

## **NA APPROVES SECOND TAX AMENDMENT BILL IN A HURRY**

ISLAMABAD: The National Assembly on Thursday hurriedly passed a second tax amendment ordinance bill of 2022 without waiting for the report of a parliamentary committee. Finance Minister Ishaq Dar tabled the bill titled "Tax Laws (Second Amendment) Bill 2022" in the lower house through a supplementary agenda, followed by another motion seeking relaxation of rules to put to vote the bill without the National Assembly Standing Committee on Finance report on the bill.

The ordinance was approved by the National Assembly, and then by the legislature without making any comments on its contents. On Aug 23, 2022, the government promulgated the second tax amendment bill to impose Rs38 billion through taxes, however, the ordinance has not initially been placed in the parliament to make it a law. Meanwhile, in October the bill was introduced in the parliament and was referred to the standing committee for its approval. Mr Dar blamed the committee for not giving their report on the bill and the issue remains unaddressed.

The National Assembly adopted a resolution on Dec 13, 2022 while securing majority votes to extend the Tax Laws (Second Amendment) Bill 2022 for a further period of 120 days, after which the ordinance was valid until Dec 23 this year. However, the second extension of the ordinance was due to expire on April 23. Through the bill, the government reversed several revenue measures announced in the budget particularly to facilitate traders and raised taxes on tobacco to collect an additional Rs18bn.

The government had introduced a fixed tax scheme for retailers on commercial electricity connection, aimed to collect Rs42bn alone. However, the FBR has now withdrawn the fixed tax scheme retrospectively from July 1.

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## **TAX ADVISORY COMMITTEE TO BE FORMED TO ADDRESS TAXPAYERS ISSUES**

Islamabad: Khurshid Ahmed Khan Marwat, chief commissioner, Regional Tax Office, Islamabad said that he would provide all possible cooperation to facilitate the taxpayers in tax compliance and announced to form a Tax Advisory Committee (TAC) comprising representatives of ICCI and RTO to address the issues of taxpayers, says a press release. He said that TAC would hold monthly meetings to facilitate the taxpayers. He said this while addressing the business community during his visit to Islamabad Chamber of Commerce and Industry. Freedun Akram Shaik and Said Munaaf Commissioners RTO accompanied him at the occasion. Khurshid Ahmed Khan Marwat said that POS would stay and said that ICCI should cooperate in expanding its coverage to bring new taxpayers in this system. He said that ICCI should prepare budget proposals and share them with RTO Islamabad that would be forwarded to FBR for consideration and implementation. He said that he wants to register new taxpayers and said that ICCI and market associations should cooperate in this drive to ensure equal distribution of tax burden on all sectors.

Speaking at the occasion, Ahsan Zafar Bakhtawari, president, Islamabad Chamber of Commerce & Industry briefed the Chief Commissioner RTO about the tax issues of the business community. He welcomed the formation of ATC as it would help address hardships of taxpayers. He said that FBR should provide a level-playing field for integration of businesses with POS. Otherwise, the survival of POS integrated businesses would be in danger. He said that FBR should introduce incentives for taxpayers in proportion to their tax contribution that would help promote tax culture. He said that FBR should focus on new taxpayers instead of putting more burden on the existing taxpayers. He said that RTO had set up a facilitation camp in the F-10 market to register traders in tax net and help them in filing of tax returns but the camp has been closed. He said that such camps should be set up in all major markets to facilitate traders in tax registration. The Chief Commissioner assured that he would look into this issue. Faad Waheed, senior vice president ICCI highlighted the high tax rate on rental income and input issues of steel industry and said that FBR should address these issues. He said that FBR should promote a friendly taxation system that should help promote business activities and improve tax revenue. Muhammad Azhar ul Islam Zafar, vice president ICCI said that RTO the practice of issuing notices to taxpayers should be avoided and RTO should take ICCI on board before taking action against any taxpayers to resolve such issues amicably. Mian Muhammad Ramzan, Convener ICCI Tax Committee, Zahid Hussain Chairman Pakistan Furniture Association, Mian Waqas Masud, Khalid Chaudhry and others also highlighted tax issues of various sectors and gave proposals to simplify the tax system.

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## **E-BIKES/E-RICKSHAWS: PMYB&ALS MODEL APPROVED BY ECC**

ISLAMABAD: The Economic Coordination Committee (ECC) of the Cabinet Thursday approved Prime Minister's Youth Business and Agriculture Loan Scheme (PMYB&ALS) model for e-bikes/e-rickshaws.

The meeting of the ECC presided over by Finance Minister Ishaq Dar was submitted a summary by the Ministry of Industries and Production regarding financing facility for electric bikes (E-bikes) and E-Rickshaws. The ministry also presented details on the viability, demand of electric bikes, and incentive structure for potential users to make electric bikes affordable.

In order to create quick and sustainable demand of E-Bikes/Rickshaws in the country, the ECC after discussion approved PMYB&ALS model for E-Bikes/E-Rickshaws. Under the scheme, clean loan up to Rs0.5 million will be given under Tier-I of PMYB&ALS at 0% markup rate for repayment in three years. This facility will be available for up to 15,000 E-Bikes/Rickshaws in the current financial year. The modalities of the scheme will be worked out by the Ministry of Industries and Production in coordination with PMYB&ALS.

The ECC also approved the Ministry of Commerce summary regarding the declaration of Customs Station Angoor Adda as authorised export land route to Afghanistan and through Afghanistan to Central Asian Republics.

The ECC considered a summary of the Aviation Ministry and approved an increase in government guarantee related to US\$ denominated loans of PIACL to the tune of Rs15,607,394,711 by enhancing the existing guarantee limit of Rs247.630 billion to Rs263.237 billion.

The Ministry of National Food Security and Research tabled a summary on the price of sugar during the month of Ramadan and briefed the meeting on the outcome of the Sugar Advisory Board's meeting with the PSMA regarding retail price of sugar.

The ECC endorsed the decisions of the meeting that the PSMA Punjab Zone has agreed to provide 20,000 MTs of sugar at retail price of Rs95 per kg during Ramazan (till Eid-ul-Fitr) for sale to the general public through the government of Punjab at the district level. The ECC further directed to make arrangements with other provincial PSMA's on similar pattern for the provision of sugar in other provinces/areas.

The ECC has approved Technical Supplementary Grants/Supplementary Grants;

(i) Rs261 million in favour of the Ministry of Housing and Works for the execution of development scheme – Construction of railway underpass Jahanian, District Khanewal;

(ii) US D 0.5 million equivalent to Rs142.5 million rupee cover in favour of Ministry of National Health Services, Regulations and Coordination, committed by the Saarc Development Fund for the standard package for strengthening preventive and curative activities for mental health and condition of Covid-19 research activities;

(iii) Rs250 million in favour of Ministry of Housing and Works for repair and maintenance of Supreme Court of Pakistan building, judges residences, rest houses and sub-offices in various cities;

(iv) Rs22 million in favour of Ministry of Foreign Affairs for payment of liabilities of electricity.

## **SINDH CM INSTRUCTS BOR TO TAKE NECESSARY STEPS TO ENHANCE REVENUE COLLECTION**

**KARACHI:** Sindh Chief Minister Syed Murad Ali Shah presiding over a joint meeting of tax collecting agencies of the province (Sindh Revenue Board, Excise & Taxation and Board of Revenue) observed that the recoveries of the Board of Revenue have fallen short because of recent floods and heavy rains but the Sindh Revenue Board and E&T department are bound to achieve their targets.

The chief minister directed the Board of Revenue to take necessary measures to enhance revenue collection. The CM directed the E&T department to launch a campaign against tax defaulting vehicles and stopped them from transferring vehicles on the open letters.

The meeting was held at CM House and was attended by CM Advisor on Agriculture Manzoor Wassan, Revenue Minister Makhdoom Mahboob, Excise and Taxation Minister Mukesh Chawla, Chief Secretary Sohail Rajput, SMBR, Baquallah Unar, Secretary Finance Sajid Jamal Abro, Secretary to CM Raheem Shaikh, Secretary Excise Atif Rehman and others.

SRB: The CM was told that the Sindh Revenue Board (SRB) was given a target of Rs 180 billion against which it has recovered Rs 128.2066 billion during the eight months of the financial year 2022-23 showing revenue growth of 22 percent.

The chief minister told the chief minister that the SRB would achieve its target easily.

E&T dept: Minister Excise & Taxation Mukesh Chawal told the chief minister that his dept was given a target of Rs 127,200 million against which Rs 63,331 million have been recovered during the last eight months. He vowed to achieve the target by the end of the financial year.

Chawla said that the E&T dept recovered provincial excise, motor vehicle tax, cotton fees, infrastructure cess, entertainment tax, and different fees. "We used to collect property tax and professional tax which have been devolved to local bodies even then the property tax recovery has been recorded at Rs 8 million and professional tax Rs 464 million," he said and added against a target of Rs 12,000 million provincial excise Rs 4,250 million has been recovered.

The minister said that his department has recovered Rs 6,996 million against a target of Rs 14,000 million in motor vehicle tax. Similarly, against a 100,800 million infrastructure cess target, Rs 51,601 million has been recovered. He added that Rs 8 million entertainment tax and Rs 1 million different types of fees have also been collected so far.

BoR: Minister Revenue Makhdoom Mahboob while briefing the chief minister said that the Board of Revenue (BoR) was given a target of Rs 36 billion against which it has recovered around Rs 10 billion (Rs 9961 million). He added that due to heavy rains and floods, the recoveries have been affected. He said that the provincial government granted various exemptions to the flood-affected growers. He added that due to the financial crisis in the country real estate business has shown a downward trend, therefore the ratio of transfer and registration cases of properties has come down considerably.

## **STATE WAREHOUSES: FTO ORDERS FBR TO ENSURE SAFE CUSTODY OF VALUABLES**

ISLAMABAD: The Federal Tax Ombudsman (FTO) has directed the Federal Board of Revenue (FBR) to ensure safe custody of valuables in the state warehouses after the incidence of a huge quantity of stolen dollars from the State Warehouse (Valuable), Collectorate of Customs (Enforcement), Lahore.

According to an order issued by the FTO on Friday, the complaint was filed against the Collectors, Collectorate of Customs (Enforcement), Lahore and Collectorate of Customs (AIIA), Lahore, for the delay in paying/returning an amount of US\$ 10,000 to the complainant, pursuant to Customs Appellate Tribunal's Order dated 22.07.2022.

"The currency was seized in 2016 and the complainant was forced to run from pillar to post for almost seven years now but no relief was being given to him after getting order in his favour from CAT, Lahore", the FTO regretted. The Customs Appellate Tribunal (CAT) ordered to release an amount of US\$ 10,000 to the complainant. After passing of the CAT's order, the Complainant approached D.C (Traffic), AIIA, Lahore for the release of currency US\$ 10,000. The Customs, State Warehouse (Valuable), Collectorate of Customs (Enforcement), Lahore informed that the currency had been stolen from SWH (Valuable) and an FIR No 03/2020 dated 08.01.2020 had been lodged on misappropriation! theft and criminal proceedings were underway in Special Court of FIA.

The FTO has recommended the FBR Member (Admin) to proceed by taking this Order as an investigation report and initiate disciplinary proceedings under E&D Rules, 2020, by appointing an inquiry officer against the dealing and supervisory officers/officials concerned.

The FTO has directed the Director General I&I-Customs and Chief Collector of Customs (Enforcement) to jointly conduct an enquiry to examine/evaluate the rules/procedures for safe custody of valuable goods in the state warehouse and suggest corrective measures to be adopted and incorporated in law in such incidents of theft.

The FTO has directed Collector, Collectorate of Customs (Enforcement), Lahore to implement the orders of CAT dated 22.07.2022 and refund to the complainant an amount of US\$ 10,000 or equivalent in Pak rupees on the current exchange rate. Moreover, compensate the complainant with an amount of Rs100,000 for his loss/damage in terms of Section 116 of the Customs Act, 1969.

The FTO order added that the Collectorate's comments are inconclusive and evasive as no specific road map, timeline for the recovery of stolen goods was provided. The goods were deposited in State Warehouse in 2016 and reportedly are missing since 2019. No timely legal action was initiated by the Collectorate for the recovery of stolen goods and redressal of grievances of the lawful owner of the goods. Section 116 of Customs Act, 1969 is abundantly clear as regards entitlement of compensation to the lawful owner on account of damage to goods due to the willful act or neglect of the Warehouse Keeper or Custom Officer. The Complainant has established misappropriation of his goods and Custom authorities have also confirmed that goods were missing after depositing in the State Warehouse. The lawful owner of goods cannot be deprived or kept waiting indefinitely for no fault of his due to complex chains of procedural/official formalities and is entitled to compensation in accordance with law. Maladministration is clearly established on part of the Department in terms of Section 2(3) of the FTO Ordinance, 2000, the FTO added.

## **IB SEEKS RS842M GRANT FROM GOVT: ECC TAKES UP PROPOSAL TO DECLARE ANGOOR ADA AS AN AUTHORISED LAND ROUTE STATION FOR OVERLAND TRADE**

ISLAMABAD: The Economic Coordination Committee (ECC) of the cabinet will meet on Thursday (today) morning to review the request of the Intelligence Bureau (IB) for over Rs842 million in technical supplementary grant for the current fiscal year.

Finance Minister Ishaq Dar has convened the ECC meeting which would take up a six-point agenda. The committee is expected to approve the IB's request for the technical supplementary grant.

Other agenda items include the approval of the proposal for declaring Angoor Ada as an authorised land route station for the overland trade through Afghanistan and Central Asian countries.

The meeting is also expected to approve the financing facility for the industries Ministry for electric bikes and electric rickshaws and the grant of a technical supplementary grant of Rs2.6 million to the housing and works ministry.

Approval would also be given to provide technical supplementary grant in the form of Pakistani rupees from \$1 million committed by the SAARC Development Fund for the National Health Services Regulation and Coordination.

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## **GOODS SMUGGLING ISSUE TAKEN UP WITH IRAN: MINISTER FOR FOR SLASHING TARIFFS ON IMPORTS FROM PAKISTAN**

ISLAMABAD: Pakistan has raised the issue of unchecked smuggling of goods with Iran and underscored the need for facilitating the use of legal channels to boost trade between the two neighbours.

High tariffs imposed by Iran on the import of textile, surgical and sports goods from Pakistan and the need for reduction in tariffs were also highlighted in a huddle held between the two sides.

Pakistan's Commerce Minister Syed Naveed Qamar took up those issues when Iranian Ambassador Seyed Mohammad Ali Hosseini called on him on Thursday in a farewell meeting on completion of his tenure. While appreciating the ambassador's efforts to enhance bilateral trade and economic ties, Qamar pointed out that high tariffs were hurting exports from Pakistan. "Iran should reduce tariffs which will be a positive development for congenial trade ties," he said.

The minister emphasised that the bilateral trade volume did not match the actual potential and called for establishing a mechanism to find ways of enhancing ties instead of relying on smuggling. He cited non-trade barriers such as visa fee on Pakistani truck drivers and business community, attestation fee, road tax, load tax and other charges imposed by Iran which were hampering trade.

On the occasion, the Iranian envoy appreciated the minister's support and cooperation during his tenure, which resulted in 15% rise in bilateral trade. He expressed hope that the Mandi-Pishin border market, scheduled to be inaugurated on May 2, would help raise trade between Iran and Pakistan. According to reports, the smuggled goods from Iran including oil have flooded Pakistan's markets. Even reports suggested that US dollars were being smuggled to Iran, which was one of the reasons for their disappearance from Pakistan's market.

Sources revealed that the smuggling of fertiliser, sugar and wheat had been on the rise. Those products were being smuggled to Iran whereas petrol and diesel were being transported illegally to Pakistan.

Though the government of Pakistan has refrained from taking stern action against smuggling due to the shortage of dollars, the illegal trade has put the country's oil industry in jeopardy, stoking worries about its survival. In recent days, the stocks of petroleum products were piling up at refineries as oil marketing companies were not willing to lift them.

Pak Arab Refinery Limited (Parco), which had been running at 75% production capacity, warned the government that it would be forced to shut down if the current crisis continued. Additionally, the government was losing Rs1 billion in revenue every day owing to the drop in sales of petroleum products, caused by the flooding of markets with smuggled oil.

Earlier, the refineries had been importing crude oil from Iran till 2010 through legal channels. However, supplies were suspended following the imposition of sanctions by the US on Tehran, which made banks reluctant to open Letters of Credit for import. At present, Pakistan is importing electricity from Iran to meet energy needs of Balochistan. In this case too, the country is encountering difficulties in paying bills to Iran.

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## **PUNJAB EXCISE AND TAXATION NOTICE SENT TO POLITICIAN'S LATE MOTHER FOR LUXURY HOUSE TAX**

LAHORE: The Punjab Excise and Taxation Department has issued a notice to Imran Khan's mother, the late **Shaukat Khanum**, for assessment of luxury house tax. The notice to assess the luxury house tax has been served on the Zaman Park residence where Imran currently resides.

The notice issued on Thursday directs Khan to clear arrears under the luxury tax amounting to Rs3.6 million. According to sources, the Excise Department dispatched a two-member team comprising ETO Adeel Amjad and Inspector Amna Rashid to Zaman Park, Lahore, to deliver the notice. According to a notification available with The News, the notice was served in the name of **Imran Khan's** late mother Ms Shaukat Khanum's Zaman Park residence. The late Ms Khanum, a housewife, passed away around 38 years ago in 1985 due to cancer. The property continues to be in her name. To deliver the notice, a two-person Excise and Taxation team traveled to **Zaman Park**. The PTI chairman owes Rs3.6 million in taxes. It was also alleged that if no compliance with the notice is made, the Election Commission of Pakistan would be approached. However, talking to The News, Adeel Amjid, an Excise Officer, said that in case of failure to comply with the notice, an ex-parte assessment will be conducted.

He further added that Excise Department would not approach the Election Commission if Imran Khan does not cooperate because it was not the domain of the Excise Department to move the ECP. He rejected the element of political victimisation, and added that Excise Department had decided to go through an assessment of all luxury homes of two or more than two Kanals.

The excise officials chose not to comment when asked why they delayed the notice while the law came into effect via Finance Act, 2014. When the reporter contacted Chaudhary Fawad and Aslam Iqbal for Imran Khan's version, they did not respond.

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