

Verification of declarations: FBR unveils updated manual on Crest for taxmen

The Federal Board of Revenue (FBR) has issued a new manual for the tax officials to effectively utilize Computerized Risk-Based Evaluation of Sales Tax (Crest) system for real time verification of declaration of seller and buyers.

According to the updated manual on Crest issued by the FBR Friday, the FBR is now capturing the transactions made by the registered persons. "This has enabled us to identify cases where any genuine registered person is denied any benefit admissible under the Sales Tax Act." Accordingly, the FBR has developed an end to end IT solution (Crest) Sales Tax. This home-grown system checks the information contained in monthly returns, customs import and export data and cross matches one another for every registered person. Any exceptions pointed out by the system will be provided electronically to the concerned registered person who in turn can explain the position through attaching the supporting documents. The system has inbuilt capacity to verify the veracity of the reply received from the registered person. The system is designed for sales tax registered persons based on their declarations.

The system has pointed out that certain registered persons have claimed credit/adjustment of sales tax deducted by withholding agents, whereas the withholding agents (buyers) have not paid/deposited the withheld amount in government treasury. With the launching of STRIVE system, real time verification of declaration of seller and buyers, this discrepancy will not be developed after July 2016.

The Crest system has the feature of marking potential cases, domain team will identify the potential cases for officers to work, and these will be sure short cases in order to increase revenue. The technical procedure of marking and view such potential cases are as follows: Domain will select the check box against the discrepancy case and will click on the button namely "Mark as Potential Case."

It said that input tax adjustment of buyer is cross-matched with their suppliers' returns and Customs import data. Excess input adjustment of buyer is highlighted. With the launching of STRIVE system, no further discrepancy will be made after July 2016.

The supplies made @ 16 percent instead of 17 percent have been highlighted in short payment discrepancies. Dashboard provides summary and overall view of the selected cases. The screen displays various columns related to discrepancies like purchase, zero rated supplies, imports, exports, commercial imports, short payments, further tax, non-filing of ST & IT return and IT withholding statement discrepancy, inadmissible input tax (SRO.490) discrepancy, extra tax Chapter-XIII discrepancy, reduce rate discrepancy and inadmissible STWH (SRO.660) discrepancy, it added.

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