

SRO 154(I)/2013

## PHMA sends 'SOS' to caretaker PM

### RECORDER REPORT

KARACHI: Five zero-rated export sectors seek the caretaker prime minister's attention to solve two percent sales tax deadlock with Federal Board of Revenue, requesting the interim premier for a meeting to discuss the issue.

The export sectors including textiles, leather, surgical, carpet and sports goods are seeking a meeting with the caretaker prime minister to discuss FBR's SRO 154(I)/2013.

A letter, which Central chairman of Pakistan Hosiery Manufacturers and Exporters Association (PHMA), Muhammad Javed Bilwani sent

to caretaker prime minister Mir Hazar Khan Khoso called the FBR's move "damaging" to exports.

"We [exporters] invite your attention to untimely issue of SRO 154(I)/2013 dated 28th February, 2013 by the FBR which will seriously hurt and damage our exports," says the letter.

It shows concerns over the FBR's move, which came during the last days of the former government's tenure and ahead of general election in the country. It says the FBR's issuance of the SRO at almost closing stage of current fiscal year is "surprising" as well for the exporters.

"It is most surprising that a few days before the announcement of the elections and at the tail end of the Government's tenure the FBR had issued this SRO when the fiscal year almost ending," points out the PHMA's letter.

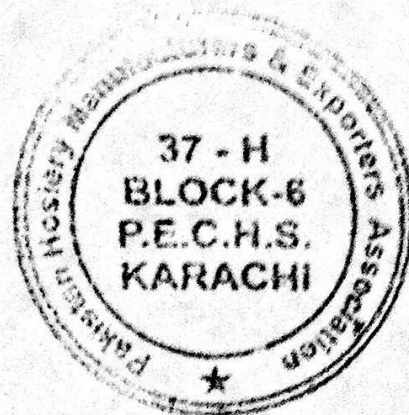
It says the textile exporting sector is already facing financial problems as its huge amount has backlogged with tax office under the heads of sales tax refund claims, customs rebate claims; FED claims and DLT claims.

It maintains the refunds delays are hitting their financial strength and causing the entire sector to suffer liquidity crunch. It says the "severest" electricity and gas load

shedding to manufacturing units in the country are the additional factors causing a slump in exports, besides high costs of business.

It fears the FBR's SRO will further stiffen issues regarding the flow of liquidity to the exporting sectors. The PHMA in its letter is concerned that the textile exporters' profit is "shrinking" to remain only between four percent and five percent.

"Many old established bank borrowing exporters' units have closed down their operations and several have shifted abroad owing to the above adverse factors here," it pleaded to the premier.



# Exporters unable to file e-returns for lacuna in WeBOC

By Javed Mirza

KARACHI: The hasty launch of WeBOC (Web-Based One Customs Goods Declaration Processing System) for customs clearance is causing acute hardships for the exporters in filing the monthly e-returns as entries of Export General Manifest (EGM) by the concerned airlines for shipments made by air in February 2013 have not been made in the WeBOC.

Since the EGM entries are not made by the airlines in the WeBOC and because of the non-availability of such details, the exporters could not file the monthly sales tax returns.

Javed Bilwani of value-added textile sector said that when the manual system was working, there were no such problems.

"When the WeBOC was introduced, the airlines should have been taken onboard and assigned IDs. However, the WeBOC was introduced without complete homework, giving

rise to several problems," he added.

Now, the exporters are being shown as 'non-filers' of sales tax and federal excise duty returns for the month of February 2013, although their shipments have been effected in February.

The exporters are in a fix because goods declaration entries even of air shipments made in the first week of February are not shown in the system and they are shown as non-filers and no one wants to deal with a non-filer.

Javed Bilwani in a letter to chairman Federal Board of Revenue and project manager WeBOC has requested that the online computerised system should be streamlined and that it should facilitate proper EGM feeding so that an exporter could file the monthly e-returns.

He also requested for the continuation of the one customs manual system till such time that the EGM feeding is properly organised.

