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PAKISTAN CLOTH MERCHANTS' ASSOCIATION

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Improving & broadening Tax Net system in Pakistan instead of put more tax burden on already registered person/filer by increasing tax rates.

ISSUE	Since last many years FBR is trying to improve and broaden tax net by introducing various laws in the Income Tax Ordinance, Sales Tax Act, etc. but, there is no satisfactory achievement as only 2.98 million returns filed out of 220 million populations in Pakistan and it is not fair to put more burden on already registered person by increasing tax rates to achieve revenue target. Now it's time to forcibly get registered of non registered persons to broadening Tax Net system in Pakistan.
OUTCOME	By introducing suggested law, the Tax Net system in Pakistan will definitely widen. and it is in the interest of revenue.
PROPOSAL	Is to introduce a law for the companies who provides Electricity, Gas to the consumers who are consuming and paying bills of Rs 600,000/- and more per annum. The NTN must be mandatory for providing Electricity and Gas to the Residential/ Commercial/ Industrial consumer who consume Electricity or Gas of Rs 600,000/- and more per annum. The time frame for 90 days or 180 days may be given to the Companies to get the NTN from their consumer and if not provided by the consumer within the stipulate time limit, than the connection of consumer shall be disconnected until provides NTN. The persons who is consuming and afford to pay utility bills of Rs 1000,000/- or more per annum are liable to be registered/filer and can also afford to pay taxes on their income also.
BENEFIT	It will help in broadening tax net system in Pakistan and it is in the interest of revenue.

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Superior Courts interpretation on question of law & Factual tax issues decided by the competent Courts.

ISSUE	Currently there are thousands of cases related to the tax matters which are pending before Supreme Courts, High Courts, Appellate Tribunal and Commissioner Appeals and most of the cases currently pending before Appellate Tribunal and Commissioner Appeals are identical and involved same question of law and same factual issue on tax matter which had already been decided / settled by the superior Courts and had attained finality. The FBR Officials having jurisdiction are still issuing Show Cause Notices and subsequently passing Orders on the same question of law and factual tax issue which had been already decided / settled and due to unawareness of the decisions made by the Courts by the FR Officials, causing undue hardship to the Taxpayer and multiple unnecessary litigation.
OUTCOME	Proposal is to reduce unnecessary litigation and avoid causing hardship to the taxpayer as well as faces by the Department.
PROPOSAL	To avoid unnecessary litigation in the tax matters. The Member (Legal) FBR should be vigilant on the decisions of the superior courts and upon settlement of any question of law, the Member (Legal) FBR should circulate the same to all the Chief Commissioners of Tax Offices across Pakistan giving instruction for non issuance of Show Cause Notices to the taxpayer on the issue which had been decided by the Superior Courts.
BENEFIT	It will reduce undue hardship to the Taxpayer and will also reduce multiple unnecessary litigations.

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Section 45B of the Sales Tax Act 1990 and 127 of the Income Tax Ordinance 2001 (Commissioner Appeals).

ISSUE	The Commissioner (Appeals) having jurisdiction of respective tax office have extra ordinary burden to decide the Appeals within 180 days including extended 60 day period because the Tax Offices pass Orders under different section Sales Tax Act 1990, Income Tax Ordinance 2001, withholding Tax and Federal Excise against which thousands of Appeals filed by the taxpayer in a year and practically it is beyond the control for the Commissioner Appeals to decided the Appeals within 180 days.
OUTCOME	Proposal is to overcome on the long pending cases and decide Appeals within stipulated time prescribed under the law.
PROPOSAL	To appoint at least four Commissioner Appeals having jurisdiction of the respective Tax Office giving assignment to decide and deals in Sales Tax Appeals, Income Tax Appeals, Withholding Tax and Federal Excise Appeals separately.
BENEFIT	This proposal is to overcome long pending cases before Commissioner Appeals and it is in the interest of the revenue.

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Stay of Recovery by Commissioner (Appeals).

ISSUE	**Section 128(1A)** Where in a particular case, the Commissioner (Appeals) is of the opinion that the recovery of tax levied under the Ordinance, shall cause undue hardship to the taxpayer, he, after affording opportunity of being heard to the Commissioner against whose order appeal has been made, may stay the recovery of such tax for a period not exceeding thirty days in aggregate. **Section 128(1AA)** The Commissioner (Appeals), after affording opportunity of being heard to the Commissioner against whose order appeal has been made, may stay the recovery of such tax for a further period of thirty days, provided that the order on appeal shall be passed within the said period of thirty days.
OUTCOME	Currently the Commissioner (Appeals) granting stay for 15 days and after expiry of stay the taxpayer files extension of stay application again and again which causing unnecessary exercise to the taxpayer as well as Commissioner Appeals.
PROPOSAL	**Section 128 (1A) of the Income Tax Ordinance 2001;-**Where in a particular case, the Commissioner (Appeals) is of the opinion that the recovery of tax levied under this Ordinance, shall cause undue hardship to the taxpayer, he, after affording opportunity of being heard to the Commissioner against whose order appeal has been made, may stay the recovery of such tax for a period not exceeding **Ninety** days in aggregate. **Section 128(1AA) of the Income Tax Ordinance 2001;-**The Commissioner (Appeals), after affording opportunity of being heard to the Commissioner against whose order appeal has been made, may stay the recovery of such tax for a further period of **Ninety** days, provided that the order on appeal shall be passed within the said period of **one hundred and eighty** days
BENEFIT	This Proposal is to avoid unnecessary documentation and to save time of taxpayer / Commissioner Appeals.

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Stay of Recovery by Appellate Tribunal.

ISSUE	**Section 131(5) of the Income Tax Ordinance 2001;-**Notwithstanding that an appeal has been filed under this section, tax shall, unless recovery thereof has been stayed by the Appellate Tribunal, be payable in accordance with the assessment made in the case: Provided that if on filing of application in a particular case, the Appellate Tribunal is of the opinion that the recovery of tax levied under this Ordinance and upheld by the Commissioner (Appeals), shall cause undue hardship to the taxpayer, the Tribunal, after affording opportunity of being heard to the Commissioner, may stay the recovery of such tax for a period not exceeding one hundred and eighty days in aggregate.
OUTCOME	Currently the Appellate Tribunal granting stay for 30 days or 60 days and after expiry of stay the taxpayer files extension of stay application again and again until decision of the Appeal which causing unnecessary exercise.
PROPOSAL	**Section 131(5) of the Income Tax Ordinance 2001;-** Notwithstanding that an appeal has been filed under this section, tax shall, unless recovery thereof has been stayed by the Appellate Tribunal, be payable in accordance with the assessment made in the case: Provided that if on filing of application in a particular case, the Appellate Tribunal is of the opinion that the recovery of tax levied under this Ordinance and upheld by the Commissioner (Appeals), shall cause undue hardship to the taxpayer, the Tribunal, after affording opportunity of being heard to the Commissioner, may stay the recovery of such tax for a period not exceeding one hundred and eighty days in aggregate **or till the decision of appeal.**
BENEFIT	This suggestion is to avoid unnecessary documentation and to save time of taxpayer / Appellate Tribunals.

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BLACKLISTING AND SUSPENSION OF REGISTRATION UNDER SECTION 21 OF THE SALES TAX ACT 1990

ISSUE	**21.(2) De-registration, blacklisting and suspension of registration:-** Notwithstanding anything contained in this Act, in cases where the [Commissioner] is satisfied that a registered person is found to have issued fake invoices or has [otherwise] committed tax fraud, he may blacklist such person or suspend his registration in accordance with such procedure as the Board may by notification in the official Gazette, prescribe**.**
OUTCOME	The matter was challenged in the superior Courts and it has been declared by the Court that the Sales Tax Registration of a registered person without prior notice is hereby declared to be without awful authority and of no legal effect.
PROPOSAL	Notwithstanding anything contained in this Act, in cases where the [Commissioner] is satisfied that a registered person is found to have issued fake invoices or has [otherwise] committed tax fraud, he may blacklist such person or suspend his registration **after issuing pre-suspension notice to a taxpayer for suspension confronting with such reason in writing**, in accordance with such procedure as the Board may by notification in the official Gazette, prescribe.
BENEFIT	To avoid illegal harassment to the taxpayer.

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ISSUE	**Rule 12. (a) (i) of the Sales Tax Rules 2006. Blacklisting and suspension of registration.–** Where a Commissioner, having jurisdiction, is satisfied that a registered person has issued fake invoices, evaded tax or committed tax fraud, registration of such person may be suspended by the Commissioner through the system, without prior notice, pending further inquiry. The basis for such satisfaction may *inter alia* include the following, namely:–
OUTCOME	The matter was challenged in the superior Courts and it has been declared by the Court that the Sales Tax Registration of a registered person without prior notice is hereby declared to be ultra vires to the Constitution, violative of natural justice.
PROPOSAL	Where a Commissioner, having jurisdiction, is satisfied that a registered person has issued fake invoices, evaded tax or committed tax fraud, registration of such person may be suspended by the Commissioner through the system, **after issuing pre-suspension notice to a taxpayer for suspension and afford an opportunity of being heard on** pending further inquiry. The basis for such satisfaction may *inter alia* include the following, namely:–
BENEFIT	To avoid illegal harassment to the taxpayer.

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Invoice issued prior to the Suspension / blacklisting

ISSUE	**Section 21(3) Sales Tax Act.** (3) During the period of suspension of registration, the invoices issued by such person shall not be entertained for the purposes of sales Tax refund or input tax credit, and once such person is black listed, the refund or input tax credit claimed against the invoices issued by him, **whether prior or** after such black listing, shall be rejected through a self-speaking appealable order and after affording an opportunity of being heard to such person.
OUTCOME	The matter was challenged in the superior Courts and it has been declared by the Courts that the invoice issued prior to the Suspension / blacklisting cannot be rejected for purpose of tax adjustment / refund. In accordance with the Article 189 & 201 of the Constitution of Pakistan. "any decision of a High Court shall, to the extent that it decides a question of law or is based upon or enunciates a principle of law, be binding on all courts subordinate to it".
PROPOSAL	Is to be deleted word "**whether prior or**" from this section. (3) During the period of suspension of registration, the invoices issued by such person shall not be entertained for the purposes of sales Tax refund or input tax credit, and once such person is black listed, the refund or input tax credit claimed against the invoices issued by him, after such black listing, shall be rejected through a self-speaking appealable order and after affording an opportunity of being heard to such person.
BENEFIT	This Proposal is to avoid unnecessary litigation.

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Revision of Sales Tax Return.

ISSUE	**26 (3) Returns:-** Provided that the approval under this sub-section shall not be required if revised return is filed within sixty days of filing of return and either the tax payable therein is more than the amount paid or the refund claimed therein is less than the amount as claimed, under the return sought to be revised.
OUTCOME	This provision already provided in the Sales Tax Act, but still taxpayer who required to revised his return within sixty days have to visit several time to the Commissioner for granting permission for revised return request filed Online by the taxpayer.
PROPOSAL	To introduce in the e-filing system to automatically reopen revised return if (in case) a taxpayer required to file revise return within sixty days. If a taxpayer required to revise his return after sixty days than taxpayer can file online revised return request to the Commissioner.
BENEFIT	This suggestion is to avoid unnecessary hassle to a taxpayer and also it is in the interest of the revenue.

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POWERS TO SELECT AUDIT CASES U/S. 177 AND 214C

ISSUE	Through Finance Act 2019 powers of Commissioners & Board have been restored to select cases for audit every year which further creates difficulties for registered persons, whereas prior to FY2019-20 audit could be conducted once in 3 years.
OUTCOME	The Commissioners already have various powers to carry out amendments of the income tax returns for any tax year under Section 122 (5A). Hence additional audit powers outside Standard Audit Parameters are often misused. Multiple and overlapping discretionary powers are a hurdle in broadening of tax base. Rather than focusing on broadening the tax base, formations continue to squeeze the compliance taxpayers.
PROPOSAL	Audits under Section 177 & 214C should be carried out once in every 3 years as was introduced through Finance Act 2018, through restoration of clause 105 omitted in Finance Act' 2019. Even with this restriction the Commissioner can carry out assessment u/s. 122(1)/(5) or 122(5A) on the definite information or where declaration of tax payer is erroneous and prejudicial to the interest of revenue.
BENEFIT	Alleviate fears of compliant tax-payers. Removal of harassment and extortion through uncalled for and unnecessary audits.

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POWERS TO SELECT AUDIT CASES U/S. 122 (5A) & (5AA)

ISSUE	**Section 122 (5A) & (5AA) of the Income Tax Ordinance 2001.** (5A)Subject to sub-section (9), the Commissioner may4[, after making, or causing to be made, such enquiries as he deems necessary,]amend, or further amend, an assessment order, if he considers that the assessment order is erroneous in so far it is prejudicial to the interest of revenue. (5AA)In respect of any subject matter which was not in dispute in an appeal the Commissioner shall have and shall be deemed always to have had the powers to amend or further amend an assessment order under sub-section (5A).
OUTCOME	Tax Authorities could not seek details, documents and explanation to justify action under S. 122(5A) of Income Tax Ordinance, 2001 as same was against the spirit of said provision of law. Mostly Order under S. 122(5A) of Income Tax Ordinance, 2001 passed on whims, guesswork and assumptions was nothing, but erroneous and prejudicial to the interest of revenue. Assessing authorities under S.122(5A) of Income Tax Ordinance, 2001 cannot raise queries to constitute fishing and roving inquiries as same are not permitted in proceedings under S. 122(5A) of Income Tax Ordinance, 2001. Calling of information's and thereafter finalizing order under section 122(5A) without presence of twin mandatory conditions is not permissible. If this be the case the whole scheme of audit under section 177 becomes redundant.
PROPOSAL	That in presence of section 177 & 214C for audit this section 122 (5A) & (5AA) is to be delete as power been misused by the authorities and causing harassment to the registered persons. The matter was challenged in the superior Courts and it has been declared by the Court that Calling of information's and thereafter finalizing order under section 122(5A) without presence of twin mandatory conditions is not permissible. If this be the case the whole scheme of audit under section 177 becomes redundant. Therefore the same section is to be deleted as discouraging people to get registered with the FBR
BENEFIT	Removal of harassment and extortion through uncalled for and unnecessary audits.

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MONITORING OF WITHHOLDING TAX

ISSUE	**SECTION 161** In most of the notices for monitoring of withholding taxes, figures are taken from the financial statements and withholding agent is required to reconcile those figures with the payments. This lengthy exercise involves lot of time and resources of the taxpayers. As per provisions of Section 174 of the ITO, a taxpayer is required to maintain accounts and documents for six years after the end of tax year to which they relate. Since no time limit is prescribed in Section 161 of the ITO for monitoring of withholding tax, the taxpayers are receiving notices for the period beyond six tax years for which they are not obliged to maintain / retain records, which create hardship to the taxpayers.
OUTCOME	No time-limit has been provided for passing an Order under sections 161/205 of the Income Tax Ordinance, 2001 and for the same reason, the taxpayers are receiving notices for the period beyond six tax years
PROPOSAL	No time-limit has been provided for passing an Order under sections 161/205 of the Income Tax Ordinance, 2001. Time limit of 1 year from the date of filing of WHT statement should specifically be provided under the Income Tax Ordinance, 2001 for carrying out exercise of monitoring of withholding taxes. thereafter would be considered to be time-barred. The considered opinion that Section 161 of the Income Tax Ordinance, 2001 is applicable only within the income year during which the payments for goods and services were made, as Section 162 of the Income Tax Ordinance, 2001. 162(1) Where a person fails to collect tax as required under Division II of this Part or Chapter XII or deduct tax from a payment as required under Division III of this Part or Chapter XII, the Commissioner may pass an order to that effect and recover the amount not collected or deducted from the person from whom the tax should have been collected or to whom the payment was made.
BENEFIT	This may result in resolving dispute with tax authorities and restricting disallowance of credit for taxes deducted at source.

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REQUIREMENT OF CNIC AND FURTHER TAX (PENALTY) ON SALE TO UNREGISTERED PERSONS

ISSUE	Further Tax @3% is imposed on supplies to Unregistered persons under Section 8 (Sub-Sec.1, Clause M) of Sales Tax Act, 10th Schedule, while also the seller is required to provide CNIC number of unregistered buyers. Moreover the supplier is held liable if CNIC provided is unverifiable under Supplementary Finance Act'2022.
OUTCOME	Registered supplier is unjustly penalized by imposing 3% Further Tax on supplies to Unregistered persons, while also he is required to provide CNIC Number of Unregistered buyer in Sales Tax Invoice. With very limited number of registered entities (around 50,000) in Sales Tax Regime it is impossible to conduct all sales to registered persons.
PROPOSAL	KCCI had raised the issue with Minister for Finance Mr. Shaukat Tarin and he agreed that when three percent penalty was being charged in case of unregistered persons, the CNIC condition should not be there. Hence, the Minister directed FBR to rectify the anomaly and not to demand CNIC where 3% Further Tax is paid. The proposal may therefore be implemented through Federal Budget 2022- 1. CNIC should not be required where 3% Further Tax is paid by Registered Supplier. 2. Rate of Further Tax be reduced to 1% to discourage flying invoices.
BENEFIT	• Discourage cash economy and encourage documentation by placing the trust in registered persons. • Placing the responsibility to broaden the tax base squarely on RTOs and LTUs rather than on taxpayers. • Discourage Fake and Flying invoices which are issued to avoid 3% further tax

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3% VALUE ADDITION SALES TAX ON COMMERCIAL IMPORT OF INDUSTRIAL RAW MATERIAL

ISSUE	3% Value Addition Sales Tax at import stage on commercial importers of Raw materials was removed in the Finance Act'2019-20 after many deliberations with FBR and Ministry of Finance.It was agreed by FBR that 3% VAT is unjustified because Commercial importers do not add any value to raw materials. It is sold to SMEs without any change in form or any process and no inputs are used hence 3% VAT was an obvious anomaly. Unfortunately, the very next year through Finance Act'2020, amendment was made in the Twelfth Schedule to Sales Tax Act'1990 – under "**Procedure and Conditions**", in condition (2), 3% Value Addition Sales Tax wasimposed again on Commercial Import of Raw Materials, thus creating the Anomaly. In the meeting with KCCI, Minister of Finance also agreed that it was an anomaly.
OUTCOME	**A Dual anomaly has been created again in the Finance Bill'2020-21.** 1). 3% VAT cannot be imposed on Raw Materials where no value is added, after removal of exclusion under SRO.647 (I) 2007 from Sec.8 B. **2. MOREOVER RESTRICTION OF 90% ADJUSTMENT OF INPUT IS TANTAMOUNT TO DOUBLE TAXATION AS IMPORTERS OF RAW MATERIALARE FORCED TO PAY EXTRA 1.7% (10% of 17%) VALUE ADDITION OVER AND ABOVE 3% PAID AT CUSTOM STAGE Under Section 8(B) of Sales Tax Act 1990 through SRO1190(I)/2019.**
PROPOSAL	This obvious anomaly be rectified and Raw Materials imported by Commercial Importers be excluded from the scope of Condition (2) under "Procedures and Conditions" Twelfth Schedule of Sales Tax Act. removing 3% Value Addition Sales Tax on commercial importers. A distinction has to be made between importers of Raw Materials and Finished goods.
BENEFIT	Remove an obvious anomaly and disparity in rates of Sales Tax on Raw Materials because all raw materials are ultimately consumed in the industry, and mainly by SMEs.

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PENDING REFUND OF DLTL

ISSUE	Over Rs.50.0 Billion of refund of Drawback of Local Taxes and Levies (DLTL) pertaining to exporters are delayed and remain unpaid for months. In the meeting with KCCI delegation in Islamabad Mr. Abdul Razzak Dawood had assured that refunds will be expedited and also the Refunds of DLTL will continue.
OUTCOME	However the refunds are still pending and also the new applications for refund are not being accepted. Exporters face liquidity crunch due to blocked funds and blocked refunds have a negative impact on exports.
PROPOSAL	KCCI therefore submits that payments of DLTL be released and backlog be cleared. Also the policy of Refunds of DLTL be continued.
BENEFIT	Improve liquidity for exporters and help to enhance exports.

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INDENTING COMMISSION TO BE TREATED AS EXPORT OF SERVICES

ISSUE	Indenting agents have to pay 5% With-holding Tax on inward remittances of commission while the indenting agents based in Sindh also have to pay Sindh Sales Tax on Services @13%.
OUTCOME	To avoid such rates of taxation, indentors now mostly retain the commission outside Pakistan and book import orders on Proforma Invoices or Contracts from suppliers. This results in loss of foreign exchange to the country.
PROPOSAL	In the online meeting with KCCI on 03 June'2021, the Minister for Finance & Revenue agreed to the proposal that indenting commission should be treated as export proceeds and taken out of the purview of provincial service taxes. Indenting agents serve all of Pakistan and should therefore remain in Export regime just as IT and other service providers. The proposal may therefore be incorporated in budget.
BENEFIT	Encourage remittance of foreign exchange and documentation.

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UNJUST TURNOVER TAX ON TRADERS OF COTTON YARN

ISSUE	Vide SRO.333 (I) 2001 dated 02.05.2011, Traders/ brokers of Cotton Yarn had been subjected to Turnover Tax at concessional rate of 0.1% which constitutes about 10% of their margin. Provision of rate of minimum tax @ 0.1% was made under clause 45(A), PART IV Second Schedule to the Income Tax Ordinance 2001, read with SRO 333 (1) 2001 Dated 02 May, 2001.
OUTCOME	Demands are however issued under Sec.113 of Income Tax Ordinance to pay Turnover Tax @1.5% which is more than the meagre commission @1.0% received by traders from Spinning Mills for their sales to Weaving Industry. Hence the business is not viable.
PROPOSAL	Correct approach for levy of concessional rate on Yarn Traders is by inserting provision of Minimum Turnover Tax @ 0.1% to include Traders of Cotton Yarn in the First Schedule Part-I, Division IX (exempting Yarn Traders from Minimum 1.5% Tax U/S. 113 of Income Tax Ord. Local traders of Cotton Yarn cannot pay more Minimum Tax than their actual margin which is just 1% on total value of goods supplied
BENEFIT	The proposal was agreed by Advisor to PM on Commerce Mr. Abdul Razzak Dawood in the meeting with KCCI delegation in Islamabad on 30.09.2021

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CUSTOMS

ISSUE	Proviso of para 1 of SRO.499 (I)/2009 Dated 13th June 2009 Provided that in respect of the following goods or classes of goods where an option is given to pay fine in lieu of confiscation, the quantum of fine in lieu of confiscation in respect of offences specified in column (2) of the Table below shall be at a rate specified in column (3) of that Table and shall be over and above the customs-duties and other taxes and penalties imposed under the relevant law, namely:-
OUTCOME	Causing undue hassle.
PROPOSAL	Provided that in respect of the following imported goods or classes of goods where an option is given to pay fine in lieu of confiscation, the quantum of fine in lieu of confiscation in respect of offences specified in column (2) of the Table below shall be at a rate specified in column (3) of that Table and shall be over and above the customs-duties and other taxes and penalties imposed under the relevant law, namely:- It is further suggested that in case of Exports clearance contravention should not be created because evasion of duty and taxes is usually not involved. However in case any mis-declaration is found during clearance process of exports shipments it should not be dealt according to SRO.499(I)/2009. Inter-collectorate of Export may be empowered to deal with mis-declaration cases instead of forwarding to the Adjudication. A clarification # 10(17) L&P/2005 dated July 4th 2009 is already issued by the FBR that only those cases are referred to the adjudication under SRO.499 (I)/2009 Dated 13th June 2009 where the evasion of duty and taxes is obvious
BENEFIT	Encourage Export.

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ISSUE	SRO.499 (I)/2009 Dated 13th June 2009. Table 1. Offences related to mis-declaration of,- (a) Difference between ascertained and declared weight or quantity subject to the condition that the percentage difference is more than 5%.
OUTCOME	Causing undue hassle
PROPOSAL	We suggest that difference of percentage of quantity / weight ONLY may be allowed upto 10%/. Table 1. Offences related to mis-declaration of,- (a) Difference between ascertained and declared weight or quantity subject to the condition that the percentage difference is more than 10% .And the recoverable taxes are more than five hundred thousand rupees. In most of the cases the weight of consignment is on lower side i.e. 500 kgs to 4000 kgs and due to environmental factors around the weighment scale at port of clearance, a slight change may be occurred in ascertain weight, which could be 50 to 400 kgs, but if we analyses in terms of percentage it comes to around 10% (+ / -). But there is a nominal impact of duty and taxes due to this difference of weight. In this regard, it is suggested that difference of percentage of quantity / weight may be allowed upto 10%
BENEFIT	To Encourage Export.

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ISSUE	SRO.499 (I)/2009 Dated 13th June 2009. Table (g) Unit of measurement other than as specified in Pakistan Customs Tariff against the specific tariff heading where due to incorrect unit duty and taxes are evaded.
OUTCOME	Causing undue hassle
PROPOSAL	May be deleted / Omitted. It is proposed that this clause should be deleted as most of the imported goods are sold and purchased in various units of measurement which are not sometimes according to Pakistan Customs Tariff.
BENEFIT	Ease of doing business and to avoid undue hassle.

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4th Floor, Hasan Ali Centre, Hussaini Market, Near M.W Tower, M.A. Jinnah Road,
Karachi-74000 Tel : 92-21-32444274, 32444053, 32444393, E-mail : pcma@cyber.net.pk

ISSUE	In Section 205 of Customs Act 1969 (IV of 1969) Amendment of documents.- Except in the case provided for by sections 29, 45, 53 and 88, an officer of customs not below the rank of an Assistant Collector] of Customs may, in his discretion, upon payment of a fee of one hundred rupees, authorize any document , after it has been presented at the custom house to be amended.
OUTCOME	It is pertinent to mention here that export shipments are backbone of beloved country, through which huge revenue in shape of foreign exchange comes into Pakistan. Most of the exports shipments reach terminal in the nigh hours, due to the restriction of movement of heavy traffic/vehicles in the city and the minor fee of Rs.100.00 required to be deposited into Bank. But unfortunately bank staff is not available in the night shift, which cause the shipments could not be processed on scheduled vessel and shutout the cargo. the trade/exports the amendments charges of Rs.100.00 as mentioned in the section 205 of Customs Act, 1969 should be abolished.
PROPOSAL	Amendment of documents.- Except in the case provided for by sections 29, 45, 53 and 88, an officer of customs not below the rank of an Assistant Collector of Customs may in his discretion, authorize any document , after it has been presented at the custom house to be amended.
BENEFIT	Ease of doing business and to avoid undue hassle.

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ISSUE	In proviso of para 3 of Section 32 of Customs Act 1969 (IV of 1969) Provided that if the recoverable amount in case is less than twenty thousand rupees the custom authorities shall not initiate the aforesaid action.
OUTCOME	It is requested that proviso of para 3 of Section 32 of Customs Act 1969 may kindly be considered to be amended, as no action shall be taken against the trader (importer / exporter) if recoverable amount of duty and taxes is not more than 100,000.00 (one hundred thousand only). Keeping in view the devaluation of Pak rupees and current rate of inflation twenty rupees are not justifiable.
PROPOSAL	Provided that if the recoverable amount in case is less than five hundred thousand rupees the custom authorities shall not initiate the aforesaid action.
BENEFIT	It will reduce unnecessary litigation.

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ISSUE	Proviso of para 1 Section 79 of Customs Act, 1969. [Provided that if, in case of used goods, before filing of goods declaration, the owner makes a request to an officer of customs not below the rank of an Additional Collector that he is unable, for want of full information, to make a correct and complete declaration of the goods, then such officer subject to such conditions as he may deem fit, may permit the owner to examine the goods and thereafter make entry of such goods by filing a goods declaration after having assessed and paid his liabilities of duties, taxes and other charges:
OUTCOME	It is suggested that weight ment before declaration may be allowed in all such cases where the unit of measurement of the goods is differ with the unit of sales and purchase in international market. Especially it is happened in case of machinery, fabrics, article of plastic and food items etc. Under Section 79 of Customs Act, 1969 It is further suggested that all kinds of goods may also be allowed for prior examination in addition to used goods for true declaration and trade facilitation
PROPOSAL	[Provided that, before filing of goods declaration, the owner makes a request to an officer of customs not below the rank of an Additional Collector that he is unable, for want of full information, to make a correct and complete declaration of the goods, then such officer subject to such conditions as he may deem fit, may permit the owner to examine the goods thereafter make entry of such goods by filing a goods declaration after having assessed and paid his liabilities of duties, taxes and other charges: As per KYOTO Convention of WCO guidelines Standard 3.9 "Before lodging the goods declaration the declarant shall be allowed, under such conditions as may be laid by the customs: (a) to inspect the goods; and (b) to draw samples Keeping in view of the above guidelines weighment / examination before filing of goods declaration may be allowed for all class of goods.
BENEFIT	Keeping in view the devaluation of Pak rupees and current rate of inflation twenty rupees are not justifiable.

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ISSUE	In Section 203 of Customs Act 1969 (IV of 1969) Wharfage or Storage fees: The collector of custom may from time to time fix the period after the expiration of which goods left in any custom -house, custom area, wharf or other authorized landing place or part of the custom-house premises, shall be subject to payment of fees, and the amount of such fees.
OUTCOME	Currently all terminal operators are charging storage fees container rent charges after 05 calendar days from the berthing of vessel, which is indeed a huge loss of foreign exchange because almost all of the container terminal operators are out of Pakistan.
PROPOSAL	Rules may be notified in SRO 450(I)2001 to govern the section 203 of Customs Act 1969. Wharfage or Storage fees: The collector of custom may from time to time fix the period after the expiration of which goods left in any custom -house, custom area, wharf or other authorized landing place or part of the custom-house premises, shall be subject to payment of fees, and the amount of such fees in accordance with the rules.
BENEFIT	Currently all terminal operators are charging storage fees container rent charges after 05 calendar days from the berthing of vessel, which is indeed a huge loss of foreign exchange because almost all of the container terminal operators are out of Pakistan. Further due to some law and order situation and other holidays the consignment could not be lifted from the terminals within 05 days so that Collector of Customs may be empowered to notify the free period from time to time under Section 203 of Customs Act 1969.