

Exporters decry delay in refunds

By Parvaiz Ishfaq Rana

KARACHI: Exporters are facing a severe liquidity crunch due to delay in payment of sales tax refunds despite launch of new system by the Federal Board of Revenue (FBR), Pakistan Hosiery Manufacturers Association (PHMA) chairman Jawed Bilwani claimed on Monday.

In August, the FBR had claimed that it would pay sales tax refunds in the range of Rs15 billion to Rs20bn through the newly installed Fully Automated Sales Tax e-Refund (FASTER) system to exporters of five sectors within 72 hours of submission of claims.

"The FBR launched this system for the payment of sales tax refunds to exporters. However, at the initial stage we faced lots of hardship in filing their sales tax returns for getting refund," Bilwani added.

Pakistan Knitwear and Sweater Exporters Association (Paksea) chairman Rafiq Godial lamented that the FASTER system never works because 'annexure H' of the system (through which Refund Payment Orders (RPOs) were issued) carried many lacunas and flaws which prevented exporters from filing their returns.

He further said that all these issues related to FASTER were shared with the relevant FBR authorities. "Despite repeated assurances, the system still has deficiencies which make sales tax refunds impossible," he added.

Pakistan Cotton Fashion Association (PCFA) chairman Khawaja Usman regretted that even those refund claims which managed to get through the FASTER system and for which RPOs were also issued have yet to be cleared.

Pakistan Bedwear Exporters Association (PBEA) chairman Shabir Ahmed shared similar views while stressing that the trade faced severe hardships due to liquidity crunch.

"Exporters are unable to procure and purchase raw materials and other accessories for fulfilling their future export orders and this will ultimately collapse the entire export trade," he added.

PHMA approaches PM for approved ST refunds

RECORDER REPORT
KARACHI: Pakistan Hosiery Manufacturers & Exporters Association has approached Prime Minister Imran Khan for release of payment against approved sales tax refund claims through Federal

Board of Revenue (FBR) faster system to exporters. According to a letter sent to Prime Minister by Central Chairman PHMA Muhammad Jawed Bilwani, there is an excessive delay in payment of sales tax refund to export ori-

ented units processed through FBR faster system. During the last meeting with FBR officials held on 16 September, 2019 and subsequent discussions thereon in respect to Sales Tax claims of export oriented industries,

whereby the PHMA was assured that as per the government's policies and sales tax refunds through faster system will be paid within 72 hours of filing of refund claims. However, FBR has not fulfilled its commitment and not a single

rupee in shape of sales tax refund has been paid to textile exporters. Despite submission of sales tax returns and "Annexure H" which was duly approved and RPOs issued by FBR 12 days before to-date, still refunds have not credited to exporters accounts by the SBP after lapse of 288 hours, Bilwani said in letter.

In addition during a meeting with the stakeholders of Five Zero-Rated Export Sectors in July at Governor House, Karachi wherein economic team also present in the meeting comprising of Dr. Abdul Hafeez Shaikh, Advisor to PM on Finance, Hammad Azhar, Federal Minister on Economic Affairs, Abdul Razak Dawood Advisor to PM on Commerce & Textile, Shabbar Zaidi Chairman FBR and Zubair Gilani Chairman, Board of Investment, it was informed that sales tax refund claims payments will be made on fast track.

A number of exporters are also complaining that their huge liquidity is already stuck as a result of outstanding payments against sales tax refunds and they have been facing severest financial hardships and are unable to procure / purchase

materials for manufacturing goods meant for exports.

The exporters being highly annoyed and dissatisfied have conveyed that if such excessive delays in respect to processing and payment against sales tax refunds further continues their entire liquidity shall be stuck up which will cause disruption in production and ultimately affect the export orders resulting to cancellation. Consequently, the industries shall be compelled for closure, he added.

He informed that textile exporters are facing crucial issue of delays in payment of refund to export oriented units. In the pre-budget meetings before abolishing zero rating regimes, government claimed that Sales Tax refunds will be paid immediately after submission of GD. After the budget, government introduced automated faster system in which refunds were supposed to be processed and cleared within 72 hours. There is a great sense of uncertainty and unrest prevailing in the exporters who are of the view that the government has failed to honor commitment to release sales tax refunds through faster system; and their confidence have been shaken, Bilwani said in letter.

سیلز ٹیکس ریفرنڈم کی فوری ادائیگی یقینی بنائی جائے، جاوید بلوانی

ریفرنڈم کلیمز داخل کرنے کے 72 گھنٹوں میں ادائیگی کی یقین دہانی پر عمل درآمد نہیں ہو رہا

نہیں ہو رہا۔ کئی ممبران نے ایسوسی ایشن کو آگاہ کیا ہے کہ 12 روز اور گھنٹوں کے حساب سے 288 گھنٹے گزرنے کے باوجود سیلز ٹیکس ریٹرن داخل کرنے، ایسکچر H جمع کروانے اور ریفرنڈم پے منٹ آرڈر کی منظوری کے باوجود ایکسپورٹرز کو ادائیگیاں تاخیر کا شکار ہیں اور اسٹیٹ بینک نے ریفرنڈم کی رقوم ایکسپورٹرز کے بینک اکاؤنٹس میں کریڈٹ نہیں کی ہیں۔ انہوں نے کہا کہ کئی صنعتکار سیلز ٹیکس ریفرنڈم کی بروقت ادائیگیاں نہ ہونے کے باعث مالی دباؤ اور مشکلات کا شکار ہو گئے ہیں اور انہیں میٹریل کی خریداری میں دقت پیش آرہی ہے۔ اگر اسی طرح سیلز ٹیکس ریفرنڈم حکومت کے پاس پھنس گئے تو پروڈکشن شدید متاثر ہوگی اور ایکسپورٹ آرڈرز کینسل ہونے سے صنعتیں بند ہونے کا بھی اندیشہ ہے۔

کراچی (کامرس رپورٹر) پاکستان ہوزری مینوفیکچررز اینڈ ایکسپورٹرز ایسوسی ایشن کے سینٹرل چیئرمین محمد جاوید بلوانی نے وزیراعظم پاکستان عمران خان کی فوری توجہ ٹیکسٹائل ایکسپورٹرز کے سیلز ٹیکس ریفرنڈم کلیمز کی ادائیگی میں بلا جواز طویل تاخیر کی طرف دلاتے ہوئے درخواست کی ہے کہ وزیراعظم فیڈرل بورڈ آف ریونیو (ایف بی آر) کو حکم دیں تاکہ ٹیکسٹائل ایکسپورٹرز کے سیلز ٹیکس ریفرنڈم کے کلیمز کی فوری ادائیگیاں یقینی بنائی جائے۔ وزیراعظم کی تحریر کردہ مراسلے میں جاوید بلوانی نے بتایا کہ حکومت کی نئی پالیسی اور سیلز ٹیکس قوانین میں ترامیم اور ایف بی آر کے نئے فاسٹر سٹم کے تحت ایکسپورٹرز کو ان کے سیلز ٹیکس ریفرنڈم کلیمز داخل کرنے کے 72 گھنٹوں میں کرنے کی یقین دہانی کرائی گئی تھی جس پر عمل درآمد