ECC TO MEET TODAY

ISLAMABAD: The Economic Coordination Committee (ECC) of the Cabinet meeting has been convened with eight-point agenda including approval of six international pre-shipment inspection agencies on TCP's panel for conducting pre-shipment inspection of wheat.

The ECC meeting to be presided over by Finance Minister Ishaq Dar today (Wednesday) would also take up these eight agenda items. It is likely to give approval of the framework agreement between Pakistan LNG Limited (PLL) and Azerbaijan Company SOCAR Petroleum for import of LNG.

The meeting would consider the Cabinet Division's proposal for approval of the technical supplementary grant (TSG) amounting to Rs3 billion during the current fiscal year 2022-23 under the Sustainable Development Goals Achievement Programme (SAP).

The meeting would also consider the allocation of additional funds for the repair and maintenance of the Supreme Court of Pakistan building, repair and maintenance of the Judges' residences, rest houses and sub-offices in various cities under the demand of the Housing and Works Division for the year 2022-23.

Ministry of National Health Services, Regulation and Coordination moved a summary to the ECC with regard to approval for fixation of the minimum retail price of 54 new drugs and increase in MRPs of one drug as recommended and supplementary grant of Rs666.640 million for pay and allowances/ pension of Pakistan Central Cotton Committee (PCCC). The ECC would also consider Petroleum Division's proposals for extended well testing (EWT) over Umair SE-1 discovery Guddu (EL), and grant of extension in Adam X-I development and production lease (Hala Block).

LOSS-MAKING PSES: BUSINESS COMMUNITY LEADER ADVOCATES SELL-OFF

KARACHI: Chairman of National Business Group Pakistan, President Pakistan Businessmen and Intellectuals Forum, and All Karachi Industrial Alliance, and former provincial minister Mian Zahid Hussain on Tuesday said the government is taking tough decisions as its political death therefore it is important to provide confidence to the government in this difficult time. An annual loss of Rs600 billion can be avoided by selling failed government institutions, he said. Mian Zahid Hussain said that there is a severe shortage of capital in the country, but despite this, billions of rupees are being wasted on failed government companies. Talking to the business community, the veteran business leader said that if these failed entities cannot be sold immediately, it is possible to avoid the loss of hundreds of billions of rupees by shutting them down. He said that strict decisions regarding the theft of electricity and gas and line losses have become inevitable for national security.

The experiment of providing cheap goods to the public through utility stores has also failed and is causing disrepute for the government therefore poor should be given direct subsidy, he added.

The reason for controlling the value of the dollar is that currently the dollar is being sold at three different rates through the inter-bank, open market, and reference, due to which exports and remittances are likely to decrease by 8 to 10 billion dollars this year.

The business leader noted that stopping imports will reduce the current account deficit, but it is likely to reduce the FBR's revenue by Rs600 to Rs800 billion therefore a mini-budget will serve no purpose except for cornering the masses. Delays in the implementation of IMF-recommended decisions are widening payments and income imbalances. Unemploy-ment is increasing and the suffering of the people is increasing, he noted. Mian Zahid Hussain said that friendly countries and international organizations are getting frustrated with Pakistan's record of breaking promises and delays in important decisions, so their tone and demands are increasing. There is no doubt that all their demands are necessary for the better future of Pakistan which will help us to avoid begging and become sustainable.

The government institutions are not delivering which is increasing the anxiety of the people who want better health, education, water, and employment facilities.—PR

R 25-1-2023

GOVT TO RESOLVE LC ISSUE OF REFINERIES, OMCs

ISLAMABAD: State Minister for Petroleum Musadik Masood Khan will meet the State Bank of Pakistan governor on Wednesday to discuss prioritised opening of **credit letters** to import petrol, an official of the Energy Ministry said. On January 19, the Petroleum Division wrote a letter to the SBP governor to draw attention to the limited stocks of POL in the country and impending dry-out. The SBP was asked for immediate establishment of 32 credit letters of refineries (PARCO and PRL) and oil marketing companies (PSO, GO, Hescol, BE, TAJ, PUMA, APL, EURO and Flow) to ensure **import of crude oil** and petroleum products.

The official said that when the country was not faced with the **letters of credit crisis**, 4-5 petrol cargoes were being imported, which was now down to 1.5 cargoes. However, three petrol cargoes of PSO, GO and Shell would soon arrive in the country. PSO is importing a cargo of 50,000 metric tonnes, whereas cargoes of GO and Shell were smaller. However, it will be enough to avert the dry-out for the next fortnight," the official informed.

The SBP governor would be briefed about the current stocks of POL in the country by the petroleum minister. "Petroleum Division on January 19, 2023, sent the prioritised LCs list for import of crude oil, Mogas, diesel, and lubricants," the official said. Under the first priority list, DG oil recommends SBP to establish 23 credit letters for the import of crude oil and mogas. Under the second priority, 5 credit letters need to be established for the import of high-speed diesel, whereas under the third priority list, 4 LCs for the import of lubricants had been recommended to the central bank for required action.

According to the first prioritised list, PARCO needs the establishment of LCs for the import of two cargoes each having 535,000 barrels from ADNOC, one on January 13 and the other one on January 19. PRL also needs the opening of LC for the import of 532,000 barrels of crude oil on January 30-31. OMCs like PSO need the immediate establishment of LCs for the import of two cargoes, with each having 50,000 metric tonnes of mogas; one on January 17 and the other one on January 26. GO needs the opening of 6 LCs to import 6 mogas cargoes, BE needs 4 LCs to import mogas, TAJ and HPL need two LCs, whereas PUMA, APL and Flow need 1 LC each to import their respective mogas cargoes.

The second priority list is for the import of HSD. OMCs such as TAJ need the opening of LC to import 4,000 metric tonnes on February 4, 2023, while GO needs to establish 3 LCs for import of three cargoes having HSD on February 25-27. Under the third priority list for the import of lubricants, PSO needs to establish LCs for import of three cargoes on March, 30, May 25, and May 20, and EURO is required to open LC for one cargo of lubricants, which has already arrived.

OGRA statement

Oil and Gas Regulatory Authority (OGRA) strongly refuted the claims on petrol/diesel shortages in the country on Tuesday. OGRA Spokesman Imran Ghaznavi said, "The country has sufficient petrol and diesel stocks for meeting the demand for 18 and 37 days respectively. Furthermore, ships carrying 101,000 metric tonnes petrol are at berth/outer anchorage." Local refineries have been playing their due role in meeting the demand of petroleum products, the spokesman added.

TN 25-1-2023

ECs LIFT CAP ON DOLLAR RATE

KARACHI: The Exchange Companies Association of Pakistan (ECAP) has announced removal of price cap on exchange rate aimed at ensuring availability of the greenback in the market. It was decided in a meeting of the ECAP, chaired by ECAP President Malik Bostan and attended by Zafar Paracha, General Secretary, Haji Haroon, Haji Ramzan, Mureed Hussain and others.

The current situation of the open currency market was discussed in detail and it was unanimously decided to lift the cap on the dollar rate to ensure its availability in the market. "We temporarily put a cap on the dollar rate in the interest of the country that the dollar rate will probably not increase, but it turned out to be very negative," Malik Bostan said. Instead of decreasing, the dollar rate is continuously increasing in the open currency market and even not available in the market. This led to the existence of a black market for people who needed dollars for travel, health and education purposes, he added. He said that as a number of people needed dollars, the black market was growing rapidly and the State Bank and ECs' reputation was being damaged. In addition, there have also been complaints from customers that some employees of ECs are not giving dollars intentionally. "We have informed SBP officials that the situation has changed and the cap imposed in the interest of the country has proved negative for the market. Therefore, the ECAP has decided to lift this cap on exchange rate and from tomorrow, ECs will remove this cap," Bostan said.

Before taking this decision, the ECAP has also decided to meet SBP officials and formally inform them about the black market and an ECAP delegation will meet Inayat Hussain, Deputy Governor of the SBP on Wednesday to discuss the entire situation and take them into confidence, he maintained. Bostan hoped that after the removal of the cap, dollars will be available in the market and the black market will end and when the black market ends, the exchange rate will gradually come down.

Presently, ECs are not getting dollars from anywhere, due to which there is a shortage of dollar. Exchange companies received workers' remittances amounting to 10 to 15 million dollars and the entire amount is being surrendered in the interbank, he said. Previously, ECs were allowed to hold 80 percent inflows of home remittances for the public and 20 percent was being surrendered into the interbank market, he added. He said with the recent announcement made by the SBP, that importers can clear their imported consignments arriving at the port by arranging foreign exchange of their own resources, has further created panic and high demand of dollar in the market. This move also increased the rate of Hundi/Hawala and the rate has increased by some Rs 5 against the dollar in the black market in last 2 days, he added.

“We have to fight against the black market and the only solution is we should sell the dollar at the market rate as soon as people start getting dollars,” the chairman ECAP said.

Workers’ remittances are also decreasing for the last 3 months and monthly inflows have reduced from $3 billion to $2 billion because of the difference of 20 to 30 rupees in official and unofficial rate. If the market rate becomes equal, remittance will also increase. Bostan said ECs with the support of the SBP will play their role in improving the situation and request the public to cooperate as Pakistan is facing a big crisis. “If the people do not cooperate with us, we will tell the government that we are ready to close our business for the sake of the country,” he added. He appealed to the people to sell dollars at the current rate and see that if the supply of dollar increases, its rate will fall in coming days.

IMPORT OF LNG: ECC IS ALL SET TO APPROVE PLL-SOCAR PACT

ISLAMABAD: The Economic Coordination Committee (ECC) of the Cabinet is all set to approve the pact between Pakistan LNG Limited (PLL) and Azerbaijani company, M/s SOCAR/ SOCAR Trading, for import of one LNG cargo monthly, official sources told *Business Recorder*.

Pakistan State Oil (PSO) and Pakistan LNG Limited (PLL) are importing Liquefied Natural Gas (LNG) under long-term LNG supply contracts to minimise gap in demand and supply of gas under three pacts. The first long-term agreement had been signed by PSO with Qatar Gas in 2015 at 13.37 per cent of price (slope of Brent) for five cargoes monthly for 15 years.

The second PSO-Qatar Gas agreement was inked in 2021 at 10.2 per cent of price (slope of Brent), for ten years, according to which Qatar Gas is to supply three cargoes monthly from July 22 to December 23 and four cargoes monthly from Jan 2024 to December 2032. PLL-Eni signed an agreement in 2017 at 12.05 per cent of price (slope of Brent) according to which Eni is to supply one cargo per month for 15 years. In addition, PLL has been importing up to 3 LNG cargoes/ month through spot tendering conducted from time to time to meet seasonal peak demand.

However, PLL has been facing considerable difficulties in procurement of spot LNG cargoes since June 2022, owing to exorbitantly high international LNG prices, as well as, Pakistan’s downgraded credit rating. PLL floated tenders for procurement of LNG on spot basis for delivery in July to September 2022; however, no bid was received from LNG suppliers.

PLL also floated a midterm tender for supply of 72 cargoes (1 cargo/month during 2023-28), which also did not attract any bidder. Meanwhile, PLL has also been exploring availability of LNG volume through Government to Government (G2G) agreements with different countries. In this regard an Inter-Government Agreement (IGA) was signed between the Government of Pakistan and the Government of Azerbaijan on February 28, 2017 for cooperation in the field of energy, and PLL and State Oil Company of Azerbaijan Republic (SOCAR), SOCAR Trading and its subsidiaries have been nominated to negotiate necessary contractual details on LNG project.

In this regard SOCAR has offered LNG through a Framework Agreement under the G2G arrangement. PLL has requested for approval of Framework Agreement, having following salient features: (i) initial one year term extendable to another one year; (ii) one LNG cargo per month to be offered by SOCAR 45 days prior to the start of the relevant delivery windows; (iii) each offer for the cargo will have a set validity period during which PLL may accept the offer; (iv) price shall be offered in USD/ MMBTU for each cargo 45 days prior to the relevant delivery window; (v) cargo quantity- 3,200,000 MMBTU 5%; (vi) payment term within days following PLL’s receipt of the invoice; (vii) PPL to issue LC from local bank(s). LC confirmation charges shall be on sellers’ account; (viii) port charges for SOCAR capped at USD 500,000 whereas all PQA costs, including taxes, shall be defined as port charges; (ix) each offer will include the applicable demurrage rate expressed as a fixed amount in USD per day and pro rata for each part of a day; and (x) PLL and SOCAR will sign a confirmation notice, at the time of the offer for any cargo is accepted by PLL.

ECC of the Cabinet on June 31, 2016 constituted an LNG Price Negotiation Committee (PNC) to negotiate the LNG prices and other important aspects including review of draft agreements related to LNG imports under G2G framework. The PNC considered the draft framework agreements in a meeting held on November 30, 2022 and agreed on execution of the Framework Agreement after approval of Federal Government. PNC also advised PLL to formulate a mechanism to evaluate the price offered as well as LC confirmation charges for each cargo.

The proposed Framework Agreement does not contain any specific pricing formula and the LNG price will be quoted for each cargo by SOCAR in USD/ MMBTU. PLL will evaluate the offered price in comparison with the prevailing international price, as well as, consult downstream customers (power sector) to ensure affordability. PLL has not received any bids against recent tenders and has also been facing LC issues and cancellation of the term cargoes. Under the given circumstances PLL may execute the Framework Agreement with SOCAR as there are no financial obligations or take or pay commitments. However, LNG may only be procured under the said agreement if an attractive price is offered or expensive LNG is desperately required as a last resort.

POL PRODUCTS: ADDITIONAL RS76BN REVENUE CAN BE GENERATED THRU PL MAXIMIZATION TO RS50 PER LITRE

ISLAMABAD: The government has projected to collect Rs 76 billion additional revenue if it maximizes the petroleum levy to Rs 50 per litre on all petroleum products in the remaining five months (February-June) based on current fuel consumption and international oil prices. This was revealed to *Business Recorder* by well-placed sources in the Petroleum Division.

Petroleum levy on petrol is already maxed out at Rs 50 per litre since November 2022. However, the estimated revenue impact, if the current rate of Rs 35 PL on high speed diesel (HSD) is raised by Rs 15 to Rs 50 the government would generate Rs 15 billion each month or Rs 75 billion till the end of the current fiscal year. Raising PL on the other two petroleum products - kerosene oil (SKO) and Light Speed Diesel (LDO) would generate an estimated revenue of Rs 1 billion (Feb-June 2022-23), as consumption of these two items in total petroleum products is not more than 0.4 percent. Currently, Rs 6.22 per litre PL is being charged on SKO and Rs 30.45 per litre on LDO.

Sources maintained that the government is anticipating little change in consumption of petroleum products for the next five months premised on the trend observed duringthe first six months of the current financial year. On Tuesday, Oil Companies Advisory Council (OCAC) released comparative data of sale of petroleum products July-December 2021 and 2022: petrol imports were down by 27 percent to 2.624 million tons and HSD imports declined by 38 percent to 1.285 million tons. It has been projected that Brent crude would average $ 89.37 a barrel in 2023(currently at $ 88.15 per barrel). Pakistan relies on importing 60 percent HSD and 80 percent petrol to meet domestic consumption. Petroleum levy generated Rs 230 billion in the first half of the fiscal year, an official of Petroleum Division told Business Recorder on condition of anonymity – a mere 30 percent of the total budgeted PL target of Rs 750 billion for the current financial year. “The final figure of actual PL on POL products collection in the first half of financial year will be released in the current month,” the official added.

The government under the contingency revenue measures agreed with the International Monetary Fund (IMF) to impose sales tax on petroleum products (up to the standard rate of 17 percent) if a month’s revenue collection data underperformed.

LPG DISTRIBUTORS URGE GOVT TO TAKE ACTION AGAINST ‘MAFIA’

KARACHI: The price of LPG reached the mark of Rs300 per kg on Tuesday across the country, touching a new peak in the history of the country. LPG was available at Rs300 per kg with the price of domestic cylinder increasing by Rs235 to Rs3550 and the price of commercial cylinder climbing by Rs908 to reach a high level of Rs13620. Irfan Khokhar, Chairman of LPG Distributors Association of Pakistan, expressed these views while addressing a press conference at Karachi Press Club on Tuesday. He regretfully said although the fixed price of LPG per kg by Ogra is Rs 204, but on the contrary, the government-owned SSGC has increased the price of LPG per kg to Rs 300. Khokhar said that in the ongoing crisis, the state-owned gas company has become a mafia, which is making illegal profits of one lakh rupees per tonne of LPG as 5,000 tonnes of LPG are being sold in the country every day and the mafia and black marketers are minting millions of rupees. He told media that currently, the country is facing the worst economic crisis apart from dollar shortage, and in these circumstances, measures of greater self-reliance by getting rid of the mafia are very necessary.

The LPG Industries chief said that Jamshoro Joint Venture Limited has been closed for the last 31 months. “If JJVL is made operational, it will end the mafia's monopoly by obtaining production of 550 MT to 750 MT of LPG per day in the country. LPG can be imported for consumers at a fixed government price.” Irfan Khokhar said that due to the 31-month closure of JJVL, the government has suffered a loss of Rs 157 billion so far in terms of revenue. He said SSGC continues to lobby for the permanent closure of JJVL to continue its monopoly and black marketing in the local market. The country currently has only 2000 metric tons of LPG production while the consumption has crossed 5000 tons. In this way, 60% of the country has become dependent on imported LPG. Irfan Khokhar said that due to astronomical prices, LPG has become beyond the reach of consumers. He said that a nationwide protest against the high price of LPG and black marketing has been started from Tuesday and an ultimatum of four days is being given, otherwise the sale of LPG in the entire country including Karachi will be on complete halt from January 28.

SALE OF CIS UNITS: SECP DIRECTS AMCS TO COMPLY WITH CONDITIONS

ISLAMABAD: The Securities and Exchange Commission of Pakistan (SECP) has directed the Asset Management Companies (AMCs) to strictly comply with the conditions during sale of units of Collective Investment Scheme (CIS) to investors. According to the guidelines issued by the SECP Tuesday, an AMC shall not be involved, directly or indirectly, in the misselling of units of CIS. In this regard, an AMC shall not sell units of a CIS under its management (directly or indirectly) by making a false or misleading statement, concealing or omitting material facts of the CIS and concealing the associated risk factors of the CIS.

Moreover, an AMC shall take reasonable care to ensure suitability of a CIS to an investor before sale of units of the CIS. An AMC shall ensure that any performance reporting/ presentation of a CIS is accompanied by all explanations, qualifications, limitations and other statements that are necessary to prevent such information from misleading investors. An AMC shall ensure that promotional materials do not contain untrue statements or omit to state facts that are necessary in order to prevent the statements from being misleading, false or deceptive.

The AMCs shall also comply with the conditions in respect of open-end funds being managed by them. In case of receipt of complete application along with the online payment/payment instrument within cutoff timings, for investment in open end funds following historical pricing mechanism. AMCs shall ensure that each payment instrument is deposited expeditiously by utilizing the appropriate banking facility, the SECP added.

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SECP HOLDS ESG SYMPOSIUM

ISLAMABAD: The Securities and Exchange Commission of Pakistan (SECP) has held an environmental, social, and governance (ESG) symposium to promote discussions on ESG practices and facilitate sustainable investment, a statement said on Tuesday. The symposium was a full day event attracting dynamic representation from the private sector presenting their success stories, high level plenary discussion with key institutions, and working session with key stakeholders providing aspirations and pledges for strengthening ESG ecosystem, according to SECP.

Speaking on the occasion, SECP chairman Akif Saeed emphasised that there was a need for consolidated, inclusive, and concentrated efforts towards sustainable ecosystem. In that regard, he added, ESG regulatory roadmap was the first step in setting momentum for achieving key milestones and aspiration.

“There is need for tangible milestones to be achieved through an inclusive approach to embrace ESG best practices for sustainable capital markets,” Saeed said. Sharmeela Rasool, country representative at UN Women Pakistan, emphasised significance of women’s economic empowerment principles leading to inclusive economic growth and need for benchmarking best practices. Musarat Jabeen, SECP executive director, said ESG considerations were gaining traction as investors and companies seek long term value and alignment with sustainability and climate-related objectives.

TN 25-1-2023

SBP NOTIFIES INCREASED RATES OF RETURN ON NPC

KARACHI: Following the directives of the federal government, the State Bank of Pakistan (SBP) has notified increase in the profit for Conventional Naya Pakistan Certificates (Certificates) with effect from Jan 23, 2023. The SBP has informed all agent banks that the government of Pakistan – the Finance Division (External Finance Wing), vide Gazette notifications No. S.R.O. 44(I)/2023 dated January 20, 2023, has notified the revision in rate of return in FCY denominated NPCs. Accordingly, on a minimum investment of $1,000 with integral multiples of 500, 3-month rate of return (gross annual return before tax) will be 7 percent, for 6-month 7.20 percent, 12-month 7.50 percent. Profit rate for 3-year and 5-year will be 8 percent.

On an investment of Rs 10,000 with integral multiples of 1,000, rate of return (gross annual return before tax) for 3-month will be 15 percent, 15.25 percent for 6-month, 15.50 percent for one year, 14 percent for 3-year and 13.50 percent for 5-year. On an investment of 1,000 GBP with integral multiples of 500, rate of return will be 5.50 percent for 3-month, 6 percent for 6-month, 7 percent for 12-month, 7.50 for 3-year and 5-year investment in NPC. In terms of euro amounting to 1,000 with integral multiples of 500 investment, the rate of return will be 4 percent for 3-month, 4.50 percent for 6-month, 5 percent for one year and 6.50 percent rate of return on 3-year and 5-year investment. According to the SBP, the revised rate of return will be in force from 23rd January, 2023.

SHIPPING FORWARDERS, COS INCREASE CHARGES

LAHORE: Shipping forwarders as well as companies have increased their charges exorbitantly, adding insult to the injury of importers in a situation when they are facing problems in retirement of Letter of Credit (LC) documents, said sources. They said the forwarders have jacked up their charges to Rs 1,500 against delivery order from Rs 7,000 earlier. Similarly, they added, the shipping companies were charging around $ 80 per day as demurrage against stuck up shipments at Karachi Port.

The sources in clearing agents as well as importers community have further pointed out that most of the forward agents had left Pakistan during the tenure of Pakistan Tehreek-e-Insaf’s federal minister for Maritime Affairs Ali Haider Zaidi. Leading companies dealing in forwarding business had shifted their businesses to India, they added.

One clearing agent shared an announcement from Kuehne + Nagel International AG, which is a global transport and logistics company based in Switzerland, stating that the delivery order charges would be Rs 12,500 from February 2023. He said a similar move is imminent on the part of other companies like DHL and FedEx. Meanwhile, sources in importers have pointed out that exorbitant delivery chargers and demurrages are pushing their costs up and no one is there to take it up with them. Also, they added, the respective sectoral associations are not taking up the issue with the government for an early settlement. It may be noted that both delivery charges and demurrages are charged in US dollar, which has become a scarce commodity in Pakistan.

GOVERNOR PUNJAB GIVES ASSENT TO 14 BILLS INCLUDING PUNJAB FINANCE (AMENDMENT) BILL, PUNJAB URBAN IMMOVABLE PROPERTY TAX, ADR AND PUNJAB PROCUREMENT BILLS

LAHORE: Punjab Governor Muhammad Baligh-ur-Rehman has given assent to 14 bills passed by the Punjab Assembly in public interest.

The assented bills include the Punjab Road Safety Authority Bill 2022, the Punjab Procurement Regulatory Authority (Amendment) Bill 2020, the Punjab Finance (Amendment) Bill 2021, the Punjab Wildlife Protection, Preservation, Conservation and Management (Amendment) Bill 2021, the Punjab General Provident Investment Fund (Amendment) Bill 2021, the Punjab Irrigation, Drainage and Rivers Bill 2021, the Punjab Shops and Establishment (Amendment) Bill 2021, the Punjab Women Hostels Authority Bill 2021, the Provincial Motor Vehicles (Amendment) Bill 2022, the Punjab Pension Fund (Amendment) Bill 2021, the Lahore University of Biological And Applied Sciences Bill 2022, the Punjab Home Based Workers Bill 2021, the Punjab Urban Immovable Property Tax (Amendment) Bill 2021 and the Punjab Alternate Dispute Resolution (Amendment) Bill 2023.

The Governor's Secretariat reiterated the advice to submit the bills by adopting a proper procedure and channel to the Punjab Assembly Secretariat.

OMBUDSMAN'S EFFORTS: PUNJAB BENEVOLENT FUND RELEASES RS3.1M TO PLAINTIFFS

LAHORE: On the orders of the Ombudsman Punjab Maj Azam Suleman Khan (retired), the Punjab Benevolent Fund has released the long overdue educational scholarships, and farewell, marriage and burial grants worth Rs.31, 40,240 to 59 applicants from various districts.

According to details In a separate development, the local government & community development department (LG&CD) has devised and distributed new two-factor authentication-based standard operating procedures among all union councils to ensure the foolproof safety of public records and that public information cannot be illegally changed in government offices, the spokesman stated. This step has been taken on the complaint of a Lahore-based woman who approached the ombudsman's office to declare the fake divorce certificate null and void.

The Ombudsman Punjab took strict notice of it and directed the secretary local government & community development department to constitute an investigation committee and take concrete measures to secure the safety of public data and civil registration vital statistics, stored in the government system, cannot be illegally altered, the spokesman stated and added that the LG&CD department has informed the Office of the Ombudsman Punjab that two-factor authentication system has been introduced to further strengthen the government system.

Meanwhile, a high-level inquiry committee has proposed to the federal higher education commission that the irregularity of admissions in unapproved courses should be monitored. This step has been taken in response to the complaint of one Umar Yusuf of Gujranwala who approached the ombudsman office for the issuance of a DMLS degree.

Alongside this, the Narowal police have informed the ombudsman office that the one-year service of sub-inspector Ghulam Hydari has been forfeited for non-filing/ delay in registration of the case. This action has been taken on the orders of the ombudsman office on a complaint of Muhammad Ahsan of Narowal.

Similarly, the ombudsman office's involvement has led to the payment of 1,44,500 rupees as ten percent compensation for the loss of a vehicle's original file to Muhammad Zubair of Multan. Secretary Union Council Pindi Kalu has also been suspended under PEEDA Act, 2006 for issuing a duplicate birth certificate without a record.

SC STRESSES GOVT TO PROMOTE USE OF ELECTRIC VEHICLES

ISLAMABAD: The Supreme Court has stressed the federal government to encourage and promote the use of Hybrid Electric Vehicles (HEVs) instead of applying “irrational interpretations” resulting in unwarranted restrictions on the exemption already in field.

“The technology of HEVs is well accepted and internationally acclaimed technology in the modern world.

Besides being fuel efficient, it is also an alternative solution to cautiously concentrate on the issue of global warming,” a 15-page judgment authored by Justice Muhammad Ali Mazhar said while upholding the Peshawar High Court (PHC) ruling.

“The proper and futuristic use of this technology will progress our country, and will not only improve and recuperate the atmosphere and ecosystem, but also alleviate destructive facets of climate change by lessening smoke emissions in order to effectively implement the Climate Change Act of 2016 and the Pakistan Environmental Protection Act (PEPA), 1997,” the judgment noted.

According to the fact of the case, the federal government vide SRO 499(I)/2013 dated 12-06-2013, had exempted customs duty, sales tax and withholding tax on import of Hybrid Electric Vehicles (HEVs) falling under PCT Code 87.03.

During the audit, deputy collector customs (import) dry port, Model Customs Collectorate, Peshawar observed that used Hybrid Suzuki, Hustler, Wagon-R, Mazda, Cross-over, Suzuki IGNIS were cleared illegally on 50 per cent exemption of duty and taxes in terms of SRO 499(I)/2013 dated 12-6-2013.

Show cause notices were issued to the importers and customs clearing agents under section 32 (3A) of Customs Act 1969 read with Section 3(1) of Imports and Exports (Control) Act, 1950, Section 3(1)(b) of Sales Tax Act, 1990, Section 148 and 182 of the Income Tax Ordinance, 2001 and section 33(5) of Sales Tax Act, 1990 and after submission of replies, the deputy collector customs (adjudication) through order-in-original upheld the show cause notice.

The respondents preferred appeals to the collector of customs (appeals) but all appeals were dismissed, following which, they approached the customs appellate tribunal and the appeals were allowed.

Later, the petitioner filed customs reference against the customs appellate tribunal judgment but all reference applications were dismissed.

A three-judge bench of the apex court led by Chief Justice of Pakistan (CJP) Umar Ata Bandial while hearing the customs department plea noted that though the SRO granting exemption on HEVs did not specifically encapsulate this particular purpose but, on the face of it, the exemption on the import of HEVs was logically issued for protection against climate change, and to minimise its adverse impact in the future which was a step forward towards the implementation and compliance of Pakistan Environmental Protection Act (PEPA), 1997.

"It is also the need of the time and a pressing priority to promote and encourage HEVs more and more, rather than applying irrational interpretations resulting in unwarranted restrictions on the exemption already in field," the judgment said.

The court noted that they cannot lose sight of the most important reason of promulgating the Pakistan Climate Change Act, 2017 which envisioned compliance with international conventions relating to climate change and adoption of comprehensive mitigation policies, plans, programmes, projects and other measures required to address the effects of climate change.

"In the definition clause, "climate change" means a change in the climate system which is caused by significant changes in the concentration of greenhouse gases as a direct or indirect consequence of human activities and which is in addition to natural climate change that has been observed during a considerable period; whereas "emissions", in relation to greenhouse gas, means emissions of that gas into the atmosphere caused by human activity; while "greenhouse gas" means any gas that contributes to the greenhouse effect by absorbing infrared radiation produced by solar warming of the earth's surface and includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride, nitrogen trifluoride and any other direct or indirect greenhouse gas as recognized by UNFCCC and IPCC from time to time."

"The function of the Council includes the obligation to co-ordinate, supervise and guide the mainstreaming of climate change concerns into decision-making by Federal and Provincial Governments to create enabling conditions for integrated climate-compatible and climate-resilient development processes in various sectors of the economy; approve and monitor implementation of comprehensive adaptation and mitigation policies, strategies, plans, programmes, projects and other measures, whereas the Functions of the Authority encompasses the formulation of comprehensive adaptation and mitigation policies, plans, programmes, projects and measures designed to address the effects of climate change and meet Pakistan's obligations under international conventions and agreements relating to climate change and within the framework of a national climate change policy as may be approved by the Federal Government from time to time; establish institutional and policy mechanisms for implementation of Federal and provincial adaptation and mitigation policies, plans, programmes, projects and measures, including plans for renewable energy and clean technology measures for energy efficiency and energy conservation and awareness-raising and capacity-building programmes; carry out a Technology Needs Assessment and prepare a Climate Change Technology Action Plan in accordance with international best practices for seeking technical and financial support etc." The schedule appended with reference to Sections 2, 4, 17 and 18 to the aforesaid Act integrates the United Nations Framework Convention on Climate Change (UNFCCC), Rio De Janeiro, 1992; Kyoto Protocol to the UNFCCC, 1997; The Paris Agreement, 2015; including any other agreement relating to climate change to which Pakistan is a signatory," the judgment said.

The judgment noted that in unison, the Pakistan Environmental Protection Act (PEPA), 1997 also ropes in various provisions for protection, conservation, rehabilitation and improvement of the environment, and for control of pollution, promotion of sustainable development, conservation, rehabilitation, improvement of the environment, prevention and control of pollution, promotion of sustainable developments which has close proximity and nexus to the Pakistan Climate Change Act, 2017.

"In this Act too, "pollution" means the contamination of air, land or water by the discharge or emission or effluents or wastes or air pollutants or noise or other matter which either directly or indirectly or in combination with other discharges or substances alters unfavourably the chemical, physical, biological, radiational, thermal or radiological or aesthetic properties of the air, land or water or which may, or is likely to make the air, land or water unclean, noxious or impure or injurious, disagreeable or detrimental to the health, safety, welfare or property of persons or harmful to biodiversity.

Section 12 of this Act is directly related to the regulation of Motor Vehicles which provides that no person shall operate a motor vehicle from which air pollutants or noise are being emitted in an amount, concentration or level which is in excess of the National Environmental Quality Standards or, where applicable, the standards established under clause (g) of sub-section (1) of section 6 and for ensuring compliance with the standards mentioned in sub-section (1), the Federal Agency may direct that any motor vehicle or class of vehicles shall install such pollution control devices or other equipment or use such fuels or undergo such maintenance or testing as may be prescribed."

"Last but not least, under Section 31, the Federal Government is vested with the powers to make rules including the rules for implementing the provisions of the international environmental agreements, specified in the Schedule to this Act which includes International Plant Protection Convention, Rome, 1951; Plant Protection Agreement for the South-East Asia and Pacific Region (as amended) Rome 1956; Agreement for the Establishment of a Commission for Controlling the Desert Locust in the Eastern Region of its Distribution Area in South-West Asia (as amended), Rome, 1963; Convention on Wetlands of International Importance Especially as Waterfowl Habitat, Ramsar, 1971 and its amending Protocol, Paris, 1982; Convention Concerning the Protection of World Cultural and Natural Heritage (World Heritage Convention), Paris, 1972; Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), Washington, 1973; Convention on the Conservation of Migratory Species of Wild Animals, Bonn, 1979; Convention on the Law of the Sea, Montego Bay, 1982; Vienna Convention for the Protection of the Ozone Layer, Vienna, 1985; Montreal Protocol on Substances that Deplete the Ozone Layer, Montreal, 1987 and amendments thereto; Agreement on the Network of Aquaculture Centres in Asia and the Pacific, Bangkok, 1988; Convention on the Control of Transboundary Movements of Hazardous Waste and Their Disposal, Basel, 1989; Convention on Biological Diversity, Rio De Janiero, 1992 and United Nations Framework Convention on Climate Change, Rio De Janiero, 1992."

The judgment noted that in a nutshell the niceties of both the laws are intermingled and focused on the commitments and responsibility of the concerned Council and Authority constituted under the Acts to make sincere efforts to ensure the prevention and control of pollution, promotion of sustainable development, conservation, rehabilitation, improvement of the environment and address the effects of climate change in our country with a further obligation to implement different conventions and treatise.

"The mere legislation of laws without effective implementation and execution is useless and ineffectual.

Instead, sincere efforts are required by the concerned authorities to safeguard the climate and reduce the adverse environmental impact of human activity." According to the US Department of Transportation Report, updated on August 24, 2015 motor vehicles are a leading source of air pollutants that affect human health.

Vehicle emissions contribute to the formation of ground-level ozone (smog), which can trigger health problems and increased susceptibility to respiratory illnesses.

The aforesaid report further articulates that the levels of traffic-related air pollution are higher near major roadways that have high traffic volume but the air quality may be improved through HEVs.

Different research documents also suggest that toxic pollutants in the air or deposited on soils or surface waters can impact wildlife in a number of ways.

"Like humans, animals can experience health problems if they are exposed to sufficient concentrations of airborne toxins over time.

It can also damage crops and trees in a variety of ways.

Ground-level ozone can lead to reductions in agricultural crop and commercial forest yields, reduced growth and survivability of tree seedlings, and increased plant susceptibility to disease, pests and other environmental stresses," the judgment said.

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BLOOMBERG TO PAY $5 MLN TO SETTLE SEC CHARGES RELATED TO FIXED-INCOME VALUATIONS

January 23, 2023

NEW YORK, Jan 23 (Reuters) - Bloomberg Finance LP has agreed to pay a $5 million fine to settle charges from the U.S. Securities and Exchange Commission (SEC) over "misleading" disclosures relating to its paid subscription service, the regulator said on Monday.

Bloomberg failed to disclose to customers of its BVAL service that its daily price valuations for fixed-income securities could be based on a single data input from at least 2016 to October 2022, the SEC said in a statement. That practice did not adhere to methodologies the firm had previously disclosed, the agency said.

Bloomberg did not admit or deny the SEC's charges and a spokesperson for the company declined to comment. In addition to paying the penalty, the firm agreed to cease and desist from future violations.

Mutual funds and other customers use BVAL prices to set the value of their investments in corporate and municipal bonds and securitized products, according to the SEC. While it found no evidence Bloomberg listed any erroneous prices, the agency said there were instances when its valuations were not derived in accordance with its stated methodologies. For a "very small fraction of total reported valuations", Bloomberg determined prices of certain fixed income securities based on "uncorroborated single broker quotes", the SEC's order said.

The SEC "will hold service providers, such as Bloomberg, accountable for misrepresentations that impact investors," said Osman Nawaz, chief of the SEC enforcement division's complex financial products unit.

https://www.reuters.com/business/finance/bloomberg-pay-5-mln-settle-sec-charges-related-fixed-income-valuations-2023-01-23/

DUBAI HOPES TO SEIZE PRIVATE SECTOR LISTINGS, BOOST ACCESS TO STOCK EXCHANGE

DUBAI: Dubai's stock exchange is working on expanding private sector listings and plans to boost access for both institutional and retail investors, its chief executive said on Tuesday. "Being able to attract the private sector to the market is the key and we think we can," Ali said, adding it was what he and his team spend most of their time on.

Gulf governments have been trying to encourage more family-owned companies to list in a bid to deepen their capital markets, with Saudi Arabia so far seeing the most success.

Dubai, the region's financial hub, saw nearly $8.5 billion in proceeds from five IPOs in 2022, according to Refinitiv data.

Dubai's government has pledged to list 10 state-linked firms to boost stock market activity. Four went public last year: utility firms Dubai Electricity and Water Authority (DEWA) and Empower, business park developer Tecom Group and road toll operator Salik .

Taaleem, a private sector education firm that has some government support, also went public. "We had four, which means there are six more that will come, whenever those entities are ready to announce or the government is ready to announce," Dubai Financial Market CEO Hamed Ali told Reuters, without giving a timeline and declining to name them.

Market watchers have said possible Dubai state-linked IPOs could include energy company ENOC and airport services provider dnata, while the Dubai government and those companies have made no public comments.

DFM is working to enhance liquidity - a key market concern - and boost market participation, including by bringing in "institutionally focused funds" and "a diverse range of brokerage firms", Ali said. Asked if the price performance of last year's IPOs would impact possible future listings, Ali said they have performed "relatively well, relative to international markets, and the reason behind that is that these are companies that are still paying dividends."

On whether they could continue to promise dividends in a rising interest rates environment, Ali said he could not speak on the companies' behalf. "However, what I can tell you, if you look at the stories that came into the market, they are crown jewel stories. These are companies that we're confident about."

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