

Revival of zero-rating not feasible, PM tells textile barons

PM Imran Khan while speaking to a delegation of leading textile barons said that the govt. is ready to resolve its genuine concerns arising in the post-zero rating regime but its revival was no more an option in the current situation. The PM stressed the need for effective collaboration between the govt. and business community to overcome the current economic problems. FBR chairman Shabbaz Zaidi assured the business community that a new system would be introduced to issue refund to the exporters at the time of export. The meeting also agreed to streamline the DTRE (Duty and Tax Remission for Exporters) system for the importers so as to discourage misuse, if any. It was also agreed that no action would be taken against the taxpayers on the basis of any wrong information with respect to CNIC. However, the condition of CNIC, for invoice, will be continued with an object to document the economy. The meeting approved the proposal to do away with presumptive tax on commercial imports. *Dawn*.

Non-filers enabled to access details of their assets: information available on FBR web-portal

The information of 5-6Mn people, specifically non-filers of income tax returns, will be available on the web-portal of the FBR from today (21st Jun'19) and non-filers can have online access details of their assets to verify data compiled by the FBR from different authentic sources. The information will contain data of assets in the name of non-filers and will be accessible by the concerned persons by using CNIC. *BR*.

FBR sets up structure to implement Benami Act

FBR has set up administrative structure to implement Benami Act, 2017 and an adjudicating authority is being formed to take action against Benami holders of bank accounts/asset with effect from 1st Jul'19. A person can avail Assets Declaration Ordinance, 2019 before 30th Jun'19 if he has not declared Benami properties yet. In case of non-compliance, he will be held accountable under Benami Act, 2017. *The News*.

Govt. fixes March 2020 as deadline for registration of PKR 40,000 bearer bonds

The govt. has given investors of PKR 40,000 bearer prize bond a deadline of 31st Mar'2020 to register their holdings. The move is likely to help plug a loophole being used to evade taxes and money laundering. *The News*.

State Bank notifies rules

SBP has notified procedure for repatriation of foreign assets held in the form of shares of company incorporated in Pakistan under Assets Declaration Rules 2019. It has also issued the procedure for conversion of these shares from repatriable basis to non-repatriable basis and transfer in the name of the declarant. *The News*.

Tax authority set to chase 13,000 luxury cars

FBR has collected information of 13,000 luxury vehicles, whose owners have never filed income tax returns. Under Income Tax Ordinance, 2001 all those who owned motor vehicles above 1,000CC were required to file income tax returns irrespective of the threshold income. FBR is ready to take action against such non-compliant individuals, but it would not make any move before the stipulated last date of the ongoing amnesty scheme. *The News*.

Asad finds fault with budget, discloses details of IMF talks

Opposing a decision of the govt. to increase taxes on items of daily use, former Finance Minister Asad has asked the govt. to reconsider its decision to increase tax on sugar, ghee and cooking oil and impose FED on small cars. Mr Umar, who is presently heading the house committee on finance, said the turnover tax should not be imposed at least on new investments for 5 years. He said there were 5 main factors — electricity prices, gas prices, tax rates, policy rates of SBP and PKR devaluation — which were discussed during negotiations with the IMF. Among the harsh conditions IMF wanted was an increase of 50-94% in the prices of electricity and gas, respectively. However, he said, NEPRA had recommended an 11% increase in electricity price, saying there might be 3-4% further increase in it. *Dawn*.

Threat of FATF blacklist averted

Pakistan has averted the threat of being downgraded into the FATF blacklist with the support of more than 3 countries (Turkey, China, and Malaysia) at the plenary review meeting held in USA. The FATF will formally announce its decision today (21st Jun'19). *The News*.

KCCI chief foresees gas-related crisis due to 5% tax on LNG

President KCCI, Junaid Esmail Makda has urged the govt. to resolve the energy crisis lest all efforts to lift ailing economy may fail. Speaking as the chief guest at inauguration of 17th International Oil and Gas Exhibition (POGEE) held at Karachi Expo Centre, he said that imposition of 5% tax on LNG will cause gas crisis and prices to go up further. Over 250 foreign and local exhibitors are displaying their oil, gas and power solutions at the event. *BR*.

Senate committee rejects Finance Bill, asks SBP to freeze dollar at PKR 150 and interest rate at 12%

The Senate Standing Committee on Finance has rejected with majority vote the Finance Bill'19 which envisages increase in taxes and prices, maintaining that it will badly burden the masses. The committee also unanimously recommended stabilization of electricity and gas prices. It was informed by FBR that the govt. is banking on PKR 250Bn revenue flows from the withdrawal of zero-rated regime, of which it would get a net revenue of about PKR 100Bn after paying off PKR 150Bn refunds. *Dawn*.

SECP registered 1,323 new companies in May

SECP has registered 1,323 new companies in May'19, showing 21% growth as compared to May'18. Around 73% companies were registered as private limited companies, while around 24% were registered as single-member companies. *The Nation*.

PM Khan praises effectiveness of Pakistan Citizens Portal

PM Imran Khan, while lauding the effectiveness of the Pakistan Citizens Portal, said that over 1Mn citizens have registered their complaints in just 8 months. He said that a total of 0.68Mn complaints were resolved. The Citizen Portal app was selected among the top three apps out of 4,646 mobile apps from 87 countries. *The Nation*.

CAA asks passengers to pack luggage in plastic bags

The Civil Aviation Authority has made it mandatory to pack passengers' luggage in plastic wraps to help make the luggage protected in all respects and it will also take security up to the international standards. The number of machines installed at airports to pack the luggage in plastic wraps is being increased. *The Nation*.

FBR seeking powers to conduct audit of banks

The FBR is seeking powers under the Finance Bill 2019 to conduct audit of income tax affairs of banks, examine their accounts/ records and conduct inquiry into their expenditure, income, assets and liabilities. A few banks have gone into litigation citing that FBR cannot audit their income tax affairs. To deal with the issue an "explanation" has been added to the Income Tax Ordinance 2001. *BR*.

KE given additional 150MW of power from national grid

The federal govt. has started the supply of 150MW to K-Electric from the national grid to bridge the shortfall after signing a Sale Purchase Agreement (SPA) recently approved by the ECC. With the addition, the total supply from the national grid to the KE has reached 800 MW. *BR*.

Increase in retirement age to 63: Dr Ishrat-led task force defers proposal

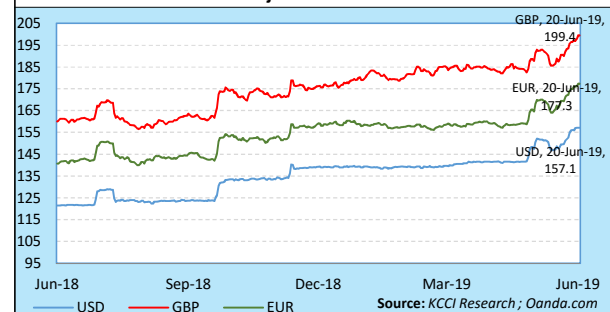
The Dr. Ishrat Husain-led task Force on Civil Service Reforms has deferred the proposal for enhancing the retirement age of govt. servants from 60 to 63. The task force observed that only following the overhauling of the present performance management system, the proposal for enhancement of retirement age could be considered. *The News*.

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	20-Jun	PKR	157.10	0.08%
USD-Open MKT	20-Jun	PKR	156.50	0.00%
KSE-100 index	20-Jun	Pts.	34,996	0.98%
FIPI	20-Jun	\$ Mn	-1.02	NM**
Crude (AP'19)	20-Jun	\$/bbl	57.22	5.11%
Gold (MA'19)	20-Jun	\$/oz	1,388.6	1.98%
Gold (10g) Local	20-Jun	PKR	66,272	2.38%
Silver (MA'19)	20-Jun	\$/oz	15.41	1.72%
Cotton(KHI) -40 kg	20-Jun	PKR	9,431	0.00%
Kibor-6M	20-Jun	%	13.05	0.00%
Forex Reserves	14-Jun	\$ Bn	14.64	-1.68%
	FY19			YoY
Remittances	Jul-May 19	\$ Bn	20.19	10.42%
Exports*	Jul-May 19	\$ Bn	21.27	-0.30%
Imports*	Jul-May 19	\$ Bn	50.47	-8.47%
Trade Balance*	Jul-May 19	\$ Bn	-29.21	13.62%
Current Account	Jul-May 19	\$ Bn	-12.68	29.28%
Foreign Direct Inv.	Jul-May 19	\$ Bn	1.61	-49.18%
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

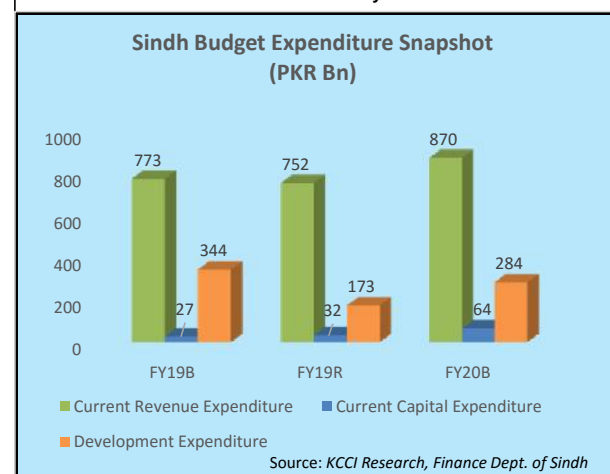


Quote of the Day

“Wealth consists not in having great possessions, but in having few wants.”

Epictetus

Chart of the Day



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