



FEDERAL TAX OMBUDSMAN SECRETARIAT

5-A, Constitution Avenue,
Islamabad

Tel: 051-9214348. Fax: 9205553.

D.No.1370-Reg-2023

Dated: 07.03.2023

To

Muhammad Jawad Bilwani,
Patron In Chief & Former Chairman, PHMA,
Pakistan Hosiery Manufacturers & Exporters Association,
House No. 37-H, Block 6, P.E.C.H.S, Karachi.

Subject: **APPEAL FOR COGNIZANCE AGAINST UNJUSTIFIED AND INORDINATE DELAY IN REFUNDS CLAIMS OF SALES TAX ON SERVICES OF TEXTILE EXPORTERS IN SRB SINCE ITS ESTABLISHMENT UNDER SALES TAX ON SERVICE ACT 2011 DUE TO LACK OF INTEGRATION OF SALES TAX FILING SYSTEM OF FBR & SRB.**

Reference to your letter No.2023/PHMA/016 dated 02-03-2023.

I am directed to request you to provide the list of individual cases/details for the subject matter to this office for further necessary action.

(Ikhlaq Ahmed)
Director
051- 9214348

Encl: As Above.

Copy to:

1. PS to Hon'ble FTO
2. Office Copy



PAKISTAN HOSIERY MANUFACTURERS & EXPORTERS ASSOCIATION

(Government approved sole representative body of Knitted Goods & Apparel Manufacturers)



Ref.No.2023/PHMA/016

Dated: 2nd March, 2023

MOST IMMEDIATE

Dr. Asif Mahmood Jah,
Federal Tax Ombudsman (FTO),
Federal Tax Ombudsman Secretariat,
5-A, Constitution Avenue,
ISLAMABAD.
Tel: 0519211382 | Fax: 0519205553
E-mail: ombudsman@fto.gov.pk

APPEAL FOR COGNIZANCE AGAINST UNJUSTIFIED AND INORDINATE DELAYS IN REFUNDS CLAIMS OF SALES TAX ON SERVICES OF TEXTILE EXPORTERS IN SRB SINCE ITS ESTABLISHMENT UNDER SALES TAX ON SERVICES ACT 2011 DUE TO LACK OF INTEGRATION OF SALES TAX FILING SYSTEM OF FBR & SRB

Dear Sir,

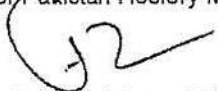
Pakistan Hosiery Manufacturers & Exporters Association (PHMA) presents best wishes and compliments and states that Value-Added Textile Exporter Members file the Sales Tax Refund Claims on goods with the Federal Board of Revenue under the Sales Tax Act 1990 in the FBR's FASTER (Fully Automated Sales Tax e-Refund) system and the relevant claims are processed and released in accordance with the provision of Sales Tax Act & Rules. Likewise, the exporters also file their refund claims against Sales Tax on provincial Services being charged such as in the Sindh Province by the Sindh Revenue Board (SRB) since the enactment of Sindh Sales Tax on Services Act 2011 and establishment of SRB thereof and later on other provincial revenue authorities. However, it is highly unfortunate that refunds against Sales Tax on Services are 100 percent deferred since year 2011 and not a single Rupee claim has been refunded till date. Such adversity is being caused owing to lack of automated integration between the online filing systems of FBR & SRB which has not been upgraded/ updated to reconcile the Sales Tax Refunds claims filed by exporters causing 100 percent deferment resulting to severe liquidity pressure on exporters as their refunds claims have been stuck-up, in contravention to the relevant laws and rules, since year 2011. It was claimed by FBR that a single return for cross adjustment will resolve this issue however nothing has been done to release these pending refunds against services.

Foregoing in view, your good-self is appealed to kindly take cognizance of this very important taxation matter causing grievances to exporters and multiplying their liquidity hardships and necessary directives may please be given to both FBR & SRB to take immediate steps and measures to urgently streamline and upgrade/ integrate their online systems for 100 percent reconciliation, approval and swift release of exporters' claims of Sales Tax on Services enabling them to further enhance exports and earn valuable foreign exchange for Pakistan.

Your immediate intervention in this regard shall be highly solicited.

Thanks and best regards

Yours sincerely,
For Pakistan Hosiery Manufacturers & Exporters Association


Muhammad Jawed Bilwani
Patron In-Chief & Former Chairman, PHMA
Chairman, Pakistan Apparel Forum



CENTRAL OFFICE

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