

## **PBC OBJECTS TO SRO ON RECORDS OF FIRMS' BENEFICIAL OWNERS**

**ISLAMABAD:** The Pakistan Business Council (PBC) has expressed serious concerns over the Federal Board of Revenue's (FBR) SRO 229(I)/ 2023 for maintaining records of beneficial owners by companies/ foreign investors despite the presence of comprehensive documentation as mandated by the Securities and Exchange Commission of Pakistan (SECP).

The PBC has written a letter to FBR Chairman Asim Ahmad on the implications of the SRO on the corporate sector.

The FBR had issued SRO 229(I)/ 2023 dated February 28, 2023 that proposed amendments to the Income Tax Rules, 2002 to introduce a new chapter of 'Record of Beneficial Owners' for the companies. In this regard, the PBC has asked the FBR to immediately withdraw the SRO about the retention and provision of records of beneficial owners of companies.

The SECP has already mandated that companies maintain a record of Ultimate Beneficial Owners through the introduction of Section 123A of the Companies Act 2017, and through amendments to the Companies (General Provisions and Forms) Regulations, 2018 in the form of SRO 928(I)/ 2020, which includes new 19A - Additional Particulars of Ultimate Beneficial Owners.

The SECP's legal requirements contain a detailed procedure for companies to identify and obtain information on their ultimate beneficial owners, and to report the same to the SECP through several prescribed forms. As per the SECP's SRO 928(I)/2020, the company is required to make a note of declarations in a register of ultimate beneficial owners maintained by it for such purpose containing various particulars such as name, father's name/ spouse's name, CNIC/ NICOP/ passport number along with date of issue, nationality, country of origin, usual residential address, email address, date on which shareholding, control or interest was acquired in the company, date on which shareholding, control or interest was acquired in the company from former ultimate beneficial owner, and in case of indirect shareholding, control or interest being exercised through intermediary companies, entities or other legal persons or legal arrangements in the chain of ownership or control, the company shall take reasonable measures to obtain names and particulars of the ultimate beneficial owner of the legal persons or arrangements.

As such, complying with the existing requirements set by the SECP is already a considerable undertaking, given the extensive and comprehensive list of particulars required. Therefore, the FBR's proposal in SRO 229(I)/ 2023 is not only redundant but it also doubles the work, which will certainly go against the slogan of "ease of doing business in Pakistan" for foreign investors. While Pakistan has been actively pursuing reforms and initiatives to improve its ranking in the World Bank's Ease of Doing Business Report, the proposed amendment, with its added bureaucracy and its potential to increase the burden on businesses, may in fact undermine any progress, the PBC added in its letter.

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## **FBR URGED TO FIX FASTER GLITCHES**

**KARACHI:** Pakistan Hosiery Manufacturers and Exporters Association has dispelled the claim that the Federal Board of Revenue (FBR) prepared the misleading sales tax order dated March 15 after consulting PHMA and other textile associations. The PHMA, in a statement on Thursday, said that the FBR's claim that the stakeholders were consulted before finalising the order is incorrect. PHMA said that stakeholders' associations were neither given any agenda of the meeting for preparation in advance nor any such agenda was shared in the subject meeting held at FBR. In fact, PHMA was not invited. Invitation to attend the meeting was sent when PHMA wrote a letter to the FBR inquiring about convening of such meeting as per FBR's tweet.

Furthermore, the PHMA has requested the removal of flaws in the order and rectification of technical glitches in the FBR's sales tax FASTER system, which has been causing delays in the processing of sales tax refunds, resulting in a liquidity crunch and hampering exports. The PHMA also pointed out several flaws and discrepancies in the procedure that has worsened the grievances of the textile exporters. The FBR has not yet responded to the allegations made by the PHMA.

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## **GARMENTS INDUSTRY FOR STOPPING AUDIT NOTICES: EVERY EXPORTER IS BEING SERVED 10 NOTICES**

**LAHORE:** Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) has asked the Federal Board of Revenue (FBR) to help strengthen the industry and exporters by timely releasing sales tax refunds, instead of sending them audit notices.

In a statement, the association pointed out that more than 51% of tax revenue was being collected from the manufacturing sector, though its share in gross domestic product (GDP) was just 13%.

On the other hand, it said, the agricultural sector, which constituted more than 26% of GDP, was not fulfilling its national obligation and was paying just 2% of income tax.

PRGMEA Central Chairman Mubashar Naseer Butt underscored the need for widening the tax base and bringing the agricultural sector to the tax net.

“The FBR, instead of facilitating the industry, creates problems for the manufacturers and exporters,” he said, adding that tax collectors had started sending audit notices to the exporters, though they were required to swiftly release tax refunds.

“On average, 10 audit notices are being served on almost every exporter, who is fed up with the long delay in refunds.”

“It’s the question of survival in the backdrop of an acute liquidity crunch and we need the government’s help to save the industry from bankruptcy,” appealed PRGMEA Vice Chairman Waseem Akhtar. He called for ensuring ease of doing business, lowering cost of production, providing a solution to the liquidity crunch through early refund payments, drawing up a long-term and consistent energy tariff policy and relaxing the import policy for industrial raw material.

Airing concern over the withdrawal of competitive power tariff of Rs19.90 per unit, Akhtar pointed out that it led to a further decline in textile and overall national exports, which was ‘alarming’ and ‘unfortunate’.

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## **KARACHI CUSTOMS ANNOUNCES MEGA AUCTION OF MOTOR VEHICLES ON APRIL 01**

The Collectorate of Customs Appraisement (West) in Karachi has announced that a large auction of old and used motor vehicles will take place on April 01, 2023 at AICT Maripur Road in Karachi.

The auction will be open to the public and will feature a variety of vehicles that have been previously used and are now available for purchase. This type of auction is a common way for government agencies to sell off surplus or seized vehicles to generate revenue. Prospective buyers are encouraged to attend the auction to find a good deal on a used vehicle.

Following is the list of vehicles which will be presented for the auction:

1. Used Daihatsu Move, Chassis No.LA150S-2058729, Model 2020, Engine Capacity 658cc.
2. Used Toyota Raize, Chassis No. A200A-0009972, Model 2019, Engine Capacity 996cc.
3. Used Honda N- WGN, Chassis No. JN1-1433448, Model 2019.
4. Used Toyota CHR SUV, Chassis No. ZYx10-2015076, Model 2017, Engine Capacity 1797cc.
5. Used Toyota Raize, Chassis No. A200A-0156171, Model 2021, Engine Capacity 996cc.
6. Used Daihatsu Move, Chassis No. LA1505-2004306, Model 2019, Engine Capacity 658cc.
7. Used Wagon-R, Chassis No. MH555-262494, Model 2018.
8. Used Daihatsu Move, Chassis No. LA150S-2035267, Model 2019, Engine Capacity 658cc.
9. Used Daihatsu Mira, Chassis No. LA3505-0187306, Model 2019, Engine Capacity 658cc.
10. Used Daihatsu Mira, Chassis No. LA3505-0145411, Model 2019, Engine Capacity 658cc.
11. Used Suzuki Every Van, Chassis No. DA17V-385295, Model 2019.

12. Used Toyota Passo, Chassis No. M700A-1014741, Model 2019, Engine Capacity 996cc.
13. Used Toyota Passo, Chassis No. M700A-0138725, Model 2019, Engine Capacity 996cc.
14. Used Daihatsu Move, Chassis No. LA1505-2006767, Model 2019, Engine Capacity 658cc.
15. Used Daihatsu Mira, Chassis No. LA350S-0167872, Model 2019, Engine Capacity 658cc.
16. Used Daihatsu Move, Chassis No. LA1505-2016117, Model 2019, Engine Capacity 658cc.
17. Used Daihatsu Mira, Chassis No. LA3505-0254827, Model 2021, Engine Capacity 658cc.
18. Used Daihatsu Cast, Chassis No. LA2505-0164805, Model 2019, Engine Capacity 658cc.
19. Used Daihatsu Cast, Chassis No. LA2505-0182831, Model 2019, Engine Capacity 658cc.
20. Used Toyota Land Cruiser Prado, Chassis No. TR.1150-0079625, Model 2017, Engine capacity 2693cc.
21. Used Daihatsu Cast, Chassis No. LA2505-0165133, Model 2019, Engine capacity 658cc.
22. Used Toyota Land Cruiser Prado, Chassis No. TR.1150-0107371, Model 2019, Engine capacity 2693cc.
23. Used Toyota Vitz
24. Used Lexus LX 570, Chassis No. UFU201-4248828, Model 2017, Engine capacity 5662cc.
25. Used Toyota Land Cruiser Prado, Chassis No. TR1150-0076512, Model 2017, Engine capacity 2693cc.
26. Used Lexus LX 570, Chassis No. UFU201-4249449, Model 2017, Engine capacity 5662cc.
27. Used Toyota Vitz, Chassis No. KSP130-4020984, Model 2019, Engine capacity 996cc.
28. Used Toyota Land Cruiser V8, Chassis No. U131202-4181155, Model 2018, Engine capacity 4608cc.
29. Used Toyota Passo, Chassis No. M700A-0141111, Model 2019, Engine capacity 996cc.
30. Used Toyota Passo, Chassis No. M700A-0136579, Model 2019, Engine capacity 996cc.
31. Used Toyota Passo, Chassis No. M700A-1017168, Model 2019, Engine capacity 996cc.
32. Used Toyota Passo, Chassis No. M700A-0138771, Model 2019, Engine capacity 996cc.

33. Used Toyota Land Cruiser Prado, Chassis No. T141150-0080405, Model 2017, Engine capacity 2693cc.
34. Used Suzuki Hustler, Chassis No. MR415-359206, Model 2019.
35. Used Toyota Land Cruiser Prado, Chassis No. TR1150-0084653, Model 2018, Engine capacity 2693cc.
36. Used Toyota Passo, Chassis No. M700A-1013500, Model 2019, Engine capacity 996cc.
37. Used Toyota Land Cruiser Prado, Chassis No. TFU150-0078711, Model 2017, Engine capacity 2693cc.
38. Used Daihatsu Move, Chassis No. LA150S-2029171, Model 2019, Engine capacity 658cc.
39. Used Toyota Passo, Chassis No. M700A-0137852, Model 2019, Engine capacity 996cc.
40. Used Toyota Passo, Chassis No. M700A-1014991, Model 2019, Engine capacity 996cc.
41. Used Toyota Passo, Chassis No. M700A-0127976, Model 2019, Engine capacity 996cc.
42. Used Suzuki Hustler, Chassis No. MR415-357903, Model 2019.
43. Used Daihatsu Move, Chassis No. LA150S-2007897, Model 2019, Engine capacity 658cc.
44. Used Toyota Land Cruiser Prado, Chassis No. TR1150-0089139, Model 2018, Engine capacity 2693cc.
45. Used Daihatsu Move, Chassis No. LA150S-2015870, Model 2019, Engine capacity 658cc.
46. Used Suzuki Wagon R, Chassis No. MH555-322485, Model 2019.
47. Used Honda Insight, Chassis No. ZE4-1007481, Model 2018.
48. Used Toyota Land Cruiser Prado, Chassis No. TF1.1150-0080112, Model 2017, Engine capacity 2693cc.
49. Used Toyota Passo, Chassis No. M700A.0147947, Model 2019, Engine capacity 996cc.
50. Used Toyota Land Cruiser Prado, Chassis No. TR1150-0081338, Model 2017, Engine capacity 2693cc.
51. Used Toyota Land Cruiser Prado, Chassis No. TRJ150-0090898, Model 2018, Engine capacity 2693cc.
52. Used Toyota Land Cruiser Prado, Chassis No. TF11150-0078338, Model 2017, Engine capacity 2693cc.
53. Used Toyota Land Cruiser Prado, Chassis No. TR1150-0097417, Model 2019, Engine capacity 2693cc.

54. Used Suzuki Alto, Chassis no. HA365-539566, Model 2019.
55. Used Toyota Land Cruiser V8, Chassis no. URJ202-4166419, Model 2018, Engine capacity 4608cc.
56. Used Daihatsu Mira ES, Chassis No. LA350S-0184687, Model 2019, Engine capacity 658cc.
57. Used Toyota Vitz, Chassis No. KSP130-4020976, Model 2019, Engine capacity 996cc.
58. Used Toyota Vitz, Chassis No. KSP130-4028798, Model 2019, Engine capacity 996cc.
59. Used Toyota CHR, Chassis No. ZYX10- 2138750, Model 2018.
60. Used Daihatsu Mira ES, Chassis No. 1A3505-0240771, Model 2020, Engine capacity 658cc.
61. Used Daihatsu Boon, Chassis No. M7005-0023128, Model 2019, Engine capacity 996cc.
62. Used Suzuki Every Van, Chassis No. DA17V-240120, Model 2017.
63. Used Suzuki Every Van, Chassis No. DA17V-298215, Model 2017.
64. Used Daihatsu Mira ES, Chassis No. LA3505-0175303, Model 2019, Engine capacity 658cc.
65. Used Daihatsu Move, Chassis No. LAISOS-2049411, Model 2020, Engine capacity 658cc.
66. Used Toyota Land Cruiser V8, Chassis No. URI202-4155963, Model 2017, Engine capacity 4608cc.
67. Used Honda N-WGN, Chassis No. JA1-2223831, Model 2019.
68. Used Honda N-One, Chassis No. JG1-1319511, Model 2019.
69. Used Suzuki Wagon-R, Chassis No. MH35S-135822, Model 2019.
70. Used Suzuki Wagon-R, Chassis No. MH35S-132078, Model 2019.
71. Used Suzuki Wagon-R, Chassis No. MH55S-282322, Model 2019.
72. Used Mazda Carol, Chassis No. HB36S-231401, Model 2019.
73. Used Suzuki Wagon-R, Chassis No. MH55S-309504, Model 2019.
74. Used Suzuki Wagon-R Hybrid, Chassis No. MH55S-297323, Model 2019.

75. Used Suzuki Wagon-R Hybrid, Chassis No. MH55S-265038, Model 2019.
76. Used Suzuki Wagon-R Hybrid, Chassis No. MH55S-310524, Model 2019.
77. Used Suzuki Wagon-R, Chassis No. MH55S-276964, Model 2019.
78. Used Suzuki Wagon-R, Chassis No. MH35S-137546, Model 2019.
79. Used Suzuki Wagon-R, Chassis No. MH55S-277940, Model 2019.
80. Used Suzuki Wagon-R Hybrid, Chassis No. MH55S-304290, Model 2019.
81. Used Toyota Vitz, Chassis No. KSP130-4031032, Model 2019, Engine capacity 996cc.
82. Daihatsu Hijet Van Cargo, Chassis No. 533N-0173046, Model 2019, Engine capacity 658cc.
83. Used Daihatsu Mira ES, Chassis No. LA3505.0144260, Model 2019, Engine capacity 658cc.
84. Used Suzuki Every Van, Chassis No. DAITV-233770, Model 2017.
85. Used Suzuki Every Van, Chassis No. DAITV-232144, Model 2017.
86. Used Suzuki Jimny Jeep, Chassis No. JB23W-771301, Model 2017.
87. Used Honda Vezel Hybrid, Chassis No. RU3-1239702, Model 2017.
88. Used Daihatsu Mira-ES, Chassis No. LA3505-0150564, Model 2019, Engine capacity 658cc.
89. Used Nissan Dayz, Chassis No. B44W-0015163, Model 2019.
90. Used Honda Vezel Hybrid, Chassis No. RU3-1264664, Model 2017.
91. Used Lexus LX570, Chassis No UR201-4277530, Model 2018, Engine capacity 5662cc.
92. Used Toyota Land Cruiser V8, Chassis No UR.1202-4175419, Model 2018, Engine capacity 4608cc.
93. Used Toyota Land Cruiser V8, Chassis No. UR1202-4174223, Model 2019, Engine capacity 4608cc.
94. Used Lexus LX570, Chassis No. UR201-4252158, Model 2017, 5662cc.
95. Used Daihatsu Move, Chassis No. LA1505-2055461, Model 2020, Engine capacity 658cc.

96. Used Honda N-WGN, Chassis No. JHI-1439323, Model 2019.
97. Used Suzuki Wagon-R, Chassis No. MH55S-275190, Model 2019.
98. Used Honda N-WGN, Chassis No. JH3-1007389, Model 2019.
99. Used Toyota Vitz, Chassis No. KSP130-4018078, Model 2019, Engine capacity 996cc.
100. Used Toyota Vitz, Chassis No. KSP130-4017048, Model 2019, Engine capacity 996cc.
101. Used Toyota Vitz, Chassis No. KSP130-4018076, Model 2019, Engine capacity 996cc.
102. Used Toyota Vitz, Chassis No. KSP130-4008341, Model 2019, Engine capacity 996cc.
103. Used Toyota Land Cruiser Prado, Chassis No. TRJ150-0089481, Model 2018, Engine capacity 2693cc.
104. Used Suzuki Wagon-R, Chassis No. MH35S-130160, Model 2019.
105. Used Suzuki Wagon-R Hybrid, Chassis No. MH55S-307781, Model 2019.
106. Used Suzuki Even Van, Chassis No. DAI7V-286549, Model 2017.
107. Used Honda N-Box, Chassis No. JF3-1256593, Model 2019.
108. Used Toyota Noah Van Hybrid, Chassis No. ZWR80-0284913, Model 2017, Engine capacity 1797cc.
109. Used Suzuki Hustler, Chassis No. MR415-380669, Model 2019.
110. Used Toyota Yaris, Chassis No. KSP201-0010378, Model 2020, Engine capacity 996cc.
111. Used Toyota Passo, Chassis No. M700A-0141251, Model 2019, Engine capacity 996cc.
112. Used Toyota Land Cruiser V8, Chassis No. URJ202-4155890, Model 2017, Engine capacity 4608cc.
113. Used Toyota Vitz, Chassis No. KSP130-4017945, Model 2019, Engine capacity 996cc.

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## **CHINA-PAKISTAN BORDER TO REOPEN ON APRIL 1: TRADE TO RESUME AFTER THREE YEAR SUSPENSION DUE TO COVID-19 RESTRICTIONS**

ISLAMABAD: Pakistan and China are set to resume two-side trade through the Khunjerab Pass, the only land route between the two countries, after almost three years of suspension due to the Covid-19 outbreak. The pass, which connects Pakistan's Gilgit Baltistan region with China's Xinjiang Uygur Autonomous Region, is scheduled to be fully operational from April 1, 2023.

The pass had been closed for trade activities after the outbreak of Covid-19 in 2020. It was briefly reopened last year to allow one side trade i.e. imports from China only. The border remained closed despite a significant reduction in pandemic cases and the resumption of trade activities worldwide.

In January 2020, the government of Gilgit Baltistan stopped two shipping containers carrying goods from entering Pakistan through the Khunjerab Pass and requested the federal government to delay the reopening of the border crossing for trade as a precautionary measure. Later the Chinese side remained reluctant to open the border for trade after the pandemic spread in Pakistan.

However, with the recent decline in positivity rates, the relevant authorities green-light customs clearance, hoping to drive up cross-border trade and business in the post-Covid era. Apart from the closure of the border due to Covid-19 related issues, the border usually remains open from April 1 to November 30 every year and remains closed from December 1 to March 31 due to harsh winter weather conditions and lack of oxygen at high altitudes.

Foreign office spokespersons have confirmed that Islamabad and Beijing have decided to reopen the Khunjerab Border in two phases. The first phase, imports from China only, is already active. The second phase of allowing exports from Pakistan will begin from April 1.

The Khunjerab Pass holds is the highest paved border crossing in the world, offering picturesque scenery and a hot tourist location. In 2019, prior to Covid-induced shutdowns, trade volume between China and Pakistan surged by nearly 47% to \$856.3 million at the Khunjerab Pass.

The Khunjerab Port is the only land port linking Pakistan and China and is a strategic point on the Karakoram Highway, linking Gilgit Baltistan, Pakistan, and Xinjiang Uygur Autonomous Region, China. The reopening of the border is expected to boost economic ties and strengthen the relationship between the two countries.