

CNIC condition for unregistered persons: KCCI for deferring legislation for 3 months

President KCCI, Junaid Esmail Makda, while referring to the unrealistic legislation proposed through the Finance Bill 2019 said that Karachi-based importers have requested/demanded from the govt. to defer this legislation for a period of at least 3 months so that they can sell/offload their existing stocks. The said legislation pertains to submitting CNIC along with complete and accurate particulars of unregistered persons in case of goods being supplied to such individuals. He advocated that the importers are rightly demanding the relaxation and can then either reduce imports as per provisions in the new Finance Bill 2019 or completely pack up/close down their businesses. He said that the business community can neither force the unregistered persons to get registered nor collect CNICs on behalf of the FBR as it was not its job. He reiterated that legislations should only be implemented through enactment of the act, not through the Finance Bill 2019; rather every proposed legislation should at first be debated in the parliament to assess its impact. He added that representatives of the business community must also be invited to attend all the post budget sessions to get firsthand information. *BR.*

Invoice sans CNIC: Senate panel rejects FBR Proposal

The Senate Standing Committee on Finance has out rightly rejected the FBR's proposal for disallowing invoice for input adjustments without CNIC of buyers under the Finance Bill 2019. The FBR has termed it the biggest documentation measure on the sales tax side for FY20. The Senate panel recommended for raising turnover limit up to PKR 10Mn against PKR 2Mn proposed in the Finance Bill FY20. The senators supported the FBR's move to bring millions of retailers into tax net under which the FBR imposed 17% sales tax on tier-1 retailers having shop size of 1,000 square feet in shopping malls or plazas. All these retailers of tier-1 would be linked electronically with the FBR. *BR.*

FBR to make data of account holders public from June 21

In a major development, FBR has received details of Mns of account holders where deposit amount is more than PKR 0.5Mn, in a bid to broaden the tax base. FBR has decided to make this data public from 21st Jun'19, where the individual can check through online system that what kind of information FBR possessed about his/her accounts. FBR has assured secrecy of bank accounts. FBR will provide online access to individuals for checking details possessed by the FBR. The information would allow individuals to declare their income/assets till 30th Jun'19 through amnesty scheme. *The News.*

Proposed section 156A in Customs Act: Senate body terms it "draconian" law

While reviewing the Finance Bill 2019, Chairman Senate Standing Committee on Finance Farooq H Naek warned the FBR that it is a draconian law. The chairman of the committee was referring to the new section 156A (proceedings against persons) proposed in the Customs Act 1969 through the Finance Bill 2019. Chairman FBR Shabbar Zaidi informed the committee that there are general complaints that the tax laws have prescribed harsh punishments only for the taxpayers and there were no punishments for the tax officials. He added that the proposed amendment will not be withdrawn. *BR.*

Finance bill comes under sharp criticism in Senate

The Upper House of the Parliament once again saw strong criticism from opposition on the proposed federal budget while some members of the treasury benches demanded the govt. to reverse proposed heavy taxes on the salaried class and other sectors in the Finance Bill 2019. The opposition senators described the draft Finance Bill 2019 as 'of the IMF, by the IMF and for the IMF'. *BR.*

"Trade-based money laundering": Harsh penalties proposed, says FBR chief

FBR Chairman Shabbar Zaidi has said the FBR has proposed harsh punishment, including imprisonment, for "trade-based money laundering" through misdeclaration of value for illegal transfer of funds abroad and also introduced the concept of provisional assessment of export goods. Shabbar Zaidi informed the Senate Standing Committee on Finance that the "trade-based money laundering" is a very serious crime. Once it has been established, it comes within the ambit of money laundering and the proposed punishment is up to 10 years, besides penalty and confiscation of goods. Section 156 has been proposed to be amended under the Customs Act 1969. *BR.*

Sales tax exemption demanded

SMEs have urged Adviser Finance Dr Abdul Hafeez Shaikh to grant sales tax exemption at import stage to SMEs, which export more than 80% of their production; the rest being factory rejects, leftovers, below benchmark and byproducts are sold in the local market. The govt. must develop a system to track local sales and collect sales tax and not burden the SME exporters with blockage of funds under refundable sales tax. The govt. claims that sales tax is not paid on about 30% of goods sold in local market. If the ability of the govt. is there to determine the evasion percentage then surely the govt. can act to collect the ST on the local sales as well. *The News.*

Zero-rated sectors; Senate body asks ministry to find out solution of 17% GST

The Senate Standing Committee on Commerce has recommended the Finance Ministry to sit with concerned Ministry and five zero rated sectors and find out implementable solution of 17% GST as these industries are unable to bear the brunt of the huge tax straight away. The committee headed finalized its recommendations after a detailed discussion on implication of 17% GST on zero rated sectors. *BR.*

KP businessmen reject NHA's Axle load regime

The business community of KP has rejected the Axle load regime implemented by NHA and has asked to review the decision for smooth functioning of the industries in the country. They said that the NHA introduced the Axle load regime, restricting limit of tonnage of container at 24 tons from 30 tons. They added they already have a disadvantage due to a long distance from the sea-port city and such anti-business policies would further affect the exports and industries of the province. They expressed fear that after implementation of the regime, Afghan Transit trade business would shift from Pakistan to Iran. *The Nation.*

Economy showing signs of recovery: SBP

SBP Governor Raza Baqir while speaking on the economic outlook of Pakistan said that the biggest challenge is uncertainty in the economy but the country has been coming out from difficult times, as the two big challenges of current account and fiscal deficits are being addressed properly. He added confidently that Pakistan has completed the obligations required for the agreement with the IMF and on 3rd Jul'19 the IMF board meeting would decide in favor of Pakistan. *Dawn.*

Railways enhances freight charges

The Pakistan Railways has raised by 10% fares of all freight trains and by 5% freight and parcel charges because of the increase in fuel rates. The new rates will be effective from 20th Jun'19. *The Nation.*

Mayor berates Sindh govt. for paltry allocations in budget for Karachi

KMC has locked horns with Sindh govt. over provincial budget FY20 with Karachi Mayor Wasim Akhtar berating the latter for allocating a paltry amount for Karachi's development. Continuing with his tirade, mayor said in Sindh budget FY20 of PKR 1,200Bn, the provincial govt. had only allocated a meagre PKR 1.74Bn for just 7 projects in Karachi, which is approximately 1% of the total budget. *The News.*

Razak welcomes Japanese businessmen for investment

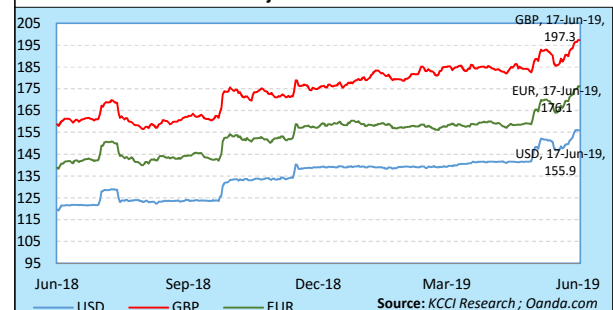
Executive Vice President of an eminent Japanese company Mitsui, Mori Moto, called on Advisor to PM on Commerce Razak Dawood and offered support to upgrade Pakistan's fisheries related ports infrastructure and its efficient handling. *BR.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	17-Jun	PKR	156.96	0.71%
USD-Open MKT	17-Jun	PKR	156.75	0.16%
KSE-100 index	17-Jun	Pts.	35,169	-1.14%
FIPI	17-Jun	\$ Mn	-2.13	NM**
Crude (AP'19)	17-Jun	\$/bbl	51.92	-1.14%
Gold (MA'19)	17-Jun	\$/oz	1,340.4	-0.11%
Gold (10g) Local	17-Jun	PKR	64,300	-1.19%
Silver (MA'19)	17-Jun	\$/oz	14.83	-0.13%
Cotton(KHI)-40 kg	17-Jun	PKR	9,431	0.00%
Kibor-6M	17-Jun	%	13.06	0.01%
Forex Reserves	3-Jun	\$ Bn	14.89	0.42%
	FY19			YoY
Remittances	Jul-May 19	\$ Bn	20.19	10.42%
Exports*	Jul-Apr 19	\$ Bn	19.17	-0.11%
Imports*	Jul-Apr 19	\$ Bn	45.47	-7.88%
Trade Balance*	Jul-Apr 19	\$ Bn	-26.30	12.82%
Current Account	Jul-Apr 19	\$ Bn	-11.59	26.97%
Foreign Direct Inv.	Jul-Apr 19	\$ Bn	1.38	-51.70%
LSM Growth*	Jul-Mar 19	%	-2.93	
Avg. CPI	Jul-Apr 19	%	7.00	
Discount Rate	May-19	%	12.25	

Sources: KCCI Research, PMEX, NCCPL, KSE, SBP, PBS*
** Not Meaningful on week;

Major Currencies

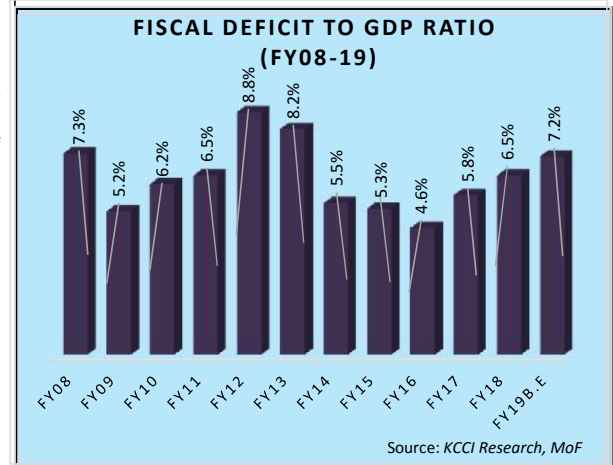


Quote of the Day

"For the only way in which a durable peace can be created is by world-wide restoration of economic activity and international trade."

James Forrestal

Chart of the Day



Disclaimer

This report has been prepared by KCCI Research & Development Cell. The information contained herein have been compiled or arrived at based upon information obtained from sources believed to be reliable and in good faith. Such information has not been independently verified.
KCCI View icon represents the sole viewpoint of the KCCI R&D Cell, and is stated to enrich the readers' understanding of the news item. The