

# SENATE OF PAKISTAN

REPORT NO.12 OF 2019



*House of the Federation*

## REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE AND ECONOMIC AFFAIRS

ON

THE FINANCE SUPPLEMENTARY (SECOND AMENDMENT)  
BILL, 2019

PRESENTED BY

SENATOR FAROOQ HAMID NAEK

## **SENATE SECRETARIAT**

### **REPORT OF THE STANDING COMMITTEE ON FINANCE, REVENUE AND ECONOMIC AFFAIRS ON THE FINANCE SUPPLEMENTARY (SECOND AMENDMENT) BILL, 2019**

The Finance Supplementary (Second Amendment) Bill, 2019, was presented in the National Assembly on 23<sup>rd</sup> January, 2019, by Mr. Asad Omer, Minister for Finance, thereafter, on the same day a copy of the said Bill, was laid in the Senate to make recommendations thereon, to the National Assembly 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 25<sup>th</sup> January, 2019, at the latest. The Honourable Chairman Senate announced that the proposals received for making recommendations on the Finance Supplementary (Second Amendment) Bill, 2019, shall be sent to the Senate Standing Committee on Finance, Revenue and Economic Affairs, which shall examine them and present its report to the House.

3. Notices of 90 proposals were received from the members which were referred to the Standing Committee on Finance, Revenue and Economic Affairs for consideration and report.

4. During the meeting held on 30<sup>th</sup> January, 2019, at 11.00 a.m., while considering the said Bill, the Committee expressed serious reservations on the absence of Minister for Finance, Revenue and Economic Affairs, Minister of State for Revenue, Secretary Finance and the Chairman FBR. All the Committee Members were of the considered opinion that a Standing Committee is the extension of the Parliament which is a supreme institution of the country and the business of the Standing Committees should be given first priority by all the executives. Thereafter, the Committee adjourned the meeting till 12.00 noon.

g

5. The Committee again met at 12.00 noon, during which the Chairman Committee opined that the meeting was postponed due to the absence of the Finance Minister, Secretary Finance and the Chairman FBR so that a valuable discussions could be made on the most important issue i.e. the Finance Supplementary (Second Amendment) Bill, 2019. The Committee was of the considered opinion that presence of the executives was an essential requirement as prescribed in the Rules of Procedure and Conduct of Business in the Senate, 2012. Since the measures taken through the said Bill was to provide relief to the local industries so that the exports of the country could be enhanced, therefore, the presence of the Minister for Finance, Minister of State for Revenue and the Chairman FBR was essential to brief the Committee objects and reasons of the amendments proposed in the said Bill. As all the above persons were again absent, the meeting of the Committee was again adjourned till 02.30 p.m. with the direction that atleast Minister of State for Revenue and the Chairman FBR must be present in the meeting.

6. The Committee considered the Finance Supplementary (Second Amendment) Bill, 2019, clause by clause, and the recommendations of each Senator were considered and deliberated upon. While considering sub-clause (5) of clause 4, of the Bill, Senators Muhammad Talha Mahmood, Imam-ud-Din Shouqeen, Mian Muhammad Ateeq Shaikh and Sherry Rehman, voted for omission of sub-clause (5), while Senators Mohsin Aziz & Dilawar Khan voted in favour. The Committee recommended by majority that sub-clause (5) of clause 4 of the Bill shall be omitted. Regarding sub-clause (12) of clause (4) of the Bill, the Committee unanimously recommended that in clause (4), in sub-clause (12), in paragraph (C), sub-paragraph (d) & sub-paragraph (f), shall be omitted and directed the FBR to bring an appropriate amendment for sub-paragraph (f), through Finance Bill, 2019-20.

7

7. The following attended the meetings:-

(1)	Senator Farooq Hamid Naek	Chairman
(2)	Senator Ayesha Raza Farooq	Member
(3)	Senator Dilawar Khan	Member
(4)	Senator Muhammad Talha Mahmood	Member
(5)	Senator Imam-ud-Din Shouqeen	Member
(6)	Senator Mohsin Aziz	Member
(7)	Senator Aurangzeb Khan	Member
(8)	Senator Mian Muhammad Ateeq Shaikh	Member
(9)	Senator Sherry Rehman	Member
(10)	Muhammad Hammad Azhar Minister of State for Revenue	Ex-Officio Member
<hr/>		
(11)	Senator Sirajul Haq	Mover
(12)	Senator Kalsoom Parveen	Mover
(13)	Senator Muhammad Usman Khan Kakar	Mover
(14)	Senator Khanzada Khan	Mover

The list of other participants from various ministries/divisions and departments is annexed.

8. The proposals of Members of the Senate referred to the Standing Committee on Finance, Revenue and Economic Affairs are at **Annex-A**. The recommendations finalized by the Committee placed at **Annex-B** may be adopted by the House. The Committee also gave approval for presentation of this report in its meeting held in the evening of 31<sup>st</sup> January, 2019.

  
(MUHAMMAD TAHIR KHAN)  
Secretary (Committee)

  
(SENATOR FAROOQ HAMID NAEK)  
Chairman (Committee)

Islamabad, the  
31<sup>st</sup> January, 2019

**PROPOSALS OF MEMBERS OF THE SENATE OF PAKISTAN TO  
THE FINANCE SUPPLEMENTARY (SECOND AMENDMENT)  
BILL, 2019**

**(1). SENATOR KALSOOM PARVEEN**

1. Tax on coal being extracted from the province of Baluchistan be revised keeping in view the difficulties and overhead expenditure in extracting the coal from the mines of Baluchistan.

**Recommended (for reduction in tax)**

2. At least 5 billion rupees be released to the province of Baluchistan for construction of the Check and Small Dams in the province.

**Recommended (For release of Rs.5 billion before 30<sup>th</sup> June, 2019 in light of the assurance given by the Joint Chief Economist, Planning, Development and Reforms Division)**

3. Rs.300 per kilo gram tax levied on the tobacco should be brought back to the previous value as the enhancement has devastated the growers and local manufactures and small enterprises related to the tobacco.

**Unanimously recommended**

4. Funds should be allocated for the construction of a cancer hospital at Quetta.

**Withdrawn**

5. Like auto sector, real estate sector be also facilitated by removing ban on the non-filers for purchasing property valuing more than 5 million rupees because this ban has devastated the real estate business.

**Withdrawn**

6. An overall concession in all taxes should be offered to the residents the province of Baluchistan on the analogy of the FATA keeping in view the poverty of the people.

**Withdrawn (With the recommendation that it will be taken up later as an agenda item for in-depth discussion)**

*/*

(2). **SENATOR TAJ MUHAMMAD AFRIDI**

1. It is recommended that the government should adopt international standards for imposing taxes and levies on mobile phone devices. The current initiative that has been introduced by the government will severely impact the local business and millions of people travel abroad for tourism including religious tourism (Hajj, Umrah etc.). Such tourists will bring cheap android sets resulting in slowing down the local business.

The Policy is unjustified and will not only cause loss to the local industry but also deprive a huge population to have access to android sets as the locally available mobile phones would be more expensive.

**Not Recommended**

(3). **SENATORS SIRAJUL HAQ AND MUSHTAQ AHMED**

1. It is recommended that in order to take immediate steps for making interest free economy of the country necessary amendments may be carried out in the Finance Supplementary (Second Amendment) Bill, 2019.

**Not Recommended**

2. That in the Finance Supplementary (Second Amendment) Bill, 2019, in Clause 3, Sub-Clause (1) shall be omitted.

**Not Recommended**

3. That in the Finance Supplementary (Second Amendment) Bill, 2019, in Clause 4, in Sub-Clause (11), in Paragraph (C), in sub-paragraph (d), for proviso the following shall be substituted namely:-

"Provided that rates of tax for the function of marriage in marriage hall, marquee or a community place where the marriage function is arranged, shall be as under:-

**Table I**

Sr. No.	Detail of expenses on function	Tax percentage
1.	If the charges of program are Rs.250000 or less	1 %
2.	If the charges of program are Rs.450000 or less	2%
3.	If the charges of program are more than Rs.450000	5%

**Not Recommended**

✓

(4). **SENATOR AURANGZEB KHAN**

1. The Senate of Pakistan recommends to the National Assembly that 3% share of NFC award should be given to FATA.

**Not Recommended**

2. The Senate of Pakistan recommends to the National Assembly that the quota for admissions in schools for FATA may be made doubled.

**Not Recommended**

3. The Senate of Pakistan recommends to the National Assembly that interest free loans may be granted to the youth of FATA for the purpose of business.

**Not Recommended**

4. The Senate of Pakistan recommends to the National Assembly that the constitutional quota of FATA for the provincial assembly of KPK may be enhanced up to 2 seats as the public of the Orakzai Agency were deprived during recent population census.

**Not Recommended**

(5) **SENATORS USMAN KHAN KAKAR AND DR. JEHANZEB JAMALDINI**

1. Following amendment in the Members of Parliament (Salaries and Allowances) Act, 1974 (XXVII of 1974), may be carried out in the Finance Supplementary (Second Amendment) Bill, 2019.

**Amendment of the Members of Parliament (Salaries and Allowances) Act, 1974 (XXVII of 1974).**— In the Members of Parliament (Salaries and Allowances) Act, 1974 (XXVII of 1974), the following amendments shall be made, namely:—

- (1) In Section 10, for existing sub-sections (2) & 2 (A), the following shall be substituted, namely:—

**“(2) A member shall, in addition to the vouchers referred to in sub-section (1), be entitled to the cash value of twenty five business class open return air tickets from the airport nearest to his constituency to Islamabad, on quarterly basis.”**

**Recommended**



2. It is recommended that three difference slabs be made for tariff on natural gas in Baluchistan for domestic consumers i.e. from 0 to 500 mcf, 501 to 1000 mcf, and 1001 mcf & above.

**Recommended**

3. It is recommended that agricultural loans presently outstanding against the farmers in Baluchistan be waived off in view of the deteriorating condition of agricultural sector due to law and order situation, low water level and excessive load-shedding in that province. August House has already passed a resolution in that regards in October, 2018.

**Recommended**

**(6) SENATOR SALEEM MANDVIWALLA**

1. The Senate of Pakistan recommends that the local supply of Soyabeen meal be exempted from sales tax.

**Not Recommended**

2. The Senate of Pakistan recommends that the custom duty on CDSO (PCT Heading 1507.1000) be increased to Rs.15000/MT to bring it in line with its replacement products and thereby support local production of those products.

**Recommended**

3. The Senate of Pakistan recommends that the entire edible oil sector be excluded from the provision of Sections 65(D) & 65(E) of Income Tax Ordinance, 2001.

**Not Recommended**

**(7) SENATOR KHANZADA KHAN**

1. The Senate of Pakistan recommends Section 182(A) of the Income Tax Ordinance, 2001, shall be omitted.

**Not Recommended**

2. The Senate of Pakistan recommends that an Interim Relief Allowance @ 10% of basic salary may be granted to all government employees keeping in view present price hike prevailing in the country, adjustable in the increase of salary and allowances, if made, in the budget 2019-20.

**Recommended**

✓

(8) **SENATOR MUHAMMAD TALHA MAHMOOD**

1. It is proposed that the government should continue to impose regulatory duty on export of recycled materials like lead under DTRE scheme/manufacturing bond, in order to consider not allowing Pakistan as dumping ground for hazardous metals from all around the world under umbrella of DTRE/manufacturing bond. As per past experience of misuse of DTRE /manufacturing bond caused huge loss to the exchequer. Recycled materials under DTRE/manufacturing bond are hazardous in nature and required strict compliance of BASEL convention.

**Recommended**

2. It is proposed that refund of sales tax in the shape of promissory notes on the option of taxpayers as well as for income tax refunds, should be allowed. This will solve working capital issue for zero rated export industry whereas industry which deals in local business may not get any benefit.

**Withdrawn**

3. It is proposed that the Government should ensure to add electric accumulators and parts falling under HS Code 85.07 in the list of export items from Pakistan to China under Pak China free trade agreement to support local Pakistani manufacturers.

**Recommended**

4. It is proposed that Government should make the powers of Commissioner Inland revenues non-discretionary for tax payers, empowered through section 170 of Income Tax ordinance 2001 and Section 10 of Sales Tax Act 1990 to determine and adjust income tax or sales tax refunds against each other. This power with Commissioners is discretionary. Once the refund is determined, it should be refunded/adjusted on the discretion of tax payers.

**Withdrawn**

5. It is proposed that the government should devise an immediate claim release mechanism to support non-textile exporters as per SRO 711 (I)/2018 dated 8 June 2018, issued by M/o Commerce, for non- textile exporters in order to facilitate export of non-textile goods. The procedure under said SRO requires submission of claims from representative bank to State Bank of Pakistan. However, to-date representative banks are not updated by State Bank of Pakistan upon procedure and processing of drawback claims.

**Recommended**

✓

6. Hattar Industrial Estate harbors more than 200 factories and contributes over PKR 70 Billion in national exchequer. To improve road links between Taxila and Haripur, it is pertinent to mention that TAXILA – HARIPUR via KHANPUR ROAD is under construction but it is without bridges and road subsurface water drainage lines. It is recommended to also construct bridges and road subsurface water drainage lines. Because without that repair of this road is useless. The road link should cater for connectivity to HATTAR. This already been proposed in BUDGET RECOMMENDATIONS 2010-2011, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 & 2018-19

**Recommended (As per assurance given by Additional Secretary, M/o Communications regarding completion by May, 2019)**

7. It is proposed that the work for widening the road in front of Taxila Museum should be started immediately. Since the Khan Pur road has been constructed but from the beginning of the road (from Taxila Museum) and in the end of Khan Pur road the construction work is not up to the standard. This project was promised by Chairman NHA Shahid tarar in 2017 before standing committee of senate that this will be completed but he failed to fulfill his commitment.

**Recommended**

8. It is proposed that all the roads of Hattar should be reconstructed as soon as possible to facilitate transportation for general public. Since all the roads in Hattar Industrial Estate are in very worst condition This industrial Estate pays a huge amount of revenues to Government.

**Provincial Subject**

9. It is proposed that to reduce distance and the access of remote of CLINGER, a bridge should be constructed from MOZA CHAKANI to MURRADPUR located at CHAPAR ROAD CLINGER, DISTRICT HARIPUR. This has already been proposed in BUDGET RECOMMENDATIONS 2010-2011, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 & 2018-19

**Provincial Subject**

10. It is proposed that 40 agriculture tube wells established at District Haripur to cultivate this fertile land. Has an average rainfall of 1200mm per year and is considered as one of the greenery areas of Pakistan. This has already been proposed in BUDGET RECOMMENDATIONS 2010-2011, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 & 2018-19

**Provincial Subject**

*[Handwritten signature]*

11. To improve the existing infrastructure of SUIGAS and ELECTRICAL lines, it is strongly recommended that PHR 100 MILLION be approved for the said improvement is DISTRICT HARIPUR. This has already been proposed in BUDGET RECOMMENDATIONS 2010-2011, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 & 2018-19.

**Recommended**

12. It is proposed that sufficient funds should be allocated for early completion of the HAHAL and BUBUTRY dam, since the said dams are still awaiting their completion. This has already been proposed in BUDGET RECOMMENDATIONS 2010-2011, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 & 2018-19

**Provincial Subject**

13. It is proposed that the sufficient funds should be allocated for construction of Link Road from KHAN PUR to BHAMALA DISTRICT HARIPUR.

**Provincial Subject**

14. It is proposed that immediate steps should be taken by the government for provision of Electricity in BHAMALA village Tehsil KHAN PUR DISTRICT HARIPUR

**Provincial Subject**

15. It is proposed that the sufficient funds should be allocated for construction of road from Kanthla to Garm Thom, UC Muslimabad, Tehsil and District Haripur.

**Provincial Subject**

16. It is proposed that sufficient funds should be allocated for construction of road from Muslimabad, Tehsil and District Haripur to Islamabad via Gokina.

**Provincial Subject**

17. It is proposed that sufficient funds should be allocated for construction of bridge over nullah Haroo at Dartian, Tehsil and District Haripur.

**Provincial Subject**

18. It is proposed that sufficient funds should be allocated Construction of road from Ghumawan, UC Bhandi Sher Khan to Saral Bhang Tehsil and District Haripur.

**Provincial Subject**



19. It is proposed that sufficient funds should be allocated for construction of road from Kot Jandan, Tehsil and District Haripur to Islamabad via Kalingar.

**Provincial Subject**

20. It is proposed that sufficient funds should be allocated for Construction of KANDIA ROAD from JAPAN BRIDGE to KANDIA VALLEY – DISTRICT KOHISTAN is strongly recommended.

**Provincial Subject**

21. Presently there is no direct road link to DUBAIR. It is strongly recommended to build a direct road link to DUBAIR – KOHISTAN.

**Provincial Subject**

22. Health and sports activity in much deprived area of KOHISTAN, it is strongly recommended that a STADIUM be established in TEHSIL PATAN – DISTRICT KOHISTAN.

**Provincial Subject**

23. To cater for the local requirement of technical manpower, it is strongly recommended that ONE TECHNICAL AND VOCATIONAL TRAINING INTITUTE be established in DISTRICT KOHISTAN.

**Provincial Subject**

24. It is proposed that UNIVERSITIES be established in KHAN PUR DISTRICT HARIPUR & DISTRICT KOHISTAN which shall cater for the educational needs of the population.

**Provincial Subject**

25. Establishment and improvement of road links is the need of time to bridge gaps between remote rural areas of Pakistan. It is strongly recommended that a 12 KM SINGLE ROAD be established from SEO to MANDRO (TEHSIL PATAN – DISTRICT KOHISTAN).

**Provincial Subject**

26. It is strongly recommended that sufficient funds should be allocated for establishment of a 06KM SINGLE ROAD from SEMO to TAREES (TEHSIL PATAN – DISTRICT KOHISTAN)

**Provincial Subject**

7

27. It is also strongly recommend that a 08 KM SINGLE ROAD be established from KARAKORAM HIGHWAY (KKH) to KOOZGABAR – JEJAL, DISTRICT KOHISTAN.

**Provincial Subject**

28. To meet the increasing demands of power consumption, it is strongly recommended that a 132MW GRID STATION be established in DISTRICT KOHISTAN.

**Recommended**

29. It is proposed that Forest / Plantation Schemes should be announced for DISTRICT KOHISTAN to improve local supply. Since KOHISTAN relies on local farms from its yearlong supply of food, especially during strong winter seasons.

**Provincial Subject**

30. It is strongly recommended that from DASU to Rai Kot road may be completed shortly and how much amount has been allocated for this road and when it will be completed.

**Recommended**

31. It is proposed that NHA should be directed to widen road from Havelian to Abbotabad as soon as possible. While going to Mansehra, from Havelian to Abbotabad there is an extreme road block.

**Recommended**

32. The NDMA and other relevant departments were directed during the meeting of the Standing Committee on Cabinet on 2<sup>nd</sup> November, 2015, to include the Miancher area in the survey in order to avert any possible disaster in the area which may cause the loss of lives in this area. The recommendations/directions of the Committee were subsequently presented in the House and same were adopted by the House in terms of Rule 196 of the Rules of Procedure and Conduct of Business in the Senate, 2012. No action is seemed to be taken in that regard, therefore, it is strongly recommended that necessary action may be taken accordingly.

**Recommended**

33. It is proposed that the construction process of Motorway from Shah Maqsood to Thakot should be completed and the same may be opened for general public at the earliest in order to avoid unnecessary traffic junction.

**Recommended**



34. The issue of demarcation of Diamir Bhasha Dam and DASU DAM has not yet been resolved and people did not receive the price of their land which has been purchased by the government, therefore, it is proposed that the matter may be resolved immediately. **It is recommended that the amount in respect of affectees should be disbursed.**

**Recommended**

35. Work on Babusur Tunnel which has been announced by the Prime Minister of Pakistan has not yet been started so **it is recommended to Complete Babusur Tunnel as soon as possible.**

**Recommended**

36. It is proposed that New Gawadar Airport should be completed shortly.

**Recommended**

37. It is proposed that Low Capacity Hydal Projects in the KPK and throughout the Northern Areas producing 1, 2, 3, 4 megawatts electricity should be introduced so that the local population could meet their requirements of electricity from their own vicinity.

**Recommended**

38. It is proposed that the electricity supply system in the Hattar Industrial Estate should be upgraded because Hattar Industrial Estate generates about 70 billion rupees tax to the kitty of government. As the power system in the Hattar Industrial Estate has become obsolete.

**Recommended**

39. The road from Dasu to Raikot (Shahra e Karakoram Highway) is totally damaged, it is proposed to construct the said road on priority basis. (NHA)

**Recommended**

40. The area from Basham to challas is badly affected due to sudden slides so it is proposed that construction of tunnels on different specific small areas where land sliding is always happened in rainy days. This is very essential for smooth running of traffic and safety of the human lives.

**Recommended**

41. It is proposed that an allocation of Rs.582 million for the year 2018-19 should be made in respect of 20 MW HPP, Hanzel, Gilgit @ Rs.6273.569 million. It is the first run of the river project to cater the demand of electricity of Gilgit District.

**Recommended**

✓

42. It is proposed that an allocation of Rs.750 million for the year 2018-19, should be made in respect of 16 MW HPP, Naltar, Gilgit @ Rs.2900 million.

**Recommended**

43. It is proposed that an allocation of Rs.300 million for the year 2018-19, should be made in respect of Naltar Expressway, Gilgit @ Rs.2626.872 million.

**Recommended**

44. It is proposed that an allocation of Rs.302 million for the year 2018-19, should be made in respect of 34.5 MW HPP, Harpo, Baltistan @ Rs.9522.800 million with.

**Recommended**

45. It is proposed that an allocation of Rs.200 million for the year 2018-19, in respect of 50 bed Cardiac Hospital, Gilgit @ 1513.304 million

**Recommended**

46. It is proposed that an allocation of Rs.100 million for the year 2018-19, in respect of Polytechnic Institute Skardu @ Rs. 602 million

**Recommended**

47. It is proposed that Rs.3850 million should be allocated for sewerage and sanitary system for Gilgit.

**Recommended**

48. It is proposed that Rs.2124.500 million should be allocated for widening and metalling of 65 km Botogah road, Chilas.

**Recommended**

49. It is proposed that Rs.750.000 million. should be allocated for 25 Km Kargah energy corridor road.

**Recommended**

50. It is proposed that Rs.2700 million should be allocated for Medical College Gilgit.

**Recommended**

*Y*

51. It is proposed that Rs. 500 million should be allocated for Women university, KIU, Gilgit.

**Recommended**

52. It is proposed that Rs.5000 million should be allocated for establishment of Regional Grid Gilgit-Baltistan. As the GB region is neither connected to the National grid, nor does it take any electricity from the national grid. All electricity is being produced by the GB government from its own ADP block allocation to meet the demand of the population. The project was approved by the previous government in order to divert the surplus electricity during summer times from one district to other district. The project is also important to bring the hydro potential of 50000 MW to the national grid when it is extended to Diamer Basha Dam.

**Recommended**

53. It is proposed that Rs.7985.631 million should be allocated for 30 MW HPP, Ghowari, Baltistan.

**Recommended**

54. It is proposed that Rs.9746.105 million should be allocated for 32.5 MW HPP, Atabad, Hunza.

**Recommended**

55. It is proposed that Gilgit –Chitral –Chakdra-Swat Road as an alternate link should be included in to CPEC.

**Recommended**

56. It is proposed that Rs.31148.295 million should be allocated for 100 MW HPP, KIU, Gilgit.

**Recommended**

57. It is propose that Rs.17251.497 million should be allocated for 80 MW HPP, Phander, Ghizer.

**Recommended**

58. It is proposed that funds should be allocated for establishment of Special Economic Zone, Maqpondas for which the GB government has already allocated 200 Acres of land at Maqpoondas Gilgit.

**Recommended**

59. It is proposed that allocated funds of Rs.14.15 billion for ADP Block, Gilgit Baltistan should be released at the earliest. As the current government has reduced the budget to Rs.15.000 billion without

consultation of the GB assembly and Government, out of total Rs.14.15 billion ADP Block Allocation, GB has received just 2.83 billion as 1st quarter thus seriously affecting the development process

**Recommended**

60. Creation of 7000 posts in Gilgit-Baltistan pending at Finance Division. It is proposed that 1500 posts for four newly established districts, 4 new departments and for Power houses, hospitals and colleges.

**Recommended**

**(9) SENATOR SHERRY REHMAN**

1. Government should give subsidy on import duty for recycling plant for bad/non bio-gradable plants.

**Recommended**

2. It is proposed 10% increase in the tax on unrecyclable plastic.

**Not Recommended**

3. Proposal tax on bad plastic producers including companies using bad plastic.

**Not Recommended**

4. Factories producing environment friendly and biodegradable shop bags must be given subsidy.

**Recommended**

5. Decrease duty on importing raw plastic so that using bad plastic grains within country may be discouraged.

**Recommended**

6. It is proposed that the Government should broaden the tax net substantially.

**Recommended**

7. It is proposed that the non-filers should also be converted into filers within next financial year.

**(Jointly proposed by Senators Sherry Rehman, Dilawar Khan and Mian Muhammad Ateeq Shaikh)**

**Recommended**

*Y*

(10) SENATOR IMAM-UD-DIN SHOUQEEN

1. It is proposed that in clause 3, in sub-clause (4), in paragraph (4), for the sub-paragraph (3), following shall be substituted namely:-

"(3) The promissory notes shall bear annual simple profit at fourteen percent and shall be redeemable after period of maturity.".

Recommended

*Y*

\*\*\*\*\*

**LIST OF PARTICIPANTS TO THE MEETING OF THE SENATE STANDING COMMITTEE ON  
FINANCE, REVENUE AND ECONOMIC AFFAIRS HELD AT PARLIAMENT HOUSE,  
ISLAMABAD, ON 30 & 31-01-2019**

SL.NO.	NAME / DESIGNATION	MINISTRY / DIVISION
1.	Mr. Oamar Hameed Khan, Special Secretary	Finance Division
2.	Mr. Naveed Alaudin, Additional Finance Secretary	Finance Division
3.	Mr. Muhammad Jehanzeb Khan Chairman	FBR
4.	Mr. Zubair Bilal, SA to Chairman	FBR
5.	Mr. Muhammad Javed Ghani, Member (Custom/policy)	FBR
6.	Mr. Fayaz Rasool Maken, Chief (Customs)	FBR
7.	Mr. Rizwan Bashir, Secretary Budget	FBR
8.	Dr. Hamid Ateeq Sarwar, Member IR Policy,	FBR
9.	Mr. Abdul Hameed Memon, Chief (STDEP Policy)	FBR
10.	Mr. Muhammad Khalid Jamil, Chief (Income Tax Policy)	FBR
11.	Mr. Tauqeer Ahmed, Secretary (IR) Policy	FBR
12.	Mr. Usman Ahmed Khan, Secretary Income Tax Policy	FBR
13.	Mr. Khalid Jamil, Chief	FBR
14.	Mr. Rizwan Bashir, Secretary Customs Budget	FBR
15.	Dr. Ali Bat Khan, Joint Chief Economist	PDIR
16.	Mr. Akhlaq Rana, Senior Joint Secretary	SAFRON
17.	Mr. Tashfeen Khan, Additional Secretary	M/o Communication
18.	Mr. Muhammad Ashraf, DG	Commerce
19.	Mr. Saqib Ali	M/o National Health Services and Regulations
20.	Mr. Muhammad Waqas Qadir, DD (A/c)	NHA
21.	Mr. Ikramus Saqlain Haider, GM (RAMD)	NHA
22.	Mr. Parkash, GM (P)	NHA
23.	Mr. Robina Ather, Member	NTC
24.	Mr. Muhammad Israr, Additional Draftsman	Law & Justice division

7

## SENATE SECRETARIAT

**RECOMMENDATIONS OF THE SENATE OF PAKISTAN IN THE FINANCE  
SUPPLEMENTARY (SECOND AMENDMENT) BILL, 2019**

**PROPOSED AMENDMENTS**

**CUSTOMS ACT, 1969 (IV OF 1969)**

1. that in clause 2, in sub-clause (2), paragraph (i), shall be omitted.

**SALES TAX ACT, 1990**

2. that in clause 3, in sub-clause (4), in paragraph (4), for the sub-paragraph (3), following shall be substituted namely:-

**"(3) The promissory notes shall bear annual simple profit at fourteen percent and shall be redeemable after period of maturity."**

**INCOME TAX ORDINANCE, 2001 (XLIX OF 2001)**

3. that in clause 4, in newly proposed section 99B, for the words, "**notification in the official Gazette**", the words and figures, "**amendment in the Income Tax Ordinance, 2001**", shall be substituted
4. that in clause 4, sub-clause (5) shall be omitted.
5. that in clause 4, in sub-clause (8), in paragraph (A), in sub-paragraph (a), in the proposed substitution of clause (i), for the expressions "**1300 CC**", the figure "**800 CC**", shall be substituted.
6. that in clause 4, in sub-clause (12), in paragraph (C):-
  - (a) sub-paragraph (d), shall be omitted.
  - (b) sub-paragraph (f), shall be omitted.

✓

### **Addition of New Clause 6**

7. that after Clause 5 of the Finance Supplementary (Second Amendment) Bill, 2019, the following new Clause shall be added, namely:-

**Amendment of the Members of Parliament (Salaries and Allowances) Act, 1974 (XXVII of 1974).—** In the Members of Parliament (Salaries and Allowances) Act, 1974 (XXVII of 1974), the following amendments shall be made, namely:-

- (1) In Section 10, for existing sub-sections (2) & 2 (A), the following shall be substituted, namely:-

**“(2) A member shall, in addition to the vouchers referred to in sub-section (1), be entitled to the cash value of twenty five business class open return air tickets from the airport nearest to his constituency to Islamabad, on quarterly basis.”**

### **GENERAL CONSENSUS RECOMMENDATIONS**

8. The Senate of Pakistan recommends to the National Assembly that Tax on coal being extracted from the province of Baluchistan should be reduced in view of the difficulties and overhead expenditure in extracting the coal from the mines of Baluchistan.
9. The Senate of Pakistan recommends to the National Assembly that Rs.5 billion rupees be released by 30<sup>th</sup> June, 2019, to the province of Baluchistan for construction of the Check and Small Dams in the province.
10. The Senate of Pakistan recommends to the National Assembly that Rs.300 per kilo gram tax imposed on the tobacco should be brought back to the previous value as the enhancement has devastated the growers and local manufactures and small enterprises related to the tobacco.
11. The Senate of Pakistan recommends to the National Assembly that the custom duty on CDSO (PCT Heading 1507.1000) be increased to Rs.15000/MT in order to bring it in line with its replacement products and thereby support local production of those products.
12. The Senate of Pakistan recommends to the National Assembly that an Interim Relief Allowance @ 10% of basic salary may be granted to all government employees keeping in view present price hike prevailing in the country which is adjustable in the increase of salary and allowances, if made, in the budget 2019-20.

13. The Senate of Pakistan recommends to the National Assembly that the government should continue to impose regulatory duty on export of recycled materials like lead under DTRE scheme/manufacturing bond, in order to consider not allowing Pakistan as dumping ground for hazardous metals from all around the world under umbrella of DTRE/manufacturing bond. As per past experience of misuse of DTRE /manufacturing bond caused huge loss to the exchequer. Recycled materials under DTRE/manufacturing bond are hazardous in nature and required strict compliance of BASEL convention.
14. The Senate of Pakistan recommends to the National Assembly that the Government should ensure to add electric accumulators and parts falling under HS Code 85.07 in the list of export items from Pakistan to China under Pak China free trade agreement to support local Pakistani manufacturers.
15. The Senate of Pakistan recommends to the National Assembly that the government should devise an immediate claim release mechanism to support non-textile exporters as per SRO 711 (I)/2018, dated 8<sup>th</sup> June 2018, issued by M/o Commerce in order to facilitate export of non-textile goods.
16. The Senate of Pakistan recommends to the National Assembly that the construction work of bridges and roads subsurface water drainage lines on the TAXILA – HARIPUR via KHANPUR ROAD should be completed at the earliest.
17. The Senate of Pakistan recommends to the National Assembly that the work for widening the road in front of Taxila Museum should be started immediately.
18. The Senate of Pakistan recommends to the National Assembly that in order to improve the existing infrastructure of Suigas and Electrical lines in district Haripur, an allocation of Rs.100 million should be made.
19. The Senate of Pakistan recommends to the National Assembly that a 132MW Grid Station should be established in district Kohistan, at the earliest to meet the increasing demands of power consumption.
20. The Senate of Pakistan recommends to the National Assembly that from Dasu to Rai Kot road should be completed at the earliest.



21. The Senate of Pakistan recommends to the National Assembly that the road should be widened from Havelian to Abbotabad as soon as possible in order to avoid extreme road blockage causing inconvenience to the general public.
22. The Senate of Pakistan recommends to the National Assembly that the recommendation/direction of the Standing Committee on Cabinet regarding inclusion of Miancher area in the survey in order to avert any possible disaster in the area, which was adopted by the House, in terms of Rule 196 of the Rules of Procedure and Conduct of Business in the Senate, 2012, may be implemented.
23. The Senate of Pakistan recommends to the National Assembly that the construction process of Motorway from Shah Maqsood to Thakot should be completed and opened for general public at the earliest in order to avoid unnecessary traffic junction.
24. The Senate of Pakistan recommends to the National Assembly that the amount in respect of affectees should be disbursed at the earliest in order to resolve the issue of demarcation of Diamir Bhasha Dam and Dasu dam.
25. The Senate of Pakistan recommends to the National Assembly that work on Babusur Tunnel as announced by the former Prime Minister of Pakistan should be completed at the earliest.
26. The Senate of Pakistan recommends to the National Assembly that New Gawadar Airport should be completed at the earliest.
27. The Senate of Pakistan recommends to the National Assembly that Low Capacity Hydal Projects producing 1, 2, 3, 4 megawatts electricity should be introduced in the KPK and throughout the Northern Areas.
28. The Senate of Pakistan recommends to the National Assembly that electricity supply system in the Hattar Industrial Estate should be upgraded as the Hattar Industrial Estate generates about 70 billion rupees tax to the kitty of government.
29. The Senate of Pakistan recommends to the National Assembly that the road from Dasu to Raikot (Shahra e Karakoram Highway) should be reconstructed on priority basis as the same has totally damaged.

q

30. The Senate of Pakistan recommends to the National Assembly that tunnels should be built on the areas from Basham to challas where land sliding is frequent, for smooth running of traffic and safety of the human lives.
31. The Senate of Pakistan recommends to the National Assembly that an allocation of Rs.582 million for the year 2018-19, should be made in respect of 20 MW HPP, Hanzel, Gilgit having total cost of Rs.6273.569 million.
32. The Senate of Pakistan recommends to the National Assembly that an allocation of Rs.750 million for the year 2018-19, should be made in respect of 16 MW HPP, Naltar, Gilgit having cost of Rs.2900 million.
33. The Senate of Pakistan recommends to the National Assembly that an allocation of Rs.300 million for the year 2018-19, should be made in respect of Naltar Expressway, Gilgit having cost of Rs.2626.872 million.
34. The Senate of Pakistan recommends to the National Assembly that an allocation of Rs.302 million for the year 2018-19, should be made in respect of 34.5 MW HPP, Harpo, Baltistan having cost of Rs.9522.800 million with.
35. The Senate of Pakistan recommends to the National Assembly that an allocation of Rs.200 million for the year 2018-19, should be made in respect of 50 bed Cardiac Hospital, Gilgit having cost of Rs.1513.304 million
36. The Senate of Pakistan recommends to the National Assembly that an allocation of Rs.100 million for the year 2018-19, should be made in respect of Polytechnic Institute Skardu having cost of Rs. 602 million
37. The Senate of Pakistan recommends to the National Assembly that Rs.3850 million should be allocated for sewerage and sanitary system for Gilgit.
38. The Senate of Pakistan recommends to the National Assembly that Rs.2124.500 million should be allocated for widening and metalling of 65 km Botogah road, Chilas.
39. The Senate of Pakistan recommends to the National Assembly that Rs.750.000 million should be allocated for 25 Km Kargah energy corridor road.

7

40. The Senate of Pakistan recommends to the National Assembly that Rs.2700 million should be allocated for Medical College Gilgit.
41. The Senate of Pakistan recommends to the National Assembly that Rs. 500 million should be allocated for Women university, KIU, Gilgit .
42. The Senate of Pakistan recommends to the National Assembly that Rs.5000 million should be allocated for establishment of Regional Grid at Gilgit-Baltistan.
43. The Senate of Pakistan recommends to the National Assembly that Rs.7985.631 million should be allocated for 30 MW HPP, Ghowari, Baltistan.
44. The Senate of Pakistan recommends to the National Assembly that Rs.9746.105 million should be allocated for 32.5 MW HPP, Atabad, Hunza.
45. The Senate of Pakistan recommends to the National Assembly that Gilgit–Chitral–Chakdra-Swat Road as an alternate link should be included in the CPEC.
46. The Senate of Pakistan recommends to the National Assembly that Rs.31148.295 million should be allocated for 100 MW HPP, KIU, Gilgit.
47. The Senate of Pakistan recommends to the National Assembly that Rs.17251.497 million should be allocated for 80 MW HPP, Phander, Ghizer.
48. The Senate of Pakistan recommends to the National Assembly that sufficient funds should be allocated for establishment of Special Economic Zone, Maqpoondas for which the GB government has already allocated 200 Acres of land at Maqpoondas Gilgit.
49. The Senate of Pakistan recommends to the National Assembly that funds of Rs.14.15 billion for ADP Block, Gilgit Baltistan should be released at the earliest.
50. The Senate of Pakistan recommends to the National Assembly that 1500 posts for four newly established districts, 4 new departments and for Power houses, hospitals and colleges in Gilgit-Baltistan.
51. The Senate of Pakistan recommends to the National Assembly that the Government should give subsidy on import duty for recycling plant for bad/non bio-gradable plants.

g

52. The Senate of Pakistan recommends to the National Assembly that the factories producing environment friendly and biodegradable shop bags should be given subsidy.
53. The Senate of Pakistan recommends to the National Assembly that duty on importing raw plastic should be decreased in order to discourage use of bad plastic grains in the country.
54. The Senate of Pakistan recommends to the National Assembly that the government should take immediate measures for broadening the tax net substantially.
55. The Senate of Pakistan recommends to the National Assembly that the government should take necessary steps in order to convert the non-filers into filers within next financial year.

*r*

\*\*\*\*\*