

Mehtab Haider

FBR to hold weekly meeting to solve refunds' problem

ISLAMABAD: Amid persistent efforts from different lobbies to restore zero rating regime or reduce tax rates on five export oriented sectors, the FBR has decided to hold weekly consultation meeting with relevant ministries and exporters till the problem of release of refunds is solved.

The FBR high-ups disclosed to The News on Wednesday that the efforts were still underway from different powerful lobbies to convince the government for restoring zero rating regime or reduce the GST rate for these five export oriented sectors. The post abolishing of SRO 1125, the wised exporters are suggesting to the government for allowing provision of refunds on basis of purchases made by them instead of input adjustments.

“In order to resolve problems of exporters, the FBR has decided to hold meeting with representatives of Ministry of Commerce, Industries, Textile and exporters belonging to Faisalabad, Karachi or any other part of the country” FBR’s Member Inland Revenue and official spokesman Dr Hamid Ateeq Sarwar confirmed when The News contacted him for seeking comments on Wednesday.

The exporters mainly belonging to textile sector argued before the government they exported over \$3 billion in first three months of the current fiscal year that translated into rupee value around Rs400 billion. On the basis of average input invoices in the range of 12 to 14 percent, the stuck up refunds amount was estimated close to Rs48 to Rs52 billion.

On the other hand, the FBR high-ups took stance that the exporters filed refunds demand of Rs1.5 billion out of which the FBR had so far cleared Rs1 billion so the system showed that the tax machinery was clearing 75 percent refunds claims. “When exporters will not file their GST returns and will not come into system then how the FBR can provide them refunds amounts” said the official sources.

The withdrawal of SRO 1125 for five export oriented sector is one of the major demand of the IMF programme and the FBR high-ups say that they were ready to resolve practical problems by sitting with exporters on every Monday in coming weeks and months until and unless their all problems are solved amicably.

The FBR has instructed exporters to come to FBR on coming Monday along with their IT experts and they would sit with PRAL team to find out solution to the problem for filing of returns and making claims for getting GST refunds through faster software. The FBR has informed about this initiative to Advisor to PM on Commerce Abdul Razzak Dawood and Board of Investment’s chairman and both had promised to attend weekly meeting in order to find out solution to this problem.

The effort of restoring zero rating regime, the FBR official said, will be simply blow to the revenue streams and could result into derailing of the IMF programme. The official said that the exporters belonging to Sialkot had successfully adopted the new system and were getting their refunds in smooth manner.