

Importers reluctant to get their consignments cleared

A large number of consignments of commercial imports are stuck at the ports as importers are reluctant to get their consignments cleared after the inclusion of finished articles in the Third Schedule of Sales Tax Act to aggressively discourage commercial imports and ease pressure on the country's import bill. Items shall now be assessed at the retail price at the import stage. The customs has also directed that retail prices should also be printed on each individual item. However, during the interim period up to 31st Jul'19, the clearance may also be allowed if the imported items are affixed with sticker. This amendment has triggered panic among the commercial importers. *BR*.

FBR witnesses biggest shakeup in its history

The FBR has decided to transfer more than 2,500 of its officials in an attempt to break their nexus with businesses and improve efficiency, as it plans to build on the success of its tax amnesty scheme. This grand scale shakeup is the first of its kind in the FBR's history that is being done while keeping in mind the uphill task of collecting PKR 5.55Tn in FY20. As a result of these transfers, people with tainted reputation are also being sidelined. The FBR issued transfer orders of 2,150 low-paid staff of Inland Revenue in the first phase of reshuffling. The maximum number of employees, 726, were transferred in Karachi, followed by 565 in Lahore, and 357 in Islamabad. *Tribune*.

Whistle-blowers of Benami properties to get 10% reward

PM Imran Khan, while launching the National Poverty Graduation Strategy under the Ehsas Program, said that he had taken the challenge of revamping the FBR to make the people pay taxes, who had been giving out their hard-earned money to philanthropy. He announced that the govt. would amend the laws to enhance the reward from existing 3% to 10% for the whistle-blowers, who would point out any benami property. He said the govt. would spend all the revenue generated from the sale of benami properties on the Ehsas program. The premier stated that the budget of the Ehsas program is close to PKR 200Bn and the govt. will use the funds to also give interest-free loans to 82,000 people. *The Nation*.

Owner has legal right to challenge FBR's order: lawyer

The owner of Benami property will have the legal right to challenge the order of the FBR's Benami Zones at the level of Adjudication authorities, Federal Appellate Tribunal, High Courts and the Supreme Court of Pakistan. A tax lawyer has said that that confiscation of Benami properties by the govt. is a very lengthy process under which it may take years to complete the proceedings of the Benami cases. *BR*.

Tax amnesty scheme: 70% beneficiaries are from Karachi, Lahore

Around 70% of those availing themselves of the asset declaration scheme belong to Karachi and Lahore. In comparison around 90% had availed themselves of last tax amnesty from the two cities, with 60% belonging to Karachi and 30% to Lahore. In latest asset declaration scheme there are 80% who availed themselves of amnesty on domestic assets and 20% availed on foreign assets/income. The number of declarations increased to 137,000 for whitening of a total of PKR 2,500Bn assets/income. FBR has collected Rs54.7Bn while around Rs15Bn is in the pipeline. FBR expects that total collection through amnesty might touch PKR 70Bn. *The News*.

Traders across Pakistan protest against budgetary measures

A large number of traders representing various associations and chambers across the country have termed the current economic situation as the worst ever in the country's history. They sought immediate withdrawal of the 17% sales tax on zero-rated sectors and the CNIC-based invoicing system. *Dawn*.

Firms must file transparent financial statements: FBR

FBR Chairman Shabbar Zaidi, in a letter, has urged the SECP chairman to ensure that companies submit transparent financial statements for the purpose of taxation. Zaidi said that it has been observed that the quality of statements filed by the financial companies' especially private limited companies are not in line with the standards. He said that in many cases companies make huge additions to the incomes which are non-defensible during the taxation proceedings. He stated that the investigations and disciplinary proceedings initiated against directors and auditors by the SECP, if any, need to be shared with the FBR, in order to ensure proper accounting of income and amount of taxes due. He said the extension in the date of filing returns for tax year 2018 is an opportunity for the companies to review their accounts and file improved positions if required. *Dawn*.

'Numaish-Municipal Park at-grade work to cause traffic congestion'

Karachi Infrastructure Development Company Limited chief financial officer Zubair Channa said that the at-grade construction of the Bus Rapid Transit Green Line infrastructure from the Numaish traffic intersection to Municipal Park would reduce space for other road users and pedestrians. He feared that despite reservations, the project will be built according to Sindh govt's instructions and the step would cause a lot of public inconvenience. The at-grade construction of this passage would likely cost around PKR 700Mn to 800Mn but a tunnel would have cost around PKR 3.5Bn, which is budgeted. *Dawn*.

Pakistan, Iran agree to promote barter trade

Pakistan and Iran have agreed on the need to constitute a committee to identify goods for promotion of barter trade. The decision was reached at the concluding session of the 8th Pakistan-Iran Joint Trade Committee. It was suggested that for barter trade to begin, the 2 countries should select few items having competitive advantage. In this regard, Pakistan can enhance exports of wheat, sugar, rice and fruit to Iran. Iran showed interest in import of 500,000 tons rice from Pakistan and urged that a necessary mechanism for early shipment must be devised. *Dawn*.

Lahore-Islamabad: Thai Airways to operate from July 16

Thai Airways has announced to resume its operations from Lahore and Islamabad effective 16th Jul'19, onwards to Bangkok and beyond. The Airspace is still closed from/to India-Pakistan on Northern Entries, however flights from/to Lahore and Islamabad-Bangkok will be operated by entering the south. Flights from/to Lahore to/from Bangkok and beyond will operate 4 times/week and 3 times a week from/to Islamabad. *BR*.

SECP, SBP team up: Panel of insolvency experts to help revive distressed companies

The SECP, in consultation with SBP, will appoint a panel of insolvency experts for revival and rehabilitation of distressed companies. The SECP has issued Corporate Rehabilitation Regulations, 2019 in this respect. *BR*.

SECP to amend Employees Contributory Funds rules

The SECP has decided to amend Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018 pertaining to reduction in the investments made from the provident fund or any other contributory retirement funds. The SECP has issued SRO 722 (I)/2019 to issue draft amendment to the Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018 in this respect. *BR*.

Govt. borrows record PKR 3.3Tn for budgetary support

The govt. made record PKR 3.3Tn borrowing for budgetary support from SBP during FY19. The borrowed amount is almost equal to previous stocks of PKR 3.66Tn as on 30th Jun'18. *BR*.

ADB approves \$ 235Mn for Karachi's Red Line project

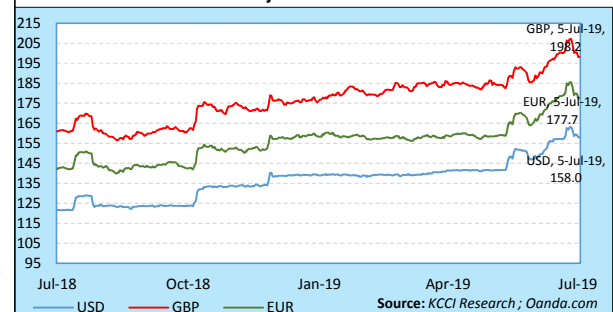
ADB has approved a \$ 235Mn loan for Karachi's Red line bus rapid transit project. The project will deliver a 26.6-km fast-track transport corridor and associated facilities, benefiting around 1.5Mn people (about 10% of Karachi's population) who live within one-km radius of each Red Line station. Targeted for completion in 2021, the project will have 29km corridors including a 2.4km common corridor to connect Municipal Park to Merewether Tower and a dedicated 26.6km corridor from Numaish Chowrangi to Malir Halt and Model Colony via University Road. *Dawn*.

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	5-Jul	PKR	156.93	0.23%
USD-Open MKT	5-Jul	PKR	156.50	0.00%
KSE-100 index	5-Jul	Pts.	34,190	-1.10%
FIPI	5-Jul	\$ Mn	0.09	NM**
Crude (AP'19)	4-Jul	\$/bbl	56.98	-0.71%
Gold (MA'19)	4-Jul	\$/oz	1,418.4	-0.24%
Gold (10g) Local	5-Jul	PKR	67,387	0.00%
Silver (MA'19)	4-Jul	\$/oz	15.28	0.09%
Cotton(KHI) -40 kg	5-Jul	PKR	8,788	1.23%
Kibor-6M	5-Jul	%	13.13	0.01%
Forex Reserves	28-Jun	\$ Bn	14.44	0.64%
	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

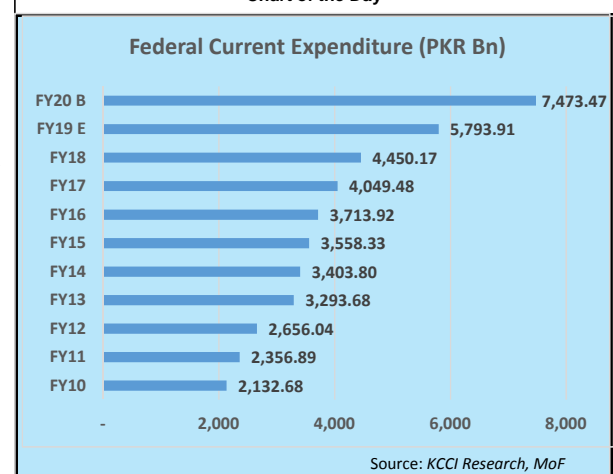


Quote of the Day

"Failure is simply the opportunity to begin again, this time more intelligently."

Henry Ford

Chart of the Day



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