

Steps being taken to check smuggling, says FBR chief

FAISALABAD: Federal Board of Revenue (FBR) chairman Syed Shabbar Zaidi has said that under-invoicing, smuggling and problems related to Afghan transit trade are priority issues for the government and stringent measures are being taken to resolve them.

He was speaking to FBR local officers, members of the business community and media personnel here on Monday.

Mr Zaidi said that the local industry could not be strengthened without resolving the issues of under-invoicing, smuggling and the Afghan transit trade.

He said different experiments on zero-rated products had been conducted in the past and sensing the current situation of the textile sector the government had decided to abolish the zero-rated facility.

He said the FBR had talked to stakeholders of different textile sectors prior to withdrawing the facility of zero-rating. He said he was visiting Faisalabad to listen to grievances of local industrialists.

Shabbar says government has not imposed any new tax in budget

Mr Zaidi said “old people” in the FBR would make a new FBR and issues would be resolved with the help of automation. Corruption was persistent in sales tax collection, he said, adding that it would be eliminated with the help of automation.

He said some members of the business community had complained that they were being harassed by FBR people, while officials claimed that they just pursued people for tax collection.

Mr Zaidi said soon after assuming charge he had issued an order that no account would be frozen. The system would be improved in consultation with the business community, he added.

He said previous amnesty schemes were for the people of Lahore and Karachi only, but in the new one the people in Faisalabad and Sargodha would also be included.

The FBR chairman claimed that the government had not imposed any new tax. “It is a wrong perception that people are facing price hike due to imposition of taxes,” he said, adding it was the government’s policy that no new tax would be introduced. He said increase in the value of the US dollar against the local currency had contributed to price hike in the country.

It was an easy strategy for the government to increase the sales tax rate to enhance tax collection, however, the government had not done this, he added.

Talking about a strike call given for textile mills, he said according to his information no mill was closed, adding that only yarn buyers were not doing their business.

According to APP, the FBR chairman assured the business community that a committee would be constituted to remove its concerns about the federal government's budget.

He said that a credible and efficient refund system would be evolved in consultation with exporters, adding that in this connection he had invited them to have a meeting with him in Islamabad.

He also announced to accept most of the proposals of exporters and assured them that in future their refund claims would not be deferred. He said Rs38 billion had been issued for payment of refund claims. In this connection, promissory notes are also available and exporters could opt for these notes as and when required.

Regarding customs, he said that at present 40 per cent cargo was imported through green channel. He has a proposal to increase its limits from 40 to 60pc.

Commenting on liquidity problems, he said he could not make decision about them. However, he added, he had requested exporters to visit Islamabad so that the issue could be taken up with Adviser to the PM on Finance, Revenue and Economic Affairs Hafeez Sheikh.

Regarding reports of raids on houses to recover gold and other valuable properties, he said the FBR had not issued any such directive.

This order has been issued by the Securities & Exchange Commission of Pakistan (SECP). He assured that he had taken up the issue and this order was expected to be withdrawn very soon.

Regarding small traders, the FBR chairman said the government was concentrating on introducing fix tax system for them as the government's ultimate objective was to document the economy.

The Newspaper's Staff Correspondent