

Parvaiz Ishfaq Rana

Exporters decry delay in refunds

KARACHI: Exporters are facing a severe liquidity crunch due to delay in payment of sales tax refunds despite launch of new system by the Federal Board of Revenue (FBR), Pakistan Hosiery Manufacturers Association (PHMA) chairman Jawed Bilwani claimed on Monday.

In August, the FBR had claimed that it would pay sales tax refunds in the range of Rs15 billion to Rs20bn through the newly installed Fully Automated Sales Tax e-Refund (FASTER) system to exporters of five sectors within 72 hours of submission of claims.

“The FBR launched this system for the payment of sales tax refunds to exporters. However, at the initial stage we faced lots of hardship in filing their sales tax returns for getting refund,” Bilwani added.

Pakistan Knitwear and Sweater Exporters Association (Paksea) chairman Rafiq Godial lamented that the FASTER system never works because ‘annexure H’ of the system (through which Refund Payment Orders (RPOs) were issued) carried many lacunas and flaws which prevented exporters from filing their returns.

He further said that all these issues related to FASTER were shared with the relevant FBR authorities. “Despite repeated assurances, the system still has deficiencies which make sales tax refunds impossible,” he added.

Pakistan Cotton Fashion Association (PCFA) chairman Khawaja Usman regretted that even those refund claims which managed to get through the FASTER system and for which RPOs were also issued have yet to be cleared.

Pakistan Bedwear Exporters Association (PBEA) chairman Shabir Ahmed shared similar views while stressing that the trade faced severe hardships due to liquidity crunch.

“Exporters are unable to procure and purchase raw materials and other accessories for fulfilling their future export orders and this will ultimately collapse the entire export trade,” he added.