

FATF cell set up at FBR to deal with terror financing

FBR has established a FATF cell to ensure an effective and timely implementation of measures against terror financing carried out through currency smuggling. The cell will seek information required for FATF-related work from the FBR, field formations, directorates and record of meetings. The FATF cell will serve as a focal point for all activities related to customs compliance for FATF issues. One of the FATF's major recommendations for Pakistan Customs is to effectively deal with currency smuggling, a source of trade-based money laundering and terror financing, particularly at entry and exit points of the country, and to install a system for tracking the money trail. *Dawn*.

Pakistan discusses economic recovery plans with WB, IMF

Senior managers of Pakistani economy engaged with officials of WB and IMF in Washington, exchanging views on plans for an economic recovery. The IMF noted that Pakistani authorities have already started implementing difficult but necessary measures aimed at helping Pakistan revive its economy and create the foundation for lasting change and inclusive growth. IMF reminded Pakistan that a comprehensive plan for cost recovery in energy sectors and state-owned enterprises will help eliminate or reduce quasi-fiscal deficit that drains scarce govt. resources. *Dawn*.

SBP seeks to remove confusion over foreign currencies

SBP has said that there are some confusions and misinterpretations regarding the revised instructions included in Foreign Exchange Manual related to sale or purchase of foreign currencies to and from public by banks. Even before recent revision in Chapter 11, every authorized branch is permitted to deal in foreign currency notes, coins, deposits, credits, drafts, travelers' cheques, LoC and bills of exchange, expressed or drawn in Pakistani currency but payable in any foreign currency. *Dawn*.

PM orders constant vigil on flour price

PM Imran Khan has directed federal cabinet to ensure that price of flour is not increased and to keep a constant vigil on price of commodity. Chairing a meeting of federal cabinet, PM directed to ensure that no artificial shortage is created anywhere in the country. *The Nation*.

Pak companies asked to regularly participate in trade fairs in US

Economic Officer of US Embassy in Islamabad, Michael Boven, has said that Pakistani companies and entrepreneurs should regularly participate in trade fairs held in USA to explore business match-makings and trade promotion opportunities between US and Pakistan while US Embassy will facilitate them in such pursuits. Boven hoped that the recent visit of PM Khan to USA would ease things and help in improving bilateral trade and economic relations between the two countries. *The Nation*.

FBR unveils "FASTER" for five export sectors

FBR has finalized Fully Automated Sales Tax e-Refund (FASTER) procedure for 5 export-oriented sectors to promptly issue sales tax refunds to exporters by electronically communicating Refund Payment Orders (RPOs) to SBP within 72 hours of submission of claim for onward advice to banks for credit into the claimants' bank accounts. The FBR has drafted refund rules to refund claims for Jul'19 onwards. *BR*.

DPP's quarantine wing continue to create hindrances for traders: KCCI

President of KCCI Junaid Esmail Makda has said that the business community has been facing a lot of issues and barriers due to Department of Plant Protection's Quarantine department. While speaking at an awareness session organized by SGS at KCCI he said that the Quarantine department of the DPP continues to create problems for traders who are either exporting or importing goods. He called it a very serious issue and hence he sought help from President Dr Arif Alvi, during his recent visit to Karachi, in which he had assured to get the issue of limited workforce at DPP resolved on priority. *BR*.

Key regulatory bodies placed under cabinet control

The federal cabinet has placed key regulatory authorities (PTA, NEPRA, PPRA) under the administrative control of the federal cabinet in order to streamline their work affairs so that these bodies can work independently. It has also decided that the govt. will not provide healthcare facilities to its functionaries from tax payers' money. *BR*.

Sindh govt. imposes 19.5% sales tax on internet

Internet and broadband services, which are considered basic necessities and the backbone of developed economies worldwide, are going to become expensive in Sindh as the provincial govt. has slapped sales tax on them with effect from Jul'19. It is pertinent to mention that exemption from FED on internet and broadband services has also been withdrawn by the federal govt. with effect from July'19. *Tribune*.

Pakistan's budget has lost credibility: World Bank

Pakistan's budget has further lost its credibility and the public finance management system has also deteriorated, according to a draft report of the World Bank that has downgraded the country's ranking on almost all 31 fiscal management-related indicators. The lender shared the final draft of the Public Expenditure and Financial Accountability (PEFA) report with the Ministry of Finance in Jun'19. At the end of 2017, PKR 2.3Tn had been parked in 450,000 accounts, maintained in private commercial banks. This money could not be audited, according to the draft report. *Tribune*.

Banks likely to pay higher tax on income from papers

Banks will be charged additional income tax on their investment in treasury papers as authorities want to increase revenue from the banking system amid significant rise in interest rates. The FBR has directed all commercial banks to pay 37.5% tax on income earned through investment in papers, rather than the standard 35% for TY20 onwards. Initially, the proposed income tax on papers was around 50%. *The News*.

FBR refutes levying withholding tax on motorcycles, rickshaws

The FBR has refuted speculation after rumors had surfaced that the FBR had implemented a WHT tax on the registration of motorcycles and rickshaws, hiking up registration cost by PKR 3,400 to PKR 20,900. However, the FBR has clarified that no WHT will be implemented on either motorcycles or rickshaws. *The News*.

Govt. collects \$ 60Mn tax on foreign assets declarations

Despite several requests for convincing masses to avail themselves of the last amnesty scheme, the govt. has received dismal response from overseas Pakistanis as it attracted only \$ 60Mn in shape of taxes for whitening of foreign assets/ income. The latest amnesty scheme attracted 125,000 declarations and so far deposited tax amount is standing at PKR 57.6Bn. Earlier, the govt. had given a number of declarations up to 137,000 but now the FBR found that there were duplications. *The News*.

SC asks if there is any govt in Sindh

The Supreme Court (SC) took an exception to the hundreds of excessive appointments made in the Sindh Health Department, and observed that the administration can be seen nowhere in the provincial government as no job is available without a bribe. Hearing the petition, SC's three-member bench observed that the health department has appointed 307 people on lower-grade posts against 27 sanctioned posts. The court observed that government officials had sold appointment letters to people who had bought their jobs by selling their livestock and valuables. *The News*.

China says willing to expand CPEC framework

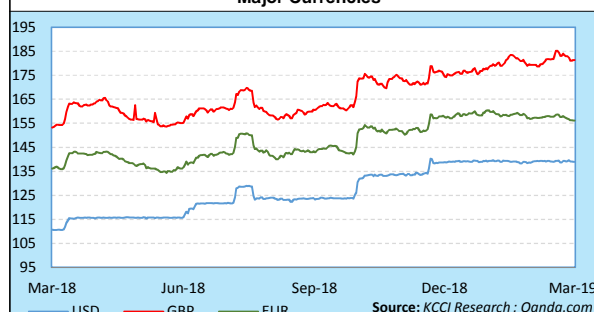
A spokesperson of Chinese Foreign Ministry has said that China is willing to enrich and expand the scope and framework of CPEC for country's socio-economic development and to pass on its maximum benefit to people. She was commenting on completion of Sukkur-Multan section of the Peshawar-Karachi Expressway. It is the largest transportation infrastructure project of CPEC and one of its early harvest projects. The project created about 29,000 jobs and trained a large number of technicians. *The Nation*.

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	25-Jul	PKR	160.45	-0.21%
USD-Open MKT	25-Jul	PKR	160.10	0.00%
KSE-100 index	25-Jul	Pts.	32,446.40	0.14%
FIPI	25-Jul	\$ Mn	1.59	NM**
Crude (AP'19)	25-Jul	\$/bbl	55.86	-0.04%
Gold (MA'19)	25-Jul	\$/oz	1,414.00	-0.81%
Gold (10g) Local	25-Jul	PKR	72,171.00	0.00%
Silver (MA'19)	25-Jul	\$/oz	16.34	-1.08%
Cotton(KHI) -40 kg	25-Jul	PKR	9,270.00	0.00%
Kibor-6M	25-Jul	%	14.00	0.00%
Forex Reserves	19-Jul	\$ Bn	14.86	-2.53%
	FY19			YoY
Remittances	Jul-Jun 19	\$ Bn	21.84	91.87%
Exports*	Jul-Jun 19	\$ Bn	22.98	-1.00%
Imports*	Jul-Jun 19	\$ Bn	54.80	-9.86%
Trade Balance*	Jul-Jun 19	\$ Bn	-31.82	15.33%
Current Account	Jul-Jun 19	\$ Bn	-13.59	31.71%
Foreign Direct Inv.	Jul-Jun 19	\$ Bn	1.74	-49.96%
LSM Growth*	Jul-May 19	%	-3.50	
Avg. CPI	Jul-Jun 19	%	7.34	
Discount Rate	Jul-19	%	13.25	

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

Major Currencies

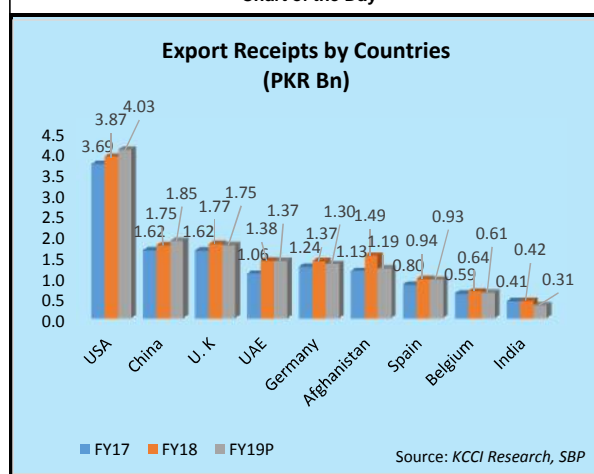


Quote of the Day

"Sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship and strengthen governance."

Ban Ki-moon

Chart of the Day



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