

Exporters' tax matters to be resolved on priority basis: FBR member

All the legitimate matters of exporters in the hands of the FBR shall be resolved on priority basis. This was stated by Khawaja Tanveer Ahmad, Member Inland Revenue (Operations), Federal Board of Revenue Monday during his visit to Pakistan Hosiery Manufacturers & Exporters Association, Karachi accompanied by Seema Shakeel, Chief Commissioner LTU Karachi; Dr Fazal Muhammad Abrejo, Chief Commissioner Corporate RTO, Karachi and Nazir Ahmed Shoro Chief Commissioner RTO III Karachi.

Earlier, Jawed Bilwani, Chairman, Pakistan Apparel Forum and Chief Coordinator, PHMA welcomed Chief Guest Khawaja Tanveer Ahmad, Member Inland Revenue (Operations), the FBR and his team to PHMA. He invited the attention of Member, FBR on burning issue of exporters Sales Tax Refund lying pending. In this connection FBR has already written a letter to RTOs/LTUs to finalize the remaining claims with list and report by 31st October, 2017 carrying out proper scrutiny through field formation to process certain Sales Tax Refund Claims under guidelines provided by FBR which is still awaited.

Bilwani also pointed out that several RPO were issued but cheques were not received, RPOs are not issued of carry forward refund claims as there is no existing mechanism to process such claims, details of deferred cases are not available as such deferred cases should be catered manually and after verification should be cleared, in this a system should be made. Despite of submission of refund claims, the FBR is not issuing new RPOs. Process of applying for Zero Rating of Sales Tax on Utilities is cumbersome and needs simplification. Several applications are pending despite surveys, mostly problems occurred which exporters have 3 or 4 units with one name, to facilitate the process should be completed on fast track.

Notices of Withholding Tax Audit issued u/s 165. Once audit has been conducted, then it should not be repeated from next year. Principally under FTR Regime there should be no audit. Exporters fall under final tax regime. Therefore on purchase of yarn exporters should not be made withholding agents. He informed that previously WWF was adjusted against withholding tax of exporters by FBR. We have given this suggestion to Secretary Sindh WWF. Presently, In Karachi, Textile Sector fall under three Tax Offices - CRTO - RTO-III and LTU - textile sector should be brought in the jurisdiction of one Tax Office and refunds under Tax Credit are also pending with the FBR.

He also presented RTO wise details of outstanding Sales Tax Refund Claims of member exporters to concerned RTOs and LTU Chief Commissioners. Speaking on this occasion Khawaja Tanveer stated that FBR recognize the imperative roles of exporters to enhance Pakistan's exports and uplift economy.

He was pleased to inform that FBR has recorded a growth of 25 percent in tax collection during November 2017 after a period of one decade. He appreciated that the private sector has discharged its tax liabilities promptly while the

response from public sector was not up to the FBR expectations. However, high recoveries made from State Owned Entities like PIA and DISCOs. Since funds are available in Governments kitty therefore swift payments shall be made to exporters against their refund claims. FBR is well aware of SMEs significant role as well as their problems and believe to resolve them.

FBR member ensured that payments against approved RPOs shall be released from next week. For deferred cases, a committee shall be formed to revisit legally admissible cases for payment. Several refunds are pending on technical grounds which need rectification at claimant/exporter level. On request of PHMA, he agreed to provide access of FBR system to PHMA enabling its members to check their deferred claims of last five years. He emphasized on Taxpayers education and stated that FBR has dedicated department for Taxpayers awareness. In this connection, he proposed to hold Training Session for PHMA members to brief on filing of tax returns and how to avoid claims going into deferred.

He assured to process all pending applications of exporters for zero rating of Sales Tax on Utilities on priority basis and to speed up the process wherever possible. Replying to query relating to issuance of Notices to exporters on Withholding Tax, he advised members to must file withholding tax statements. FBR will consider to bring the Textile Sector in one Tax Office after processing and resolving the pending issues.-PR

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