unit
a	Regular Services	Retainership fee		Monthly Fixed Lump sum
		Out of Pocket		Fixed or % of Retainer Fee
b	Call out Basis Services	Appeal to Commissioner (Including Stay)		Per case/Appeal Lump sum charges all-inclusive i.e. out of pocket, fee etc. from preparation/filing till final decision
		Appeal to ADRC / Tax Ombudsmen		
		Appellate Tribunal (Including Stay application)		
		Total Price		
		Sales Tax		
		Total Financial Bid		

- a. A lump sum cost along-with the complete detailed item wise cost breakup shall be provided as given in above table.
- b. The proposal must remain valid for a period of 90 days after the bid submission date.
- c. Taxes will be deducted at the time of the payment as per government rules and regulations.
- d. All payments will be subject to the active taxpayer status of the consultant at the time of release of payment. If consultant's status is not active in ATL (Sales Tax); the payments will be stopped till their status becomes active on ATL (Sales Tax) of FBR.
- e. The Successful bidder shall pay all such taxes, Stamp duty or other duties, fees and other impositions levied under the applicable law, the amount of which is deemed to have been included in the financial bid.
- f. Consultants shall mention the amount in financial proposal/Quotations, which shall be inclusive of all applicable taxes, levies, duties and fees as per prevailing laws. Any increase or decrease in rate of sales tax (only) applicable at the time of payment, shall be further added or adjusted, as the case may be, in total contract price.

8. SUBMISSION, OPENING AND RECEIPT OF PROPOSALS

- a. The original proposal (Technical and Financial Proposal) shall be prepared without any interlineations or overwriting. Please note;
- b. Two printed copies for each Technical and Financial proposal shall be submitted in separate envelopes. Each Technical and Financial Proposal shall be marked "ORIGINAL" and/or "COPY" as appropriate.

- c. The envelopes shall be marked separately as “Technical Proposal” and the “Financial Proposal” in bold and legible letters to avoid confusion.
- d. Technical and Financial proposals must be delivered at the address given below on or before **11:00 AM (PST), 18 June 2020**

Senior Admin Officer
 Universal Service Fund,
 5th Floor, HBL Tower, Jinnah Avenue
 Blue Area, Islamabad, Pakistan
 Tel: (92-51) 9212308-09
 Fax: (92-51) 9214261
 Email: admin.tenders@usf.org.pk

- e. Technical Proposals shall be opened the same day i.e. 11:30 AM (PST), **18 June 2020** in presence of all the applicants who choose to be present.
- f. The evaluation of Technical Proposals will be carried out first as per the evaluation criteria given in section 9. The financial proposals of the bidders who do not technically qualify will be returned unopened.
- g. Financial proposals of the technically qualified applicants will be opened publicly, for which the time and date will be communicated to the qualified applicants later on.

9. EVALUATION CRITERIA

USF will evaluate the proposals on the basis of their compliance with the RFP, ToR, evaluation criteria, and the point system as specified below.

A proposal shall be rejected during technical evaluation if it does not comply with the RFP and ToR or if it fails to achieve the minimum score as indicated below:

Evaluation Criteria

S/N	Skills & Experience	Max Weight
1	Experience of Firm / Company (Attach Form-C or SECP certificate) >5 =6 years 06 Marks >6 =7 years 07 Marks >7 =8 years 08 Marks >8 =9 years 09 Marks >9 years 10 Marks	10
2	Pertinent Qualification & Experience of Manager Tax or relevant employee at Firm / company (Attach CV): <u>Qualification:</u> Masters/equivalent or above = (10 marks) Below Masters= (0 marks) <u>Experience:</u>	20

	=>5 years minimum 5 marks up to maximum 10 marks	
3	List of clients to whom taxation services rendered (Attach Relevant Documents of at least 5 clients): >40 clients (10 marks) =>31 <=40 clients (08 marks) =>21 <=30 clients (06 marks) =>11 <=20 clients (04 marks) =>1 <=10 clients (02 marks)	10
4	List of clients (Section 42 companies) (Attach Relevant Documents of at least 2 clients): (relative marking i.e; full marks shall be awarded to the consultant having maximum consulting clients)	10
5	List of clients (Who are managing Tax matters of Recognized Employees Gratuity Funds with FBR) (Attach Relevant Documents of at least 2 clients): (relative marking i.e; full marks shall be awarded to the consultant having maximum consulting clients)	10
6	Taxation consulting experience of telecommunication industry of Pakistan (Attach Relevant Documents): (relative marking i.e; full marks shall be awarded to the consultant having maximum consulting clients)	10
7	Number of Qualified Employees (Accountants) dealing with tax matters by Firm / Company (Attach CVs): >15 employees (15 marks) 10 to 15 employees (10 marks) 01 to 10 employees (05 marks)	15
8	Number of Qualified Employees (Accountants) dealing with tax matters by Firm / Company deputed for this assignment of USF (Attach CVs): 03 or above employees (15 marks) 02 employees (10 marks) 01 employee (05 marks)	15
	Total Score	100
Minimum Score to Qualify		70%

Disclaimer: Zero marks shall be given for non-compliance of minimum criteria mentioned against each clause.

10. AWARD OF CONTRACT

- a. The Bidder with the lowest evaluated bid, if not in conflict with any other law, rules, regulations or policy of the Federal Government shall be awarded the contract, within the original or extended period of bid validity.
- b. A letter of Intent (LoI) will be issued to the lowest evaluated Bidder who shall submit Letter of Acceptance (LoA) within period provided in LoI. The Bidder, to whom LoI has been issued, will have to submit the performance guarantee within prescribed time in LoI.
- c. After submission of the Letter of Acceptance and Performance Guarantee it is expected that the contract will be signed within minimum possible time of receipt of Performance Guarantee by USF, failing which USF may proceed accordingly.
- d. In case of delay in submission of Performance Guarantee, USF shall have the right to extend the timeline or accept any other instrument till the submission of Performance Guarantee (Bank Guarantee).
- e. The initial term of the contract shall be one year which may be extended for any other term mutually agreed by both parties.

11. PAYMENT TERMS: -

- a. Payment of regular services will be made in four installments, each at end of relevant quarter.
- b. Payment of Call out services will be made on completion of assignment.

12. Penalty Terms

- a. In case of delays in execution of services beyond stipulated period, the Liquidate Damages at the rate of 0.15% of against the assigned services value will be imposed. The LD shall not be more than the assigned service.
- b. Any liquidated damages if not paid in cash by Consultant shall be deducted from the invoice (s) submitted by Consultant and if not paid the same shall be deducted from the performance guarantee. The imposition of liquidated damages upon the Consultant and its payment does not absolve the Consultant from its obligations to delivery or from any other liabilities or obligations under the Contract.

13. Confidentiality terms and conditions

Handing over all the record at the time of termination of the contract and to regular report and update of the status of the cases to USF on regular may be quarterly basis.

PART II

TERMS OF REFERENCE / SCOPE OF WORK

The Tax Consultant shall perform services for USF Company & USF Employees Gratuity Fund in accordance with relevant Income/sales tax laws or any other tax laws/rules/procedure/Guidelines. The Tax Consultant services may include but are not limited to the following;

(a) Regular Services:

1. Preparation of annual return of income along with computation of income, Income tax and tax liability thereon in line with the provisions of Income Tax Ordinance, 2001 and filing/e-filing of the returns for FBR.
2. Preparation of returns of sales tax liability thereon in line with the provisions of Sales Tax Act 1990 and rules and filing/e-filing of the monthly Sales Tax Returns for FBR (For USF Company only).
3. Preparation, as applicable in law, of all (Monthly/Quarterly/Biannual/Annual etc) Statements/returns the Tax Collected/deducted (Withholding) Income and Sales tax and filing/e-filing as per statutory timelines.
4. Preparation of Statements/returns as applicable in laws for provincial sales tax and provincial Sales tax Collected/deducted (Withholding) and filing/e-filing the same before the Provincial tax authorities (For USF Company only).
5. Monthly review of Income & Sales tax withheld from payments to vendors and to point out deficiencies and to guide accordingly for correct deductions.
6. Attending assessment /Audit proceedings before the tax authorities, whenever required till finalization of proceedings.
7. Responding to various statutory notices from tax authorities, prepare and submit required data, information and appropriate replies to tax authorities and attend the hearing till the settlement of the issue with tax authorities.
8. Pursue De-registration of USF Sales tax registration application/case (For USF Company only).
9. Renewal of exemption certificate u/s 2(36) of Income Tax Ordinance (For USF Company only).
10. Renewal/Extension of recognition under Rule-1, Part (iii) of Sixth schedule of Income Tax Ordinance 2001. (For USF Employees Gratuity Fund only).
11. Approval for credit under section 100 C of Income Tax Ordinance 2001 (For USF Company only).
12. Exemption Certificates from withholding taxes to avoid charge of advance tax on services and profit/Investment.
13. Calculations of WHT Tax on employee's salaries and preparations of all PSIDs.
14. Provide update and educate and timely information to USF on the Changes in the Income Tax and Sales Tax ordinance/rules.
15. Pursue existing matters/applications/notices reply submitted by existing tax consultant and pending with Tax authorities at all fora.
16. Assist/Advise USF Company Lawyers, in preparation, filing and other matters for cases in Civil, High or Supreme Court.

17. Submit update regarding USF Employees Gratuity Fund for any change in Trustees, policies, rules, regulation etc. and any other information required by the Tax authorities from time to time.
18. Any other tax advices/matters required from time to time during the period of contract.

(b) Call out Basis Services

Drafting of Grounds of Appeal and Statement of Facts / file with Alternate Dispute Resolution Committee /Commissioner of Inland Revenue (Appeals)/Appellate Tribunal Inland Revenue/ FTO and other appellate authorities in USF's appeal proceedings against assessment orders (including penalty orders, if any) passed by the taxation officer and other appellate authorities and representing (including submitting written representations, wherever required) before various appellate authorities. Pursue existing tax cases filed by existing tax consultant and pending with Tax authorities at all fora mutually agreed terms & conditions (if required).

CONTRACT

Tax Consultant Services

BETWEEN

**UNIVERSAL SERVICE FUND
(A Company Setup Under Section 42 of Companies Ordinance 1984)**

AND

M/S _____

Made as of

Date: _____

I. Form of Contract

This CONTRACT (hereinafter called the "Contract") is made the xxxx day of the month of xxxxxxxx between, on the one hand, the Universal Service Fund, a company limited by guarantee registered under section 42 of the Companies Ordinance, 1984 (hereinafter called the "USF") 5th Floor HBL Tower Jinnah Avenue Islamabad, through its Chief Executive Officer.

And

On the other hand, M/s _____, Office (hereinafter called the "Consultant"), Address _____ Islamabad.

WHEREAS

- (a) the USF has requested for the provision of services of a Tax Consultancy Co to provide certain consulting services as defined in this Contract (hereinafter called the "Services");
- (b) The M/s _____ (hereinafter called the "Tax Consultant or Consultant"), having represented to the USF that it has the required professional skills, personnel and resources, has agreed to provide the Tax Consultancy Services on the terms and conditions set forth in this Contract;

NOW THEREFORE the parties hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
 - (a) The General Conditions of Contract;
 - (b) The Special Conditions of Contract;
 - (c) The following Appendices:
 - Appendix A –RFP and ToR
 - Appendix B – Reporting Requirements (if any)
 - Appendix C – Pricing Table
 - Appendix D – Bank Guarantee
 - Appendix E – Technical Proposal
 - Appendix F – Financial Proposal
 - Appendix G – Bid clarification, if any
 - All the Schedules

2. The mutual rights and obligations of the USF and the Consultant shall be as set forth in the Contract, in particular:
- (a) Tax Consultant shall provide the tax consulting services, including filing of all mandatory returns and to represent USF at various fora on when and where basis in accordance with the provisions of the Contract; and
 - (b) the USF shall make payments to the Tax Consultant in accordance with the pricing schedule subject to the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

For and on behalf of USF

**For and on behalf of
Tax Consultant**

Chief Executive Officer

In the presence of:

Witness Name:

Witness Name:

Title:

Title:

NIC:

NIC:

.

II. General Conditions of Contract

1. Definitions

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

1.2 “Applicable Law” means the laws and any other instruments having the force of law in the Islamic Republic of Pakistan, as they may be issued and in force from time to time.

1.3 “Call Out Services” includes the services mentioned in the scope of work

1.4 “Contract” means the Contract signed by the Parties and all the attached documents listed in Article 1, along with General Conditions (GC), the Special Conditions (SC), and the Appendices and schedules.

1.5 “Contract Price” means the price to be paid for the performance of the Services, in accordance with the pricing schedule but subject to the other provisions of the contract;

1.6 “Consultant/Tax Consultant” means “Tax Consultant” that will provide the Tax Consultancy Services to the USF under the Contract.

1.7 “Effective Date” means the date on which this Contract comes into force and effect pursuant to Clause SC 2.1.

1.8 “Federal Excise” means Federal Excise Act 2005 and rules made thereunder.

1.9 “Federal Government” means the Government of the Islamic Republic of Pakistan as defined by law.

1.10 “GC” means these General Conditions of Contract.

1.11 “Income Tax Ordinance” means Income Tax Ordinance 2001 and Income Tax rules made thereunder.

1.12 “In writing” means communicated in written form with proof of receipt.

- 1.13 “Liquidated Damages” mean the monetary damages imposed upon the Consultant and payable to USF by the Tax Consultant on account of non-completion of its mandatory duties within the prescribed time limits as per this contract.
- 1.14 “Party” means the USF or the Tax Consultant, as the case may be, and “Parties” means both of them.
- 1.15 “Personnel” means any persons hired by the Tax Consultant and assigned to the performance of the Services or any part thereof.
- 1.16 “Provincial Government” means provincial governments as defined in law
- 1.17 “Provincial Sales Tax” means sales tax on services as levied by provinces.
- 1.18 “Regular Services” includes the services mentioned in the scope of work.
- 1.19 “Sales Tax” means sales tax as levied under Sales Tax Act 1990 and rules made thereunder.
- 1.20 “SC” means the Special Conditions of Contract by which the GC may be amended or supplemented.
- 1.21 “Services” means the work to be performed by the Tax Consultant pursuant to this Contract.
- 1.22 “Statutory Requirements” means and includes fulfilment of all requirements as required by Income Tax Ordinance 2001, Sale Tax Act 1990, Federal Excise Act 2005, Provincial Sales Tax and Excise Acts, rules made thereunder and amended from time and circulars and SROs issued from time to time

2. Law Governing Contract.

This Contract, its meaning and interpretation, and the relation **between** the Parties shall be governed by the Applicable Law of the land.

III. SCOPE OF CONTRACT

3. Regular Services:

- a) Preparation of annual return of income along with computation of income, Income tax and tax liability thereon in line with the provisions of Income Tax Ordinance, 2001 and filing/e-filing of the returns for FBR.
- b) Preparation of returns of sales tax liability thereon in line with the provisions of Sales Tax Act 1990 and rules and filing/e-filing of the monthly Sales Tax Returns for FBR (For USF Company only).

- c) Preparation, as applicable in law, of all (Monthly/Quarterly/Biannual/Annual etc) Statements/returns the Tax Collected/deducted (Withholding) Income and Sales tax and filing/e-filing as per statutory timelines.
- d) Preparation of Statements/returns as applicable in laws for provincial sales tax and provincial Sales tax Collected/deducted (Withholding) and filing/e-filing the same before the Provincial tax authorities (For USF Company only).
- e) Monthly review of Income & Sales tax withheld from payments to vendors and to point out deficiencies and to guide accordingly for correct deductions.
- f) Attending assessment /Audit proceedings before the tax authorities, whenever required till finalization of proceedings.
- g) Responding to various statutory notices from tax authorities, prepare and submit required data, information and appropriate replies to tax authorities and attend the hearing till the settlement of the issue with tax authorities.
- h) Pursue De-registration of USF Sales tax registration application/case (For USF Company only).
- i) Renewal of exemption certificate u/s 2(36) of Income Tax Ordinance (For USF Company only).
- j) Renewal/Extension of recognition under Rule-1, Part (iii) of Sixth schedule of Income Tax Ordinance 2001. (For USF Employees Gratuity Fund only).
- k) Approval for credit under section 100 C of Income Tax Ordinance 2001 (For USF Company only).
- l) Exemption Certificates from withholding taxes to avoid charge of advance tax on services and profit/Investment.
- m) Calculations of WHT Tax on employee's salaries and preparations of all PSIDs.
- n) Provide update and educate and timely information to USF on the Changes in the Income Tax and Sales Tax ordinance/rules.
- o) Pursue existing matters/applications/notices reply submitted by existing tax consultant and pending with Tax authorities at all fora.
- p) Assist/Advise USF Company Lawyers, in preparation, filing and other matters for cases in Civil, High or Supreme Court.
- q) Submit update regarding USF Employees Gratuity Fund for any change in Trustees, policies, rules, regulation etc. and any other information required by the Tax authorities from time to time.
- r) Any other tax advices/matters required from time to time during the period of contract.

USF will provide following data / information

- (a) user ID, passwords and PIN with IRIS of “**Universal Service Fund**” if already obtained, if not we will generate please inform.
- (b) Govt. fee/tax challans would be paid by client.
- (c) Details of salaries of employees and relevant data to enable us to prepare PSIDs.

4. Call out Basis Services

Drafting of Grounds of Appeal and Statement of Facts / file with Alternate Dispute Resolution Committee /Commissioner of Inland Revenue (Appeals)/Appellate Tribunal Inland Revenue/ FTO and other appellate authorities in USF’s appeal proceedings against assessment orders (including penalty orders, if any) passed by the taxation officer and other appellate authorities and representing (including submitting written representations, wherever required) before various appellate authorities. Pursue existing tax cases filed by existing tax consultant and pending with Tax authorities at all fora mutually agreed terms & conditions (if required).

5. Consultancy Services

Consultant shall provide advisory / consulting services, other than specified above, from time to time in respect of Income tax, Sales tax (both federal and provincial) and other Indirect taxes, both written and oral, provided the terms and condition of such services do not warrant agreement on separate engagement letter.

IV. COMMUNICATIONS

6. Language

This Contract has been executed in English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.

7. Notices.

7.1 Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent to such Party at the address specified in the SC.

7.2 A Party may change its address for notice hereunder by giving the other Party notice in writing of such change to the address specified in the SC.

8. Location

The Services shall be performed at Islamabad or at any such location as required by USF.

9. Authorized Representatives

Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by the USF or the Consultant shall be executed by the authorized representatives of the parties having legally accepted authorization letter from their principals.

10. CONTACT PERSONS:

Following will be the key contact persons from both sides

USF

- 1) Haaris Mahmood Chaudhary
CFO/Secretary to the Board

- 2) Muhammad Qaiser Islam
Senior Manager Accounts

TAX CONSULTANT

- 1) Name
Designation

- 2) Name
Designation

The consultant shall use all reasonable endeavours to ensure that individuals identified in this engagement contract as having been assigned to this engagement are so involved. However, USF may substitute other staff of equal or similar skills and experience. The Company shall promptly notify any change to the above said contacts persons and the alternatives thereto.

11. Change of Address

Any change of postal address or change in the email addresses of any party shall be immediately communicated to the other party through postal mail as well as through electronic mail.

V. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

12. Effectiveness of Contract.

This Contract shall come into effect on the date of signing the Contract (effective date) by both Parties or such other later date as may be stated in the SC.

13. Commencement of Services.

The Tax Consultant shall begin carrying out the consultancy Services from the Effective Date or from such other Date specified in the SC.

14. Expiration of Contract.

Unless terminated earlier pursuant to **Clause GC 17 hereof or extended pursuant to clause 16.3 GC** this Contract shall expire at the end of such time period after the Effective Date as specified in the SC, provided it has not been terminated prematurely by either party on the conditions provided in the contract.

15. Extension, Modifications or Variations

Unless terminated earlier this contract may be extended for any other period as mutually agreed terms and conditions by both the parties.

Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties and by amending the contract accordingly. However, each Party shall give due consideration to any proposals for modification or variation made by the other Party.

16. Force Majeure

16.1 Definition

For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party and which makes a Party's performance of its obligations under the Contract impossible or so impractical as to be considered impossible under the circumstances.

16.2 No Breach of Contract

The failure of a Party to fulfil any of its obligations under this contract during which Force Majeure for that particular activity is in force shall not be considered a breach of, or default under, this Contract, provided that the Party affected by such an event;

- (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract, and
- (b) the contract has been amended accordingly by invoking the clause of Force Majeure

16.3 Extension of Time

Any period within which a Party shall, pursuant to this Contract, complete any action or task, may be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure or otherwise at the sole discretion of the USF.

17. Termination

17.1 By the USF.

The USF may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (f) of this Clause GC 17.1 In such an occurrence the USF shall give a not less than thirty (30) days' written notice of termination to the consultant,

- (a) If the Tax Consultant does not remedy a failure in the performance of their obligations under the Contract, within thirty (30) days after being notified or within any further period as the USF may have subsequently approved in writing.
- (b) If the consultant becomes insolvent or bankrupt.
- (c) If the consultant, in the judgment of the USF has engaged in corrupt or fraudulent practices in competing for or in executing the Contract, as defined in the next section of this contract.
- (d) If, as the result of Force Majeure, the Tax Consultant are unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- (e) If the USF, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.
- (f) If the consultant fails to comply with any final decision reached as a result of arbitration proceedings pursuant to **Clause GC 33** hereof.

17.1.1 Fraud and Corruption

a. Definitions

- (i) "Corrupt Practice" means the offering, receiving, or soliciting, directly or indirectly, of any thing of value to influence the action of an employee of the USF in the selection process or in contract execution;
- (ii) "Fraudulent Practice" means a misrepresentation or omission of facts in order to influence a selection process or the execution of a contract;

- (iii) "Collusive Practices" means a scheme or arrangement between two or more bidders for this consultancy, with or without the knowledge of the USF, designed to establish prices at artificial, non competitive levels;
- (iv) "Coercive Practices" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract;

b. Measures to be taken

- (a) USF will cancel the Contract if it determines at any time that the consultant or his/her representatives were engaged in corrupt, fraudulent, collusive or coercive practices during the selection process or the execution of that contract, without the Tax Consultant having taken timely and appropriate action satisfactory to the USF to remedy the situation;
- (b) USF shall reserve the right to declare the Tax Consultant ineligible, either indefinitely or for a stated period of time, if it at any time determines that the consultant has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing the contract.

17.2 By Tax Consultant

The Tax Consultant may terminate this Contract, by not less than thirty (30) days' written notice to the USF, such notice to be given after the occurrence of any of the events specified below:

- (a) If the USF fails to pay any money due to the consultant pursuant to this Contract and not subject to dispute pursuant to Clause GC 33 hereof within thirty (30) days after receiving written notice from the consultant that such payment is overdue.
- (b) If, as the result of Force Majeure, the consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- (c) If the USF fails to comply with any final decision reached as a result of arbitration pursuant to **Clause GC 33 hereof.**

17.3 Payment upon Termination of the Contract

Upon premature termination of this Contract pursuant to **Clauses GC 17.1 or GC 17.2** the USF shall make the following payments to the consultant:

- (a) Full payment of regular services, calculated on per month basis of the provision of services, provided regular services are rendered to the satisfaction of USF.
- (b) The payment to the tax consultant regarding pending / adjudicating cases filed during the terms of the contract for Call our services shall not be paid and be

- decided at the sole discretion of USF.
- (c) The fate of pleading / defending of the pending / adjudicating cases shall be decided at the sole discretion of USF.

VI. Obligations Of The Tax Consultant

18. Standard of Performance.

The Tax Consultant shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and full fill all the legal requirements as per latest amended taxation laws as applicable on USF. The Tax Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the USF, and shall at all times support and safeguard the USF's legitimate interests in any dealings with Sub-Contractor or third Parties.

19. Performance Guarantee.

- g. Performance Guarantee equivalent to 5% of the contract price in shape of Irrevocable Performance Bank Guarantee will be submitted by the Tax Consultant before the signing of the contract.
- h. The Performance Guarantee shall be valid till the terms of the contract or any other extended period, as the case may be.

20. Taxes and Duties.

The Tax Consultant shall be responsible for any government levies, duties and taxes. However USF shall deduct all the applicable withholdings taxes from the payments made to the consultant against this contract.

The consultant shall pay all such taxes, Stamp duty or other duties, fees and other impositions levied under the applicable law till the execution of the contract, the amount of which is deemed to have been included in the contract price.

Any increase or decrease in rate of sales tax (only) applicable at the time of payment, shall be further added or adjusted, as the case may be, in total contract price.

21. Conflict of Interest

The Tax Consultant shall hold the USF's interest's paramount, without any consideration for future work, and strictly avoid conflict with other assignments or their own corporate interests.

22. Tax Consultant Not to Benefit from Commissions, Discounts, etc.

The payments to the Tax Consultant pursuant to Clause GC 5 shall constitute the consultant's only payment in connection with this Contract or the Services, and the consultant shall not accept for their own benefit any trade commission, discount, or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations under the Contract.

23. Prohibition of Conflicting Activities

The Tax Consultant shall not engage, and shall cause their Personnel not to engage, either directly or indirectly, in any business or professional activities which would conflict with the activities assigned to them under this Contract.

24. Confidentiality

Except with the prior written consent of the USF, the Consultant and the Personnel shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the consultant and the Personnel make public the recommendations formulated in the course of, or as a result of, the Services. This Clause shall continue in force following the termination of this Contract.

25. Obligations of Consultant in Case of Termination of Contract

In case of the premature termination or contract terminating at due date, the tax consultant shall be duty bound to do the following within ten (10) working days;

- a. Submission of updated status of all pending cases in written format.
- b. Submission of all the documents related to the cases to USF.
- c. Once the contract is over the consultant shall not use the user ID of USF, its password and PINS of IRIS of USF

26. Tax Consultant's Actions Requiring USF's Prior Approval

The consultant shall obtain the USF's prior approval in writing before taking any actions for the performance of the services.

27. Reporting Obligations

During the terms of the contract the Tax Consultant shall submit to USF all the updated reports, sales and income tax returns, statements and status of all the pending cases and on-going proceedings on at different forums from time to time but not later than two (02) days.

28. Documents Prepared by the Tax Consultant to be the Property of the USF

- (a) All reports, other documents, prepared and submitted by the consultant to various authorities under this Contract shall become and remain the property of the USF, and the consultant shall, not later than 30 days upon termination or expiration of this Contract, deliver all such documents to the USF, together with a detailed inventory thereof. (where applicable)
- (b) The Tax Consultant may retain a copy of such documents and software. Restrictions about the future use of these documents, if any, shall be specified in the SC.

29. Record of Services delivered

The Tax Consultant

- (i) shall keep accurate records in respect of the Services hereunder, in accordance with the statutory requirements of the applicable law and

PAYMENTS TO THE TAX CONSULTANT

30. PRICING TABLE:

SERVICES AND FEE

Sr	Description	Category	Price	Unit
a	Regular Services	Retainership fee		Monthly Fixed Lump sum
		Out of Pocket		Fixed or % of Retainer Fee
b	Call out Basis Services	Appeal to Commissioner (Including Stay)		Per case/Appeal Lump sum charges all-inclusive i.e. out of pocket, fee etc. from preparation/filing till final decision
		Appeal to ADRC / Tax Ombudsmen		
		Appellate Tribunal (Including Stay application)		
		Total Price		
		Sales Tax		
		Total Price Inclusive of Taxes		

30.1 Payment Schedule:

All payments to the tax consultant shall be made in accordance with the pricing schedule given below subject to the deduction of all withholding taxes as applicable by law or any liquidity damages imposed under section __

- a. Payment of regular services will be made in four instalments, each at end of relevant quarter.
- b. Payment of Call out services will be made on completion of assignment.
- c. The payment regarding pending / adjudicating cases filed during the terms of the contract for Call our services shall not be paid and be decided at the sole discretion of USF.
- d. The fate of pleading / defending of the pending / adjudicating cases shall be decided at the sole discretion of USF.

VIII. GOOD FAITH

31. Good Faith

The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

IX. SETTLEMENT OF DISPUTES

32. Amicable Settlement

The Parties agree that the avoidance or early resolution of disputes is crucial for a smooth execution of the Contract and the success of the assignment. The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

33. Dispute Resolution

Any dispute between the Parties as to matters arising out of or in connection with this Contract that cannot be amicably settled within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement through arbitration in accordance with the provisions of the Arbitration Act, 1940 (Act No.X of 1940) and the Rules made there under.

34. Indemnity

34.1 Except where arising from the negligence of USF or USF's employees, the Consultant shall indemnify USF in respect of any costs or damages howsoever arising out of or related to breach of warranty or representation, contract or statutory duty, or tortuous acts or omissions by the consultant or the consultant's personnel or any claims made against USF by third parties in respect thereof.

34.2 *Clause 34.1 shall continue in force following the termination of this Contract.*

35. Limit of liability

Where there has been misconduct, gross negligence, dishonesty or fraud on behalf of the consultant or the consultant's Personnel the consultant's liability under this Contract shall be

limited to the amount of the Contract Price.

36. Assignment

The consultant shall not, without the prior written consent of USF, assign or transfer or cause to be assigned or transferred, whether actually or as the result of takeover, merger or other change of identity or character of the Tax Consultant, any of its rights or obligations under this Contract or any part, share or interest therein.

37. Liquidated Damages

37.1 Subject to Clause 16 (Force Majeure), in case of delays in execution of services beyond stipulated period, a penalty in the form of Liquidated Damages shall be imposed at the rate of 0.15% of the assigned services value. Provided that the total amount deducted or imposed as Liquidated Damages shall not be more than the value of assigned services.

37.2 Liquidated Damages if not paid in cash by Consultant shall be deducted from the invoice(s) submitted by the Consultant or by the forfeiture of Performance Guarantee. The imposition of Liquidated Damages upon the Consultant and its payment does not absolve the Consultant from its obligations to delivery or from any other liabilities or obligations under the Contract.

X. Special Conditions of Contract

Number of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
1.4	<p style="text-align: right;"><u>USF:</u> 4th Floor, Habib Bank Tower, Jinnah avenue, Islamabad</p> <p style="text-align: right;"><u>Attention:</u> <u>Haaris Mehmood Chaudhary</u></p> <p style="text-align: right;"><u>Telephone:</u> 051-921 2308-9</p> <p style="text-align: right;"><u>Facsimile:</u> 051-921 4261</p> <p style="text-align: right;"><u>Email:</u> haaris.mahmood@usf.org. pk</p> <p style="text-align: center;">• Consultant</p> <p style="text-align: right;">Attention: _____</p> <p style="text-align: right;">Telephone: _____</p> <p style="text-align: right;">Email: _____</p>
{1.6}	Not Applicable
1.7	The Authorized Representatives are: For the USF: <u>Haaris Mehmood Chaudhary</u> For the Consultant: _____
2.1	The effective date for the contract shall be the contract signing date.
2.2	The date for the commencement of Services is contract signing date.
2.3	The time period shall be twelve (12) months from the effective date.

3.4	N.A
{3.7 (b)}	N.A
5.2	The amount in Pakistani Rupees is _____/-

