GOVERNMENT OF PAKISTAN
(REVENUE DIVISION)
FEDRAL BOARD OF REVENUE
[INDIRECT TAX POLICY]
*****

C. No. 3(1)ST-L&P/2010 Islamabad, the 13th May, 2010.

SALES TAX GENERAL ORDER NO. 19/2010

Subject: **FILING AND PROCESSING OF EXPEDITIOUS REFUNDS BY IT SYSTEM OF FBR**

In exercise of the powers conferred under section 50 of the Sales Tax Act, 1990 and to streamline the refund processing under section 10 of the said Act, the Federal Board of Revenue is pleased to direct that, following procedure shall be followed by the IT System of FBR for receiving, processing and payment of the sales tax refunds filed under Rule-26A of Sales Tax Rules 2006:-

(1). Electronic Submission of Refund Claim under Rule 26A of Sales Tax Rules 2006

The registered person eligible for claiming expeditious refund will file refund application on RCPS format by logging in at FBR web portal. He will also complete declaration given at Annex-A electronically.

(2). Qualification Criteria for Expeditious Processing and Payment of Refunds

An ERC qualifies for Expeditious Payment of Refund if it satisfies all the following conditions:

(i). The applicant is manufacturer-cum-exporter registered in RTO Lahore (or other RTOs / LTUs, with effect from tax period July 2010).

(ii). Registered Person is Active Taxpayer.

(iii). The amount of refund claim has also been claimed in the corresponding Sales Tax / F. E. Return.

(iv). All declarations at Sr. 1-12 (except Sr-4 & 6) of ERC are "Yes". Provided that a refund claimant against whom there is no recovery shall declare "Yes" at SR. No. 4 of Annex-A. In case of 'No', claimant has to feed the recoverable amount.

(v). The Registered Person will be paid amounts cleared by RMS.

(3). Electronic Intimation to the Registered Person

(i). If an ERC qualifies for expeditious payment of refund as stated in sub-para (2), then the registered person shall be intimated by e-Mail as prescribed in Annex-B.

(ii). If an ERC does not qualify for expeditious payment of refund as stated in sub-para (2), then the registered person shall be intimated by e-Mail as prescribed in Annex-C.

(4). Electronic Advice to RTO/LTU

(i) If an ERC qualifies for expeditious payment of refund as stated in sub-para (2), then the respective tax office shall be advised by e-Mail as prescribed in Annex-D and a system-approved Refund Payment Order (RPO) shall be placed in the Inbox of the treasury officer of the RTO for issuance of cheque to the registered person.

(ii) Simultaneously the refund claim shall be forwarded electronically to the concerned audit division of tax office for post refund audit.

(Azood-ul-Mehdi)
Second Secretary (ST-L&P)

Annex-A

(See para 1(1) of STGO /2010 dated)

FEDERAL BOARD OF REVENUE

ELECTRONIC REFUND CLAIM (ERC)

(Under Rule 26A OF SALES TAX RULES 2006)

From : NTN : XXXXXX-X STRN : XXXXXXXXXXX

Name : M/s XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

To : Commissioner, Inland Revenue, RTO / LTU XXXXXXXXXX

Tax Period : MM-YYYY Amount of refund claimed : Rs. ___________

(As per return)

Electronic refund claim u/s 10 of the Sales Tax Act 1990 of the registered person mentioned above for tax period MM-YYYY in the RCPS format is enclosed. I further solemnly declare that :

Sr.	Description of declaration	Declaration
1.	The registered person is registered as Manufacturer-cum-Exporter for this refund claim period.	O Yes O No
2.	No short shipment and export GD objection by Customs is involved in any of the exports mentioned in this refund claim.	O Yes O No
3.	All the payments for purchases were made through banking instruments, by the registered person, as required under section 73 of the Sales Tax Act, 1990.	O Yes O No
4.	Recoveries against the registered person ordered through the following orders may not be recovered from this refund claim as registered person wants to pay after decision of Appellate Tribunal/ ADRC/Court. Name of Tax Order No. & Date Amount (i) (ii) (iii)	O Yes O No
5.	This refund is claimed only to the extent of stock consumed.	O Yes O No
6.	The Registered Person belongs to Zero-rated sector.	O Yes O No
7.	Refund claim amount has not been adjusted / claimed earlier.	O Yes O No
8.	No short payment is due against any of the returns filed so far.	O Yes O No
9.	All the utility connections like electricity, gas and telephone for which inputs are claimed in this refund are used in the business premises and full payment of those bills have been made.	O Yes O No
10.	The brought forward input tax amount in this claim from carry forward input tax amount of the previous claim(s) does not include quantities of raw material consumed in the exported goods covered in this claim.	O Yes O No
11.	The Registered Person has maintained all the record pertaining to this refund claim including invoices, credit notes, debit notes, goods declarations, bank credit advices, etc. and the same will be produced as and when required by the authorized officer(s) of FBR.	O Yes O No
12.	All the information provided in the RCPS format and this declaration is correct and the registered person shall be liable to legal action under the Sales Tax Act, 1990 in case of any mis-declaration noticed by FBR staff posted in HQ or field formations.	O Yes O No

I declare that an amount of Rs. _____________ claimed as refund relates to Sales Tax paid on raw materials consumed in the exported goods and the amount of Rs. _____________ being carried forward relates to sales tax paid on raw materials presently in stock with the registered person.

I further understand that any of the responses to declarations at Sr-1 to 12 (except 4 & 6) as “No” shall disqualify this claim for processing under rule 26A of Sales Tax Rules 2006.

Date : DD-MM-YYYY

<u>Annex-B</u>
(See para 1(3)(i) of STGO /2010 dated)

FEDERAL BOARD OF REVENUE
RISK MANAGEMENT SYSTEM
EXPEDITIOUS REFUND CLEARANCE INTIMATION (ERCI)
===

DD-MM-YYYY

NTN : XXXXXX-X
STRN : XXXXXXXXXXX
Name : XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Dear Registered Person

Your refund claim filed on DD-MM-YYYY for the tax period MM-YYYY has been processed by Risk Management System of FBR as follows:

a) Refund amount claimed = Rs. ------------
b) Refund amount cleared = Rs. ------------
c) Refund amount deferred for manual processing = Rs. ------------

Your tax office has been advised to issue the cheque for the cleared amount. After payment of refund, a post refund audit will be conducted under the Sales Tax Rules, 2006 and recovery will be made, if any.

Remaining portion of the refund claimed by you, if any, which is not cleared by RMS shall be treated as deferred and shall be processed under normal procedure and you may be asked to produce some documents related to the claim.

eFBR System

This is system generated notification and thus does not require signature.

Annex-C

(See para 1(3)(ii) of STGO /2010 dated)

FEDERAL BOARD OF REVENUE
RISK MANAGEMENT SYSTEM
EXPEDITIOUS REFUND REJECTION ADVICE (ERRA)
==

DD-MM-YYYY

NTN : XXXXXX-X
STRN : XXXXXXXXXXX
Name : XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Dear Registered Person

Your refund claim filed on DD-MM-YYYY for the tax period MM-YYYY has been processed by Risk Management System of FBR, which has not cleared any amount. Therefore your claim has been forwarded for normal processing under the refund Rules 2006.

Your tax office may require certain documents to manually process this refund claim.

eFBR System

This is system generated notification and thus does not require signature.

Annex-D

(See para 1(4)(i) of STGO /2010 dated)

FEDERAL BOARD OF REVENUE
RISK MANAGEMENT SYSTEM
EXPEDITIOUS REFUND CLEARANCE ADVICE (ERCA)
===

DD-MM-YYYY

The Commissioner (Inland Revenue)
------ Name of Division -----
----- Name of Tax Office ------

Refund claim filed, under Rule-26A of Sales Tax Rules, 2006, on DD-MM-YYYY for the tax period MM-YYYY has been processed by Risk Management System of FBR as follows:

NTN	: XXXXXX-X
STRN	: XXXXXXXXXXX
Name	: XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

a) Refund amount claimed	= Rs. ------------
b) Refund amount cleared	= Rs. ------------
c) Refund amount deferred for manual processing	= Rs. ------------
d) Date of Processing by RMS	= DD-MM-YYYY

Please issue the cheque for the above-mentioned cleared amount within seven working days of the date of processing by RMS. For issuance of the refund cheque, a refund payment order (RPO) has been placed in the inbox of the treasury officer.

Remaining refund claim not cleared by RMS, if any, has been deferred and shall be processed by the RTO / LTU as per normal refund rules.

After payment of refund, a post refund audit under the Sales Tax Rules, 2006 will be conducted for which the refund claim data will be forwarded to the RTO immediately upon issuance of the refund cheque.

eFBR System

This is system generated notification and thus does not require signature.