

FBR directed to fine-tune systems for fast refunds

ISLAMABAD: The government on Friday asked the Federal Board of Revenue (FBR) to improve its online systems to speed up settlement of refunds and rebates.

The ministry of commerce was also directed to clear the backlog with reference to drawback of local taxes and levies refunds expeditiously during a meeting of technical committee presided over by Adviser to the Prime Minister on Finance Hafeez Shaikh.

Shaikh urged the technical committee to simplify relevant procedures ensuring clarity and transparency in revenue collection. The virtual meeting was attended by the FBR Chairman Javed Ghani and Abid Shaban, chairman of the committee formed last year to address the businessmen concerns over clearance of refunds.

During the meeting, fully automated sales tax e-refund system (Faster) of sales tax refund for exporters was appreciated. It was agreed that both Faster and rebate systems would be fine-tuned for more efficient results on priority basis.

After due deliberation, it was decided to engage experts as co-opted members to streamline the working of the technical committee. Representatives of the commerce and industries divisions would also be included to further strengthen the technical committee. In September, FBR constituted technical committee and complaint oversight committee comprising of tax officers and business community to identify and remove the technical and complaint issues of businessmen.

Total Rs40 billion is to be disbursed as income tax refund under the government's COVID relief package.

Businesses were struggling to stay afloat amid the lockdown that was lifted after five months. Pakistan's initial economic losses in different sectors of the country's economy were estimated at Rs1.3 trillion.

In July, Adviser to the Prime Minister on Finance and Revenue Hafeez Shaikh directed the FBR to make payment of all income tax refunds of up to Rs50 million on priority basis.

Shaikh directed the tax authority to adopt a clear roadmap and strategy for the payment of remaining refunds. "The government has a clear policy that all tax refunds, whether fresh or old, should be paid back without any excuse," he was quoted as saying in a statement then. After the withdrawal of zero-rating status, the Faster was introduced with effect from July last year for processing of refund claims of ex-zero rated exporters at a fast pace of 72 hours. Since the system was newly made, many system glitches marred proper working of the system. Refund claimants faced problems like many of the cases stuck at pre-processing stage, missing amount of refunds, no intimation about the status of refund and delays in processing and sanctioning of refunds. FBR said it will devise a strategy for liquidation of pending income tax returns.