

FTO helps in getting released Rs6.89bn tax refund claims of exporters

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KARACHI: Adviser to Federal Tax Ombudsman (FTO) (on customs and sales tax) Shahid Ahmad on Thursday claimed to have got released over Rs 6.89 billion tax refunds of exporters pending with tax authorities as a result of orders passed by FTO in 2018, as against Rs 3.2 billion in 2017.

Also, he said the FTO Secretariat is focused on providing inexpensive and speedy justice to the taxpayers aggrieved by tax maladministration.

Addressing the officials of Pakistan Apparel Forum, during his visit to Pakistan Hosiery Manufacturers and Exporters' Association (PHMA) House on Thursday, Shahid said that FTO has emerged as an effective alternate legal forum for the resolution of tax related grievances of exporters as the office during last year received some 2,400 complaints from traders across the country whereby 25 percent were resolved at the initial

stage, while 72 percent decisions of the complaints were arrived in the favour of taxpayers.

Of the total applications, some 54 were pertaining to income tax, 26 percent related to sales tax, 11 percent on customs. "Around 90 percent decisions made by FTO on such cases were implemented in letter and spirit.

He said "the core function of FTO is disposal of complaints of tax maladministration promptly, justly, fairly, independently investigated, and to rectify any injustice done to a taxpayer by actions of FBR officials."

Presently, the focus of FTO Secretariat is on the implementation of the orders in the interest of justice for the taxpayers. Exchanging views, he articulated the taxpayers in their own interest should report to FTO the maladministration by FBR officials. He recalled that on the request of Pakistan Apparel Forum, FTO took cognizance of the grievances being faced by exporters regarding pending

sales tax refunds, attachment of bank accounts, blacklisting and other taxation matters and had given orders to redress the grievances with compliance thereof to all concerned. FTO is exercising its powers to address the grievances and complaints.

Responding to the issues highlighted by Jawed Bilwani, chairman Pakistan Apparel Forum, he urged the exporters to file their complaints about their old refund cases and all other FBR related matters.

He assured that FTO Secretariat shall consider taking motion against the procedural lacking, delaying tactics, harassment and maladministration of the FBR against taxpayers.

Earlier Muhammad Jawed Bilwani welcomed the chief guest and appreciated that FTO was providing speedy justice to the exporters in respect to their grievances about long pending refunds of sales tax, custom rebate and income tax etc.

To bring to the knowledge and cognizance of FTO, he

said that previously the FBR deferred approx. 30 percent of sales tax refund claims and such claim cases are pending for the last 7 to 8 years.

He recalled that Zahid Khokhar the then Member Customs, FBR during his visit to PHMA in October, 2018 announced that effective from January, 2019 onwards, Custom rebates shall be paid electronically with export proceeds as a result of system automation, however, the plan has not been turned into reality as currently eight to nine months backlog is prevailing. He urged FTO to take cognizance of the matter.

He also proposed that hassle-free import of raw materials and intermediate goods for manufacturing of finished goods meant for export under the Export Facilitation Schemes such as DTRE be allowed to the registered textile exporters with Ministry of Textile Industry to enhance the exports to a considerable level and earn more foreign exchange.

■ SETTLEMENT VICTORY

Exporters receive Rs6.9bln in tax refunds last year

By Javed Mirza

KARACHI: Exporters bagged nearly seven billion rupees on account of sales and customs rebates after the settlement of the cases related to stuck refunds last year, a senior tax official said on Thursday.

Shahid Ahmed, advisor to the Federal Tax Ombudsman (FTO) on customs and sales tax said the FTO received 2,400 complaints related to customs and sales tax in 2018 as against 2,000 in 2017.

“A quarter of total cases or 470 were settled, resulting into transfer of Rs6.96 billion in sales and customs rebates to exporters,” Ahmed said addressing a meeting at the Pakistan Hosiery Manufacturers and Exporters Association (PHMA).

The FTO advisor said more than 70 percent of complaints were resolved in favour of the exporters. A complaint resolution time has been slashed to 45 days from 60 days, he said. Ahmed asked the exporters to apprise the FTP of old stuck refunds cases to get them resolved.

“Majority of the taxpayers are either reluctant to or don't approach the FTO to bring grievances into its notice that increases their problems,” he said. “FTO was primarily set up to provide taxpay-

ers including exporters with relief in case of injustice or incompetence on the part of tax officials.”

Advisor to FTO assured the exporters of support in addressing the genuine grievances of the industry. “The regulatory procedures need to be simplified through the use of technology, while there is a dire need to implement data interchange between Inland Revenue

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and customs to facilitate trade.”

The FTO official further said revenues of Pakistan Customs fell after the government linked import of used-cars with payment of duty/tax in foreign currency, which resulted in delayed issue of customs rebate claims. “A larger chunk of customs' revenue came from import of used cars, while imposition of regulatory duties

pushed commercial importers out of the system.”

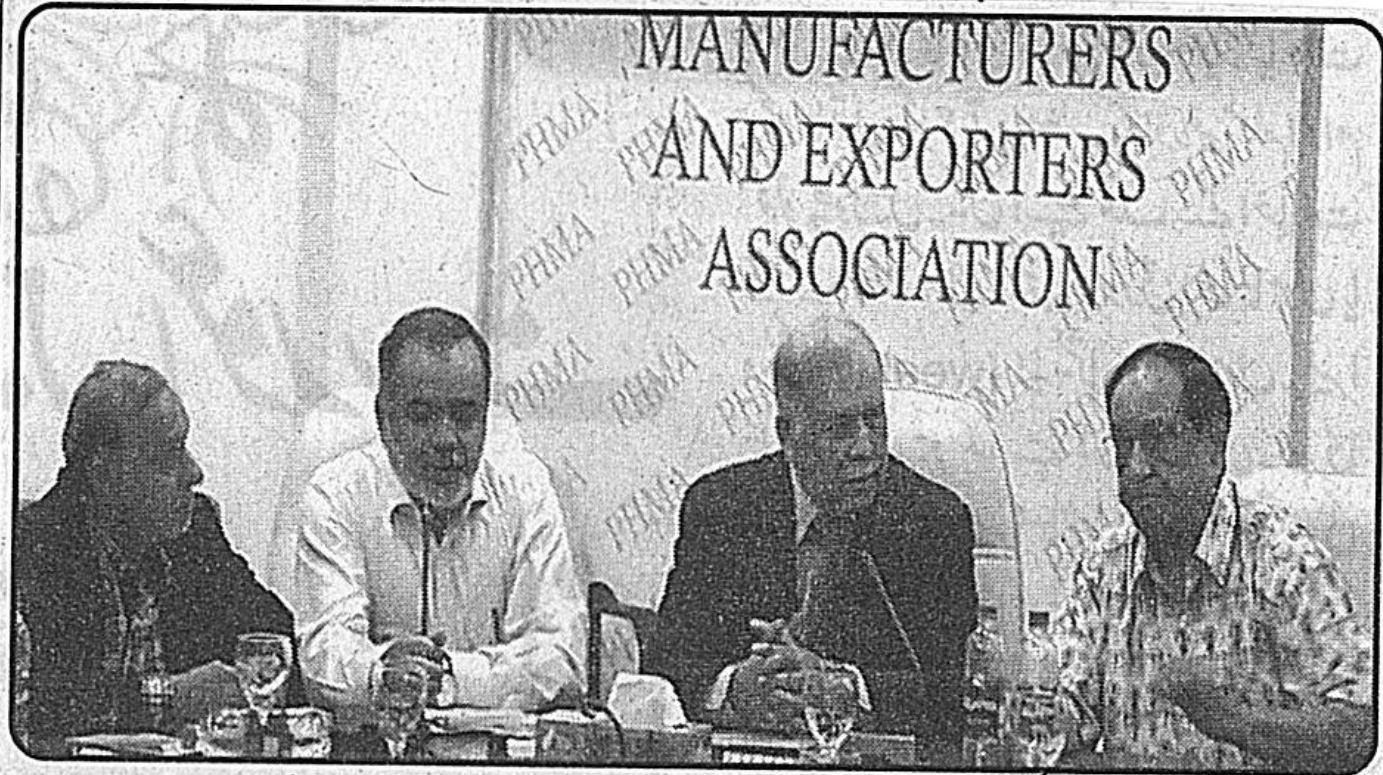
Jawed Bilwani, president of PHMA said deferred claims of sales tax refunds of exporters have been stuck for over 15 years. He urged the FTO to look into the matter. “Around 33 percent of the refund claims of exporters are deferred by the tax authorities.”

Bilwani said presently customs authorities give approval to duty and tax remission scheme for exporters (DTRE), manufacturing bond and Export Processing Zone applications of the exporters, “which take a considerable amount of time and formalities”.

“These approvals should be given by the ministry of textiles, which already has all the details of exporters,” he added. “If value-added export sector is facilitated, exports could be doubled in five years.”

More than Rs400 billion of refund claims, including sales tax, DTRE, export rebate are stuck, causing severe liquidity crunch for the export-oriented industry.

Finance Minister Asad Umar, in mini-budget in January, announced that refund bonds (promissory notes) would be issued to settle Rs80 billion worth of claims, but the notes have not been issued as yet.



وفاقی ٹیکس محتسب اور مشیر کسٹم و سیلز ٹیکس شاہد احمد پی ایچ ایم اے کے ممبران سے خطاب کر رہے ہیں، محمد جاوید بلوانی، خواجہ عثمان بھی موجود ہیں

حکومت صنعتی پیداوار بڑھانا چاہتی ہے شاہد احمد

طریقہ کار کو آسان بنا دیا گیا ہے، آن لائن اور موبائل ایپ کے ذریعہ شکایات درج کروائی جاسکتی ہیں۔ انہوں نے بتایا کہ 2018 میں وفاقی ٹیکس محتسب کو 2400 شکایت موصول ہوئیں، 54 فیصد شکایات انکم ٹیکس سے متعلق تھیں، سیلز ٹیکس کے 25 فیصد اور کسٹمز کی 11 فیصد شکایات درج کرائیں گئیں۔ ایک چوتھائی کیسز انویسٹی گیشن مرحلے پر حل ہو گئے اور مشترکہ کوششوں کے باعث 98 فیصد کیسز حل کرا چکے ہیں۔

کراچی (کامرس رپورٹر) وفاقی ٹیکس محتسب اور مشیر کسٹم و سیلز ٹیکس شاہد احمد نے کہا ہے کہ حکومت صنعتی پیداوار بڑھانا چاہتی ہے، ہم بھی مدد کرنا چاہتے ہیں، محتسب آفس 2018 کی کارکردگی رپورٹ مرتب کر رہا ہے اور مارچ 2019 تک رپورٹ مکمل کر کے حکومت کو بھیج دیں گے۔ انہوں نے ان خیالات کا اظہار گزشتہ روز پاکستان ہوزری مینوفیکچررز ایسوسی ایشن کے ارکان سے ملاقات میں کیا۔ انہوں نے کہا کہ ایف ٹی او میں ٹیکسوں سے متعلق شکایات کے