

RECORDER REPORT

PM urged to take notice of delay in releasing ST refunds

KARACHI: Karachi Chamber of Commerce & Industry (KCCI) president Agha Shahab Ahmed Khan has urged Prime Minister Imran Khan, Adviser to Prime Minister Hafeez Shaikh, Minister of State for Revenue Hammad Azhar and Federal Board of Revenue (FBR) chairman Shabbar Zaidi to take notice of the hardships being faced by the perturbed exporters and issue strict directives for improving the performance of Fully Automated Sales Tax e-Refunds (FASTER) module in order to save the export oriented industries from further crises which, if not timely addressed, would certainly have a deep negative impact on Pakistan's economy particularly in a situation when all out efforts were being made by the present government to somehow reduce the current account deficit.

While expressing deep concern over the poor and pathetic performance of the recently launched FASTER module, he said FBR claimed of processing payments of sales tax refunds for the tax period July 2019 within 72 hours on Sep 2 through FASTER module but the ground reality was totally contrary to this claim as many exporters have not received anything and are running from pillar to post at various departments of FBR to get their claims processed and released.

Agha Shahab pointed out that many exporters from different parts of the country have not received outstanding refunds for July 2019 which was really worrisome and too disappointing for the business and industrial community as the FASTER module was launched with a commitment to release refunds within 72 hours but it was not happening at all, which has intensified the hardships for exporters who are finding it almost impossible to stay afloat due to delays in release of refund claims and rescission of SRO 1125(I)/2011 dated 31.12.2011, which allowed zero-rating of inputs of five export-oriented sectors.

“It was a matter of grave concern that a system titled FASTER for processing refund claims within 72 hours, has actually made the entire process too messy and cumbersome while the FBR officers in Islamabad were also totally unaware and confused because of the so-called FASTER system hence, it should be remained as SLOWER”, he criticized.

KCCI president said it has been a month since the first tranche was processed via FASTER module but many exporters have not received funds, creating severe liquidity crunch for the exporters from five export-oriented industries which clearly indicates that FASTER system has failed miserably to improve the situation in fact it has made the refunds process more cumbersome and slower.

He was fairly optimistic that keeping in view the government's resolve towards ensuring the Ease of Doing Business, the decision makers would pay attention to this serious issue and order the concerned department to improve FASTER's performance which would certainly be warmly welcomed not only by Karachi Chamber but also by all other stakeholders from across the country.