

Thursday, April 13, 2017 | 15 Rajab ul Murajab 1438 Hijri

Market Today (April 12, 2017)

Opening	PSX	Gold Per 10 gm	KCA Spot Rate	Crude Oil USD /bbl.
	49,963.77	42,600.00	6,600.00	53.01

(Source: Business Recorder)

Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. April 12, 2017

Country	Currency	Selling TT & OD	Buying TT Clear
USA	USD	104.7	104.5
UK	GBP	130.7	130.45
Euro	EUR	111	110.79
Canada	CAD	78.54	78.39
Switzerland	CHF	103.91	103.71
Australia	AUD	78.46	78.31
Sweden	SEK	11.56	11.54
Japan	JPY	0.9561	0.9543
Norway	NOK	12.17	12.15
Singapore	SGD	74.69	74.55
Denmark	DKK	14.93	14.9
Saudi Arabia	SAR	27.92	27.86
Hong Kong	HKD	13.63	13.6
China	CNY	15.53	15.5
Kuwait	KWD	343	342.34
Malaysia	MYR	23.62	23.58
New Zealand	NZD	72.69	72.55
Qatar	QAR	28.76	28.71
UAE	AED	28.51	28.45

(Source: Business Recorder)

Sectoral Share in GDP %

Sectors/Sub-Sectors	2014-15	2015-16 (p)
Commodity Producing Sector (Agriculture + Industrial Sector)	41.4	40.8
Agriculture	20.80	19.82
Crops	8.2	7.4
Livestock	11.7	11.6
Fishing	0.4	0.4
Forestry	0.4	0.4
Industrial Sector	20.6	21.0
Mining & Quarrying	2.9	2.9
Manufacturing	13.6	13.6
Construction	2.4	2.6
Electricity & Gas Distribution	1.7	1.9
Services Sector	58.6	59.2
Transport, Storage & communication	13.4	13.3
Wholesale & Retail Trade	18.3	18.3
Finance & Insurance	3.2	3.3
Ownership of Dwellings	6.7	6.7
General Government Services	7.1	7.6
Other Services	9.9	10.1

(Source: Economic Survey of Pakistan 2015-16)

ADB team terms road system key to CPEC's success

A team of the Asian Development Bank (ADB), led by Peter Turner, called on Lahore Chamber of Commerce and Industry (LCCI) President Abdul Basit and discussed a number of issues including national transportation policy, economic development of Pakistan and the current business climate. LCCI Senior Vice President Amjad Ali Jawa and Zeeshan Khalil also spoke on the occasion. Turner said that effectiveness of the transportation system is directly related to trade and economic activities. Basit said that inefficiencies in the performance of the transport sector of Pakistan costs the economy 4 to 6% of the Gross Domestic Product annually. He said that the ADB has been assisting Pakistan to address this issue but investment in transportation infrastructure must be backed by institutional improvement. On the China-Pakistan Economic Corridor (CPEC), he said, "To get a good result out of CPEC, a sound transportation system is a necessity for the movement of trading goods." LCCI president said the national transport policy will supplement the government's efforts to improve transport infrastructure that would help enhance local and regional trade. He added that it is good to see seaports, rail network, motorways, tunnels and bridges are being developed by spending billions of rupees to support the future requirements of intra-regional trade. He said that the current infrastructural development has opened many avenues to expand the trade links to Central Asian Republics and on the other hand to Turkey via road and sea routes. According to Basit, the business community is worried about Pakistan's low ranking in one of the factors of the Ease of Doing Business index called trading across borders. As per the World Bank Report 2017, Pakistan stands at 172 out of 192 countries. He said that on April 6, 2017, the government had approved the cross-border trade reforms to be implemented in different phases, which will help Pakistan improve its ranking. However, the gap between suggestive measures and ground realities has to be minimised to achieve the desired results. **(Express Tribune)**

FBR changes timing of tax deposit by WHT agent

The Federal Board of Revenue (FBR) has changed the timing of deposit of tax collected/deducted by a person (withholding agent) other than the federal/provincial governments under Income Tax Ordinance 2001. Now in case of local deduction/collection is to be deposited on a weekly basis whereas in case of foreign payment the same is to be deposited before remitting the amount abroad. The FBR has amended the Income Tax Rules, 2002 through a notification. Following is the text of the notification: In exercise of the powers conferred by sub-section(1) of section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Income Tax Rules, 2002, the same having been previously published vide Notification No S.R.O.206(I)/2017 dated the 27th March, 2017 as required by sub-section (3) of the said section, namely:- In the aforesaid Rules, in rule 43, for clause (b), the following shall be substituted, namely: "(b) where the tax has been collected or deducted by a person other than the Federal Government or a Provincial Government,- (i) by remittance to the Government Treasury or deposit in an authorised branch of the State Bank of Pakistan or the National Bank of Pakistan, within seven days from the end of each week ending on every Sunday; and; (ii) by remittance abroad to a non-resident through State Bank or any other banking company, prior to remitting abroad of the amount from which tax is to be deducted or collected." **(Business Recorder)**

FBR bans visitors in board's premises

The Federal Board of Revenue (FBR) has imposed a strict ban on visitors from April 12 to avoid leakage of budget proposals pertaining to taxation measures to be taken in 2017-18, it is learnt. In this regard, the FBR has issued a circular. Due to heavy engagements of chairman and members of FBR in the budget exercise and for the purpose of maintaining secrecy, entry of the visitors in Board's premises to be restricted with immediate effect. Only visitors of the chairman/members will be allowed entry subject to the approval of officers concerned. In case a visitor has prior appointment, the private secretary concerned will intimate the receptionist well in time. In case of any commitment of the concerned officer, the private secretary will give suitable instructions to the receptionist, including any rescheduling of the meeting. In case a confirmed meeting is to be cancelled for any reason, intimation thereof will be given to the receptionist well before the appointment time. No officer/staff other than the chairman/members is allowed to receive visitors in their rooms. **(Business Recorder)**

Economic Indicators

Annual (2015/16)

Foreign Debt	\$62.649bn
Per Capita Income	\$1,512
GDP Growth	4.24%
Average CPI	8.6%

Monthly (Oct. 2016)

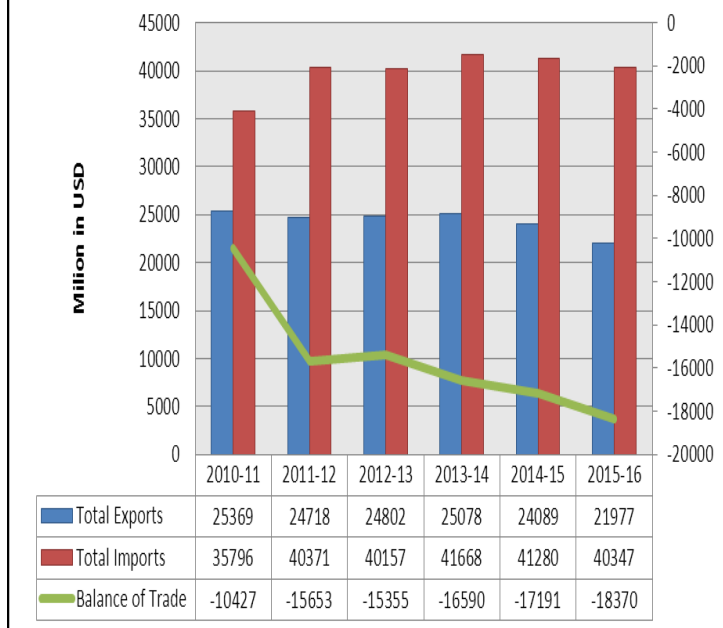
Trade Balance	\$-1.852 mln
Exports	\$1.742 mln
Imports	\$3.594 mln

Weekly (January 23, 2017)

Reserves	\$23,191.5 mln
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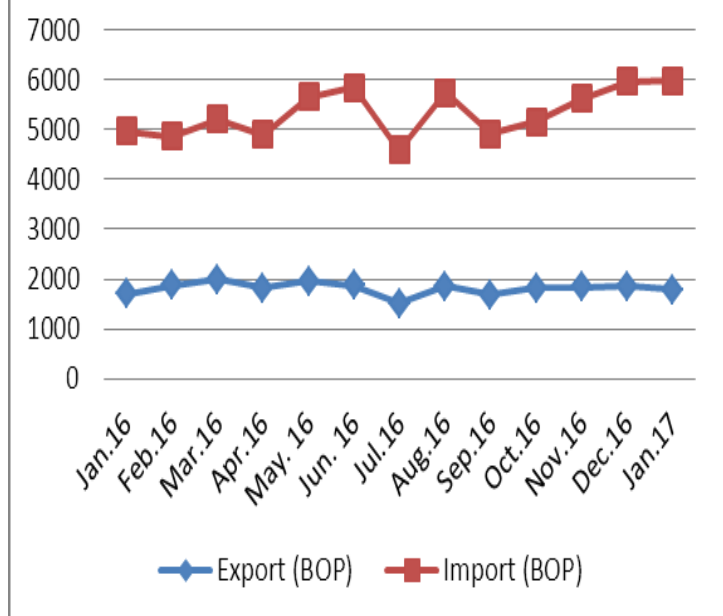
(Source: Business Recorder)

Yearly Trade Data



(Source: SBP)

Monthly Trade Data



(Source: SBP)

Tax directory next month: FBR plans to make names of non-filers public

The Federal Board of Revenue (FBR) is planning to make public the names of non-filers of income tax returns including business community, individuals, bank accountholders, judges, chartered accountants, lawyers, consultants and professionals, etc, through a tax directory to be published next month. Everybody should know the names of persons who are liable to file returns but are not filing the same. Tax directory of non-filers would disclose names of all such persons. Tax directory would include names of holders of National Tax Number (NTN) who are not filing returns. The NTN holders are liable to file returns. All those non-filer NTN holders would be made part of the tax directory. When asked how the FBR will compile names of all non-filers, the exercise is underway to collect data of non-filers by May 2017. It is a cumbersome exercise to compile such directory of non-filers and make it public. Tax directory of non-filers would also cover individuals, salaried persons, professionals, armed forces personnel, professionals and all others, who are liable to file returns but are not filing their income tax returns. A number of non-filers are regularly carrying out banking transactions involving huge amounts and paying withholding tax of non-filers. The persons engaged in banking transactions of huge amounts and liable to file returns would be included in the tax directory of non-filers. The persons liable to file returns included NTN holders; persons having taxable income; every company; any non-profit organisation; any welfare institution; person who owns immovable property with a specified land area; owner of motor vehicle (engine capacity above 1000 CC); holder of commercial/industrial connection of electricity; resident person registered with any chamber of commerce and industry or any trade or business association or any market committee or any professional body and any other liable to file return under the law. (Business Recorder)

E&T department intensifies crackdown against tax evaders

The Excise and Taxation Department has intensified crackdown against defaulters of various taxes, recovering an outstanding property tax of Rs 3.3 million and sealing off a number of commercial and residential properties including seven markets over non-payment of tax by owners in D.I. Khan during last month. Excises and Taxation Officer (ETO) Engineer Asghar Khan Wazir said that his department served several notices to owners of the market over the last several years to deposit tax dues, but the defaulters paid no heed and eventually their properties were sealed off. Thus, the ETO said the properties were sealed off in accordance with relevant rules and regulations, adding various teams had been formed to take strict action against tax defaulters and in this regard the department would spare no one involved in tax evasion. He said that the department had enhanced checking in different areas to detect vehicles plying on roads without payment of token tax. He said that the department had achieved its target in terms of collecting registration and token tax, adding Rs 12 million token tax had been deposited to the federal government while under the head of registration Rs 13 million have been collected in nine months. During the current financial year, the officer added, the department collected Rs 45.22 million token tax and added the credit goes to all employees who worked day and night to recover outstanding taxes. As far as the property tax was concerned, the ETO said, noose is being tightened around the defaulters and their markets sealed off over non-payment of tax, adding recovery under the head of Hotels and Bargain tax, more than 70 percent as compared to previous years had been recovered under the same. (Business Recorder)

Experts raise eyebrows over rejection of refund claims

The tax experts have raised eyebrows over the rejection of all refund claims by the Federal Board of Revenue, saying that dubbing all claims as "dubious" and passing instructions to the field officers to carry out investigation is contrary to legal norms to treat claims per se as dubious without any verification. "Had such letter been issued in developed economies, the court must have taken them to task," they added. They have pointed out another recent unholy practice that a refund payment order (RPO) is now generated after the approval from the head of electronic system (ERS). Earlier, the ERS used to generate RPO and were sent for the issuance of cheque. "Why now approval is required from the head of the system makes no sense or makes a lot of sense if one is in the knowledge how things are done in the FBR," said one tax expert. They said the refund on sales tax is actually the tax which the exporter has paid to its supplier and a RPO is generated only after verification. Majority of the tax experts have agreed that apart from other issues hurting exports, the refund payment is invariably and a horribly vicious circle that has trapped every exporter in the country. On the Income Tax refund side, said the experts, the FBR report for the year 2015-16 shows that the FBR had a stock of Rs 90 billion refund pending. They said a buyer deducts a certain amount on almost every transaction, which is generally 3 to 4 percent as withholding tax and deposit it with FBR through withholding statement every month. Similarly, the manufacturers as well as the commercial importers pay withholding tax on the import of almost every commodity. The taxpayer is entitled to adjust tax already withheld and pay the balance amount towards the end of a year. Alternatively, the e-file refund claims in case withheld tax exceeds is tax liability. (Business Recorder)