

PRESS RELEASE

Institute for Public Opinion Research (IPOR), Islamabad.

IPOR Study on FBR's Track and Trace System Highlights Persistent Compliance Gaps in Pakistan's Tobacco Market

Islamabad, 24th, January 2026 — The Institute for Public Opinion Research (IPOR) hosted a policy discussion to present findings from its nationwide study titled “**Track and Trace Compliance in the Tobacco Industry – (Volume II)**”, revealing significant regulatory gaps in compliance with the Federal Board of Revenue's (FBR) Track and Trace System (TTS).

The session was chaired by **Mr. Bilal Azhar Kayani, Minister of State for Finance and Railways, and Head of the Prime Minister's Delivery Unit** and, brought together policymakers, researchers, and regulatory authorities to deliberate on the study's findings and their implications for tax revenue, market regulation, and public health.

The event commenced with a presentation of the study findings by **Mr. Tariq Junaid, Executive Director of IPOR**, who outlined the scale and nature of non-compliance observed across the country. Drawing on data collected from 1,520 retail outlets across 38 markets in 19 districts, he highlighted that 51% of cigarette brands available at the point of sale were non-compliant with one or more government-mandated requirements, including the absence of Track and Trace stamps, violations of the Minimum Legal Price (MLP), and missing graphical health warnings. The findings showed that non-compliant brands were largely comprised of smuggled and locally manufactured duty-not-paid cigarettes.

Key Findings from the IPOR Study

- Out of 477 cigarette brands found at retail outlets, only 49% were fully compliant with the TTS and related regulatory requirements.
- A total of 320 smuggled brands and 121 locally manufactured brands were identified without Track and Trace stamps.
- Compliance with the Minimum Legal Price of PKR 162.25 remained weak, with only 53 smuggled brands and 10 locally manufactured non-compliant brands selling above the legal threshold.
- Despite retailer awareness of the TTS regime, enforcement at the point of sale remained limited, with only 40% of retailers reporting any difficulty in selling non-compliant brands.

Expert Discussants' Insights

Following the presentation, **Dr. Nasir Iqbal, Fiscal policy Expert and Registrar at the Pakistan Institute of Development Economics (PIDE)**, discussed the findings in the broader context of fiscal discipline and regulatory governance. He emphasized that persistent non-compliance reflects deeper institutional coordination challenges and stressed the need to align enforcement mechanisms with broader public finance and governance reforms.

Ms. Mehwish Mumtaz, Assistant Chief (Policy) at the Pakistan Institute of Development Economics (PIDE), further elaborated on the policy implications of the study. She highlighted the importance of evidence-based policymaking and inter-institutional coordination, noting that weak compliance undermines not only revenue collection but also public health objectives. She stressed the need for data-driven regulatory responses to translate policy intent into measurable outcomes.

Regulatory Perspective

The regulatory response was presented by **Mr. Javed Iqbal, Project Director, Track and Trace System, FBR**, who outlined the current state of enforcement and compliance mechanisms. He shared insights into ongoing efforts by FBR to strengthen monitoring, improve system integrity, and address illicit trade challenges within the tobacco sector.

Chair's Remarks

In his concluding remarks, **Mr. Bilal Azhar Kayani** reaffirmed the government's commitment to ensuring regulatory compliance across all sectors. He emphasized that stronger enforcement, enhanced regulatory measures, and institutional collaboration are essential to achieving the objectives of the Track and Trace System.

Key Recommendations

The discussion concluded with a consensus on the need to:

- Strengthen on-ground enforcement at the retail level
- Enhance coordination between fiscal and administrative authorities
- Use pricing and taxation tools alongside enforcement to curb illicit trade

The findings and discussions marked an important step toward improving regulatory compliance, strengthening tax collection, and supporting public health objectives. The event underscored the importance of evidence-based dialogue in advancing effective implementation of Pakistan's Track and Trace System.

The Institute for Public Opinion Research (IPOR) is committed to providing data-driven insights into the public's views on key policy and political issues affecting Pakistan. Our mission is to foster informed public discourse and support policymakers with reliable data to guide decision-making.

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