

No.D.4045-AFS(B)/2016
Government of Pakistan
Finance Division

Islamabad, 23rd August, 2016

The Chairman,
Federal Board of Revenue,
Islamabad

SUBJECT: ISSUANCE OF SALES TAX REFUND CHEQUES DATED 30TH JUNE, 2016 – INSTRUCTIONS REGARDING

Kindly refer to FBR letter No.5(1)CSTRO/FBR/2016 dated 23rd August, 2016, on the subject noted above.

2. The refund issued by FBR is not regulated by the Finance Division. FBR issues refunds on the basis of its determination that the amounts so involved are not part of the Federal Consolidated Fund. The amount of refund involved is returned to the concerned business house/entity through a cheque issued by FBR without recourse to any budgetary provision. The timings of payment of refunds are exclusively determined by FBR and so is the validity period of the cheques issued. This position has been endorsed by the AGPR as well.

3. In view of the above, no instructions are required to be issued by Finance Division to either AGPR or CGA since FBR is competent to issue instructions. Finance Division, therefore, endorses FBR's letter No.5(1)CSTRO/FBR/2016 dated 22nd August, 2016 addressed to State Bank of Pakistan.


(Syed Ghazanfar Abbas Jilani)
Additional Finance Secretary (Budget)

Copy to:-

- (1) Governor, State Bank of Pakistan, Karachi.
- (2) Accountant General of Pakistan Revenue, Islamabad

**GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE**

No. 5(1)/CSTRO/FBR/2016

Dated 22nd August, 2016.

The Governor
State Bank of Pakistan
Karachi.

Subject: - ISSUANCE OF SALES TAX REFUND CHEQUES DATED 30TH JUNE, 2016-INSTRUCTIONS REGARDING.

Kindly refer to the subject noted above.

2. The honourable Finance Minister in his budget speech in the National Assembly on 3rd June, 2016, had announced the following measure, among others, for promotion of exports:

"All the pending sales tax refunds till 30th April whose RPOs have been approved, will be paid by 31st August 2016."

2. In compliance of aforesaid announcement, Federal Board of Revenue is issuing sales tax refund to exporters. These refunds amounting to Rs. 17,965 million are being paid through 4,725 cheques. All these cheques are dated 30th June, 2016, and printed with validity period of three month after the month of issuance i.e. up to 30th September, 2016. Value-date for the amount payable under the said cheques is 30th June, 2016.

3. It is requested that necessary instructions may please be issued to all commercial banks and State Bank offices on priority to the effect that said cheques are duly accepted and honoured.

4. It may please be ensured that no sales tax refund cheque issued as per para 2 above is returned.


(Nisar Muhammad)
Chairman

Copy to:

1. The Secretary Finance Division, 'Q' Block, Pak Secretariat, Islamabad.
2. The Special Assistant to the Finance Minister, 'Q' Block, Pak Secretariat, Islamabad.