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FBR unveils 'FASTER' for five export sectors



The Federal Board of Revenue (FBR) Thursday finalised Fully Automated Sales Tax e-Refund (FASTER) procedure for five export-oriented sectors to promptly issue sales tax refunds to exporters by electronically Communicating Refund Payment Orders (RPOs) to the State Bank of Pakistan within 72 hours of submission of claim for onward advice to banks for credit into the claimants' bank accounts. The FBR has drafted refund rules to refund claims for the Tax Period July 2019 and onwards, as filed by exporters of five export-oriented sectors, ie, textile, carpets, leather, sports goods and surgical instruments on account of export of goods.

The refund claims of claimants for the tax periods prior to July 2019 will be processed under the rules as in force on 30th June 2019. Under the new procedure, the claims routed to 'FASTER' module shall be electronically processed. The data in the refund claim shall be scrutinised and verified by the system and the payable refund amount shall be determined on the basis of input consumed in exports or supplies. About timeframe of refund payment, the FBR specified that the refund payment order (RPO) of the amount found admissible shall be generated and the same shall be electronically communicated direct to the State Bank of Pakistan, within 72 hours of submission of claim, for onward advice to the respective banks for credit into the notified account of the claimant, new procedure said.

In case of refund claim of a commercial exporter, the payment of such refund shall be made after the realisation of export proceeds, the rules said. As per rules, the total amount of refund paid against the claims filed and processed shall not exceed the ceiling determined by the Board, in terms of percentage of value, or amount per unit of quantity, of goods exported, as deemed appropriate. After submission of refund claim, the same shall be processed by Risk Management System (RMS). Based on the parameters in RMS, a refund claim shall be routed to the processing module referred to as 'FASTER'. The claims that do not fulfil RMS parameters for processing through 'FASTER' module shall be routed for processing.

The FBR said that the data provided in the monthly return shall be treated as data in support of refund claim and no separate electronic data shall be required to be provided. The amount specified in column 29 of the return, as prescribed in the form STR-7, shall be considered as amount claimed, once the return has been

submitted along with all prescribed annexes thereof.

Provided that the claimant will be able to submit his return without Annex-H and the same may be filed separately at any time but not later than one hundred and twenty days of submission of the return without Annex-H. The date of submission of Annex-H shall be considered as the date of filing of refund claim.

Provided further that the period of 120 days, as aforesaid, may be extended for a period not exceeding sixty days, by the Commissioner having jurisdiction, for reasons to be recorded in writing on the basis of an application made by the exporters.

The rules said that the part of the refund claim that is not verified or not found admissible shall be subjected to system validation checks every week and RPO shall be generated for the amount found valid during each validation check. After every validation process, the information regarding RPO generated, if any, as well as the objections shall be communicated by the system to the refund claimant and also to the concerned RTO or LTU for information. The RPO so generated shall be communicated to the State Bank of Pakistan for payment in the aforesaid manner. After eight validation checks, including the initial one, if any amount still remains un-cleared, the same shall then be processed under STARR module as referred to in Chapter V of the rules.

The provisions relating to post-refund scrutiny, supportive documents, responsibility of claimants and action in respect of inadmissible claims, as in Chapter V, shall, mutatis mutandis, be applicable to refund claims filed and processed under this procedure.

Provided, however, that supportive documents shall only be presented by the claimant, if so required by the officer in-charge of post-refund scrutiny, with the approval of commissioner concerned, the draft refund rules added.

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