

KHALID ABBAS SAIF

Exporters dismayed at working of FBR's new Faster system

FAISALABAD: With the imposition of 17 percent GST on the previously zero rated textile sector and delays in payments of refund despite FBR's Faster System, exporters have expressed great dismay over the performance of new FBR's FASTER System and termed that the new system is "SLOWER" and nothing is changed in the newer system.

The commitment of FBR to instantly release exporters refund seems to be an eyewash. This was stated by Ch Salamat Ali, Central Chairman, Pakistan Hosiery Manufacturers & Exporters Association (PHMA).

The Federal Board of Revenue (FBR) claimed that it will now pay sales tax refunds through the newly installed Fully Automated Sales Tax e-Refund (FASTER) system to exporters of five sectors within 72 hours of submission of refund claims but after lapse of hundreds of hours sales tax refunds have not been paid yet.

He informed that when enquired from SBP about the delays in payments of approved RPOs of exporters, the State Bank informed that exporters' refund amount cannot be credited unless the FBR gives such intimation in writing. To our utmost surprise on one side the government is claiming to expedite exporters refund claims and fast payments and also introduced automated FASTER system while on the other side SBP requires necessary instructions to credit the refund amount. Billions of rupees of exporters in sales tax have been held up with the FBR as a result they have been facing severest financial hardships and are unable to procure materials/inputs for manufacturing goods meant for exports. To crown this all, due to pending refunds, running capital of the exporters are diminishing and exporters are compelled to buy input goods on credit. Hence, exporters cannot quote rates to their foreign buyers.

He lamented that further SRO 747(I)/2019 dated 9th July 2019 by which amendments have been made in the Export Oriented Units and Small & Medium Enterprises Rules, 2008 wherein in the Rule 10, the clause (b) and (c) of sub-rule (1) had omitted whereby from now onwards exporters cannot get local input goods at zero rated sales tax invoice. Previously exporters were liable to get local input goods at zero rated sales tax invoice. He cautioned that if the FBR's so called FASTER system responded contrary to the commitments made by the government to exporters regarding swift payment of refunds and the system continued inefficiently and caused excessive delays, causing liquidity crunch to exporters which will severely affect the export production resulting to 15 percent decline in export this fiscal year.