

### **FBR pilots new system to curb bogus invoices**

KARACHI: The Federal Board of Revenue (FBR) is conducting pilots on a new system to eliminate fake and bogus invoices that cause losses to the exchequer, a top official said on Saturday.

Aftab Imam, chief commissioner of Corporate Tax Office said sales tax refund system is efficiently processing the claims after an upgrade of fully automated sales tax e-refund (Faster) system. There are certain checks that are still necessary, he said.

"FBR is also working on a new system, which will eliminate flying / bogus invoices," Imam said while talking to textile exporters.

The tax official said the CTO is playing its role in policy making by communicating the matters and issues related to exporters with the authority.

Imam said all the income tax notices bear the barcode while the post refund audit notices regarding sales tax bear no barcode. However, they are valid notices. The system is going through developmental phase and in next few weeks post refund audit notices will also reflect the barcode, he said. Documents that are not available online, such as proofs of payment and inventory, need reporting. On zero-rated certificates, he said they will be issued once permitted by the authority.

"All the issues of exporters will be resolved on top priority without delays," he said. "FBR accords importance to taxation matter of exporters and believes in speedy refunds of their funds. Timely refunds will enable the export industries for further investment, which will ultimately bring foreign exchange to the country and shall also generate revenue for the exchequer."

Imam said the Faster Plus is processing refunds in 42-72 hours while refunds process has been improved with speedy refunds. Pending cases of exporters will be resolved on priority basis.

Value-added textile sector asked the FBR to automate the remaining 20 percent of sales tax refunds. The system is currently processing up to 80 percent of refunds without human involvement.

"Due to speedy refunds, there has been an increasing trend in textile exports," said Jawed Bilwani, chief coordinator of Pakistan Hosiery Manufacturers and Exporters Association.

"Several members have informed that amounts are missed and deferred in the Faster system which should be looked into and rectified," he said.

Bilwani said documents that are already available in the FBR system are demanded. Only relevant documents should be demanded because the entire textile export chain is documented.

"FBR notices should be sent electronically," he said. "Exporters should be provided with the facility to apply for zero-rated certificate on reduced tariffs of gas and electricity."

The FBR should inform the Sindh Revenue Board when traders already pay worker welfare funds, he added.