

#### KCCI wants govt to extend amnesty scheme deadline

KCCI President Junaid Esmail Makda has said that the chamber had received numerous complaints about unprocessed cases of last year's amnesty scheme in which although individuals submitted their taxes well in time within the last date of the amnesty scheme, their cases were not processed in FBR's portal, and to date, the fate of all such cases had not been decided. KCCI has written numerous letters from time to time so that the issue could be resolved and the policymakers have been assuring to look into this issue but no relief has been provided so far, he added. Junaid suggested that FBR should come up with a relevant notification in this regard in which they must announce refunds to such cases so that these individuals could quickly avail this year's amnesty scheme. Makda opined that although the last date for asset declaration has been extended for 3 more days, it is not sufficient; the govt. must extend it for at least 30 more days so that the maximum number of people could avail this opportunity, which would prove beneficial for the national exchequer. *Daily Times*.

#### Karachi traders give 3-day ultimatum to govt

Karachi-based businessmen and traders have given a 72-hour ultimatum to the federal govt. to withdraw what they call an IMF dictated anti-business federal budget. They have threatened to observe a shutters-down strike if the govt. does not withdraw the budget by 5<sup>th</sup> Jul'19. They said that the govt. must immediately withdraw 17% sales tax imposed on traders: stop sending FBR's 'corrupt' officials to harass traders at markets and withdraw condition of acquiring CNIC copy from buyers. The FBR Chairman has reportedly assured traders' to replace the 17% sales tax with a fixed levy on traders and that the FBR teams would not visit traders. Traders have agreed to wait till Friday (5<sup>th</sup> Jul'19) for the implementation of the reported promises. *Tribune*.

#### Over 95,000 people avail Asset Declaration Scheme so far: Zaidi

FBR chairman Shabbar Zaidi, while speaking to media, has said that more than 95,000 people have registered their undeclared assets so far with the FBR by availing the Asset Declaration Scheme. He was optimistic that Asset Declaration Scheme would be successful, however once again clarified that the deadline for the scheme would not be extended further. *The Nation*.

#### First time in Pakistan: Govt doles out PKR 35Bn refunds to exporters in one go

In a major development, the govt. has doled out in a big way to the exporters, refunds amounting to PKR 35Bn relating to duty drawback schemes. Adviser on Finance Division Dr Khaqan Najeeb said that the govt. has cleared all the verified claims of refunds pertaining to duty drawback schemes on May 31, 2019. "The govt. has made a record cash payment of PKR 50Bn in total during FY19 to exporters under the duty drawback scheme. This is under various export enhancement schemes of textile and commerce divisions, including the prime minister's export package. Former President KCCI, Zubair Motiwala, said that business community is really thankful to Adviser Finance, Dr. A. Hafeez Shaikh and FBR Chairman Shabbar Zaidi as the payment will help erase the liquidity crisis of the exporters. *The News*.

#### Export to Afghanistan; 15-25% RD will continue to be charged on 8 items

FBR will continue to charge regulatory duty between 15-25% on the export of 8 items and regulatory duty on export of HSD and Superior Kerosene Oil (SKO) to Afghanistan from 1<sup>st</sup> Jul'19. The FBR has amended SRO.645(I)/2018 through an SRO.675(I)/2019. The rates given shall remain in force till an amendment is made by the Ministry of Petroleum and Natural Resources on the basis of their calculations. *BR*.

#### Dollar drops to PKR 157.75 in interbank market

The USD dropped further in the interbank and open markets, with the PKR recovering from historic lows since the central bank intervened last week. The USD dipped by PKR 2.30 in the interbank to be traded at PKR 157.75. *The Nation*.

#### Pakistan, Iran to discuss trade proposals today

A high level Iranian delegation headed by Iranian Commerce Minister Raza Rehmani is reaching Islamabad on a 2 day visit to attend Pak-Iran Joint Trade Committee (JTC) scheduled on Wed (3<sup>rd</sup> Jul'19). Both countries are expected to discuss 3 proposals for trade with Iran which include seeking waiver on sanctions from the US, like Switzerland, barter trade and setting up a special bank on the pattern of India. *BR*.

#### Tax-related cases: LTUs and RTOs told to set up hearing rooms

In a major move to adopt best international tax practices in Pakistan, the FBR has directed all Large Taxpayer Units (LTUs) and Regional Tax Offices (RTOs) to establish dedicated hearing rooms/cubicles for hearing of tax-related cases. *BR*.

#### Individuals, AoPs may file revised returns by August 2: FBR

The FBR has announced that individuals, Association of Persons (AoPs) and companies who/which intend to revise their income tax returns for the Tax Year 2018 may file revised income tax returns/statements till 2<sup>nd</sup> Aug'19. *BR*.

#### No change in tax rate for token payment, registration of cars

FBR has clarified that the rate of tax for the token payment and registration of cars is the same that was charged in the previous year and there is no enhancement or reduction in the tax rate adding that no tax has been levied on private cars on the basis of seating capacity. However, the people who have not filed tax returns will have to pay double tax than the people who are on the Active Taxpayer List. Any person who thinks he is not eligible to pay tax can inform the FBR beforehand who can be considered for exemption from the payment of this additional tax. *The Nation*.

#### PKR 309Bn package to boost agri sector

The govt. has announced PKR 309Bn program for the uplift of agriculture sector of the country. The details of program, titled Agriculture Emergency Program, were shared by Minister for Food Security Mehboob Sultan and govt. leader Jahangir Tareen. The program envisages 13 projects in the areas of farming, fisheries and livestock. Out of the total PKR 309Bn package, the federal govt. would provide PKR 84Bn while the remaining amount of PKR 225Bn would be shared by the provincial govts. *The Nation*.

#### Govt. allows duty-free cotton import till July 31

The govt. has silently granted extension to duty-free import of cotton by another month, contrary to the demands of most of the stakeholders. ECC of the Cabinet last week accorded permission to give total exemption of 11% duty and taxes on cotton import. Contrary to previous practices, the govt. did not announce the formal decision of the ECC. *The News*.

#### Inflation creeps up to 7.3% in FY19, still in govt's target range

Consumer price index (CPI) inflation clocked in at 7.34% in FY19, comfortably below the govt.'s target of 7.5%, indicating that SBP is likely to change its monetary policy stance at least for short-term to neutral from calibrated tightening. Annual inflation in the FY18 was recorded at 3.92% and 4.16% in FY17. PBS data shows inflation at 8.9% year-on-year in Jun'19 against 5.21% recorded during Jun'18. *The News*.

#### CCP says tea smuggling under APTTA causing huge loss to national exchequer

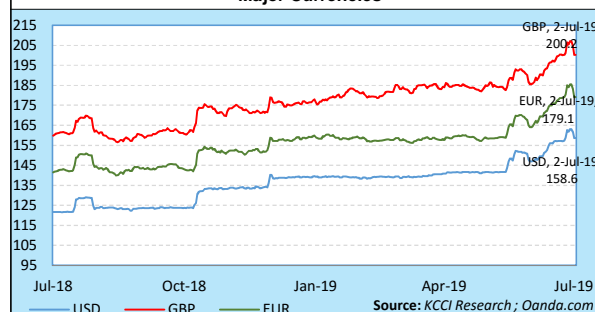
Competition Commission of Pakistan (CCP) has said that the govt. must take firm action to curb illegal tea trade as smuggling is the biggest threat faced by the domestic tea industry, causing loss of millions of PKR to govt. and forcing legal importers out of business. The CCP, in its report 'Competition Assessment Study of Tea Industry in Pakistan' recommends that combination of tax and enforcement tools can be used to control the practice. *Daily Times*.

#### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	2-Jul	PKR	159.00	0.32%
USD-Open MKT	2-Jul	PKR	158.25	-1.25%
KSE-100 index	2-Jul	Pts.	34,307	0.91%
FIPI	2-Jul	\$ Mn	2.78	NM**
Crude (AP'19)	2-Jul	\$/bbl	56.29	-4.63%
Gold (MA'19)	2-Jul	\$/oz	1,422.6	2.58%
Gold (10g) Local	2-Jul	PKR	66,701	-1.02%
Silver (MA'19)	2-Jul	\$/oz	15.28	1.29%
Cotton(KHI)-40 kg	2-Jul	PKR	8,681	1.25%
Kibor-6M	2-Jul	%	13.11	0.00%
Forex Reserves	21-Jun	\$ Bn	14.35	-1.97%
	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-Apr 19	%	-3.51	
Avg. CPI	Jul-Jun 19	%	7.34	
Discount Rate	May-19	%	12.25	

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

#### Major Currencies

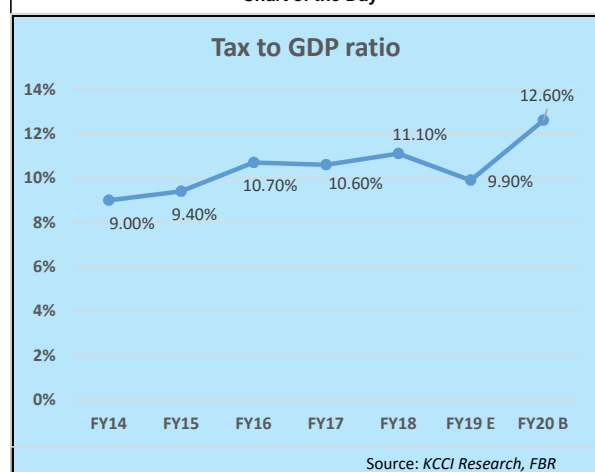


#### Quote of the Day

"Someone's sitting in the shade today because someone planted a tree a long time ago."

Warren Buffet

#### Chart of the Day



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