

### **'Rs232bn refunds pending'**

ISLAMABAD: The Federal Board of Revenue (FBR) on Monday admitted before a group of cabinet members that pending refund claims of over Rs232 billion are mostly related to exports sector.

A high-level meeting, chaired by Finance Adviser Hafeez Shaikh, was held in the FBR headquarter to take stock of the issuance of refunds. It was attended by Minister of Industries Hammad Azhar, Minister of Parliamentary Affairs Azam Swati, Commerce Adviser Razak Dawood, and Chairman FBR Javed Ghani.

Member (IR-Operations) Ashfaq Ahmed informed the meeting that a total of Rs142bn of Sales Tax refunds were pending and Rs90bn of Income Tax refunds were due for payment.

He claimed that the export sector had been prioritised and an unprecedented amount of Rs106bn had been released to them.

Article continues after ad

The meeting was briefed that during 2020, fresh inflows and refund claims had matched the outflows and the total amount of refund released under the head Sales Tax was Rs154bn.

Discussing the tax refunds, FBR was advised to focus on pending refunds of both export and non-export sector to give a business stimulus and easy cash flows in the post-Covid scenario.

Further enhancing the stimulus package, FBR was advised to pay Income Tax refunds up to Rs50 million each within one week for which FBR will be provided funds by the Finance Division.

In order to ensure steady disbursement of refunds, it was proposed that FBR may examine creating a refund fund from where Income Tax refunds relating to previous years maybe paid in routine without hurting collection till the time all the pending refunds are liquidated.