

# SENATE OF PAKISTAN



*House of the Federation*

## REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE AND REVENUE

ON

THE FINANCE BILL, 2024,  
CONTAINING THE ANNUAL BUDGET STATEMENT

PRESENTED BY

SENATOR SALEEM MANDVIWALLA  
CHAIRMAN COMMITTEE

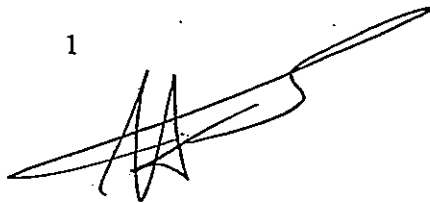
## SENATE SECRETARIAT

### REPORT OF THE STANDING COMMITTEE ON FINANCE AND REVENUE ON THE FINANCE BILL, 2024, CONTAINING THE ANNUAL BUDGET STATEMENT

The budget for the year 2024-25 was presented in the National Assembly on 12<sup>th</sup> June, 2024, by Mr. Muhammad Aurangzeb, Federal Minister for Finance and Revenue. On the same day a copy of the Finance Bill, 2024, containing the Annual Budget Statement was laid in the Senate. The Senate was asked to make recommendations thereon, under Article 73 of the Constitution, to the National Assembly.

2. The proposals were invited from the members of the Senate so as to reach by Friday, the 14<sup>th</sup> June, 2024 at the latest. The Honourable Chairman Senate announced that the proposals received for making recommendations on the Finance Bill, 2024, containing the Annual Budget Statement shall be sent to the Senate Standing Committee on Finance and Revenue and the proposals pertaining to the PSDP shall be sent to the Senate Standing Committee on Planning, Development and Special Initiatives, which shall examine them and forward its recommendations to the Standing Committee on Finance and Revenue.

3. Notices of proposals were received from the members and were referred to the Standing Committee on Finance and Revenue for consideration and report. The Standing Committee held twelve (12) meetings on 13<sup>th</sup>, 14<sup>th</sup>, 15<sup>th</sup>, 20<sup>th</sup>, 21<sup>st</sup> and 22<sup>nd</sup>, June, 2024, respectively at Parliament House, Islamabad and sit for almost 36 hours. The Committee considered the Finance Bill, 2024, clause by clause, proposed various amendments therein and the recommendations of each Senator were considered and deliberated upon. Besides 15 government ministries and departments, the Committee also heard around 32 representatives and stakeholders from private sectors and considered their proposals as well.


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4. The following Members attended the meetings:-

1. Senator Saleem Mandviwalla	Chairman
2. Senator Sherry Rehman	Member
3. Senator Farooq Hamid Naek	Member
4. Senator Mohsin Aziz	Member
5. Senator Syed Shibli Faraz	Member
6. Senator Anusha Rahman Ahmad Khan	Member
7. Senator Shahzaib Durrani	Member
8. Senator Fesal Vawda	Member
9. Senator Manzoor Ahmed	Member
10. The Minister of State for Finance and Revenue	Ex-Officio
Member	

5. The list of participants is attached.

6. The proposals of Members of the Senate referred to, and as received by, the Senate Standing Committee on Finance and Revenue is placed at (Annex-A), Standing Committee on Planning, Development and Special Initiatives, at (Annex-B), and the consolidated recommendations addressed to the National Assembly of Pakistan at (Annex-C). The Committee in its meeting held on 22<sup>nd</sup> June, 2024, (in the evening) gave approval for presentation of this report to the House.

  
(IFFAT MUSTAFA)  
Secretary (Committee)

  
(SENATOR SALEEM MANDVIWALLA)  
Chairman (Committee)

Islamabad, the  
24<sup>th</sup> June, 2024

**LIST OF PARTICIPANTS TO THE MEETINGS OF THE SENATE STANDING COMMITTEE ON FINANCE AND REVENUE HELD AT PARLIAMENT HOUSE FROM 13<sup>th</sup> TO 22<sup>nd</sup> JUNE, 2024**

SL. #	NAME/DESIGNATION	MINISTRY/DIVISION
1.	Mr. Amjad Zubair Tiwana	Chairman FBR
2.	Muhammad Shabbir, Secretary Council	FBR
3.	Arshad Jabbar, Member Custom	FBR
4.	Tuasif Aiman Gurchani, Secretary Custom	FBR
5.	Fazle Samad, Secretary Custom	FBR
6.	Amina Faiz Bhatti, Member IR	FBR
7.	Muhammad Nayyer Shafique, Chief Custom Tariff and Trade	FBR
8.	Masood Akhtar, Chief Income Tax Policy	FBR
9.	Fakhriya Anjum, Chief (Sales Tax and FED)	FBR
10.	Mir Badshah Khan	FBR
11.	Arshad Jawad FBR	FBR
12.	Naveed Zafar, APS	FBR
13.	Amjad Mahmood, Addl Secretary	M/o Finance
14.	Munir Ahmed, Sr. Joint Secretary	M/o Finance
15.	Arshad Hayat, Joint Secretary	M/o Finance
16.	Rana Obaid, Joint Secretary	M/o Finance
17.	Imran Ali, S.O(Council)	M/o Finance
18.	Karim Aziz, Chairman	FPCCI
19.	Dr. Arshad Malik, Advisor to President FPCCI	FPCCI
20.	Malik Sohail, Chairman Goods	FPCCI
21.	Syed Hamid Ali, Additional Secretary	M/o Commerce
22.	Muhammad Salman Khan	M/o Commerce
23.	Muhammad Ashfaq, Joint Secretary	M/o Commerce
24.	Jam Muhammad Aslam, Addl Draftsman	M/o Law and Justice
25.	Muhammad Hunair Special Secretary	Economic Affairs Division
26.	Muhammad Asif, Chief	Economic Affairs Division
27.	Samar Ihsan, Additional Secretary	Economic Affairs Division
28.	Muhammad Asif, Chief Policy	Economic Affairs Division
29.	Muhammad Iqbal Tabish, Member	National Tariff Commission
30.	Masroor Hussain, Chairman OGRA,	OGRA
31.	Ms. Bushra Aiman, Special Secretary	Petroleum Division
32.	Amjad Mahmood, A.S	Petroleum Division
33.	Syed Shujat H. Bukhari, Director (LGs)	Petroleum Division
34.	Shabbir Ahmed, D.D Petroleum Division	Petroleum Division
35.	Muhammad Aman, S.O(C)	Petroleum Division
36.	Shafique Quershi, Superintendent	Petroleum Division
37.	Mubashir Aziz, A.D	Petroleum Division
38.	M. Ghayas Afridi, A.D	Petroleum Division
39.	Mukhtar Paras, Joint Secretary Admn	Cabinet Division
40.	Syed Kashif Kazmi, Dy. Director APO	Cabinet Division
41.	Muhammad Rashid Usman	Cabinet Division
42.	Muhammad Burhan, S.G GCCI	Gujranwala Chamber of Commerce and Industry
43.	Shahid Mahmood ASI	Gujranwala Chamber of Commerce and Industry

44.	Abbas Amjad Ali, Patron in Chief	Pakistan Association of Large Steel Producers
45.	Syed Wajid I. Bukhari, Secretary General	Pakistan Association of Large Steel Producers
46.	Adnan Alam, Deputy D.G	Geological Survey of Pakistan
47.	Abdul Samie, Director General	Board of Investment
48.	Mamoona Nazir, Mmember	Board of Investment
49.	Kashmala Shahid,	EMD
50.	Dr.Muhammad Javaid, Advisor	APTMA
51.	Shahid Munir Sattar, Secretary General	APTMA
52.	Engr. K. R. Ali, CEO	Engineering Development Board
53.	Asim Ayaz, GM	EDB
54.	Zia ud Din Kazmi CF&AO	M/o Information Technology & Telecommunications
55.	Baidar Bakht, Coordinator	M/o Information Technology & Telecommunications
56.	Nadeem Aslam Malik, Secretary General	Pak IT Industry Association
57.	Laraib Farhat, Policy and Government Affairs	Pak IT Industry Association
58.	Gulraiz Iqbal, Policy and Government Affairs	Pak IT Industry Association
59.	Muhammad Imran Director	Raziq International
60.	Adnan Salabat CFO	Raziq International
61.	Zahid Sultan, CFO	MetPAK
62.	Faiz u DIN	Stationery Association of Pakistan
63.	Khawaja Ishfaq	Stationery Association of Pakistan
64.	Ahmed Baig,	Stationery Association of Pakistan
65.	Sheikh Waqar Ahmed	Nestle
66.	Raza Hamood	A.F Ferguson
67.	Aamir Younas	EY Ford Rhodes
68.	Ameer Peter	Partner KPMG
69.	Shahnawas Mahmood	Finnext
70.	Ahmed Mitha,	Pakistan Stock Exchange
71.	Ch. Bilal Hassan, Head of Sales,	Haleeb Foods
72.	Faisal A. Nisar, CFO	Shezan Intl. Ltd
73.	Ajmal Waheed; CEO	NBP Funds
74.	M. Adli Rashid, CEO	HBL Asset Management
75.	Maqsood Ismail.	MD IIL
76.	Aetsham Munir khan	Fruit Juice Council Representative
77.	Noor Aftab	Tetra Pack Fruit Juice Committee
78.	Faad Waheed, SVP	ICCI
79.	Milad Khattak, Head of GR	Special Technology Zone
80.	Ali Asghar, S.B.	Pakistan Steel RE-rolling Mills Association
81.	Ghulam Ali Bhatia	Pakistan Steel RE-rolling Mills Association

82.	Ali Asghar	IMC
83.	Shan ul Haq	Telenor
84.	Naveed K. Butt	PTCL
85.	Kamal Ahmed	Telecom Operators Association
86.	Fakhar Ahmed	Jazz
87.	Asim Imdad Ali	Telecom
88.	Fatima Akhtar	Jazz
89.	Najeeb Abbasi	Filter Pak
90.	Usman Zaheer	Dairy Association
91.	Syed Saud A. Pasha	Dairy Association
92.	Dr. Muhammad Nasir	Dairy Association
93.	Atikeh Mir Khan	Dairy Association
94.	Adnan Jalil Azam	Newage Cables
95.	Dr. Khurram Tariq	President Faisalabad Chamber of Commerce
96.	Zahid Ahmed, General Secretary	Islamabad Jewelers Association
97.	Muhammad Shamim	Jewelers Association
98.	Arif Patel	All Pakistan Jewelers Association
99.	Zahid Bashir	Pakistan Retail Business Council
100.	Hamid Zaman	Pakistan Retail Business Council
101.	Ahmed Sajeel	Dewan Motors
102.	Muhammad Ali Butt	Pakistan Ferrous and Non-Ferrous Metal Association
103.	Omar Allawala	CEO Oleo Corp
104.	Arshad Iqbal,	All Pakistan Fertilizer Dealer Association
105.	Zunair Zafar	LUMS University
106.	Faraz Fazal, President	Rawalpindi Tax Bar

**C O N T E N T S**

<b><u>Sr. No.</u></b>	<b><u>NAME OF SENATORS</u></b>	<b><u>PAGE NOS.</u></b>
1.	Senator Sarmad Ali	1 - 2
2.	Senator Sardar Al Haj Muhammad Umer Gorgaij	2 - 3
3.	Senator Zeeshan Khanzada	4 - 10
4.	Senator Muhammad Abdul Qadir	11 - 12
5.	Senator Dr. Zarqa Suharwardy Taimur	12 - 16
6.	Proposals of Senate Standing Committee on Finance & Revenue	16 - 19

**PROPOSALS OF MEMBERS OF THE SENATE FOR THE BUDGET**

**YEAR 2024-25**

**1. SENATOR SARMAD ALI**

- i. Recommendation to revive zero-rated status for the newsprint.

10% GST has been imposed on newsprint imports which will adversely impact the feasibility of the industry. A teetering industry under immense financial pressure has ceased to be a profitable one. Newspaper owners already find it difficult to make ends meet with a constant need to inject funds to pay salaries to thousands of employees. The current financial mode does not allow, let alone incentivize, newspaper owners to take measures to improve their circulation numbers owing to the already ballooned international newsprint prices and the dollar parity. Further increase in newsprint prices is tantamount to financial murder of newspapers and millions of people directly or indirectly associated with the industry.

This is specifically true for regional newspapers which make around \*70%\* of the industry putting their existence at stake and potentially promoting oligopolistic environment and dominance of few bigger players.

The total annual newsprint import stand at fifteen thousand tones amounting to Rs.3.5-4 billion, 10% of which will amount to maximum Rs.40 crores. The potential of this GST imposition is not considerable enough for which it is worth putting a whole industry at risk. It is recommended to review this and revive the zero-rated status for the print industry.

**Recommended by Majority**

- ii. 10% GST has been imposed on Pencils, Colour Pencils, Exercise books, writing, drawing and marking Ink, erasers, Pencil Sharpners, Mathematical Calculators, Pens, Ball Points, Markers, etc which will adversely impact the capacity of of the parents/families of school and college going students. Middle class, lower middle class and lower class families in particular are reeling under the impact of inflation. This increase in the prices of these stationary items will further impact their monthly expenses on education.

The total annual import of some of these items i.e. exercise books, note books, diaries,



pencils and crayons, color pencils etc. stand at Rs.3547 million. 10% of this will amount to Rs.354 Million. This is added a very small amount to our federal revenues. The cost of this tax is going to be very high in comparison with its financial benefit.

It is recommended to review this and remove this GST on these stationary items.

**Recommended**

(Clubbed with SSC on Finance No.iii)

- iii. All charitable hospitals desperately need government help. The Budget proposes to remove the GST exemption for Medical equipment, medicines, Intra. Ocular Lens used in Cataract surgery & other medical devices. This will increase the costs by at least 18% which will reduce the ability to provide free treatment to 18% of the more than 3 million patients who visits so many charitable hospitals & Primary Eye care Centers like LRBT and others .

As the Government doesn't allocate enough to healthcare all charitable hospitals fill the gap & treat those living around the poverty line free of cost. This move will be disaster for the 40% of our population who live in poverty.

**Recommended**

2. **SENATOR SARDAR AL HAJ MUHAMMAD UMER GORGALI**

- i. It is recommended to cut increases in levies on petroleum products.

**Recommended**

- ii. It is recommended that measures be implemented to broaden the tax base and reduce the tax load on the salaried class.

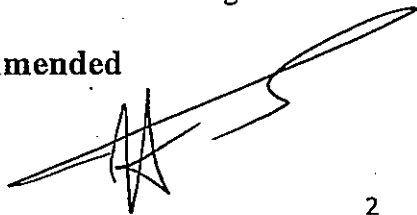
**Recommended**

- iii. It is recommended that new development programs and schemes be announced for Balochistan, addressing the needs of this deprived province.

**Recommended**

- iv. It is recommended that youth development programs, scholarships, and schemes be included in the federal budget to benefit the students and youth of Balochistan.

**Recommended**



- v. It is recommended that special attention be given to improving the education and health infrastructure in Balochistan in the federal budget for 2024-25, ensuring these critical areas are not overlooked.

**Recommended**

- vi. It is recommended to introduce incentives and support programs for SMEs, which can drive economic growth and create jobs, especially in underdeveloped regions like Balochistan.

**Recommended**

- vii. It is recommended to allocate funds for energy projects in Balochistan, including LPG plant, to address power shortages in the province.

**Recommended**

- viii. It is recommended to invest in water management infrastructure in Balochistan, including dams and irrigation systems, to address water scarcity issues.

**Recommended**

- ix. It is recommended to enhance transportation infrastructure, such as roads and railways, in Balochistan to improve connectivity and support economic activities.

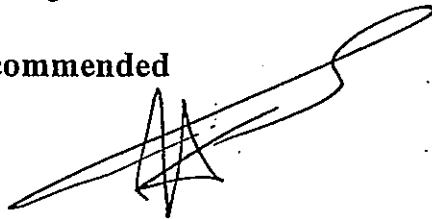
**Recommended**

- x. It is recommended to allocate resources to enhance security in Balochistan, fostering a safer environment for residents and investors.

**Recommended**

- xi. It is recommended to enhance disaster management capabilities in Balochistan, preparing for natural calamities and ensuring rapid response and recovery.

**Recommended**

A handwritten signature in black ink, consisting of a series of overlapping loops and lines, positioned below the word 'Recommended'.

3. **SENATOR ZEESHAN KHANZADA**

- i. Exemption of Local Supplies made in the region of FATA/PATA.

**Proposed Modification**

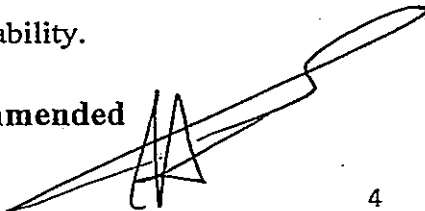
It is proposed that exemption in line with Income Tax Ordinance, 2001 should be reinstated till June 30, 2025.

**Rationality**

Providing sales tax exemptions to the Federally Administered Tribal Areas (FATA) and Provincially Administered Tribal Areas (PATA) can significantly stimulate economic growth and industrial development in these regions. Historically, these areas have faced challenges such as inadequate infrastructure, limited access to markets, and socio-political instability, which have hindered industrial growth. By offering extension in sales tax exemptions, the government can lower the cost of doing business, making these regions more attractive for investors. This financial relief can enable local businesses to reinvest savings into expanding operations, upgrading technology, and increasing employment opportunities, thereby fostering a more vibrant industrial sector and overall economic development.

Additionally, such tax exemptions can help integrate FATA and PATA into the broader national economy, reducing economic disparities between these regions and more developed parts of the country. Industrial growth fueled by tax incentives can lead to the development of ancillary industries, improvement in infrastructure, and enhancement of local skills through job creation and training programs. This, in turn, can uplift the standard of living and promote social stability. By creating a conducive environment for industrial growth through fiscal incentives, the government not only addresses regional inequalities but also harnesses the economic potential of these strategically important areas, contributing to national economic resilience and sustainability.

**Recommended**



- ii. Local Supplies to be taxed at reduced rate of 16% instead of standard rate of 18%.

**Proposed Modification**

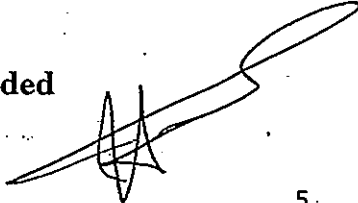
It is proposed that Government should charge sales tax at the reduced rate of 16% instead of standard rate of 18%.

**Rationality**

Charging sales tax at a reduced rate for the Federally Administered Tribal Areas (FATA) and Provincially Administered Tribal Areas (PATA) offers a strategic approach to fostering industrial growth and lowering the cost of doing business in these underdeveloped regions. Reduced sales tax can make it more affordable for businesses to operate by lowering the financial burden associated with production and distribution. This reduction in operational costs can enhance profitability, enabling businesses to reinvest in their operations, such as by purchasing advanced machinery, expanding facilities, or increasing workforce capacity. The financial relief provided by a lower tax rate can make these regions more competitive and attractive to investors, thereby stimulating economic activity and industrial development.

Furthermore, a reduced sales tax rate can help level the playing field between FATA/PATA and more economically advanced regions, promoting regional equity. By reducing the cost of goods and services, local businesses can offer more competitive prices, boosting their marketability and encouraging consumer spending within the region. This can lead to increased demand for locally produced goods, fostering the growth of small and medium enterprises (SMEs) and contributing to a more robust local economy. Additionally, as industries grow and stabilize, they can create more employment opportunities, leading to improved socio-economic conditions. In the long run, these tax incentives can drive sustainable development, reduce regional disparities, and integrate FATA/PATA more effectively into the national economy, contributing to overall economic resilience and stability.

**Recommended**



iii. Change in rate of sales tax on Imported Supplies

**Proposed Modification**

It is proposed that the rate of sales tax should be reduced to 3% till June 30, 2025 and 6% from July 01, 2025 to June 30, 2026.

**Rationality**

Implementing a reduced sales tax rate in the Federally Administered Tribal Areas (FATA) and Provincially Administered Tribal Areas (PATA) is a strategic measure to stimulate industrial growth and lower business costs in these underdeveloped regions. By alleviating the financial burden of production and distribution, reduced sales tax enhances profitability, enabling businesses to reinvest in operations, upgrade technology, and expand their workforce. This fiscal relief makes FATA and PATA more attractive to investors, promoting regional equity by leveling the economic playing field. As local businesses become more competitive with lower prices, consumer spending is likely to increase, fostering the growth of small and medium enterprises and contributing to a vibrant local economy. The ensuing industrial growth creates employment opportunities, improves socio-economic conditions, and drives sustainable development. Ultimately, reduced sales tax integrates these regions more effectively into the national economy, addressing regional disparities and bolstering overall economic resilience.

**Recommended**

iv. Issuance or Rejection of Consumption Certificate within Six Months of Application

**Proposed Modification**

It is proposed that consumption certificate should be issued within six months of submission of application by taxpayer.

**Rationality**

The timely issuance or rejection of consumption certificates by the Commissioner is vital for ensuring operational efficiency, financial stability,

and regulatory compliance for businesses. Consumption certificates verify the use of goods and materials in production, enabling companies to claim necessary tax deductions or exemptions. When these certificates are promptly issued or rejected, businesses can swiftly complete their tax returns and access financial relief, enhancing cash flow management and reducing fiscal uncertainty. Timely decisions allow companies to plan and allocate resources effectively, supporting informed operational and financial strategies.

Additionally, prompt issuance or rejection of consumption certificates fosters a transparent and efficient regulatory environment. Businesses benefit from clear, predictable timelines, reducing administrative bottlenecks and mitigating the risks of operational disruptions caused by prolonged uncertainty. This efficiency builds trust between businesses and regulatory authorities, promoting a cooperative and supportive business climate. Furthermore, ensuring timely decisions helps maintain compliance with tax regulations and prevents potential disputes or legal challenges. Ultimately, this approach not only aids individual businesses in achieving financial and operational stability but also contributes to broader economic growth and resilience.

### **Recommended**

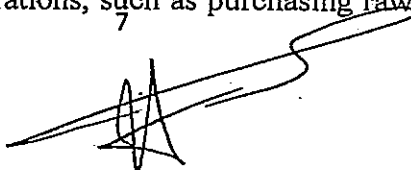
- v. Return of PayOrders of Postdated Cheques to Taxpayers

### **Proposed Modification**

It is proposed that pay-orders or postdated cheques issued to Commissioner should be returned to the taxpayer within one month of presentation of Consumption or Installation Certificate with Custom Authorities.

### **Rationality**

Returning pay orders or postdated cheques within one month of presenting the Consumption or Installation Certificate to Customs Authorities is crucial for maintaining financial fluidity and operational efficiency for businesses. This timely return of financial instruments ensures that businesses do not experience prolonged periods of restricted liquidity, allowing them to reinvest these funds into their operations, such as purchasing raw materials, upgrading

7  


equipment, or expanding their workforce. The swift return of these cheques or pay orders reduces the financial burden and uncertainty, enabling better financial planning and stability.

Moreover, this practice enhances trust and cooperation between businesses and regulatory authorities. When businesses see that their financial commitments are managed efficiently and that their funds are promptly returned upon fulfilling regulatory requirements, it fosters a positive business environment and encourages compliance. This efficiency reduces administrative bottlenecks and the potential for disputes, ensuring smoother operations. Overall, the prompt return of pay orders or postdated cheques not only supports the financial health of businesses but also contributes to a more predictable and supportive regulatory framework, which is essential for fostering economic growth and sustainability.

### **Recommended**

- vi. Exemption of Minimum Taxation under Section 113 of Income Tax Ordinance, 2001 for FATA/PATA Region

#### **Proposed Modification**

As was promised; resident persons (individuals, partnerships and companies) in erstwhile FATA and PATA should be provided Exemption from Minimum tax under section 113(1) of ITO, 2001. This exemption should be provided in Part IV of Second Schedule.

#### **Rationality**

Through the 25th amendment in the Constitution of Pakistan FATA and PATA regions were merged with the Khyber Pakhtunkhwa Province, Pakistan. After merger with KPK, Pakistan, the need of the hour was to provide FATA and PATA residents and companies a provisional period to enjoy its income tax and sales tax exemption, therefore, the incomes of the resident individuals, resident partnerships and resident companies in the Tribal area forming part of Province of Khyber Pakhtunkhwa were declared exempt from the levy of Income Tax under clause 145A of Part I of Second Schedule to the Income Tax Ordinance 2001 for a period of 5 years starting from June 01, 2018 (which was later on extended till June 2024 and 2025 with this proposed amendment), the above mentioned clause states that:

“Any income which was not chargeable to tax prior to the commencement of the Constitution (Twenty-fifth Amendment) Act, 2018 (XXXVII of 2018) of any individual domiciled or company and association of persons resident in the Tribal Area forming part of the Provinces of Khyber Pakhtunkhwa and Balochistan under paragraph (d) of Article 246 of the Constitution with effect from the 1st day of June, 2018 to the 30th day of June, 2023 (both days inclusive) (which was later on extended till June 2024 and 2025 with this proposed amendment)

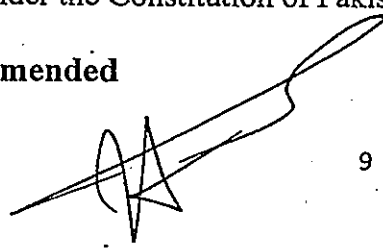
Despite the fact that law makers’ intention was quite clear, that is, to provide income tax exemption to such regions which previously enjoyed special status under the Constitution of Pakistan, still income tax exemption in full spirit was not provided after the merger, as the individuals, association of persons and Companies resident in the Tribal areas now forming part of the KPK Province, still attract the provisions of Section 113 of the Income Tax Ordinance 2001 and are liable to pay minimum tax of 1.5% of the revenue despite enjoying income tax exemption on its income, Section 113(1) of ITO 2001 states:

“This section shall apply to a resident company, an individual (having turnover of ten million rupees or above in the tax year 2017 or in any subsequent tax year) and an association of persons (having turnover of ten million rupees or above in the tax year 2017 or in any subsequent tax year) where, for any reason whatsoever allowed under this Ordinance, including any other law for the time being in force—

- (a) loss for the year;
- (b) the setting off of a loss of an earlier year;
- (c) exemption from tax;
- (d) the application of credits or rebates; or
- (e) the claiming of allowances or deductions (including depreciation and amortization deductions) no tax is payable or paid by the person for a tax year or the tax payable or paid by the person for a tax year is less than the percentage as specified in column (3) of the Table in Division IX of Part-I of the First Schedule of the amount representing the person’s turnover from all sources for that year:”

It’s only just and rational to provide FATA and PATA resident persons with complete income tax exemption in true spirit as they had before under the Constitution of Pakistan.

**Recommended**





- vii. Exemption from Advance tax on Sales to Distributors, Dealers and Wholesalers in FATA/PATA region

**Proposed Modification**

As was promised; resident persons (individuals, partnerships and companies) in erstwhile FATA and PATA should be provided Exemption from Advance Tax applicable on Distributors, Dealers and Wholesalers.

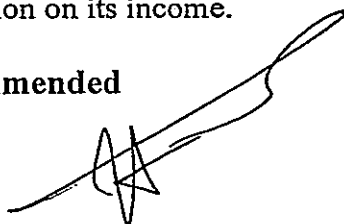
**Rationality**

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Despite the fact that law makers' intention was quite clear, that is, to provide income tax exemption to such regions which previously enjoyed special status under the Constitution of Pakistan, still income tax exemption in full spirit was not provided after the merger, as the individuals, association of persons and Companies resident in the Tribal areas now forming part of the KPK Province, still attract the provisions of Section 236G of the Income Tax Ordinance 2001 and are liable to pay advance tax despite enjoying income tax exemption on its income.

**Recommended**



4. SENATOR MUHAMMAD ABDUL OADIR

TAX REFORMS FOR CONSTRUCTION SECTOR

- Second largest sector after agriculture in creating employment
- 40 allied manufacturing industries are already involved provide jobs to skilled, unskilled workers, who de abroad for earning foreign exchange

Current Status

- ❖ A O P 8% AT SOURCE
- ❖ COMPANIES 7.5% AT SOURCE
- ❖ FINAL TAX REGIME WAS ABOLISHED AND CONVERTED TO MINIMUM TAX

A) INCOME TAX

- Engineering estimates allows 10% profit of the contractor
- 29% corporate tax is deducted. Maximum 3% may be withheld as advance tax.

Request:

- Tax regime may be reverted to prior finance Act 2019.
- We may be treated either in final tax regime (FTR) or maximum tax 3% of Turnover

**Recommended**

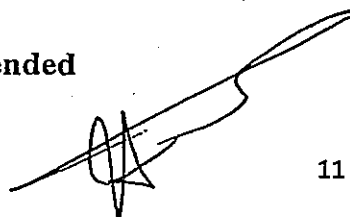
B) WITHHOLDING AGENT

- Dynamics of construction industry is such that small scale suppliers (including sand, crush, bricks, construction material, carriage vendors, excavation services etc.) are not registered and don't have Bank accounts or NTN numbers no supplier/vendor agrees to deduct the tax by construction companies resulting in paying income tax (by contractors) from own profits which result in project cost escalation.

Request:

- Contractor should not be treated as withholding tax agent against purchase of material. OR allowed 40% of turnover to be exempt from withholding regime

**Recommended**



C) SUPER TAX

- Section 4B super tax was introduced via F. Act 2015 for Tax years 15, 16, 17, 18 & 19 at 4% of income of company having income exceeding 500M. Tax was reduced to 3%, 2% and zero percent for tax year 2020. For this section, tax was also levied on imputable income which is with reference to income under final taxation and is determined by reversing tax deducted as final tax. This has resulted in huge tax burden to companies having income subject to final tax and ever since the matter is under litigation

Request

- To abolish/ withdraw the super tax, since tax year 2015

**Recommended**

D) ADDITIONAL APPEALS

- FBR must not require the time-based records (record after lapse of 5 years).
- Blocking of company Bank account without prior notice to party may be stopped.
- Hurdle and problem for granting legitimate refund of income tax and sales tax may be reviewed and resolved.
- Convert the existing sick construction industry into a workable industry.

**Recommended**

5. SENATOR DR. ZAROA SUHARWARDY TAIMUR

- i. Recommended that the sale of GORs in different cities especially Lahore & Islamabad to generate revenue.

**Recommended**

- ii. Recommended that give ease of business & one window operation & other perks to overseas Pakistani s to invest money in Pakistan.

**Recommended**

- iii. Recommended that (In non-tax revenue) the petroleum levy on petroleum products that has been increased from Rs60 to Rs80 per litre, increasing its annual yield by 47pc to Rs1.28tr. should be withdrawn;

**Recommended**

- iv. Recommended that the 1.3 tr. increase in general sales collection/GST that is

expected to increase by 36pc to Rs4.9tr next year, must be immediately withdrawn.

### **Recommended**

- v. Recommended that Rs.7458 billion under the head of Indirect Taxes, including sales tax, excise duty, customs duty, and service tax should be reduced by 50 percent in order to lower the prices of essential goods and food items for a poor person;

### **Recommended**

- vi. Recommended that Rs.5512 billion under the head of direct taxes must be increased through broadening the tax net and inclusion of big industries such as sugar, cement, tobacco, fertilizers, power sector entities, and big business chains under the direct tax net.

### **Recommended**

- vii. Recommended that the minimum wage that has been raised to Rs.37,000 must be brought Rs.45,000 at the threshold level keeping in view of the duty hours of laborers, poor workers working in undocumented sectors and factories.

### **Recommended**

- viii. Recommended that instead of imposing reduction in concession of customs duties on import of Electric vehicles having value above US\$ 50,000, the same must be substituted on imported vehicles of 660 cc so that a common man may also use safe and environment friendly Electric Vehicles.

### **Recommended**

- ix. Recommended that ZERO RATED EXEMPTIONS should be continued in the following sectors such as pharmaceuticals, books and newspapers, agriculture produce and medical supplies that were exempted from any application of sales tax.

(Justification of maintaining the Zero Rated Exemptions: Once these taxes are implemented, it can be seen that the pharmaceutical industry will see its prices

going up leading to a higher hospital bill. Agriculture produce is an input in many industries and it can be expected that food related industries like wheat and rice and textile industries related to cotton will see an increase in prices. Lastly, books and newspapers will also get expensive which will impact the cost of education related to children.

**Recommended**

- x. Recommended that in terms of the standard rate, standardized Sales Tax i.e., 18 percent proposed ST must be levied on services of banking, construction, shipping, telecom, advertising and event organization, hotels and restaurants.

**Recommended**

- xi. Recommended that instead allocating of Rs2bn for the establishment of Danish school in Islamabad, the same amount must be allocated to repair and renovate the hundreds of public schools in Islamabad,

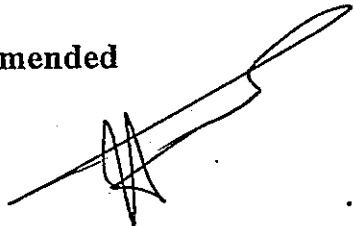
**Recommended**

- xii. Recommended that Section 4B was inserted vide Finance Act 2015 for rehabilitation of Temporary Displaced Persons (TDPs) to cope up with the emergency arose. After lapse of significant time, now this burden of tax on taxpayers should be lifted up. Further, as it is only levied on banks currently, therefore to avoid this discrimination it is suggested to completely abolish the section.

**Recommended**

- xiii. Recommended that Levying of tax on property falls under the jurisdiction and ambit of Provincial Governments and provincial tax authorities are responsible to administer collection of such tax. Considering properties as deemed income and then impose income tax on these properties in unjustified and contradictory to the basic principle of taxation. Provincial Governments may amend their laws accordingly to address the matter, if required:

**Recommended**



- xiv. Recommended that in order to discourage parking of black money in real estate sector and also to collect tax u/s 236C & 236K of the Income Tax Ordinance, 2001 on realistic/actual value of property.

#### **Recommended**

- xv. Recommended that total expenditure of the government is 18.877 bn. Whereas total revenue is targeted at 17.815 bn, 1.062 bn. must be reduced from the expenditure side through following measures of expenditure cuts:

- a. Salaries for grades 17-22 have been raised by 20%. In addition, the pensions of government employees have been raised by 15%. It is recommended that the 20 % addition must be reduced by 10 percent and 15% increase in pensions must also be brought at 10 percent.

#### **Withdrawn**

- b. All the allowances and perks of civil servants-(including cost of housing, free units of electricity and free fuel) working from grade 20 to 22 in federal ministries and government departments including 36 federal secretaries, must be included and shown in their salary slips;

#### **Withdrawn**

- c. Capacity payments to IPPs for 2024 are around Rs2. 1 trillion. These must be immediately done away with through renegotiating the IPPs agreements;

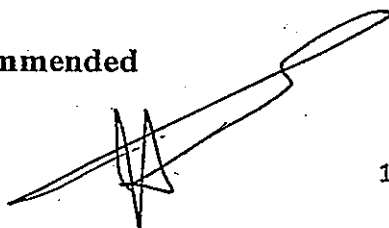
#### **Recommended**

- d. Persons, sectors and entities involved in Tax Evasion of approximately Rs5. 8 trillion annually, which constitutes about 6.9% of the country's Gross Domestic Product (GDP) must be immediately brought under the Tax Net.

#### **Recommended**

- e. By imposing a complete ban on smuggling of goods, we can save a huge revenue every year. For example, Iran smuggles \$1bn worth of fuel into Pakistan annually. There are other instances of smuggling in different sectors. That must be curbed.

#### **Recommended**



- f. Many "commercial importers" have been importing goods under the garb of fake registration as "manufacturer" to attract reduced rate of custom duties and income tax. It is strongly recommended and proposed to place system-based controls to track those commercial importers involved in under invoicing and importing under the garb of registration as manufacturers. To promote documentation of the economy & providing a level playing field for the formal sector.

**Recommended**

6. **PROPOSALS OF SENATE STANDING COMMITTEE ON FINANCE & REVENUE**

- i. The Senate of Pakistan recommends to the National Assembly that credit/debit card transaction should be made mandatory on purchases above Rs.35000/- to encourage the documentation of the Economy.

**Recommended**

- ii. The Senate of Pakistan recommends to the National Assembly that a uniform rate of sales tax should be imposed on the parts related to solar industry whether imported or produced locally.

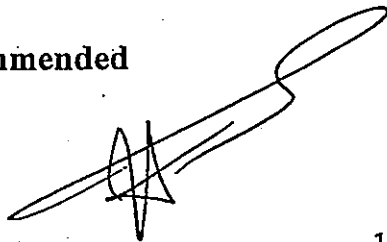
**Recommended**

- iii. The Senate of Pakistan recommends to the National Assembly that sales tax imposed on eight stationery items through Finance Bill, 2024, should be withdrawn in order to maintain the pre-budget status co under the fifth and sixth schedule of the Sales Tax Act.

**Recommended**

- iv. The Senate of Pakistan recommends to the National Assembly that prices should be printed on all consumer and retail goods available for sale in the market to facilitate the consumer for rational decision regarding purchase.

**Recommended**



- v. The Senate of Pakistan recommends to the National Assembly that agrarian economy should also be taxed like other sectors i.e. industries, organizations etc.

**Recommended**

- vi. The Senate of Pakistan recommends to the National Assembly that FBR should identify the organizations taking advantage of tax exemptions under the garb of charitable organizations.

**Recommended**

- vii. The Senate of Pakistan recommends to the National Assembly that to increase the capacity of FBR to broaden the tax net, the 5000 vacant posts in FBR should be filled on priority following the proper meritorious procedure of appointment.

**Recommended**

- viii. The Senate of Pakistan recommends to the National Assembly that disabled persons should be given an extra allowance equivalent to 100% of their basic pay, as they are in number less than 2% of the total employees.

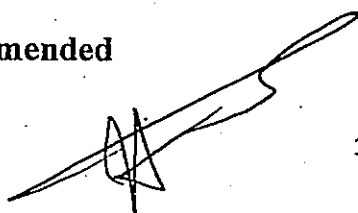
**Recommended**

- ix. The Senate of Pakistan recommends to the National Assembly that "Remote Workers" should not be treated at par with the Free Lancers for taxation purposes.

**Recommended**

- x. The Senate of Pakistan recommends to the National Assembly that corporate debit card transactions should be exempted from the additional 5% tax to avoid double taxation and promote the use of ESFCAs on foreign exchange earned by the IT Companies which are registered with Pakistan Software Export Board (PSEB) or P@SHA.

**Recommended**





- xi. The Senate of Pakistan recommends to the National Assembly that SBP Circular should be implemented on all banks to start online Forex banking and issuance of debit cards for ESFCA on foreign exchange earned by the IT Companies which are registered with Pakistan Software Export Board (PSEB) or P@SHA.

**Recommended**

- xii. The Senate of Pakistan recommends to the National Assembly that doubled taxation has to be avoided on IT Companies with respect to payment to their non-resident vendors contractors.

**Recommended**

- xiii. The Senate of Pakistan recommends to the National Assembly that to revise the retention limit of Forex up to 50% to be allowed to the IT Companies and for that purposes to minimize the processes of approval on the allowed 50% funds retained by the IT Companies.

**Recommended**

- xiv. The Senate of Pakistan recommends to the National Assembly that no additional taxes should be imposed on mobile phones and the original tiers of taxation be retained.

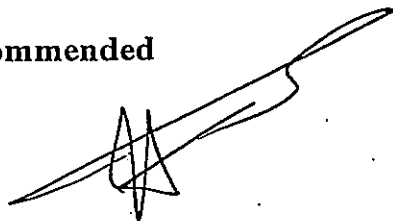
**Recommended**

- xv. The Senate of Pakistan recommends to the National Assembly that sales tax imposition on poultry feed should be withdrawn as it will increase the prices of poultry products which will affect the consumers.

**Recommended**

- xvi. The Senate of Pakistan recommends to the National Assembly that tax should be collected from the people owing property outside Pakistan at the rate of 1 percent of rental value of property instead of property value.

**Recommended**

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- xvii. The Senate of Pakistan recommends to the National Assembly that the existing limit amounting to 30,000 USD per annum on Credit Card usage should be enhanced atleast amounting to 50,000 USD per annum.

**Recommended**

- xviii. The Senate of Pakistan recommends to the National Assembly that rates of FED should be reduced on the imported / local production of acetate two and filter rods so that the local industry engaged in its production may survive.

**Recommended**

- xix. The Senate of Pakistan recommends to the National Assembly that in clause (17), after sub-clause (ix) of the Income Tax Ordinance, 2001, following shall be inserted namely:-

“in Schedule I, in part II, in the Table, in column (1), against S.No.3, in column (3), for the expression “5.5”, the expression “2.2” shall be substituted”

**Recommended**

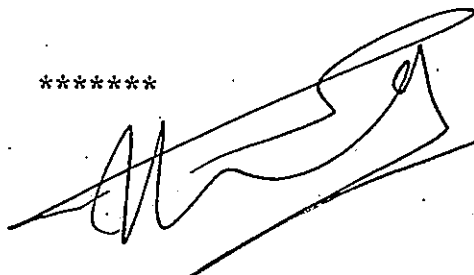
- xx. The Senate of Pakistan recommends to the National Assembly that in the Fifth Schedule, in Part I, in the Table, Column (1), against S.No.21, in Column (iii), against PCT code 7020.0090, in Column (4), for the expression “30%”, the expression “0%” shall be substituted.

**Recommended**

- xxi. The Senate of Pakistan recommends to the National Assembly that to insert PCT 99.29 in the Clause 167 of Sixth Schedule of Sales Tax Act and in Custom Tariff in last column of PCT 99.29 to change 17% with 0%.

**Recommended**

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**REPORT OF THE SENATE STANDING COMMITTEE ON  
PLANNING, DEVELOPMENT AND SPECIAL INITIATIVES**



House of the Federation

**“REPORT RELATING TO THE PUBLIC SECTOR  
DEVELOPMENT PROGRAM (PSDP) 2024-25”**

***Presented by:***

**SENATOR QURAT UL AIN MARRI  
Chairperson**

**Senate Standing Committee on Planning, Development and Special Initiatives**

**Report No. 1/2024-27**

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# SENATE SECRETARIAT

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## REPORT OF THE STANDING COMMITTEE ON PLANNING, DEVELOPMENT & SPECIAL INITIATIVES ON THE PUBLIC SECTOR DEVELOPMENT PROGRAMME (PSDP) 2024-2025 AND RECOMMENDATIONS FOR THE FEDERAL BUDGET 2024-2025

I, Senator Qurat ul Ain Marri, Chairperson, Standing Committee on Planning, Development & Special Initiatives, has the honor to present on behalf of the Committee, this report on the Public Sector Development Programme (PSDP) 2024-2025 and Recommendations for the Budget 2024-2025;

2. The composition of the Committee is as under:-

i) Senator Qurat ul Ain Marri	Chairperson
ii) Senator Jam Saifullah Khan	Member
iii) Senator Shahadat Awan	Member
iv) Senator Liaqat Khan Tarakai	Member
v) Senator Sania Nishtar	Member
vi) Senator Zeeshan Khanzada	Member
vii) Senator Dr. Afnan Ullah Khan	Member
viii) Senator Khalil Tahir	Member
ix) Senator Mohammad Abdul Qadir	Member
x) Senator Atta ur Rehman	Member
xi) Minister for Planning, Development and Special Initiatives	Ex-Officio Member

3. The meetings of the Committee were convened from 13<sup>th</sup> to 15 June, 2024 and on 20<sup>th</sup> June, 2024 for finalization of the recommendations and report of the Committee. The Committee discussed and deliberated on each Ministry/ Division/ Department ongoing schemes and proposed New schemes under the PSDP 2024-25, the details are provided under;

### AVIATION DIVISION

The Committee was briefed that there are total of 11 Ongoing schemes and 2 New Schemes including a World Bank funded project on the Modernization of Hydromet Services of PMD in Pakistan under the PSDP 2024-2025 for the Aviation Division.

### BOARD OF INVESTMENT

The Committee was briefed that there are total of 3 Ongoing schemes and 2 New Schemes under the PSDP 2024-2025. The Committee inquired that project for Establishment of Project Management Unit (PMU) on China Pakistan Economic Corridor -Industrial Cooperation Development Project (CPEC-ICDP) under PSDP Sr# 14 has been allotted Rs.300 million when the total expenditure on the project has already been incurred. The Board of Investment representative informed the Committee that this increase is due to revisions of the cost of project.

### CABINET DIVISION

The Committee was briefed that there are total of 2 Ongoing schemes and 3 New Schemes under the PSDP 2024-2025 for the Cabinet Division including the Sustainable Development Goals Achievement Programme (SAP) which has an estimated outlay of Rs.75,000 million. The Committee directed to hold briefing following approval of SAP programme.

### CLIMATE CHANGE DIVISION

The Committee was briefed that there are total of 4 Ongoing schemes and only 1 New Scheme under the PSDP 2024-2025 for the Climate Change. The Committee directed the Ministry to provide Province Wise details of Tree Plantations (currently planted and to be planted in future) under the Green Pakistan Programme (PSDP Sr#26)

### COMMERCE DIVISION

The Committee was briefed that there are total of 1 Ongoing scheme and only 1 New Scheme under the PSDP 2024-2025 including Export Accelerator for SMEs. The Committee directed the Ministry to provide details on the approval of the said project before next meeting.

### COMMUNICATIONS DIVISION

The Committee was briefed that there are total of 5 Ongoing schemes of Communication Division which will be completed by next financial year and only 1 New Scheme under the PSDP 2024-2025. One ongoing Project of Pakistan Post Office will also be completed (PSDP Sr# 35)

Moreover, National Highway Authority (NHA) has total of 90 Ongoing schemes and 15 New Schemes under the PSDP 2024-2025. The Committee directed NHA to provide Province Wise details of all ongoing schemes and New Schemes proposed under the PSDP 2024-25 along with details of current allocation and recommended for allocation of funds under the PSDP 2024-2025 to prioritize all the projects for completion of Indus Highway (N-55).

The Committee also made recommendation for allocation of funds under the PSDP 2024-2025 and to prioritize the project of Construction of Hyderabad -Sukkur (306 KM), 6-Lane divided, fenced Motorway on Build Operate Transfer (BOT) basis (PSDP Sr#84)

The Committee recommends to the Finance Division to ensure allocation and release of funds for the project the Organization of Motorway Police under the National Highway and Motorway Police (NHMP) Department.

### DEFENCE DIVISION

The representative from the Defence Division briefed the Committee that out of 9 total ongoing schemes 7 schemes will be completed in the next financial year 2024-25 and 6 new schemes have been introduced under PSDP 2024-25.

### DEFENCE PRODUCTION DIVISION

The representative from the Defence Production Division briefed the Committee that only 2 ongoing schemes under the PSDP 2024-25 including Establishment of Project Management Cell for Creation of Shipyard at Gwadar (PSDP Sr# 158). The Committee recommends the processing of Land for the Establishment of Project Management Cell in consultation with the Government of Balochistan.

### ESTABLISHMENT DIVISION

The representative from Establishment Division briefed the Committee that out of 5 total ongoing schemes 4 schemes will be completed in the next financial year 2024-25 and 4 new schemes have been introduced under PSDP 2024-25.

### FEDERAL EDUCATION & PROFESSIONAL TRAINING DIVISION

The representative from the Federal Education & Professional Training Division briefed the Committee that there are 17 ongoing schemes and 5 new schemes have been introduced under PSDP 2024-25.

### FINANCE DIVISION

The representative from the Finance Division briefed the Committee that there are 8 ongoing schemes and 2 new schemes have been introduced under PSDP 2024-25.

### HIGHER EDUCATION COMMISSION

The representative from Higher Education Commission briefed the Committee that there are 138 ongoing schemes and 21 new schemes have been introduced under PSDP 2024-25

### HOUSING AND WORKS

The representative from Housing and Works Division briefed the Committee that there are 140 ongoing schemes and 22 new schemes have been proposed under PSDP 2024-25 and 14 ongoing schemes are expected to be completed in financial year 2024-25. The Committee however noted that many ongoing schemes are currently pending for completion and additionally the Ministry has further requested for New Schemes. The Committee thereafter recommended to the Ministry of Planning, Development & Special Initiatives that New schemes are only to be allowed under PSDP when at least 30% of the ongoing schemes have been completed under current PSDP

### HUMAN RIGHTS DIVISION

The representative from Human Rights Division briefed the Committee that there are 8 ongoing schemes and no new schemes has been proposed under PSDP 2024-25. The Ministry updated the Committee that 3 new schemes were proposed under PSDP 2024-25 however same were not included owing to funding requirements.

### INDUSTRIES AND PRODUCTION DIVISION

The representative from Industries and Production Division briefed the Committee that there are 13 ongoing schemes and no new schemes has been proposed under PSDP 2024-25 as the Ministry intends to complete its ongoing schemes.

### INFORMATION AND BROADCASTING DIVISION

The representative from Information and Broadcasting Division briefed the Committee that there are 5 ongoing schemes and 10 new schemes have been introduced under PSDP 2024-25.

### INFORMATION TECHNOLOGY AND TELECOM DIVISION

The representative from Information Technology and Telecom Division briefed the Committee that there are 15 ongoing schemes and 5 new schemes have been introduced under PSDP 2024-25

### INTER PROVINCIAL COORDINATION DIVISION

The representative from the Inter Provincial Coordination Division briefed the Committee that there are 9 ongoing schemes and 5 new schemes have been introduced under PSDP 2024-25. The Committee directed Ministry to provide justifications/ reason of allocation of Rs.5,000/- million under PSDP 2024-25 against Construction of 250 Mini Sports Complexes. (50:50) (PSDP Sr#690) whereas IPC division only required Rs. 450 million.

The Committee recommended that project Holding of National Games (PSDP Sr # 689) is Current expenditure in nature and should not be included as a development programme under PSDP.

### INTERIOR DIVISION

The representative from Interior Division briefed the Committee that out of 18 total ongoing schemes 6 schemes will be completed in the next financial year 2024-25 and 4 new schemes have been introduced under PSDP 2024-25

## LAW AND JUSTICE DIVISION

The representative from Law and Justice Division briefed the Committee that out of 9 total ongoing schemes 4 schemes will be completed in the next financial year 2024-25 and only one new scheme has been introduced under PSDP 2024-25.

## MARITIME AFFAIRS DIVISION

The representative from Maritime Division briefed the Committee that 6 new Schemes have been introduced under PSDP 2024-25 and currently there are no ongoing schemes in the PSDP.

## NARCOTIC CONTROL DIVISION

The representative from Narcotic Control Division briefed the Committee that there is only one ongoing scheme in the PSDP 2024-2025. However, the Committee recommended that new schemes may be included in the next PSDP owing to importance of narcotics control in the country.

## NATIONAL FOOD SECURITY & RESEARCH DIVISION

The representative from National Food Security & Research Division briefed the Committee that there are 18 ongoing schemes and 8 new schemes introduced under PSDP 2024-25

## NATIONAL HEALTH SERVICES, REGULATIONS & COORDINATION DIVISION

The representative from National Health Services, Regulations & Coordination Division briefed the Committee that there are 27 ongoing schemes and 14 new schemes introduced under PSDP 2024-25. The Committee recommended that funds be allocated for Prime Minister National Programme for Elimination of Hepatitis C Infection (PSDP Sr# 793) for completion of the project.

## PAKISTAN ATOMIC ENERGY COMMISSION:

The representative from the Pakistan Atomic Energy Commission (PAEC) briefed the Committee that out of 9 total ongoing schemes 7 schemes will be completed in the next financial year 2024-25 and one new scheme has been introduced under PSDP 2024-25.

## NATIONAL HERITAGE & CULTURE DIVISION

The representative from the National Heritage & Culture Division briefed the Committee that there are 7 ongoing schemes and 3 new schemes have been introduced under PSDP 2024-25.

## PAKISTAN NUCLEAR REGULATORY AUTHORITY:

The representative from the Pakistan Nuclear Regulatory Authority (PNRA) briefed that 2 ongoing schemes will be completed in next financial year 2024-25 and no New scheme has been introduced under PSDP 2024-25

## PETROLEUM DIVISION

The representative from the Petroleum Division briefed the Committee that there are 5 ongoing schemes and 2 new schemes have been introduced under PSDP 2024-25. The Committee directed the Ministry to provide details of Villages/ localities falling within 5 km radius of Gas production fields for supply of Gas (PSDP Sr#823 & 826)

## PLANNING, DEVELOPMENT & SPECIAL INITIATIVES DIVISION

Secretary, Ministry of Planning, Development & Special Initiatives Division briefed that there are total 13 ongoing schemes and 14 New schemes have been introduced under PSDP 2024-25. The Committee directed the Ministry to provide details/ list of Backward/ Poor Districts under Special Development Initiatives (PSDP Sr#843) and details on National Multi-Sectoral Nutrition Programme to Reduce Stunting and other Forms of Malnutrition (PSDP Sr#844).

The Committee recommended to obtain regular updates on Project titled Post-Flood 2022 Reconstruction Program: Resilience Enhancement and Livelihood Diversification in Balochistan (PSDP Sr#839) and also recommended to the Ministry to prepare and share with the Committee a National Action Plan on Population in the country.

#### RAILWAYS DIVISION:

The representative from the Railway Division briefed that there out of total 26 ongoing schemes 8 projects are to be completed in the next financial year 2024-25 and 12 New schemes have been introduced under PSDP 2024-25.

#### RELIGIOUS AFFAIRS & INTER FAITH HARMONY

The representative from Religious Affairs & Inter Faith Harmony briefed the Committee that there is only one ongoing scheme under PSDP 2024-25 and currently there no new schemes in the PSDP.

#### REVENUE DIVISION:

The representative from the Revenue Division briefed that there out of total 8 ongoing schemes 6 projects are to be completed in the next financial year 2024-25 and 2 New schemes have been introduced under PSDP 2024-25.

#### POWER DIVISION

The representative from the Power Division briefed that there are total of 40 ongoing schemes through PSDP budget and 37 ongoing schemes through own resources and 5 New schemes have been introduced under PSDP 2024-25. Committee noted a large incremental increase in cost of land under Land Acquisition for Installation of CDWP 1200MW Solar Power Plant at 28.10.2022 Sher Garh Tehsil Chubara Distt: Layyah and recommended concerned Deputy Commissioner to brief the Committee on costs of lands in Layyah (PSDP Sr#894).

#### SCIENCE & TECHNOLOGICAL RESEARCH DIVISION

The representative from the Science & Technological Research Division briefed the Committee that out of 30 total ongoing schemes 11 schemes will be completed in the next financial year 2024-25 and one new scheme has been introduced under PSDP 2024-25.

#### STATES & FRONTIER REGIONS DIVISION

The representative from States & Frontier Regions Division briefed the Committee that there is only one ongoing scheme under PSDP 2024-25 and currently there are no new schemes in the PSDP.

#### STRATEGIC PLAN DIVISION

The representative from Strategic Plan Division briefed the Committee that there is only one New scheme under PSDP 2024-25 and currently there are no ongoing schemes in the PSDP.

#### SUPARCO

The representative from SUPARCO briefed the Committee that there are 4 ongoing schemes and one new scheme has been introduced under PSDP 2024-25.

#### WATER RESOURCES DIVISION


The representative from Water Resources briefed the Committee that there are 67 ongoing schemes both Hydel and Water and 3 new schemes have been introduced under PSDP 2024-25.

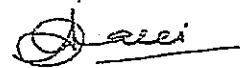
4. After detail deliberations and consideration of recommendations submitted to the Senate Standing Committee on Planning, Development and Special Initiatives during the said meetings, a List of recommendations at Annexure-A has been prepared. The Committee has also recommended for inclusion of said recommendations in the Budget report of the Senate Standing Committee on Finance and Revenue and for subsequent presentation before the House.



Recommendations:

5. The Committee made following recommendations:
- i) The Committee made recommendations at Annexure-A pertaining to PSDP 2024-2025 and approved inclusion of said recommendations in the Budget report of the Senate Standing Committee on Finance and Revenue and for subsequent presentation before the House.
  - ii) The Committee recommended to the Ministry of Planning, Development & Special Initiatives that New schemes are only to be allowed under PSDP when at least 30% of the ongoing schemes have been completed under current PSDP.
  - iii) The Committee recommended to the Ministry of Planning, Development & Special Initiatives that the current format of data representation in the PSDP booklet needs to be updated and various other details (including date of approval of project along with name of District/ city wherein the project is executed, Percentage of completion of project and expected completion in the next financial year etc.) are required to be included.
  - iv) The Committee recommended that proposals of schemes from Members of Senate be forwarded to the Ministry of Planning, Development & Special Initiatives and Ministry of Finance and Revenue.
  - v) The Committee also recommended that 10% of SDG's program fund be allocated for public interest projects to be identified by the Members of Senate and said schemes may be sought from relevant Standing Committees.

  
(HASSAN FAROOQ DAR)  
Section Officer/ Secretary Committee

  
(SENATOR QURAT UL AIN MARRI)  
Chairperson  
Senate Standing Committee on Planning, Development &  
Special Initiatives

Islamabad, the  
20<sup>th</sup> June, 2024.

SENATE SECRETARIAT

SENATE STANDING COMMITTEE ON PLANNING, DEVELOPMENT &  
SPECIAL INITIATIVES

*PUBLIC SECTOR DEVELOPMENT PROGRAMME (PSDP)  
RECOMMENDATIONS FOR THE FEDERAL BUDGET 2024-2025*

CONSENSUS RECOMMENDATIONS

1. The Senate of Pakistan recommends to the National Assembly of Pakistan for correction in amount of throw forward from Rs.1,237.146 million to Rs.49.9 million for Capacity Building on Water Quality Monitoring SDG 6(6.1) Reporting (PSDP Sr# 24)
2. The Senate of Pakistan recommends to the National Assembly of Pakistan for allocation of funds under the PSDP 2024-2025 for timely completion of project Expo Centre Quetta (PSDP Sr#29) and within already approved allocation of funds
3. The Senate of Pakistan recommends to the National Assembly of Pakistan for deletion of new Scheme Holding of National Games (PSDP Sr# 689) having total outlay of Rs. 697.400 million as it is current expenditure in nature and should not be included as a development programme under PSDP as it does not contain any developmental component
4. The Senate of Pakistan recommends that the Ministry of Planning, Development & Special Initiatives to facilitate acquisition of land in collaboration for Construction of Faiz Ahmed Faiz Complex Narowal (Department of Pakistan Academy of Letters Islamabad) (Quaid Azam Mazar Management Board) (PSDP Sr# 805)
5. The Senate of Pakistan recommends to the National Assembly of Pakistan for correction in amount of total cost from Rs.5,000 million to Rs.500 million for Designing and Construction of National Library and Learning Centre (PSDP Sr# 807)
6. The Senate of Pakistan recommends to the National Assembly of Pakistan for allocation of funds under the PSDP 2024-2025 and to prioritize all the projects for completion of Indus Highway (N-55) (PSDP Sr# 39, 40, 41)

7. The Senate of Pakistan recommends to the National Assembly of Pakistan for allocation of funds under the PSDP 2024-2025 and to prioritize the project of Construction of Hyderabad -Sukkur (306 KM), 6-Lane divided, fenced Motorway on Build Operate Transfer (BOT) basis (PSDP Sr#84)
8. The Senate of Pakistan recommends to the National Assembly of Pakistan for inclusion of project and allocation of Rs. 20 million funds under the PSDP 2024-2025 for initiation of project for Digitization of 3,000 Post Offices in Pakistan funded by Exim Bank
9. The Senate of Pakistan recommends to the National Assembly of Pakistan for inclusion of project and allocation of Rs.165 million funds under the PSDP 2024-2025 for the Establishment of Recycle Plant for Shaheed Quran Paper, Islamabad under the Ministry of Religious Affairs & Inter Faith Harmony.



SENATE SECRETARIAT

RECOMMENDATIONS OF THE SENATE OF PAKISTAN ON THE FINANCE BILL, 2024

BUDGET PROPOSAL 2024-25

PROPOSED AMENDMENTS IN THE FINANCE BILL, 2024

In the Finance Bill, 2024, herein after referred as the said bill, the following amendments are proposed by the Senate Standing Committee on Finance and Revenue:-

AMENDMENT OF THE CUSTOMS ACT, 1969 (IV OF 1969)

1. **Amendment of Clause 3:-** In the said Bill, in clause 3, in sub-clause (11), paragraph (6) shall be omitted.
2. **Amendment of Clause 3:-** In the said Bill, in clause 3, for sub-clause (14), the following shall be substituted, namely:-

“(14) **substitution of Section 194C.-** for Section 194C, the following shall be substituted, namely.-

**194C. Procedure of Appellate Tribunal.-** (1) The powers and functions of the Appellate Tribunal may be exercised and discharged by Benches constituted by the Chairman from amongst the members thereof.

(2) Subject to the provisions contained in sub-sections (3) and (4), the procedure of the Appellate Tribunal including constitution of benches, case management system, distribution of cases and other matters ancillary or incidental thereto shall be regulated by the rules under this Act.

(3) Every appeal against a decision or order deciding a case involving duty, tax, penalty or fine exceeding five million rupees shall be heard by a Special Bench for hearing such appeals and such Bench shall consist of not less than two members and shall include at least one judicial member and one technical member:

Provided that the Chairman may, for reasons to be recorded in writing,

constitute Benches including special Benches consisting of two or more –

- (a) technical members; or
- (b) judicial members:

(4) The Chairman or any other member of the Appellate Tribunal authorized in this behalf by the Chairman may, sitting singly, dispose of any case which has been allotted to the bench of which he is a member where,-

- (a) the value of the goods confiscated without option having been given to the owner of the goods to pay a fine in lieu of confiscation under section 181; or
- (b) in any disputed case, the difference in duty or tax involved or the duty or tax involved; or the amount of fine or penalty involved does not exceed five million rupees.

(5) If the members of a Bench differ in opinion on any point, the point shall be decided according to the opinion of the majority, if there is a majority, but if the members are equally divided, they shall state the point or points on which they differ and the case shall be referred by the Chairman for hearing on such point or points by one or more of the other members of the Appellate Tribunal, and such point or points shall be decided according to the opinion of the majority of the members of the Appellate Tribunal who have heard the case including those who first heard it:

Provided that, where the members of a Special Bench are equally divided, the points on which they differ shall be decided by the Chairman.

(6) The Appellate Tribunal shall, for the purposes of discharging its functions, have the same powers as are vested in a court under the Code of Civil Procedure, 1908 (V of 1908), when trying suit in respect of the following matters, namely:-

- (a) discovery and inspection;
- (b) enforcing the attendance of any person and examining him on oath;
- (c) compelling the production of books of account and other documents;
- and
- (d) issuing commissions.

(7) Any proceeding before the Appellate Tribunal shall be deemed to be judicial proceeding within the meaning of sections 193 and 228 and for the purpose of section 196 of the Pakistan Penal Code (Act XLV of 1860), and the Appellate Tribunal shall be

deemed to be a Court for all the purposes of sections 480 and 482 of the Code of Criminal Procedure, 1898 (Act V of 1898).”.

3. **Amendment of Clause 3:-** In the said Bill, in Clause 3, in sub-clause (15), in the proposed section 195C, in sub-section (3), in paragraph (c), in sub-paragraph (i), after the word “accountants”, the expression “, cost and management accountants” shall be inserted.
4. **Amendment of Clause 3:-** In the said Bill, in Clause 3, Sub-Clause (17), Paragraph (vi), Sub-Paragraph (a) shall be omitted.
5. **Amendment of Clause 3:-** In the said Bill, in Clause 3, in Sub-Clause (17), in Paragraph (ix), after the Sub-Paragraph (a), a new sub-paragraph (aa) shall be inserted, namely:-  
“(aa) In the Customs Act, 1969 (IV of 1969), in sub-Chapter II, in the Table, in column (1), against PCT Code 9908, in column 2, in serial No. (ii), before the full stop at the end, the following new words “and any other recognized organization” shall be added.
6. **Amendment of Clause 3:-** In the said Bill, in Clause 3, in Sub-Clause (17), in Paragraph (ix), in Sub-Paragraph (c), in Entry No. (i), in Column II, in Para (b) after the word “Carpets” the new word “imported” shall be inserted.
7. **Amendment of Clause 3:-** In the said Bill, in Clause 3, in Sub-Clause (18), Paragraph (D) shall be omitted.
8. **Amendment of Clause 3:-** In the said Bill, in Clause 3, in Sub-Clause (18), in Paragraph (F), in Sub-Paragraph (i), in Column II, after the word “and” the new words “all kind of sea food including but not limited to” shall be inserted.

**AMENDMENT OF THE ABANDONED PROPERTIES (MANAGEMENT)  
ACT, 1975 (XX OF 1975)**

9. **Omission of Clause 4:-** In the said Bill, Clause 4 shall be omitted.

(Senator Anusha Rehman Ahmed Khan while agreeing with the omission of said Clause, showed here strong reservations on the amendment proposed in the Abandoned Properties (Management) Act, 1975 (XX of 1975) through the Finance Bill, by stating that the said amendment is in contradiction of already existing law passed in 2019).

AMENDMENT OF THE SALES TAX ACT, 1990

10. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (1), in the proposed Paragraph (a), the expression "sub-section (1)" shall be omitted.
11. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (1), in Paragraph (f), the word "any" shall be omitted.
12. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (6), in Paragraph (a), after the expression "issue an order of", the words "suspension and" shall be inserted.
13. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (6), in Paragraph (b), in proposed sub-section (5), after the words "and the order of", the words "suspension and" shall be inserted.
14. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (8), in Paragraph (2), for the words "recorded by the Commissioner" the words "to be recorded in writing" shall be inserted.
15. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (8), in Paragraph (2), in the explanation "and shall pass any order" shall be omitted.
16. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (8), for Paragraph (3), (4) and (5), the following shall be substituted, namely:-

"(3) The reasons mentioned in sub-section (2) shall be based on scrutiny of the available records including sales tax and federal excise returns, income tax returns and withholding statements, financial statements or third party information:

Provided that the reasons shall not include the mere verification of input tax, output tax, refund claim and compliance of legal provisions without identifying risk factors that require such verification.

(4) Subsequent to the issuance of notice under sub-section (1), the officer of Inland Revenue, may call for any record or documents including record maintained under the Act, the rules made thereunder or any other law for the time being in force for conducting audit of the sales tax affairs of the person. Where such record or documents

have been kept on electronic data, the registered person shall allow authorized access to the officer of Inland Revenue or the sales tax authority authorized by the Officer of Inland Revenue for the access to the use of machine and software on which such data is kept and the officer of Inland Revenue or the authority may obtain duly attested hard copies of such information or data from the registered person:

Provided that the Officer of Inland Revenue shall not call for record or documents of the registered person after expiry of six years from the end of the financial year to which they relate.

(5) The officer of Inland Revenue may require the registered person to attend his office in person or through an authorized representative. The registered person shall produce such accounts, documents or any evidence as the officer of Inland Revenue may consider necessary.”.

17. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (8), in paragraph (6), the words “or cause to be conducted” shall be omitted.

18. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (8), for paragraph (7), the following shall be substituted, namely:-

“(7) The officer of Inland Revenue not below the rank of Assistant Commissioner shall conduct audit of the sales tax affairs to verify the correctness or otherwise of the declared tax liability, output tax, input tax claimed, tax paid, refund claimed, stocks consumed or available for ascertaining compliance or otherwise with the provisions of this Act and the rules made thereunder on the basis of the record and evidence obtained under sub-sections (5) and (6).

19. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (8), in paragraph (9), for the word “taxpayer”, the words “registered person” shall be substituted.

20. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (8), in paragraph (10), for the word “and”, occurring for the second time, the word “or” shall be substituted.



21. **Amendment of Clause 5:-** In the said Bill, in Clause 5, for Sub-Clause (9), the following shall be substituted, namely:-

**"25AB. Investigative Audit.-** (1) Where on the basis of information from audit as provided in sub-section (11) of section 25, or otherwise, the officer of Inland Revenue not below the rank of Assistant Commissioner of the view that a registered person is involved in tax fraud, he may with the prior approval of the Commissioner in writing, initiate investigative audit against such person.

(2) The officer of Inland Revenue shall complete investigative audit under sub-section (1) on the basis of the record and evidence obtained under sections 37, 37A, 38, 38A, 38B and 40 within ninety days of the initiation of the investigative audit.

(3) After completion of investigative audit, the officer of Inland Revenue may take one or more of the following actions, namely:-

- (a) pass an order under section 11E, after providing an opportunity of being heard to the registered person under that section on all the issues arising from the investigative audit or issue a best judgment assessment order under section 11D, where the registered person fails to produce, any accounts, documents records or evidence or any other relevant document that may be required by the officer of Inland Revenue;
- (b) blacklist the registered person under section 21; and
- (c) impose penalty and cause prosecution of the registered person as provided against Serial. No. 13 of the Table in section 33.

(4) For the purposes of clause (a) of sub-section (3), the officer of Inland Revenue may disallow input tax, if the registered person is unable, without reasonable cause, to provide a receipt, or invoice or other record or evidence of the transaction or circumstances giving rise to such claim."

22. **Amendment of Clause 5:-** In the said Bill, in Clause 5, Sub-Clause (11) shall be omitted.
23. **Amendment of Clause 5:-** In the said Bill, in Clause 5, for the Sub-Clause (12), the following shall be substituted, namely:-

"in section 34, in sub-section (1), in clause (a), after the words "twelve percent", the words "or KIBOR plus three per cent per annum, whichever is higher", shall be inserted."

24. **Amendment of Clause 5:-** In the said Bill, in Clause 5, for the sub-clause (14), the following shall be substituted, namely:-

“(14) in sub-section 43A, in sub-section (4), for the expression “from the 16<sup>th</sup> day of June”, the expression “before the 31<sup>st</sup> day of December”, shall be substituted.

25. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (16), after the expression “excluding the order of”, the words “suspension and” shall be inserted.

26. **Amendment of Clause 5:-** In the said Bill, in Clause 5, Sub-Clause (20) shall be omitted.

27. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (21), in Paragraph (A), in Sub-Paragraph (i), the expression “, 32, 86, 87, 88, 89, 90, 96, 97 and 98” shall be omitted.

28. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (21), in Paragraph (A), for the Sub-Paragraph (ii), the following shall be substituted, namely:-

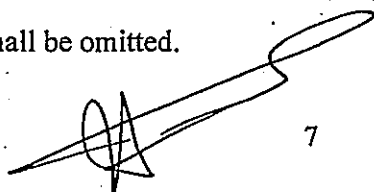
“against Serial 165, in column (2), after the full stop, the following explanation shall be inserted, namely:-

**Explanation:** The hospitals having no cash counter or billing system are charitable hospitals which shall come under the ambit of zero rate of Sales Tax. This exemption on import of goods for charitable hospitals shall apply herewith as the mutatis-mutandis of Income Tax exemption.”

29. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (22), in Paragraph (i), after the figure “58”, the expression “, 66 and 73” shall be omitted.

**Note of dissent by Senator Mohsin Aziz:** He agreed with the proposal of increasing the sales tax and other taxes on Hybrid Electric Vehicles as lot of incentives have already been extended on CBU and CKD duties. Furthermore, the deletion program as agreed initially is not being observed by the assemblers, who call themselves manufacturers.

30. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (22), Paragraph (ii) shall be omitted.



31. **Amendment of Clause 5:-** In the said Bill, in Clause 5, in Sub-Clause (22), in Paragraph (iv), the expression "Entry No.84 and 85" shall be omitted.
32. **Amendment of Clause 5:-** In the said Bill, in Clause 5, Sub-Clause (23) shall be omitted.

**AMENDMENT IN THE INCOME TAX ORDINANCE, 2001**

33. **Amendment of Clause 6:-** In the said Bill, in Clause 6, in sub-section (1), after the word "delegated", the words "subject to ratification by the Board", shall be added.

34. **Amendment of Clause 6:-** In the said Bill, in Clause 6, in sub-clause (8), the existing Paragraph (a) shall be renumbered as Paragraph (b), and for existing Paragraph (a), the following shall be inserted, namely:-

"(a) In sub-section (2), after the word "consequences", the words "after giving opportunity of hearing; and", shall be inserted.

35. **Amendment of Clause 6:-** In the said Bill, in Clause 6, for sub-clause (9), the following shall be substituted, namely:-

"(9) in Section 116,-

(a) in sub-section (1), after the word "assets" wherever occurring, the words "including foreign assets" shall be inserted; and

(b) in sub-section (1), in paragraph (b), the following explanation shall be added, namely:-

**"Explanation.-** Assets of spouse shall only be included in the wealth statement of the person if the spouse is dependent."

36. **Amendment of Clause 6:-** In the said Bill, in Clause 6, in sub-clause (12), for the paragraph (b), the following shall be substituted, namely:-

"(b) in sub-section (4), for the expression "from the 16<sup>th</sup> day of June", the expression "before the 31<sup>st</sup> day of December", shall be substituted.

37. **Amendment of Clause 6:-** In the said Bill, in Clause 6, in sub-clause (15), existing paragraphs (a) and (b) shall be renumbered as paragraphs (b) and (c) and for existing clause (a), the following shall be inserted, namely:-

"(a) in section (147), for the word "latest" wherever occurring, the word "last", shall be substituted."

38. **Amendment of Clause 6:-** In the said Bill, in Clause 6, sub-clause (16) shall be omitted.
39. **Amendment of Clause 6:-** In the said Bill, in Clause 6, in sub-clause (23), Paragraph (c) shall be omitted.
40. **Amendment of Clause 6:-** In the said Bill, in Clause 6, for the Sub-Clause (26), the following shall be substituted, namely:-  
“in section 205, in sub-section (1), after the expression “12 percent”, wherever occurring, the words “ or KIBOR plus three per cent per annum, whichever is higher”, shall be inserted.”
41. **Amendment of Clause 6:-** In the said Bill, in Clause 6, sub-clause (27) shall be omitted.
42. **Amendment of Clause 6:-** In the said Bill, in Clause 6, in Sub-Clause (31), in Paragraph (A), Sub-Paragraph (1) shall be omitted.
- Note of dissent by Senator Farooq Ahmed Naek:** While supporting the increased slab in income tax, he ensured his willingness for paying even the 45% income tax.
43. **Amendment of Clause 6:-** In the said Bill, in Clause 6, in Sub-Clause (31), in Paragraph (A), Sub-Paragraph (4) shall be omitted.
44. **Amendment of Clause 6:-** In the said Bill, in Clause 6, in Sub-Clause (31), in Paragraph (C), Sub-Paragraphs (1), (3) and (4) shall be omitted.
45. **Amendment of Clause 6:-** In the said Bill, in Clause 6, in Sub-Clause (32), in Paragraph (A), Sub-Paragraph (ii) shall be omitted.
46. **Amendment of Clause 6:-** In the said Bill, in Clause 6, in Sub-Clause (32), Paragraph (D) shall be omitted.
47. **Amendment of Clause 6:-** In the said Bill, in Clause 6, in Sub-Clause (34), in Paragraph (b), in sub-rule (b), after the Table, the following Proviso shall be inserted, namely:-

“Provided that the provisions of Rule 1A shall not apply on persons who have timely filed their return of total income in any of last three tax years.”

**AMENDMENT IN THE FEDERAL EXCISE ACT, 2005**

48. **Amendment of Clause 7:-** In the said Bill, in Clause 7, for the Sub-Clause (1), the following shall be substituted, namely:-

“in section 8, after the words “twelve percent”, the words “or KIBOR plus three per cent per annum, whichever is higher”, shall be inserted.”

49. **Amendment of Clause 7:-** In the said Bill, in Clause 7, for sub-clause (4), the following shall be substituted, namely:-

“(4) in sub-section 33A, in sub-section (4), for the expression “from the 16<sup>th</sup> day of June”, the expression “before the 31<sup>st</sup> day of December”, shall be substituted.”

50. **Amendment of Clause 7:-** In the said Bill, in Clause 7, in sub-clause (6), paragraph (viii) shall be omitted.

**Note of dissent by Senator Farooq Ahmed Naek:** He recorded note of dissent against the amendment with the statement that every sector should be taxed equally.

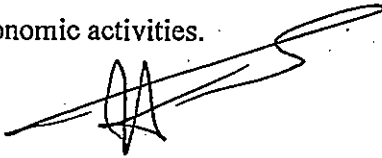
**GENERAL CONSENSUS RECOMMENDATIONS ON BUDGET 2024-25**

51. The Senate of Pakistan recommends to the National Assembly that credit/debit card transaction should be made mandatory on purchases above Rs.35000/- to encourage the documentation of the Economy.
52. The Senate of Pakistan recommends to the National Assembly that a uniform rate of sales tax should be imposed on the parts related to solar industry whether imported or produced locally.
53. The Senate of Pakistan recommends to the National Assembly that sales tax imposed on eight stationery items through Finance Bill, 2024, should be withdrawn in order to maintain the pre-budget status co under the fifth and sixth schedule of the Sales Tax Act.
54. The Senate of Pakistan recommends to the National Assembly that prices should be printed on all consumer and retail goods available for sale in the market to facilitate the consumer for rational decision regarding purchase.

55. The Senate of Pakistan recommends to the National Assembly that agrarian economy should also be taxed like other sectors i.e. industries, organizations etc.
56. The Senate of Pakistan recommends to the National Assembly that FBR should identify the organizations taking advantage of tax exemptions under the garb of charitable organizations.
57. The Senate of Pakistan recommends to the National Assembly that to increase the capacity of FBR to broaden the tax net, the 5000 vacant posts in FBR should be filled on priority following the proper meritorious procedure of appointment.
58. The Senate of Pakistan recommends to the National Assembly that disabled persons should be given an extra allowance equivalent to 100% of their basic pay, as they are in number less than 2% of the total employees.
59. The Senate of Pakistan recommends to the National Assembly that "Remote Workers" should not be treated at par with the Free Lancers for taxation purposes.
60. The Senate of Pakistan recommends to the National Assembly that corporate debit card transactions should be exempted from the additional 5% tax to avoid double taxation and promote the use of ESFCAs on foreign exchange earned by the IT Companies which are registered with Pakistan Software Export Board (PSEB) or P@SHA.
61. The Senate of Pakistan recommends to the National Assembly that SBP Circular should be implemented on all banks to start online Forex banking and issuance of debit cards for ESFCA on foreign exchange earned by the IT Companies which are registered with Pakistan Software Export Board (PSEB) or P@SHA.
62. The Senate of Pakistan recommends to the National Assembly that doubled taxation has to be avoided on IT Companies with respect to payment to their non-resident vendors contractors.
63. The Senate of Pakistan recommends to the National Assembly that to revise the retention limit of Forex up to 50% to be allowed to the IT Companies and for that purposes to minimize the processes of approval on the allowed 50% funds retained by the IT Companies.

64. The Senate of Pakistan recommends to the National Assembly that no additional taxes should be imposed on mobile phones and the original tiers of taxation be retained.
65. The Senate of Pakistan recommends to the National Assembly that sales tax imposition on poultry feed should be withdrawn as it will increase the prices of poultry products which will affect the consumers.
66. The Senate of Pakistan recommends to the National Assembly that tax should be collected from the people owning property outside Pakistan at the rate of 1 percent of rental value of property instead of actual property value.
67. The Senate of Pakistan recommends to the National Assembly that the existing limit amounting to 30,000 USD per annum on Credit Card usage should be enhanced atleast amounting to 50,000 USD per annum.
68. The Senate of Pakistan recommends to the National Assembly that rates of FED should be reduced on the imported / local production of acetate two and filter rods so that the local industry engaged in its production may survive.
69. The Senate of Pakistan recommends to the National Assembly that in clause (17), after sub-clause (ix) of the Income Tax Ordinance, 2001, following shall be inserted namely:-  
  
"in Schedule I, in part II, in the Table, in column (1), against S.No.3, in column (3), for the expression "5.5", the expression "2.2" shall be substituted"
70. The Senate of Pakistan recommends to the National Assembly that in the Fifth Schedule, in Part I, in the Table, Column (1), against S.No.21, in Column (iii), against PCT code 7020.0090, in Column (4), for the expression "30%", the expression "0%" shall be substituted.
71. The Senate of Pakistan recommends to the National Assembly that a system should be evolved to give relief to the motorbike users through fuel price mitigation.
72. The Senate of Pakistan recommends to the National Assembly that 10% GST imposed on newsprint imports should be withdrawn and revive the zero-rated status for the print industry.

73. The Senate of Pakistan recommends to the National Assembly that to facilitate charitable hospitals the GST exemption for Medical equipment, medicines, Intra Ocular Lens used in Cataract surgery & other medical devices should be revived.
74. The Senate of Pakistan recommends to the National Assembly that the measures be taken to broaden the tax base and reduce the tax load on the salaried class.
75. The Senate of Pakistan recommends to the National Assembly that the new development programs and schemes be announced for Balochistan, to address the needs of the deprived province.
76. The Senate of Pakistan recommends to the National Assembly that the youth development programs, scholarships, and schemes be included in the federal budget to benefit the students and youth of Balochistan.
77. The Senate of Pakistan recommends to the National Assembly that the special attention be given to improve the education and health infrastructure in Balochistan in the federal budget 2024-25, to ensure that these critical areas are not overlooked.
78. The Senate of Pakistan recommends to the National Assembly that incentives and support programs be introduced for SMEs, which can drive economic growth and create jobs, especially in underdeveloped regions like Balochistan.
79. The Senate of Pakistan recommends to the National Assembly that funds be allocated for energy projects in Balochistan, including LPG plant, to address power shortages in the province.
80. The Senate of Pakistan recommends to the National Assembly that sufficient funds be allocated for water management infrastructure in Balochistan, including dams and irrigation systems, to address water scarcity issues.
81. The Senate of Pakistan recommends to the National Assembly that funds be allocated to enhance transportation infrastructure, such as roads and railways, in Balochistan to improve connectivity and support economic activities.





82. The Senate of Pakistan recommends to the National Assembly that funds be allocated to enhance security measures in Balochistan, fostering a safer environment for residents and investors.
83. The Senate of Pakistan recommends to the National Assembly that funds be allocated to enhance disaster management capabilities in Balochistan, preparing for natural calamities and ensuring rapid response and recovery.
84. The Senate of Pakistan recommends to the National Assembly that exemption of Local supplies made in the region of FATA/PATA in line with Income Tax Ordinance, 2001 should be reinstated till June 30, 2025.
85. The Senate of Pakistan recommends to the National Assembly that local supplies in the region of FATA/PATA be taxed at the reduced rate of 16% instead of standard rate of 18%.
86. The Senate of Pakistan recommends to the National Assembly that rate of sales tax on imported supplies in the region of FATA/PATA should be reduced to 3% till 30<sup>th</sup> June, 2025 and 6% from 1<sup>st</sup> July, 2025 to 30<sup>th</sup> June, 2026.
87. The Senate of Pakistan recommends to the National Assembly that consumption certificate should be issued within six months of submission of application by the taxpayer.
88. The Senate of Pakistan recommends to the National Assembly that pay-orders or postdated cheques issued to Commissioner should be returned to the taxpayer within one month of presentation of consumption or installation certificate with custom authorities.
89. The Senate of Pakistan recommends to the National Assembly that resident persons (individuals, partnerships and companies) in erstwhile FATA and PATA should be provided exemption from minimum tax under section 113(1) of ITO, 2001. This exemption should be provided in Part IV of Second Schedule.
90. The Senate of Pakistan recommends to the National Assembly that resident persons (individuals, partnerships and companies) in erstwhile FATA and PATA should be provided exemption from advance tax applicable on distributors, dealers and wholesalers.

91. The Senate of Pakistan recommends to the National Assembly that tax regime for construction sector should be reverted to prior finance Act 2019 and construction sector should be treated either in final tax regime (FTR) or maximum tax @ 3% of turnover.
92. The Senate of Pakistan recommends to the National Assembly that contractor should not be treated as withholding tax agent against purchase of material or allowed 40% of turnover to be exempt from withholding regime.
93. The Senate of Pakistan recommends to the National Assembly that the super tax introduced through Finance Act, 2015 for the construction sector should be abolished/withdrawn.
94. The Senate of Pakistan recommends to the National Assembly that FBR should not require the time-based records (record after lapse of 5 years).
95. The Senate of Pakistan recommends to the National Assembly that blocking of company bank accounts without prior notice to party may be stopped.
96. The Senate of Pakistan recommends to the National Assembly that hurdles and problems for granting legitimate refund of income tax and sales tax may be reviewed and resolved.
97. The Senate of Pakistan recommends to the National Assembly to convert the existing sick construction industry into a workable industry.
98. The Senate of Pakistan recommends to the National Assembly that GORs be sold in different cities especially Lahore & Islamabad to generate revenue.
99. The Senate of Pakistan recommends to the National Assembly that measures be taken for ease of business, one window operation and other perks to encourage the overseas Pakistanis to invest money in Pakistan.
100. The Senate of Pakistan recommends to the National Assembly that 1.3 trillion increase in general sales collection/GST which is expected to increase by 36% to Rs.4.9 trillion next year, should be withdrawn.
101. The Senate of Pakistan recommends to the National Assembly that Rs.7458 billion under the head of Indirect Taxes, including sales tax, excise duty, customs duty, and service tax

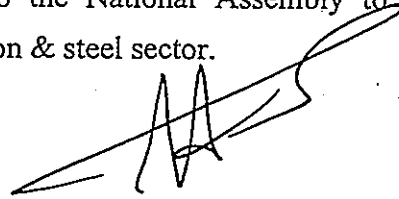
should be reduced by 50 percent in order to lower the prices of essential goods and food items for a poor person;

102. The Senate of Pakistan recommends to the National Assembly that Rs.5512 billion under the head of direct taxes must be increased through broadening the tax net and inclusion of big industries such as sugar, cement, tobacco, fertilizers, power sector entities, and big business chains under the direct tax net.
103. The Senate of Pakistan recommends to the National Assembly that the minimum wage that has been raised to Rs.37,000 must be brought Rs.45,000 at the threshold level keeping in view of the duty hours of laborers, poor workers working in undocumented sectors and factories.
104. The Senate of Pakistan recommends to the National Assembly that instead of imposing concession of custom duties on import of Electric vehicles having value above US\$ 50,000, the same concession shall be given on import of vehicles of 660 cc.
105. The Senate of Pakistan recommends to the National Assembly that zero rated exemptions should be continued in the sectors such as pharmaceuticals, books and newspapers, agriculture produce and medical supplies as they were exempted from any application of sales tax.
106. The Senate of Pakistan recommends to the National Assembly that in terms of the standard rate, standardized Sales Tax i.e., 18 percent proposed, should be levied on services of banking, construction, shipping, telecom, advertising and event organization, hotels and restaurants.
107. The Senate of Pakistan recommends to the National Assembly that instead of allocating Rs.2 billion for the establishment of Danish School in Islamabad, the same amount should be allocated to repair and renovate the hundreds of public schools in Islamabad.
108. The Senate of Pakistan recommends to the National Assembly that to avoid discrimination section 4B inserted through Finance Act 2015 for rehabilitation of Temporary Displaced Persons (TDPs) be completely abolished.
109. The Senate of Pakistan recommends to the National Assembly that levying of tax on property falls under the jurisdiction and ambit of Provincial Governments and provincial tax authorities are responsible to administer collection of such tax. Considering properties

as deemed income and then impose income tax on these properties in unjustified and contradictory to the basic principle of taxation. Provincial Governments may amend their laws accordingly to address the matter, if required.

110. The Senate of Pakistan recommends to the National Assembly that in order to discourage parking of black money in real estate sector FBR should collect tax u/s 236C & 236K of the Income Tax Ordinance, 2001 on realistic/actual value of property.
111. The Senate of Pakistan recommends to the National Assembly that capacity payments of around Rs2.1 trillion to IPPs for 2024 should be done away through renegotiating the IPPs agreements in order to reduce government expenditures.
112. The Senate of Pakistan recommends to the National Assembly that persons, sectors and entities involved in Tax Evasion of approximately Rs5.8 trillion annually, which constitutes about 6.9% of the country's Gross Domestic Product (GDP) should be brought under the Tax Net in order to reduce government expenditures.
113. The Senate of Pakistan recommends to the National Assembly that a complete ban should be imposed on smuggling of goods, to save huge revenue every year.
114. The Senate of Pakistan recommends to the National Assembly that to place system-based controls to track those commercial importers involved in under invoicing and importing under the garb of registration as manufacturers. This will promote documentation of the economy & providing a level playing field for the formal sector.
115. The Senate of Pakistan recommends to the National Assembly that to insert PCT 99.29 in the Clause 167 of Sixth Schedule of Sales Tax Act and in Custom Tariff in last column of PCT 99.29 to change 17% with 0%.
116. The Senate of Pakistan recommends to the National Assembly that the increase in petroleum levy on petroleum products should be withdrawn.
117. The Senate of Pakistan recommends to the National Assembly that the hospitals having no cash counter or billing system are charitable hospitals which shall come under the ambit of zero rate of Custom Duty and Federal Excise Duty. These exemptions on import of goods for charitable hospitals shall apply herewith as the mutatis-mutandis of Income Tax exemption. This recommendation may be read with the amendment proposed in Clause 5, Sub-Clause (21), paragraph (ii) of the Finance Bill, 2024 for harmonization of tax exemption for charitable hospitals.

118. The Senate of Pakistan recommends to the National Assembly to reduce turnover tax rate from 1.25% to 0.5% for Steel manufacturers and increase the Turnover tax adjustment from 3 to 10 years.
119. The Senate of Pakistan recommends to the National Assembly to rectify the Tariff Anomalies in primary raw materials of iron & steel sector.

A handwritten signature or scribble in black ink, consisting of several overlapping loops and lines, positioned to the right of the text in item 119.

## PUBLIC SECTOR DEVELOPMENT PROGRAMME (PSDP)

120. The Senate of Pakistan recommends to the National Assembly of Pakistan for correction in amount of throw forward from Rs.1,237.146 million to Rs.49.9 million for Capacity Building on Water Quality Monitoring SDG 6(6.1) Reporting (PSDP Sr# 24).
121. The Senate of Pakistan recommends to the National Assembly of Pakistan for allocation of funds under the PSDP 2024-2025 for timely completion of project Expo Centre Quetta (PSDP Sr#29) and within already approved allocation of funds.
122. The Senate of Pakistan recommends to the National Assembly of Pakistan for deletion of new Scheme Holding of National Games (PSDP Sr# 689) having total outlay of Rs: 697.400 million as it is current expenditure in nature and should not be included as a development programme under PSDP as it does contain any developmental component.
123. The Senate of Pakistan recommends that the Ministry of Planning, Development & Special Initiatives to facilitate acquisition of land in collaboration for Construction of Faiz Ahmed Faiz Complex Narowal (Department of Pakistan Academy of Letters Islamabad) (Quaid Azam Mazar Management Board) (PSDP Sr# 805).
124. The Senate of Pakistan recommends to the National Assembly of Pakistan for correction in amount of total cost from Rs.5,000 million to Rs.500 million for Designing and Construction of National Library and Learning Centre (PSDP Sr# 807).
125. The Senate of Pakistan recommends to the National Assembly of Pakistan for allocation of funds under the PSDP 2024-2025 and to prioritize all the projects for completion of Indus Highway (N-55) (PSDP Sr# 39, 40, 41).
126. The Senate of Pakistan recommends to the National Assembly of Pakistan for allocation of funds under the PSDP 2024-2025 and to prioritize the project of Construction of Hyderabad -Sukkur (306 KM), 6-Lane divided, fenced Motorway on Build Operate Transfer (BOT) basis (PSDP Sr#84).
127. The Senate of Pakistan recommends to the National Assembly of Pakistan for inclusion of project and allocation of Rs.20 million funds under the PSDP 2024-2025 for initiation of project for Digitization of 3,000 Post Offices in Pakistan funded by Exim Bank.
128. The Senate of Pakistan recommends to the National Assembly of Pakistan for inclusion of project and allocation of Rs.165 million funds under the PSDP 2024-2025 for the Establishment of Recycle Plant for Shaheed Quran Paper, Islamabad under the Ministry of Religious Affairs & Inter Faith Harmony.

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