

### **FBR's Faster settles Rs11 billion of refund claims**

ISLAMABAD: The Federal Board of Revenue's (FBR) digital refund settlement system has cleared almost 75 percent or R11 billion of total pending claims received since August this year, the revenue authority said on Thursday.

FBR issued refunds worth Rs11 billion as against the claims of Rs15 billion, through its newly-introduced fully automated sales tax e-refund (Faster) system.

In August, the FBR deployed the automated refund system, called Faster, to speed up release of tax refunds to five major export-oriented sectors following withdrawal of zero-rated regime. The purpose is to eliminate human intervention in processing and settlement of tax refund claims and to increase revenue collection.

The FBR said a total of Rs98 billion worth of refunds have been issued during the first half of the current fiscal year compared to Rs31 billion in the corresponding period last year.

The FBR officials told the National Assembly committee on finance that the revenue board was expecting an additional Rs185 billion in tax collection after the imposition of 17 percent general sales tax on five export-oriented sectors, including textile, leather, carpets, sports and surgical goods.

The FBR collected Rs61 billion in July-November period of the current fiscal year from the five sectors as against Rs6 billion through local sales in the same period of the last fiscal.

Out of total additional collection of Rs55 billion, the FBR fetched Rs23.6 billion through domestic front and Rs32.3 billion at import stage.

The FBR's official said the government provided subsidy on gas and electricity to exporters after slapping 17 percent general sales tax on export-oriented sectors.

However, industry officials said there is no connection between subsidy on gas and electricity and imposition of general sales tax on five export-oriented sectors.

"Most of these refunds have been given to exporters including encashment of refund bonds issued last year," it said in a statement.

"The federal government and FBR are trying to provide maximum facilitation to businesses in a collaborative and consultative process."

On withdrawal of zero-rated tax facility, government officials said more than half of production from export-oriented sector is consumed in the domestic markets. Industry

officials denied the claim, saying only 25 percent of production is meant for domestic markets.

Textile businesses provide details through form 'H' in sales tax monthly returns to the FBR and pointed out difficulties in filing.

The government assured exporters of accommodating recommendations from the exporters to simplify the 'H-Form' and ensure a prompt payment of sales tax refunds to them.