

**MINUTES OF THE MEETING OF THE
EXECUTIVE COMMITTEE OF THE LAHORE
CHAMBER OF COMMERCE & INDUSTRY
HELD ON 24.10.2020 AT 1130 HOURS
IN AMIN HALL, LCCI BUILDING**

<u>S.No.</u>	<u>Name</u>	<u>Designation</u>	<u>Name of Member Organization</u>
1.	Mian Tariq Rehman (In Chair)	President	Pharmasales International (Pvt) Ltd
2.	Mr. Muhammad Nasir Hameed	Sr. Vice President	S. N. Traders
3.	Mr. Tahir Manzoor Chaudhry	Vice President	Lever Engineering Industries
4.	Mr. Ali Hussam Asghar	E.C. Member	Ali Commercial Corporation
5.	Sh. Muhammad Ibrahim	E.C. Member	Cannon Foam Industries (Pvt) Ltd.
6.	Mr. Nusrullah Mughal	E.C. Member	Al-Fatah Industries
7.	Mr. Shafiq Ahmad Butt	E.C. Member	Ayesha Fabrics
8.	Ch. Muhammad Nusrat Tahir	E.C. Member	CMI Poultry Farms Raiwind
9.	Mr. Amir Anwar	E.C. Member	Crescent Dyeing & Embroidery (Pvt) Ltd.
10.	Mr. Fiaz Haider	E.C. Member	BB Chempack Industries (Pvt) Ltd.
11.	Dr. Riaz Ahmed	E.C. Member	Sharooq Pharmaceuticals (Pvt) Ltd.
12.	Malik Muhammad Khalid	E.C. Member	Gojjar Electrical Company
13.	Mr. Khadim Hussain	E.C. Member	Hussain Trading Co.
14.	Sh. Sajjad Afzal	E.C. Member	Afzal Machinery Stores
15.	Haji Muhammad Asif Sehar	E.C. Member	Haji Asif Group International
16.	Mr. Zeeshan Sohail Malik	E.C. Member	I.Z. Traders
17.	Mr. Wasif Yousaf	E.C. Member	Orient Pak International
18.	Mr. Yasir Khurshid	E.C. Member	Lead Concept
19.	Ms. Uzma Shahid	E.C. Member	Uzma Fabrics
20.	Mr. Muhammad Nadeem Qureshi	E.C. Member	4B Gentel International (Pvt) Ltd.
21.	Mr. Mardan Ali Zaidi	E.C. Member	Swera Departmental Store
22.	Malik Riaz Iqbal	E.C. Member	Nadir Saidjan Industries
23.	Mr. Mubashar Naseer Butt	E.C. Member	Body Media International (Pvt) Ltd.
24.	Mr. Muhammad Kashif Bashir	E.C. Member	Muhammad Bashir & Sons
25.	Mr. Maqbool Siddique	E.C. Member	Mian Cables
26.	Mr. Saleem Asghar Bhatti	E.C. Member	Goshi Electronics
27.	Mr. Muhammad Naeem Hanif	E.C. Member	Hian Communication
28.	Mr. Shahid Nazir	E.C. Member	Filter House
29.	Mr. Muhammad Ali Afzal	E.C. Member	Afzal Sons
30.	Ms. Shireen Arshad	E.C. Member	Shireen's Designer World

Mr. Shahid Khalil

Secretary General LCCI

1. Recitation from the Holy Quran

The meeting started with the recitation from the Holy Quran.

Condolence

The Executive Committee expressed grief and sorrow over the demise of Father-in-law of Mian Zahid Jawaid Ahmad, former Vice President LCCI and Father-in-law of Ms. Aasia Saail Khan, former Executive Committee Member LCCI. The house offered *Fatiha*.

2. Leave of Absence

The leave of absence was granted to the following Members.

1. Mr. Abdul Wadood Alvi
2. Mr. Shahzad Butt
3. Mr. Irfan Iqbal Sheikh

3. Approval of the Minutes of Previous Meeting

The minutes of Executive Committee meeting held on 12.09.2020 and minutes of Emergent meetings held on 28.09.2020 and 03.10.2020 were unanimously approved by the house.

4. Implementation of the Decisions of the EC

Implementation Report on the decisions of the previous minutes of the Executive Committee meetings were unanimously approved by the house.

5. List of Activities

The house unanimously approved the list of activities of the Chamber for the period 05.09.2020 to 17.10.2020.

6. Statement of Accounts

Statement of Accounts for the month of September 2020 was approved by the house with the following observations:-

- 6.1 Mr. Mubashar Naseer Butt pointed out that short term investment was Rs.92 million in the month of August 2020 while it was Rs.58 million in the month of September, he asked about the breakup of Rs.34 million. The Chair directed CFO to share the breakup.
- 6.2 Haji Muhammad Asif Sehar said that the details of Election Expenses have not mentioned in the Statement of Accounts, therefore, Agenda # 6 should not be approved. The Chair said that the Election Expenses have already been approved in the previous meeting of the Executive Committee. The house approved Statement of Accounts with majority of votes.

- 7.4 Mr. Mubashar Naseer Butt suggested that in LCCI Article 3 (a) & (b) on page 2, the requirement of Corporate and Associate Classes of members should be vetted. The Chair asked Secretary General to look into this matter.
- 7.5 Mr. Mardan Ali Zaidi said that for the last one year Federal Board of Revenue (FBR) is engaged in discussion with Super Stores, Departmental Stores and Brands to integrate all such businesses who have two or more branches or 1000 sq. feet covered area in point of sales system. The system will be linked with FBR for the monitoring of real time sales data of these business entities. In March 2020 an MOU was signed between FBR and big stores with the agreement to enforce it after certain amendments in taxation laws. But due to surge in COVID-19 cases in the country no amendments could be made. He said that from August 2020, FBR has started raids on stores in Karachi and Islamabad and imposed heavy fines for not implementing the Point of Sales System. He expressed concern over the raids and undue FBR pressure for implementing point of sale system. He said that it is not possible to implement such laws until agreement among the stakeholders. He added that this is a serious issue and should be taken up with the FBR authorities. He requested the Chair that today the Member Inland Revenue is visiting LCCI and this issue should be taken up in the meeting and the government must take the private sector into confidence before taking such punitive measures. The Chair asked Mr. Mardan Ali Zaidi to give him the said points so that these could be taken up in today's meeting. Mr. Mardan Ali Zaidi also suggested that Heads of EOBI and PESSI should be invited at LCCI to resolve the issues related to EOBI and Social Security Departments so that undue audits could be stopped.
- 7.6 Mr. Maqbool Siddique emphasized the need for simplified taxation system in the country to protect business community from harassment of Tax Officials. He said that the business community is facing a lot of problems because of CNIC condition imposed by government. He further said that the condition of disclosing CNIC for sale to unregistered persons should be withdrawn in the larger interest of small businesses. The SVP clarified that the LCCI has not accepted the condition of CNIC so far even FBR has fixed its limit to Rs.100,000/-. He said that the LCCI was focusing on the issue and *Inshallah* business community will hear good news from the platform of Lahore Chamber of Commerce and Industry.
- 7.7. Sheikh Muhammad Ibrahim said that while declaring different areas as Tax Free Zones, the government doesn't take stakeholders on board. He further said that FBR has granted special tax exemptions to the manufacturers based in Tax Free Zones like Federal/Provincial Administered Tribal Areas (FATA/PATA). He suggested that these exemptions should be limited to the export oriented industries to protect competitiveness of local industries located in other parts of the country. He said that the stakeholders should be taken into confidence in this regard before announcement of such concessions.
- 7.7 Ms. Uzma Shahid pointed out an anomaly being faced by Embroidery sector. Companies registered before 2011 are paying 1% withholding tax while the businesses registered after 2011 are subject to pay 10% withholding Tax and their

refunds are also not issued by the FBR. She requested for rectification of this anomaly. She said that her firm is registered as manufacturer with the FBR while paying withholding tax but it is being treated as registered in service sector due to this anomaly her company is facing disadvantage, as there is a difference of taxation and withholding tax on manufacturing and service sector entities. She also emphasized the need for speedy processing of refund cases.

- 37.05
- 7.9 Sheikh Sajjad Afzal highlighted the issues of commercial importers and suggested a uniform rate of custom duty for both Commercial Importers and Industry to discourage any misuse of raw materials imported for industry. Moreover, he demanded withdrawal of regulatory duties on raw materials which are not manufactured locally. He also criticized misuse of SRO culture and demanded immediate action against unregistered carriers to safeguard genuine importers who are importing through legal process and are facing immense difficulties.
- 7.10 Mr. Shahid Nazir also endorsed the proposal of Sheikh Sajjad Afzal and invited workable proposals from members to curb smuggling and carriers who are creating difficulties for genuine importers.
- 7.11 Dr. Riaz Ahmad said that industrialists have been given a deadline by PSIC to start construction of industrial units at their plots in industrial area otherwise the plots will be cancelled. He said that plots should not be cancelled, as there are a lot of problems for construction including lack of proper facilities, sewerage system and gas connections. He further said that last year he was the Convener of Standing Committee on Export of Pharmaceutical Alternate Medicines and lot of work was done and delegation to Nigeria and Ghana were also proposed. He requested a reminder letter in this regard. He added that duties on raw material for pharmaceutical industry should be reduced in order to enhance its competitiveness in both local and international markets. He said that molded glass vials are very important raw material of pharmaceutical industry which is not being manufactured locally but still facing a high rate of Regulatory Duty. He suggested that this anomaly should be rectified.
- 7.12 Mr. Muhammad Nadeem Qureshi said that due to high cost of doing business and rate of taxes on pesticide and agro chemicals, we have lost competitive edge in agriculture sector. He proposed reduction of duties on pesticide and agro-chemicals to benefit local farming and agriculture sectors. Elaborating his point Mr. Nadeem Qureshi proposed promotion of industrialization instead of property business in the country as the cost of land in industrial areas is going higher and higher due to property business. The Chair said that he has already taken up this issue with the concerned authority and it would be again taken up.
- 7.13 Mr. Shafiq Ahmad Butt said that the LCCI should take up pending Sales Tax and Income Tax Refund cases with FBR in the larger interest of business community on priority basis and the issues of deferred payments should also be resolved. He further said that the exporters are asked to certify themselves for the purpose of export promotion as per buyers' requirements. These certifications are subject to payment of certain fees, which has to be paid in US dollars, but State Bank as a policy does not

allow exporters to remit payment in dollars to these certification agencies, instead the exporters are forced to pay through personal resources or non-banking channels. He proposes for immediate remedial measures through State Bank of Pakistan as certifications have a very important role in export promotion. He pointed out that WASA Tariff in Lahore is too high as compared to other cities in Punjab, the government should be asked to bring it at par with other cities of the Province. He suggested that the self-assessment scheme should be introduced to make the things easier for the taxpayers and for the sake of inspector less regime. The Chair asked Mr. Shafiq Ahmad Butt to give a list of points so that these could be taken up.

- 7.14 Mr. Ali Hussam Asghar said that we have prepared reports on Pharmaceutical and other sectors. We are looking forward to boost our exports. He said that Basmati Rice export is contributing heavily to our total rice exports of \$2.3 billion. India has claimed Basmati Rice GI Tag and claiming that Basmati rice is their heritage geographically. We have filed a case in this regard in WTO and need government support to fight this case and resources from Export Development Fund (EDF) in this regard. The Chair informed the house that Ministry of Science and Technology has a fund for national and international testing and about 90% fund is being used by Faisalabad and Sialkot Chamber.
- 7.15 Mr. Wasif Yousaf said that withholding tax is being deducted on different stages from the Commercial Importers. This amount is refundable but is not being refunded. The refundable amount is heavy and should be paid immediately as Commercial Importers are facing financial crunch. The process of refunds should be expedited for the Commercial Importers. He further said that contractors of government's projects have to pay fine on late delivery of services but no fine is being imposed on late payments to the contractors by the government. He also sought the details about EGM regarding increase in membership fee. He said that issue of membership of lawyers should be considered. The Chair said that only law firm become a member of the Chamber but directly lawyer cannot become a member of the Chamber.
- 7.16 Malik Muhammad Khalid said that business community of Shahalam Electric Market is facing severe traffic jams due to non-availability of parking space. He proposed construction of parking plaza at Shahalam area to resolve the issue. He further said that there is also a big problem of mobile signals that should be resolved. He added that we are purchasing copper from Gujranwala and the Government is allowing them export of copper. It would increase cost of doing business for the local industries. He suggested that first priority should be given to local industry and the export of copper should be allowed after fulfilling the requirement of local industries. He further said that lighting industry is also facing various challenges. He suggested that the IOCO authorities should be invited at LCCI to discuss the problems of cottage industry.
- 7.17 Mr. Nasrullah Mughal expressed the need for simplified taxation system in Pakistan, which should be easy to understand for the taxpayers and if we succeed in achieving this goal it would be a great achievement of the Lahore Chamber of Commerce & Industry.

- 7.18 Mr. Saleem Asghar Bhatti raised the issue of mobile phone valuation. He suggested that the duty on import of used phone is too high that must be reduced. He further said that parking and encroachments are big issues at Hall Road which should be resolved. He added that awareness campaign should be launched to get rid of fire incidents. The Chair said that the Lahore Chamber has already arranged awareness program for all markets representatives in this regard. The Vice President said that we have invited Chief Executive of Fire Fighting Company at LCCI for briefing in the Awareness Session.

8. **NOMINATIONS ON GENERAL BODY & EXECUTIVE COMMITTEE OF FPCCI FOR THE YEAR 2021.**

The Secretary General sought nominations on General Body and Executive Committee of FPCCI for the year 2021. The Chair proposed the names of Mr. Amir Anwar from Corporate Class for General Body & the Executive Committee and Mr. Rehmatullah Javed from Associate Class for General Body of FPCCI. The house unanimously approved the nominations.

9. **ANY OTHER ITEMS**

- 9.1 The minutes of following Standing Committees placed on the table for approval of the house:-

SR. #	NAME OF STANDING COMMITTEES	DATE OF MEETING
A.	Diplomatic, Foreign Mission & Embassies Liaison	15-10-2020
B.	Exports & Export Trophy	16-10-2020
C.	LCCI Achievement Awards	20-10-2020
D.	International Fairs & Exhibitions and Delegations	20-10-2020

Mr. Khadim Hussain suggested that these minutes should be deferred as the time is very short to review these minutes. The house agreed.

9.2 **S/C on Membership**

The minutes of Standing Committee on Membership held on 17.10.2020 and 23.10.2020 placed on the table for approval of the house. The Vice President said that the recommendations of Membership Committee for enhancement of revenue should be considered. The house approved the minutes of Membership Committee except one point that "*the Members would provide Police Character Certificate with Membership Application*".

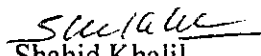
- 9.3 Malik Riaz Iqbal said that the gas suspension and low pressure in industries is causing problems in the production. He emphasized for early solution of the issue.
- 9.4 Mr. Ali Afzal highlighted the issue of valuation and said that the Lahore Directorate of Valuation should be empowered like Karachi Office to hold meetings of valuation committees since a large number of importers are from Lahore and up-country areas. He further said that lower data in WeBOC has been removed which should be

restored. He added that Commercial Importers pay Withholding Tax at the import stage which has been converted into minimum tax. He requested to restore Final Tax Regime for the Commercial Importers. He said that the decision of the government to print retail price on the products falling in the third schedule should be reviewed.

- 9.5 Ch. Muhammad Nusrat Tahir said that he wants to discuss some issues regarding duties on poultry industry separately with the Chair and he will submit the documents in this regard.
- 9.6 Haji Muhammad Asif Sehar said that the printing of Membership Cards is being done in Faisalabad due to which cards could not be delivered on time to the members. He suggested in-house printing of cards. He further said that increase in membership fee has been approved by the EC and suggested that EGM should be called for its approval. The Chair said that we are already working on this matter. Haji Muhammad Asif Sehar also said that he required the details of construction expenses of Founders and Zubaida Halls which was not given to him so far. After a detailed discussion, the Chair informed him that since these Halls are gift from Mr. Irfan Iqbal Sheikh and Founders Group to LCCI, therefore, the Chamber does not have any record.

The Secretary General invited the worthy EC members for lunch hosted by the Senior Vice President and the Vice President LCCI.

The meeting ended with a vote of thanks to the Chair.


Shahid Khalil
Secretary General