



OICCI urges govt to refund Rs59bn

LAHORE: The government owes more than Rs59 billion in unpaid income and sales tax refunds to around 68 companies partly or fully owned by foreign investors operating in the country for a period between 13 years and one year.

Overseas Investors Chamber of Commerce and Industry (OICCI), which represents business interests of foreign investors in Pakistan, in a letter addressed to the Federal Board of Revenue (FBR) has urged its Chairman Jahanzeb Khan for an “early settlement of the long pending tax refund claims of the chamber’s members”.

The letter says that the board owes Rs33bn in income tax and Rs26bn in sales tax refunds to its members despite complying with all relevant formalities and documentation. The unpaid refund amount is equal to around 20 days’ payment of taxes by these companies.

FBR owes the aforementioned refunds to companies from power, telecom, pharmaceutical, oil, food, chemical and other sectors.

The largest amount of Rs8bn is owed to Pakistan Telecommunication Company followed by Engro Fertilisers Rs6.4bn, Tetra Pak Rs4.9bn, Nestle Rs4.6bn, Engro Food Rs4.6bn, K-Electric Rs4.3bn and Archroma Pakistan Rs2.1bn. The FBR also owes unpaid refunds worth Rs1bn and Rs2bn to another seven firms.

The OICCI has been pursuing the matter with the board for long but has met with limited success. “We cannot overemphasise the negative impact of delay in payment of legitimate tax refund claims on the existing foreign investors and on future inflow of foreign direct investment in the country,” according to the letter obtained from FBR sources.

The chamber asked the FBR Chairman to settle the matter on a priority basis by the end of this month.

By; Nasir Jamal October 11, 2018