FPCCI demands resolution of budget problems | Forex, Pakistan

Written by Administrator
Thursday, 01 August 2013 09:34 -

<p style="text-align: justify;" />

KARACHI: The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) has warned Finance Minister Ishaq Dar to resolve budget related problems before the apex trade body resorts to tough measures. </p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">In a statement issued Tuesday, the members of FPCCI invited Dar to meet with them and discuss the measures put forward in Finance Bill 2013 with a view to improving its impact on trade and industry.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">FPCCI President Zubair Ahmed Malik said the trade body is willing to sit with the government to sort out these issues before adopting a course of action.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">The FPCCI convened a second post budget meeting to discuss the anomalies in the Federal Budget 2013-14 under the chairmanship of Malik at Federation House, Karachi. The meeting was attended by leading businessmen, representatives of different sectoral associations, local chambers, town associations and technical experts on taxation. There were separate sessions addressing sales tax, income tax, custom duty and federal excise duty.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">It was decided in the meeting that government should sit with FPCCI to resolve the anomalies in the budget, which will create difficulties for the people. Industries would close as a result of the budget whereas smuggling and corruption would increase, said participants. The budget had made Pakistani goods uncompetitive in the region, they alleged.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">They further complained that the business community agreed in principle with the concept of CREST U/S 2(5AC), but it is not being applied by the department in letter and spirit and taxpayers are being unnecessarily harassed. It is requested that some time should be given before implementation of CREST to discuss its modalities with FPCCI.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">Moreover, on Section 21(4), he proposed that input tax adjustment/refund may be blocked after completing due process and recording of reason in writing.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">Referring to the measure on sales tax record U/S 22, they said that registered persons are required to maintain and retain gate passes, inward or outward, and transport receipts as records. The cost of keeping a plethora of records would over burden genuine taxpayers unnecessarily, they said.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">Furthermore, it was argued that the government has tried to implement the old Central Excise Law 1944, which is an invasion of privacy and against the spirit of FBR reforms which are meant to facilitate taxpayers.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">For section 40(B), he suggested that the power of posting Inland Revenue Officers should rest with the FBR so that the confidence of the taxpayer, a prerequisite of the success of any scheme, is not shattered. Moreover regarding appeal U/S 45(B), the time limit of 30 days may be removed.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">Referring to the introduction of Income Support Levy at 0.5 percent on all movable assets, the businessmen said that this move will discourage investment in Pakistan and encourage the black market.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">FPCCI members said that furnishing of bank data to the FBR will discourage depositors from depositing savings in banks and encourage the growth of the black economy.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">Additionally, increasing turnover tax to one percent U/S 113 of Income

Tax Ordinance shall have a negative impact on industrialisation and should be brought down to the previous level of 0.5 percent.</p> <p style="text-align: justify;">�</p> <p style="text-align: justify;">Malik suggested that the depreciation allowances should be restored to the previous level of 50 percent from the proposed reduction to 25 percent as they will hurt the balancing, modernisation and reconstruction activities of the industry.

Courtesy: �The News</p>