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KARACHI

POST- BUDGET SEMINAR ORGANISED BY KARACHI BRANCH COUNCIL

Karachi, Monday, June 19, 2006: Sardar Nadir Akmal Khan Leghari, Minister for Irrigation and Power, Government of Sindh and the Chief Guest at Post Budget Seminar organized by Karachi Branch Council under the aegis of the Institute of Cost and Management Accountants of Pakistan (ICMAP) praised the government for presenting 'poor friendly budget'.

The Chief Guest said the fiscal year 2005-2006 has been the year of economic expansion and accelerated growth, which was a consequence of the continued macro economic stability and consistent policy framework with a planned shift in the focus of the policy makers to achieve higher growth.

The Chief Guest summarized the key features of the Budget 2006-2007 have been received with mixed reactions ranging from political bias including cynicism to a more proactive and comprehensive analysis. The seeds of macro economic stability have started blossoming and require a lot more care and pragmatic approach to ensure that we are in a position to reap the desired results in the form of achieving Millennium Development goals (MDGs) and harmonizing with a Medium Term Development Framework (MTDF). "Now defence expenditure is Rupees 250 billion whereas development budget is Rupees 415 billion. This is the result of positive thinking, framing fiscal laws with economic rationale and adoption of international best practices. However, we should not be complacent. We have yet to bridge a wide gap," Chief Guest concluded.

Sher Afgan Malik, President of ICMAP said that the increase in minimum wage, review of salaries of government employees, rationalizing of tax incidence for salaried persons is positive steps to address the concerns. However, the high inflation particularly food inflation and SPI growth has seriously affected the low-income groups of the society who were expecting far more from the Government. The MTDF has an objective to reduce poverty by 2010 to 21 percent but in order to ensure that the demonstrative effect of the reform process is recognized at micro level, a lot more is required to be done even if it requires readjustment of fiscal deficit figures in a short to medium term.

Sher Afgan Malik, President of ICMAP informed that despite job creation through SME and micro finance activity and growth in economy, unemployment level has remained unchanged and it needs to be addressed through a martial plan.

Malik said we would like to reiterate that as a society we still need to work hard to organize ourselves as common nodes with a sense of tolerance, mutual respect, confidence in our judicial process and equity in allocation of resources with long term focus in narrowing the

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gap between the top income level and lowest income level groups in terms of people, provinces and local constituencies.

Political differences are prerequisite for any good society and culture to put pressure on government in power to ensure more transparency, good governance and accountability. However, we still do need national solidarity and pride and confidence in our ability and potential. Our perception of future in terms

of external relations and economic growth and development must reconcile on certain minimum parameters, which cannot be compromised to ensure national integrity and sovereignty.

President ICMAP in his concluding remarks emphasized that the government needs more and more resources urgently to develop infrastructure to create jobs and alleviate poverty and added that only an effective tax net could solve this problem.

Abrar Ahmed, Regional Commissioner of Income Tax Regional Commissioner termed the federal budget 2006-2007 a balanced one.

Regarding income tax on salaried class, he said new tax provisions were beneficial for the salaried people, however, there were some negative impacts on the people having earning ranging from Rupees 0.4 to 2 million per annum and assured there would be working on the issue and no one would be left to suffer.

Abrar Ahmed said the CBR was very receptive regarding relief to the people and claimed wherever there was any demand or requirement for relief it was given. He maintained there was a long demand of bringing down tax rates, which had been entertained. He said the tax net was being extended, as this would reduce the burden from the taxpayers.

Regional Commissioner of Income Tax in his speech in ICMAP Post Budget Seminar on Monday, while withdrawing 5 percent customs duty on the import of computer hardware, announced levy of 15 percent general sales tax (GST) on the import and local supply of computer hardware. The withholding tax has also been slashed from 6 to 1 percent on the computer parts.

In a move to tax the rich people, 15 percent excise duty on international air travel has been proposed bringing it at par with the domestic air travel where 15 percent excise duty is applicable. The levy would rationalize the excise tariff, besides bringing a positive effect on the public exchequer. The levy would not be applicable on the Hajj fare/ticketing.

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Mushtaq Ahmed Vohra, Chairman APTMA, Sindh-Balochistan Zone, informed prominence of Sales Tax and Federal Excise Duties proposed in the Federal Budget 2006-2007 are as follows: -

- Withdrawing excise duty on travel by train.
- Zero-rating of sales tax on dairy products and stationery items.
- Providing sales tax zero-rating on import and supply of trucks and dumpers.
- Amending sales tax and excise laws to improve the working of ADRC.
- Withdrawing exemption of sales tax on computer hardware.
- Levying 15% excise duty on international air travel.
- Levying 5% excise duty on commission and brokerage of foreign exchange dealers, exchange companies and moneychangers.
- Excise duty 5% shall be levied on the gross amount paid by the franchisee to franchiser for having the right to sell products under his brand name or trademark.
- Increasing retail price of cigarettes. Cigarettes are chargeable to excise duty on the basis of retail price.
- Enhancing the rate of excise duty from 3 to 5 % on insurance service.

Other speakers were Dr. Mirza Ikhtiar Baig, Chairman, Cotton Committee FPCCI, Shaikh Jalaluddin, Secretary General, Sales Tax Bar Association, Karachi, Kamran Chandna, Chairman, Knitwear Export Association, Hanif Ismail, Chief Operating Officer-Dynea Pakistan Ltd., Abdul Qadir Memon, Former President, Income Tax Bar Association, Karachi, Amin Bandukda, Chairman SITE Association, Karachi, Jawed Mansha, Vice Chairman, ICMAP Seminars & Conferences Committee and Attaullah A. Rasheed, Convener, Seminar Committee, Karachi Branch Council-ICMAP.



Mr. Sher Afgan Malik, President, ICMAP, chief guest, prominent speakers and members of Karachi Branch council are sitting on the stage at the seminar.



Chief Guest, Sardar Nadir Akmal Khan Leghari, Sindh Irrigation and Power Minister addressing at the Seminar.



Mr. Sher Afgan Malik, President, ICMAP presenting plaque to the chief guest, Sardar Nadir Akmal Khan Leghari, Mr. Mohammad Arif Nara, Honorary Secretary, ICMAP is also present in the picture.



Mr. Sher Afgan Malik, President, ICMAP presenting plaque to Shahzada Tahir Zaman. Mr. Shafi Zakaria, Vice Chairman, KBC is also present in the picture.

BRITISH COUNCIL INVITES ICMAP DIRECTOR EDUCATION

British Council celebrated the opening of their new premises on Friday, 07 July 2006 at Karachi. Some eminent speakers from various walks of life were invited on this occasion.

Provincial Minister for Education, Dr. Hameeda Khoro was the Chief Guest on this occasion. Heads of other professional and academic Institutions were also invited as guests.

ICMAP's Director Education was also invited to share her thoughts on the relationship of ICMAP and the British Council especially with reference to the membership of ICI-British Council management development services. Other eminent speakers included Marcus Gilbert, Director British Council Karachi, Ghazi Salauddin, Ms. Zakia Sarwar of SPELT, Director ICI Pakistan.



*Ms. Shahpara Rizvi, Director Education
sharing her views with the audience while
representing ICMAP*

ISLAMABAD

POST- BUDGET SEMINAR ORGANISED BY ISLAMABAD BRANCH COUNCIL

Islamabad Branch Council of ICMAP and Rawalpindi Islamabad Tax Bar Association (RITBA) jointly organized Post Budget Seminar on June 17, 2006 at Islamabad. Mr. Salman Nabi, Member CBR was the chief guest on the occasion. The seminar was started with the recitation of verses from the Holy Quran. Chairman Islamabad Branch Council of ICMAP, Mr. Javed Qaiser, FCMA welcomed the guest and highlighted the importance of budget in economy. Prof. Dr. Khawja Amjad Saeed, FCMA gave stress that the gap between haves and have-not should be narrowed through fiscal policy. Mr. Hafiz Muhammad Idress, Advocate Supreme Court of Pakistan and President RITBA spoke on the direct taxes and discussed the proposed amendments in the Income Tax Ordinance through Finance Bill 2006-2007. Mr. Khalid Majeed, FCA discussed the of the budget on the trade, commerce, industry and consumers. While Mr. S Ahmed Ashraf, FCMA discussed the recent changes made in the Sales Tax Act 1990. Chief guests Mr. Salman Nabi, Member CBR while speaking on the budget appreciated the efforts of ICMAP for providing a continuous forum for discussion on the budget. He highlighted the importance of the taxes in an economy. At the end question answer session was held. A large number of students, members of ICMAP, ICAP, RITBA and other professionals attended the seminar. Mr. Saifullah Khan, ACMA Vice Chairman IBC acted as stage secretary while vote of thanks was presented by Mr. Faraz Fazal Shiekh, General Secretary RITBA. Mr. Mutee Ur Rehman Mirza, Vice President of ICMAP presented souvenirs to the chief guest and the speakers



Chief guest and prominent speakers are sitting



Mr. Mutee Ur Rehman Mirza, Vice President, ICMAP presenting plaque to chief guest Mr. Salman Nabi, Member CBR at the occasion.

LAHORE

POST- BUDGET SEMINAR ORGANISED BY LAHORE BRANCH COUNCIL

A Post-Budget seminar was organized by the Lahore Branch Council to review the budget of Pakistan for the year 2006-07, which was well attended. Haji Ahmad, Regional Income Tax Commissioner, Lahore, Mr. Shaukat Amin Shah, FCA, Dr. Khawaja Amjad Saeed, FCMA, and Mr. Asim Zulfiqar Ali, ACA made presentations on the subject. Ms. Faryal Zafar, Secretary CPD Committee, was the stage secretary.

Mr. Khalid Mahmood, ACMA, Chairman Lahore Branch Council, delivered the opening remarks. The budget 2006-07 in his view is an investment friendly and in the correct direction. The increase in revenue and allocation for development projects are commendable.

As keynote speaker, Dr. Khawaja Amjad Saeed reviewed area of structural analysis of the Federal Budget 2006-07. He focused on economic system, challenges of constitution, financial aspects, revenue & additional taxation review, comparative analysis of revenue receipts and revenue expenditures, dividend, federal budget master chart, shares of provinces in federal revenue, spending plan, financing and external assistance.

Mr. Asim Zulfiqar Ali reviewed Sales Tax Law. His focus was on Computer System, E-Intermediaries, Records, Value of Supply, Tax Credit, Returns, Special Audits, Offences and penalties, Time limit of Adjudication, Appeals, Alternative dispute resolution, Zero Rating, Rules of Sales Tax, Black listing and suspension of registration, refund, debit notes, credit notes, Payment of sales tax, sales tax on electric power companies and sales tax on vehicles.

Question answer session was one of the important segments of the seminar. The participant's questions were mostly in area of Sales Tax, Income Tax and poverty elimination efforts by the Govt. Development expenditures and share of provinces in total budget were questioned and answered.

Haji Ahmad, Regional Income Tax Commissioner, as chief guest showed his gratitude to ICMAP, Lahore for organizing a seminar on important topic of Budget 2006-07. He was of

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the view that accountants are always been on forefront in analyzing and suggesting appropriate amendments in the budget.



L to R: Mr. Shaukat Amin Shah, Mr. Khalid Mahmood, Chairman, LBC, Haji Ahmad and Prof. Dr. Khawaja Amjad Saeed at the Post Budget Seminar in Lahore.

MULTAN

POST- BUDGET SEMINAR ORGANISED BY MULTAN BRANCH COUNCIL

A seminar on the topic "Post Budget 2006-07" was jointly organized by ICMAP Multan Branch Council and ICAP on June 27, 2006 at Multan. Mr. Ikram-ul-Ilah Ghauri, Collector Customs, Sales Tax and Federal Excise, Multan and Mr. Shoukat Amin Shah, FCA, Former President, Institute of Chartered Accountants of Pakistan were Guest Speakers.

Welcome address was delivered by Mr. Amin Pal, FCA Chairman, CPD Committee ICAP Multan. He offered his thanks to the Guest Speaker and all honourable guests to attend the seminar.. He was of the view that federal budget of Pakistan is prepared for taking into consideration the requirements of privilege classes and unfortunately the deprived classes are normally ignored.

The Guest Speaker Mr. Shoukat Amin Shah, FCA expressed his gratitude to the organizers of the seminar on a very important topic. He began his speech by telling the proposed amendments in Federal Budget 2006-07 with special reference to Sales Tax Ordinance. He highlighted that while preparing federal budget, Govt. has not given priority to health and education, controlling inflation, reducing poverty and providing better employment to our youth. After the speech of Mr. Shoukat Amin Shah, FCA, Mr. Ikram-ul-Ilah Ghauri, Collector Customs, Sales Tax and Federal Excise, Multan addressed to the participants and highlighted some features of federal budget 2006-07.

Mr. Khalid Mahmood, FCMA Chairman, Multan Branch Council thanked to all participants of the seminar specially Guest Speaker for giving their valuable time. He proposed that Govt. should provide more facilities and incentives to industrialists and investors. He suggested that all private cars and Govt. cars should be stopped for two years and all officials should use public conveyance or bicycle. All domestic and office air conditioners should also be stopped and ceiling fans may be used. All army officers, President, Prime Minister and bureaucrat should live in two room family quarters like public servants. He suggested that

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income is to be determined as per formula of Mr. Liaqat Ali Khan, Ex Prime Minister of Pakistan.

The seminar topic was interesting which attracted good number of members and students of ICMAP and ICAP and other professionals.

FAISALABAD

POST- BUDGET SEMINAR ORGANISED BY FAISALABAD BRANCH COUNCIL



Faisalabad Branch Council of the Institute organized a post-budget seminar in collaboration with Faisalabad Chamber of Commerce (FCCI) Faisalabad and ARY One World TV Channel on June 23, 2006.



It was a grand success on the part of FBC, ICMAP. Indeed image of ICMAP was well projected in the presence of Business Community, Tax and Customs Authorities, Tax Practitioners, media and other professional. The synergistic approaches followed deserve full appreciation of all member of ICMAP in Faisalabad Area.

Chairman Seminar Committee; FBC Faisalabad, Mr. Mohammad Iqbal Ghori, FCMA delivered opening remarks and highlighted the role of management accountant in emerging scenarios. He appreciated the collaboration of FCCI and ARY. He briefed to the business community the difference between conventional accountant and management accountant.

FCCI President Mian Hanif Ahmed, Former President ICMAP, Dr. Khwaja Amjad Saeed, Mirza Manawar Hussain, FCMA, Income Tax Practitioners Dr Ikramul Haq, Collector Customs Huzema Bukhari, MB Tahir, Income Tax Commissioner Faisalabad Abdul Ali Khan, Income Tax Commissioner Companies Faqeer Hussain, Additional Collector Sales Tax Mohammad Razzaq, ARY correspondent Shahid Ali, and others also addressed the seminar.

Mr. Hanif said that the announcement of a trade policy was scheduled to be held soon urged the commerce minister not to ignore trade strategy proposals of the FCCI this time. He urged the government to immediately withdraw tax levy in this budget on the services of information technology professionals.

“All governments in the world announce an encouraging budget to strengthen the economy but the present regime has announced a ‘neutral’ budget along with new taxes totally Rs 125 billion rupees”, Khwaja Amjad Saeed said. He added that this practice would not make the industrialists happy nor would it reduce the poor people’s problems He suggested that the government should establish a separate ministry of strategic planning.

Dr. Ikramul Haq also criticised the government for the budget. Huzema Bukhari termed the budget “disappointing and unrealistic”, saying, “ If we want to see a progressive Pakistan, we have to set our priorities and directions”.

Mirza Munawar said that incentives were offered to the common man in the budget and more steps were being taken to facilitate them. He said that tax on real estate businesses would ruin small investors and that the government should revise these measures.

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At the end of the seminar Mr. Naeem Haider Secretary FBC delivered voted of thanks and appreciated the efforts of FCCI and ARY One World TV.

MEETINGS HELD IN JUNE 2006

June 05, 2006	Multan Branch Council	Multan
June 05, 2006	Lahore Branch Council	Lahore
June 13 & 30, 2006	Faisalabad Branch Council	Faisalabad
June 17, 2006	Islamabad Branch Council	Islamabad
June 21, 2006	Karachi Branch Council	Karachi
June 24, 2006	CMA Act & Regulations Com.	Karachi.