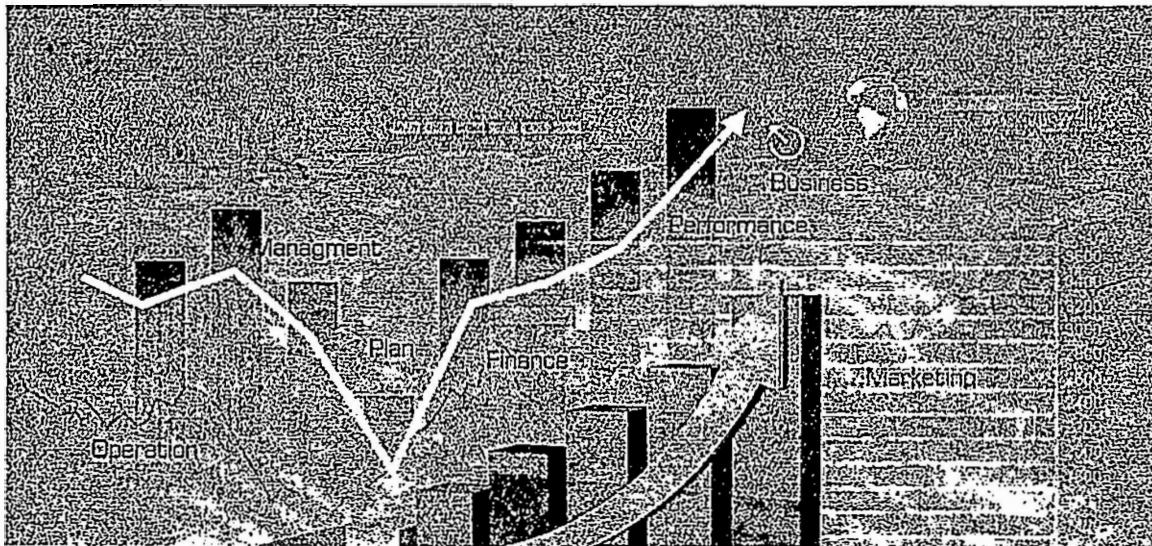


SENATE OF PAKISTAN



REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE AND REVENUE



**REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE
AND REVENUE ON THE MATTER REFERRED BY THE HON'BLE
CHAIRMAN SENATE REGARDING "IMPOSITION OF
REGULATORY DUTY ON POLYESTER FILAMENT YARN" RAISED
BY SENIOR VICE CHAIRMAN, PAKISTAN YARN MERCHANTS
ASSOCIATION, REFERRED TO THE COMMITTEE ON 20TH
OCTOBER, 2022.**

**PRESENTED BY
SENATOR SALEEM MANDVIWALLA
CHAIRMAN**

SENATE SECRETARIAT

**REPORT OF THE SENATE STANDING COMMITTEE ON FINANCE
AND REVENUE ON THE MATTER REFERRED BY THE HON'BLE
CHAIRMAN SENATE REGARDING "IMPOSITION OF
REGULATORY DUTY ON POLYESTER FILAMENT YARN" RAISED
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ASSOCIATION, REFERRED TO THE COMMITTEE ON 20TH
OCTOBER, 2022.**

I, Senator Saleem Mandviwalla, Chairman of the Standing Committee on Finance, and Revenue have the honour to present, on behalf of the Committee, this report on the matter referred by the Hon'ble Chairman Senate regarding "Imposition of Regulatory Duty on Polyester Filament Yarn" raised by Senior Vice Chairman, Pakistan Yarn Merchants Association, referred to the Committee on 20th October, 2022.

2. The composition of the Committee is as under:

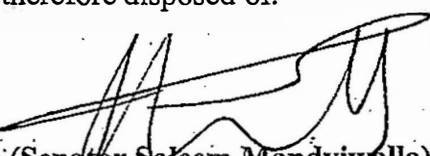
1. Senator Saleem Mandviwalla	Chairman
2. Senator Sherry Rehman	Member
3. Senator Farooq Hamid Naek	Member
4. Senator Musadiq Masood Malik	Member
5. Senator Saadia Abbasi	Member
6. Senator Shaukat Fayaz Ahmed Tarin	Member
7. Senator Mohsin Aziz	Member
8. Senator Faisal Saleem Rehman	Member
9. Senator Zeeshan Khanzada	Member
10. Senator Kamil Ali Agha	Member
11. Senator Syed Faisal Ali Subzwari	Member
12. Senator Muhammad Talha Mahmood	Member
13. Senator Anwar ul Haq Kakar	Member
14. Senator Dilawar Khan	Member
15. The Minister for Finance and Revenue	Ex-Officio Member

3. The following members attended the meeting on 23rd November, 2022:-

1. Senator Saleem Mandviwalla	Chairman
2. Senator Kamil Ali Agha	Member
3. Senator Dilawar Khan	Member
4. State Minister for Finance, Revenue	Ex-Officio Member
5. Senator Kamran Murtaza	Mover
6. Senator Dr. Afnan Ullah Khan	Mover

4. The Member Customs Policy informed the Committee that Polyester Filament Yarn is produced locally as well as imported. After considering the actual production, level of protection required for local industry, demand of the market, the Tariff Policy Board decides whether the regulatory duty should be imposed on products and at what rate. It was further explained that the local manufacturers have complained against the importers of Polyester Filament Yarn. The dumping duty was imposed by the National Tariff Commission (NTC), which ranges from 2.7% to 6.78%. The duty had not been collected due to stay orders, however, it was decided that during the interim period until the stay is vacated, a 5% regulatory duty should be imposed. The Committee was informed that the required documents have been submitted to the Committee. The Committee agreed with the input of FBR and the agenda item (same as annexed "A") was therefore disposed of.


(Iffat Mustafa)
Secretary Committee


(Senator Saleem Mandviwalla)
Chairman Committee

Agenda No.(iv)

Briefing on the matter referred by the Hon'ble Chairman, Senate regarding imposition of regulatory duty on Polyester Filament Yarn" raised by Senior Vice Chairman, Pakistan Yarn Merchants Association, referred to the Committee on 20th October, 2022.

2 It is stated that Pakistan Yarn Merchants Association (PYMA) requested for the rejection of imposition of regulatory duty on Polyester Filament Yarn (PFY). The prevalent duty structure of Polyester Filament Yarn is as under:

PCT Code	Description	Customs Duty	Additional Customs Duty	Regulatory Duty	Sales Tax	WHT
5402.3300	Of Polyester (Textured Yarn)	11%	2%	Nil	17%	2%
5402.4700	Other, of polyesters (Other Yarn, single, untwisted or with a twist not exceeding 50 turns per meter)	11%	2%	Nil	17%	5.5%
5402.6200	Of Polyester (Other Yarn Multiple (folded) or cabled)	11%	2%	Nil	17%	5.5%

3. Import data of Polyester Filament Yarn for the FY 01-07-2021 to till date is as under:-

(Quantity MTs, Value Rs in Millions)						
PCT Code	Description	Quantity	Value	CD	ACD	RD
5402.3300	Of Polyester (Textured Yarn)	2,464	1,697	185	4	0
5402.4700	Other, of polyesters (Other Yarn, single, untwisted or with a twist not exceeding 50 turns per meter)	122,438	35,521	3,893	30	0
5402.6200	Of Polyester (Other Yarn Multiple (folded) or cabled)	249,376	74,748	7,202	76	0

4. It is however, informed that the Tariff Policy Board, in the minutes of its 34th meeting dated 8th September, 2022 (**Annex-D**) in Agenda Item (ii) recommended the imposition of 5% RD on the request put forward by M/s. Gatron (Pvt) Ltd (which are pending during the budget exercise), for reason stated by NTC that partially Anti-dumping duties were not being collected.

5. Subsequently, the National Tariff Policy Board in the minutes of its 45th meeting, dated 18th October, 2022 (**Annex-E**), also approved the imposition of RD at 5% on Polyester Filament Yarn (PCT 5402.3300, 5402.4600, 5402.5200 and 5402.6200) (Agenda item III) as per the proposals/viewpoints forwarded by members.

6. After the constitution of Tariff Policy Board (TPB), under the umbrella of National Tariff Policy 2019-24, all the decisions pertaining to levy and exemption of customs duties, fall under the domain of Tariff Policy Board.

(v) ~~Low~~ ~~High~~