

FBR to establish CITRO for centralised refund payment

ISLAMABAD: In a major move to expedite payment of income tax refunds, the Federal Board of Revenue (FBR) has decided to establish a Centralized Income Tax Refund Office (CITRO) for centralised payment of refunds through cheques or promissory notes and online transfer to the taxpayers' bank account.

The FBR has issued SRO 1239(I)/2020 to issue draft amendments in the Income Tax Rules, 2002. This new procedure shall apply to all refund orders issued under subsection (4) of section 170 of the Income Tax Ordinance.

According to the FBR, there shall be established a CITRO under the FBR for centralised payment of refund amount to such claimants and from such date as the board may specify.

From such date to be notified by the board, the commissioner shall transmit an order under sub-section (4) of Section 170 of the Ordinance through IRIS to the treasury officer in CITRO under his digital signature, and retain a copy thereof for record.

The treasury officer in CITRO and the co-signatory designated by the board in this regard shall issue the cheque or a promissory note to the FBR Refund Settlement Company Limited, as the case may be, for the sanctioned amount as mentioned in the refund order or online transfer.

The CITRO shall also prepare a statement of payment advice for the concerned bank on a daily basis, for direct transfer to the taxpayer under intimation to the CITRO, the concerned commissioner as well as the taxpayer.

The in-charge of the CITRO shall reconcile the refund cheques and payment advices issued during the month with the bank scrolls received from the State Bank of Pakistan (SBP), and record the outcome of such reconciliation in the system.

Where any cheque is returned back by the SBP due to any reason, the treasury officer shall cancel such cheque, if required, and attach such cancelled cheque with the respective counterfoil of the cheque-book, the FBR added.