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FBR forms committee to review deferred refund claims

The Federal Board of Revenue (FBR) has constituted a committee to review deferred refund claims and develop a mechanism for their transparent, efficient and timely disposal.

The committee would examine all categories of deferred refunds pending before various field formations and recommend a framework for their classification, prioritization and disposal.

The move is aimed at addressing the issue of pending refund claims and establishing clear timelines for processing, scrutiny, verification and final disposal of such claims.

The committee comprises senior Inland Revenue officers, including Ahmad Kamal, chief commissioner-IR, CTO-II, Karachi; Shabi Ul Aijaz, chief commissioner-IR, Large Taxpayer Office (LTO), Karachi; and Muhammad Imtiaz Khan, Chief Refund, FBR.

The committee has been tasked with conducting a comprehensive examination of all categories of deferred refunds pending at different field formations of Inland Revenue. It will also develop a framework for classification and prioritization of refund claims on the basis of risk, aging, quantum and completeness of documentation.

The risk-based approach is expected to enable the tax department to distinguish between refund claims requiring detailed verification and those that can be processed more expeditiously because the relevant documentation and supporting information are complete.

The committee has specifically been directed to prescribe timelines for each stage of refund processing.

These stages include submission and scrutiny of documents, examination and verification of refund claims, communication of deficiencies, determination of admissibility and issuance of either a refund order or a speaking order.

The committee is also required to recommend a structured framework for automation and disposal of deferred refunds and determine an appropriate timeframe for disposal, namely, a week,a fortnight, or any other period the committee may deem appropriate.

This indicates that the FBR is considering a more defined service-delivery framework under which refund claims would move through specified stages within prescribed timelines rather than remaining pending without a clearly defined disposal period.

The FBR has also directed all chief commissioners of Inland Revenue to extend full cooperation to the committee and provide all requisite records, data and information sought by it on time.

The committee has been authorized to meet as frequently as necessary to accomplish its mandate, suggesting that the exercise is intended to be completed on an urgent basis rather than being treated as a routine review.

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