

26th August 2019

Mr. Shabbar Zaidi
Chairman Federal Board of Revenue
FBR House
Islamabad

Dear Mr. Zaidi,

Request to issue clarification on FBR Press Release titled 'No action against traders till 30th September'

The Pakistan Business Council (PBC) and its member companies are strong supporters of the government's objective of documenting the economy. We believe, this initiative is both in the national interest of Pakistan and of the tax paying companies as it will lead to a more level playing field for all. No doubt you are aware that despite dramatic decline in sales and revenue, our member companies are encouraging distributors and retailers to comply with the mandatory CNIC requirement.

I draw your attention to the press release published by the FBR on the 8th of August 2019 and placed on its website (<https://www.fbr.gov.pk/no-action-against-the-traders-till-30th-september-/132124>) titled '**No action against traders till 30th September**'. Our members believe that the press release has been misunderstood by many traders and is being interpreted as an extension in the deadline of implementing the CNIC regulation. Consequently, a 'wait and see' approach has been adopted which is further delaying the agenda set out by the government.

We urge the FBR to issue a clarification to the press release so that distributors and retailers remain motivated towards registering their CNIC numbers. A prolonged delay will impact sales and profitability of business and impact tax revenues. More important, it will undermine the credibility of the government's resolve and determination to broaden the tax base and perpetuate an uneven playing field in favour of the informal sector.

Yours Sincerely,



Ehsan Malik
Chief Executive