

FTO concerned at widening trade deficit

The Federal Tax Ombudsman Mushtaq Ahmad Sukhera has said that FTO is taking all-out measures to address the taxpayers' grievances and rectify the complaints by carrying out independent investigations about Tax Maladministration. Addressing the members of Pakistan Textile Exporters Association (PTEA) here on Monday, he said that textile industry holds foremost importance in the economy with its 57% share in country's exports and 8.5% in GDP.

He expressed disappointment over widening of trade deficit and heavy reliance upon foreign borrowings. Country's exports have been declined from 25 billion dollars to 21 billion; whereas export growth of other countries in the region has increased many folds, he said. Concerning of lowest tax to GDP ratio, he said the FBR has been asked to revise the criteria of tax collection system and evolve easy and simple mechanism so that people would come into tax net voluntarily instead of avoiding it.

On the issue of huge pendency in refund regime, he assured his full support for expeditious processing and payment of all outstanding refunds. Responding to a suggestion of appointment of Grievance Commissioners at RTO levels, with powers to monitor progress of the complaints on daily basis and issue appropriate orders for smooth implementation to redress the grievances, he assured to work out on the proposal. Earlier Chairman PTEA, in his welcome address, appreciated the role of Federal Tax Ombudsman for accountability of maladministration on part of the tax authorities. Pointing out the major issues, he said that extreme cash flow crunch has squeezed the financial streams and breaching the liquidity jerks as billions of rupees of textile exporters are stuck up in refund regime.

Under sales tax refund regime, no RPO is issued since one year; whereas in terms of law, RPO should be issued within seven days after filing of refund claim and the FBR is bound to make payment in next 15 days. Elaborating, he said around Rs 8.5 billion are stuck up on account of Customs rebate from one year. Seeking FTO's support, he said that such huge pendency in refund regime has slowed down the growth pace and if that amounts are released, exporters can deploy the capital towards expanding businesses, which in turn will help Pakistan's export earnings grow.

He proposed that advisers may be appraised to follow time lines as defined in the Reforms Act in letter and spirit. Furthermore, FTO office should track the complaints till final disposal and implementations in a timely manner.

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