

Shabbar Zaidi briefs ISI on export-oriented sectors

ISLAMABAD: The Federal Board of Revenue (FBR) has assured the top spy agency of the country that the rules for release of sales tax refunds would be issued on Wednesday (today) and there would be no liquidity crunch for export-oriented sectors during the current fiscal year.

FBR Chairman Shabbar Zaidi along with his team on Tuesday visited the headquarters of the Inter-Services Intelligence (ISI) and extended briefing on abolishing the zero-rating regime for five export oriented sectors, including textile, through the budget 2019-20.

The FBR has been assigned to achieve highly ambitious tax collection target of Rs5,550 billion for the current fiscal year against revised provisional estimates of Rs3,832 billion in last fiscal year 2018-19 that ended on June 30, 2019. For achieving the collection target, the FBR requires growth in revenues to the tune of over 44 percent that had never happened in history of Pakistan.

“We are going to issue rules for release of refunds under new mechanism today (Wednesday),” said Shabbar Zaidi when contacted to seek his comments on Tuesday.

He said that there would be no liquidity crunch for export oriented sector during the current fiscal year as the new rules for issuance of refunds would be placed in order to avoid any delays.

However, the sources said that the refunds mechanism would ensure prompt release of amount in shape of due refunds on receipt of Goods of Declaration (GDs) at time of export proceeds. If the FBR could not manage the refunds mechanism effectively then the whole scheme of doing away with zero rating regime for export oriented sectors could face a major blow to the economy as well as tax collection system of the country.

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