



2024

SHAHID LEGAL GROUP

SLD NEWS UPDATES

Friday, September 27, 2024

Address: Office # 403, 4th Executive floor, Sadiq Plaza, The Mall Road Lahore

Cell: 0321-4726801 || Cell: 0300-8198529

Email: Shahid193@ymail.com | reachus.247@hotmail.com

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

IN NEWS

Business & Finance » Taxes

FBR chief pays surprise visit to LTO Islamabad
FBR announces prize scheme for customers of Tier-1 retailers
Govt to abolish category of non-filers, finance minister affirms
Reissuance of show-cause notices after 19 years illegal: FTO
FTO cancels 'illegal' auction for imported vehicle by Customs Karachi
FBR Forms Committee for Single Sales Tax Return for All Sectors
FBR Dismisses IR Inspector Over Inefficiency and Misconduct
RITBA Identifies IRIS Glitches, Seeks Return Filing Date Extension
FBR to Launch Tax Campaign Before Penalty Enforcement
Taxation of Geographical Sources of Income in Pakistan
FBR Set to Implement Amended Rules for ATL Appearance
FBR Tightens Grip on Non-Filers with New Enforcement Actions

Finance

Pakistan's Foreign Exchange Reserves Increase by \$46 Million

Markets » Cotton & Textile

Cotton spot rates
Spot rate sheds Rs700 per maund

Stock & Commodity

Sri Lanka shares end flat
Wall St rises on AI optimism after Micron's upbeat forecast
Europe's STOXX 600 clocks all-time closing high on China stimulus boost
China stocks leap as Beijing pledges more stimulus
Gulf markets end mixed on China stimulus
Nikkei jumps nearly 3pc as chip heavyweights advance
Wall St rises on AI euphoria after Micron's upbeat forecast
Indian shares notch new highs as auto, metal stocks surge
Sri Lanka shares end flat as IT losses offset financial gains
China rally pushes STOXX 600 close to record highs
London shares gain as China pledges more stimulus; oil stocks fall
KSE-100 plummets as IMF euphoria makes way for economic reality

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

Business & Finance » Money & Banking

Dollar down in choppy trade

Asian currencies: Singapore dollar gains

SBP-held foreign exchange reserves increase \$24mn, now stand at \$9.53bn

Profit Repatriation Surges 461% in First Two Months of FY25: SBP

Trade & Industry

Pakistan Pharma Summit 2024: experts gather with aim to chart path for growth in pharmaceutical industry

Govt urged to facilitate traders after successful IMF talks

PHMA elects Abdul Hameed as zonal chairman

Office-bearers for PYMA elected

Large-scale triaxial machine made functional at Wapda's CMTL

SAI Elects Office Bearers for 2024-26 Term

Business & Finance » Companies

Australia's Qantas says rolling engineer strikes not expected to disrupt flights

Systems Ltd wins 'Top IT Services Exporter Award'

Pharma Summit & Awards: Haleon Pakistan awarded for exporting Rs1.1bn pharma products

Fatima Euricom Rice Mills (Pvt) Ltd by M/s Euricom SPA: CCP grants approval of acquisition of 50pc shareholding

Despite higher sales, textile giant Interloop's profit down 18% in FY24

Samsung Ring Receives First Software Update with Key Fixes

Technology

Pakistanis cautioned: '25 top web tracking service providers collecting users' online behaviour data'

Meta bets big on celebrity AI voices and augmented reality glasses

Economic distress

Govt braces for 'transitional pain'

Govt compelled to take effective steps: 'Power sector holds people, economy hostage for last 30 years'

Markets – Rates

PSX slips from historic peak

LME official prices

Kibor interbank offered rates

OPEN MARKET FOREX RATES

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

INTER BANK RATES

Gold Rate

Business & Finance » Taxes

FBR CHIEF PAYS SURPRISE VISIT TO LTO ISLAMABAD

Recorder Report Published 39 minutes ago

ISLAMABAD: Chairman Federal Board of Revenue (FBR) Rashid Mahmood paid a surprise visit to Large Taxpayer Office (LTO) Islamabad here on Thursday.

It is learnt that the FBR Chairman inquired about the performance of the LTO officials and visited different departments/wings of the LTO office.

During the Chairman's surprise visit, the attendance and working of the LTO officials was also checked.

The provisional tax collection of the LTO Islamabad during first quarter of 2024-25 was also reviewed during the visit of FBR Chairman.

Copyright Business Recorder, 2024

FBR ANNOUNCES PRIZE SCHEME FOR CUSTOMERS OF TIER-1 RETAILERS

Sohail Sarfraz Published 39 minutes ago

ISLAMABAD: The Federal Board of Revenue (FBR) on Thursday announced a prize scheme for the customers of integrated Tier-1 retailers, who would report unverified invoices issued by big retailers.

The FBR has notified the scheme for customers through issuance of SRO 1513(I)/2024 to amend the Sales Tax Rules, 2006.

The total prize money and the denomination of the prizes for customers, who would report unverified invoices issued by integrated Tier-1 retailers, shall be decided by the Board.

The revised procedure for prize scheme revealed that the customers of integrated Tier-1 retailers, who reports unverified invoices issued by Tier-1 retailers, shall be entitled to prizes in respect of their purchases from the integrated Tier-1 retailers.

In case of unverified invoice, the customer shall report the same through the application or WhatsApp number, as the case may be, providing the following details: Name of the customer; CNIC of the Customer; Mobile Number of the Customer; IBAN of the customer; proof of digital payment; picture of the unverified invoice and GPS Tagged picture of the business premises that has issued unverified invoice, the FBR said.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

Provided that if the proof of digital payment is not provided by the customer, the right to claim the prize shall stand forfeited, the FBR maintained.

In case of unverified invoice, an alert shall be generated in the IRIS login of the Commissioner Inland Revenue and he shall authenticate the unverified invoice to establish the entitlement or otherwise of the customer for the prize. Provided that the Commissioner shall also take necessary action in terms of S No 24 in the Table of section 33 of the Sales Tax Act, the FBR said.

In case the particulars, as provided by the customer are found incorrect or incomplete at any stage, the onus for delay in the disbursement of prize shall rest with the customer, the FBR added.

Copyright Business Recorder, 2024

GOVT TO ABOLISH CATEGORY OF NON-FILERS, FINANCE MINISTER AFFIRMS

- Aurangzeb says there will be transitional pain but structural reforms are needed to run the country in the right direction

BR Web Desk Published September 26, 2024

Finance Minister Muhammad Aurangzeb has said the government is going to abolish the category of non-filers from the tax laws to increase its revenue while reducing burden on existing filers.

“It’s about time to remove this category of non-filers,” the finance minister said in an interview to VOICE OF AMERICA on the sidelines of his visit to New York, USA.

“Pakistan is probably the only country in the world where there is this term of non-filers. Either you are a filer or you simply are not paying taxes,” he added.

“The government is going to abolish this category.”

Non-filers must be brought into the tax net: PM

The finance czar explained that the government “cannot turn the face other way” after taking a certain amount from non-filers.

“The government cannot afford this anymore,” he urged.

The development comes after the Federal Board of Revenue (FBR) Chairman Rashid Mahmood was quoted as saying in multiple reports on Wednesday that the government had decided to abolish the category of non-filers.

During the same day, FBR Member Inland Revenue (Policy) Dr Hamid Ateeq Sarwar informed the Senate Standing Committee on Finance that the prime minister had only approved

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

enforcement measures against non-filers and restrictions on non-filers, nil-filers or filers, involved in massive under-declarations or mis-declarations in returns.

The FBR member said the number of return filers for tax year 2023 reached 6 million and the government was expecting more returns after the exercise against non-filers of income tax returns.

He disclosed that 2.5 million persons had filed zero-income returns.

The computer system would not allow financial transactions of zero-income till they explained their source of income or earnings etc, according to Sarwar.

In his interview, the finance minister also said restrictions would be imposed on those who do not pay taxes, making it difficult for them to undertake a number of activities

He said the government has data about people's lifestyles, which includes information on how many cars people own, their foreign trips, and other expenses.

Non-filers, tax evaders: Data sharing among key stakeholders under way: McKinsey

The minister said based on the data, the FBR would bring non-taxpayers into the tax net without detaining them.

“When I was a banker, people would come to me and say the parallel economy of Rs9 trillion cash in circulation is running the country.

“However, the country needs to move forward with a documented economy and bringing the undocumented economy into the tax net will automatically double Pakistan's current economy of around \$330 billion,” Aurangzeb said.

He said additional burden placed on the salaried and manufacturing classes would be reduced, and retailers, wholesalers, agriculture sector, and property sector must be brought into the tax net.

“There will be transitional pain, but this is important to run the country in the right direction,” the finance minister emphasised.

‘No delay in IMF bailout programme’

Answering a question, the finance minister said there was no delay in the International Monetary Fund (IMF) programme and completion of the 9-month Stand-By Arrangement (SBA) had brought the country in a good position to discuss a new programme with the IMF, which was followed by the signing of the staff-level agreement in July.

However, Aurangzeb mentioned that the failure of implementing structural benchmarks such as increasing tax-to-GDP ratio, energy reforms, SOE reforms, and privatisation programme, which

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

had been agreed with the IMF in the previous programmes caused a “deficit of credibility and trust”.

“This time we are very determined that we are going through this reform agenda,” he said.

REISSUANCE OF SHOW-CAUSE NOTICES AFTER 19 YEARS ILLEGAL: FTO

Hamid Waleed Published about 2 hours ago

LAHORE: The Federal Tax Ombudsman (FTO) has held that reissuing show-cause notices after 19 years, without incriminating evidence, would be a blatant violation of the law and previous orders.

In a landmark case, the FTO decided the matter in favor of a commercial importer/exporter who had been embroiled in a nearly two-decade-long dispute with tax authorities.

The dispute centered on the importer’s refund claims for zero-rated supplies, which were repeatedly delayed and obstructed by tax authorities. The tax authorities proceeded against the importer alleging him of using fake/flying invoices while the taxpayer tried his level best to satisfy the authorities.

The importer approached the office of FTO and filed a complaint against the authorities for issuing show-cause notice to him (claimant/importer) in present matter which remained unresolved for about two decades with series/rounds of litigations, even in presence of order in his favour having been duly passed by the Commissioner (Appeal) and the Department neither filed second appeal nor sanctioned him the refund amount.

The FTO maintained that the case of the complainant had been mishandled badly by the department due to rapid changes in the jurisdiction and transfer/posting of the officers from one place to another.

Situation of the present matter had reached a stage where the department would have no choice other than to give effect to the order of the Commissioner Appeals as the same (order) had attained finality and department’s representation before the President against the FTO order had also been rejected.

Copyright Business Recorder, 2024

FTO CANCELS ‘ILLEGAL’ AUCTION FOR IMPORTED VEHICLE BY CUSTOMS KARACHI

Sohail Sarfraz Published about 2 hours ago

ISLAMABAD: The Federal Tax Ombudsman (FTO), while canceling an illegal auction of an imported vehicle, reprimanded the Collectorate of Customs Appraisement

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

(West), Karachi, which miserably failed to protect the rights of citizens under the Constitution.

In this regard, the FTO has directed the Federal Board of Revenue (FBR) to cancel an illegal auction of an imported vehicle by Customs Karachi and hand it over to the actual importer due to mal-administration committed by Customs officials of the Collectorate of Customs Appraisement (West), Karachi.

The FTO's order revealed that Ministry of Commerce was issuing condonation letter to the importer, but relevant Customs officials, deliberately auctioned the vehicle in haste without realising the genuine hardship of the importer.

According to the directive of the FTO to the FBR, the Collector, Collectorate of Customs Appraisement (West), Karachi would cancel the subject auction proceedings, recover the vehicle and hand it over to the complainant, in terms of the Ministry of Commerce's Import Authorization.

Details of the case revealed that the complaint was filed against the Collectorate of Customs Appraisement (West), Karachi, under Section 10(1) of the Federal Tax Ombudsman Ordinance, 2000 (FTO Ordinance) regarding cancellation of auction and recovery of vehicle.

The complainant imported used vehicle was handed over to shipping line in last week of December in Japan but due to unforeseen technical reasons, the vessel's departure was delayed and arrived on Feb 15, 2024, which constitute minor deviation from condition as specified in para 3(2) of Appendix-E of Import Policy Order (IPO), 2016. The complainant applied for condonation from the Ministry of Commerce, which is in process and after calling for report from FBR will be presented in meeting chaired by Ministry of Commerce, to condone delay by exercising powers granted under para 20 of IPO, 2016. However, the customs department auctioned the vehicle without following pre-requisite procedure as specified in Customs Act, 1969 (Act) against very low price compared to its market value. The complainant prayed that the directions be issued to the department to cancel the auction and recover the vehicle. The FTO found that there was a minor deviation as per the conditions specified in para 3(2) of Appendix-E of Import Policy Order in vogue.

The complainant had duly applied to the Ministry of Commerce for condonation of minor deviation, and where the matter was still under examination.

It would be further important to note that this issue of condonation in the subject case was well in the notice of the department as the department in their comments have admitted that in case of three such other vehicles, the Ministry of Commerce had already communicated condonation to the department while the case of this vehicle was still pending for decision.

Copyright Business Recorder, 2024

FBR FORMS COMMITTEE FOR SINGLE SALES TAX RETURN FOR ALL SECTORS

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

September 26, 2024

Islamabad, September 26, 2024 – In a significant move aimed at simplifying the tax filing process and improving ease of business in Pakistan, the Federal Board of Revenue (FBR) has formed a new committee to oversee the design, development, and implementation of a single sales tax return (SSTR) system for all sectors. This initiative is part of the FBR's ongoing reforms to streamline tax procedures across multiple jurisdictions.

According to a notification issued by the FBR on Thursday, the decision to establish the committee was made following directives from the FBR Chairman, who emphasized the need for a unified platform for sales tax returns to ease the compliance burden on businesses. The Single Portal will allow businesses operating in different sales tax jurisdictions to file their returns through a single, unified system.

The new committee has been reconstituted to replace the one set up in October 2023, which was focused on developing an SSTR for the telecom sector. The FBR has already implemented the single portal for telecom, and the goal now is to extend the SSTR to all sectors by May 31, 2025.

The committee, composed of both senior FBR officials and technical experts from Pakistan Revenue Automation Limited (PRAL), will lead the design and execution of this nationwide system. The SSTR initiative is part of the broader reforms under the Pakistan Raises Revenue Program (PRRP), which aims to modernize tax collection and make compliance easier for businesses.

Committee Structure

The newly reconstituted committee comprises two main teams: the Supervisory Team and the Implementation Team.

Supervisory Team:

1. Ardsheer Saleem Tariq (IRS/BS-21) – Member (Reforms & Modernization), FBR
2. Aamer Amin Bhatti (IRS/BS-20) – Chief (ST&FE) IR-Policy Wing, FBR

Implementation Team:

1. Zain-ul-Abidin Sahi (IRS/BS-20) – Chief (IT Systems), FBR, and Head of Implementation
2. Ms. Mahwish Khan (IRS/BS-18) – Second Secretary, Business Process Reengineering, FBR
3. Fariduddin Khan (AOST/BS-18) – Second Secretary, Withholding Tax (WHT), FBR
4. Faisal Sulaiman – Senior Business Analyst, PRAL
5. Shahid Sharif – Manager (Development), PRAL

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

Coordination & Support:

1. Muhammad Khalid Jamil (IRS/BS-20) – Director Program, PRRP, FBR
2. Ms. Sadia Akmal (IRS/BS-19) – Additional Director, Coordination & Internal Communication, PRRP, FBR

Responsibilities and Timeline

The committee is tasked with ensuring that the Single Portal for filing sales tax returns is fully developed by December 2024, with implementation across all sectors and jurisdictions set for May 31, 2025.

The Terms of Reference (TORs) for the committee are as follows:

1. Outreach – The committee will engage with chambers of commerce and various trade bodies to inform and involve them in the development process.
2. Stakeholder Consultation – The committee will hold consultations with all relevant stakeholders, including representatives of taxpayers, field formations of the FBR, and Provincial Revenue Administrations (PRAs) to ensure that concerns are addressed.
3. Supervision and Transition – The committee will supervise software development, User Acceptance Testing (UAT) by PRAs and taxpayers, and manage the transition from the existing sales tax return system to the new SSTR for all sectors.

The FBR noted that the committee has the authority to bring in additional resources from both the FBR and PRAL for consultation with various stakeholders and provincial authorities, as necessary.

Objective: Simplifying Compliance

The Single Sales Tax Return system is expected to significantly reduce the compliance burden on businesses by allowing them to file their sales tax returns through a single portal, irrespective of the sector or jurisdiction they operate in. This step is seen as critical to enhancing the ease of doing business in Pakistan and is part of the government's larger agenda to modernize and streamline tax administration.

With a clear timeline set for the development and implementation phases, the FBR is aiming to make tax compliance smoother, ultimately contributing to a more business-friendly environment in the country.

FBR DISMISSES IR INSPECTOR OVER INEFFICIENCY AND MISCONDUCT

September 26, 2024

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

Islamabad, September 26, 2024 – The Federal Board of Revenue (FBR) has imposed a major penalty of dismissal from service on Muhammad Furqan Baig, Inspector-IR (BS-16), for inefficiency and misconduct. The disciplinary action was initiated after Baig’s extended and unexplained absence from duty since January 1, 2024.

According to a statement from the FBR, a charge sheet and statement of allegations were issued to Baig on February 27, 2024, under the Civil Servants (Efficiency & Discipline) Rules, 2020. Baig had reportedly failed to submit a leave application or secure prior approval from his superiors before being absent from his post at the Regional Tax Office (RTO) in Lahore. Despite multiple attempts by the FBR to reach out to him via explanation letters sent through WhatsApp and postal services, Baig did not respond and remained absent without any formal intimation.

Further investigation revealed that Baig had left Pakistan on January 25, 2024, from Allama Iqbal International Airport in Lahore without informing the authorities or obtaining necessary clearance. His travel history was confirmed by the Federal Investigation Agency (FIA), and as of September 2024, he has not returned to Pakistan.

The FBR appointed Zubair Khan, Additional Commissioner-IR, as the inquiry officer to look into the charges against Baig. The inquiry report, submitted on June 29, 2024, confirmed that Baig was guilty of the charges and recommended the imposition of the major penalty of dismissal from service under Rule 4(3)(e) of the Civil Servants (Efficiency & Discipline) Rules, 2020.

Following the inquiry, a show-cause notice was issued to Baig on July 11, 2024. Despite being emailed the inquiry report and show-cause notice, as well as receiving the documents through postal services, Baig did not respond. The FBR even resorted to publishing a final show-cause notice in the “Dawn” newspaper on August 23, 2024, but there was still no reply.

After reviewing the case records, inquiry report, and recommendations, the FBR’s Member (Admn/HR) found Baig guilty of inefficiency and misconduct. Consequently, the major penalty of dismissal from service was imposed, in line with the applicable disciplinary rules.

Baig has the right to appeal this decision within 30 days under the Civil Servants (Appeal) Rules, 1977, should he choose to challenge the penalty.

RITBA IDENTIFIES IRIS GLITCHES, SEEKS RETURN FILING DATE EXTENSION

September 26, 2024

Islamabad, September 26, 2024 – The Rawalpindi-Islamabad Tax Bar Association (RITBA) has raised concerns over technical issues in the Federal Board of Revenue’s (FBR) online tax filing system, IRIS, and called for an extension of the income tax return filing deadline for the tax year 2024.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

In a letter addressed to Finance Minister Muhammad Aurangzeb, RITBA outlined various challenges taxpayers are facing and urged authorities to extend the filing deadline by at least one month, up to October 31, 2024.

The RITBA pointed out that the income tax return form for the 2024 tax year was issued under SRO 947(I)/2024, and the electronic return form for traders and non-filers for the tax year 2023 was notified through SRO 1321(I)/2024 on August 28, 2024. This gave taxpayers, especially traders, only 32 days to complete their returns—a timeframe RITBA deems insufficient given the complexities involved.

One of the significant challenges identified by RITBA is the consistent miscalculation in minimum tax computations within the IRIS portal, along with missing or incorrect columns in the form. These technical glitches have created major obstacles for taxpayers attempting to finalize and submit their returns. According to RITBA, these errors make it difficult for taxpayers to ensure the accuracy of their filings, causing delays and frustration.

RITBA also highlighted that the number of tax filers has grown substantially in recent years, a positive development for the country's tax base. However, this increase in filers has placed immense pressure on the IRIS system, leading to frequent slowdowns, system crashes, and lengthy delays. The current load on the system, coupled with technical issues, is preventing a large number of taxpayers from submitting their returns in a timely manner.

Additionally, RITBA noted that the recent elections held by the Rawalpindi Chamber of Commerce and Industry (RCCI) further complicated matters. The elections, which involved the business community in the region, took up significant time and diverted attention away from tax return preparation, contributing to the delays in filing.

The association also pointed to the broader economic challenges in the country, including the ongoing energy crisis and frequent load shedding, which have affected the ability of both taxpayers and tax practitioners to work efficiently. The process of preparing and submitting tax returns, already a time-intensive task, has been made even more difficult by these disruptions. Furthermore, RITBA reported that many taxpayers did not receive necessary deduction certificates from various government bodies, such as GEPCO, LESCO, PTCL, and mobile service providers, until mid-August, which further delayed the filing process.

RITBA emphasized the importance of ensuring taxpayers' constitutional rights are respected, specifically the right to a fair and reasonable opportunity to comply with tax obligations. The association argued that extending the deadline for tax filing would allow taxpayers to meet their obligations without unnecessary penalties for late submissions due to factors beyond their control.

“As of today, the IRIS portal continues to generate incorrect calculations in key areas, particularly in relation to minimum tax liabilities,” RITBA stated, underscoring the need to resolve these technical issues before the current deadline. They urged the government to address these concerns and extend the filing deadline to avoid further inconvenience for taxpayers and ensure accurate tax reporting.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

RITBA concluded by requesting an extension of the tax return filing deadline for the 2024 tax year by at least one month, until October 31, 2024, to give taxpayers sufficient time to file their returns accurately and avoid unnecessary hardships.

FBR TO LAUNCH TAX CAMPAIGN BEFORE PENALTY ENFORCEMENT

September 26, 2024

Islamabad, September 26, 2024 – The Federal Board of Revenue (FBR) announced on Thursday that it will initiate a nationwide awareness campaign to promote tax compliance before introducing strict penalties for tax evaders. The campaign is part of the government's broader efforts to improve Pakistan's tax compliance culture and ensure that all eligible taxpayers fulfill their legal obligations.

Speaking to PTV News, FBR Spokesperson Bakhtiar Muhammad outlined the department's plans to conduct seminars, workshops, and media outreach programs aimed at educating the public on tax laws, filing procedures, and the benefits of timely tax compliance. The initiative will utilize multiple channels, including digital platforms, print and electronic media, to maximize its reach across the country.

"We are launching this campaign to educate people and businesses about their tax responsibilities," said Bakhtiar. "Once the awareness campaign concludes, the FBR will take a zero-tolerance approach to tax evasion, with strict penalties and legal actions awaiting those who fail to comply with tax regulations."

The campaign aims to make taxpayers aware of the importance of filing returns promptly and accurately. FBR officials hope that this educational drive will reduce the need for punitive measures, encouraging individuals and businesses to meet their tax obligations voluntarily.

The FBR's initiative follows its recent success in improving taxpayer response last year, after it refused to extend the deadline for tax return filings. "The decision to not extend the deadline for filing returns last year was met with an overwhelming response from taxpayers," Bakhtiar noted, emphasizing the positive impact of strict adherence to deadlines on tax compliance.

The FBR has reiterated that there will be no extension in the filing deadline this year as well. Taxpayers are being urged to file their returns by the September 30, 2024 deadline to avoid system delays that typically occur when many users try to access the online submission portal at the last minute.

In addition to the campaign, the FBR is also working on strengthening its enforcement capabilities. Once the awareness phase is completed, those who fail to comply with tax regulations can expect severe consequences. "We will not hesitate to impose penalties and initiate legal action against non-compliant individuals and businesses," Bakhtiar warned.

The FBR's efforts align with the government's broader objectives of boosting revenue collection and reducing the budget deficit, which is critical for Pakistan's economic stability. By

encouraging voluntary compliance and preparing to take strict action against evaders, the FBR hopes to enhance the country's tax base and support the national economy.

TAXATION OF GEOGRAPHICAL SOURCES OF INCOME IN PAKISTAN

September 26, 2024

Karachi, September 26, 2024 — The Federal Board of Revenue (FBR) has released comprehensive guidelines regarding the taxation of income based on its geographical source within Pakistan for the 2024-25 tax year.

These guidelines, derived from Section 101 of the Income Tax Ordinance, 2001, detail how different forms of income are classified and taxed based on their connection to Pakistan.

Overview of Geographical Source Rules

The FBR has emphasized that understanding the geographical source of income is essential to determining the taxation for both residents and non-residents engaged in economic activities within Pakistan. Section 101 of the Income Tax Ordinance defines the specific criteria for what constitutes Pakistan-source income.

Key Provisions of Section 101 for Taxation

1. Income from Employment

According to the FBR, salary is considered Pakistan-source income if:

- It is received from employment exercised in Pakistan, regardless of where it is paid.
- It is paid by the Federal, Provincial, or Local Government of Pakistan, regardless of where the employment is exercised.

2. Taxation of Business Income for Residents

For residents, business income is treated as Pakistan-source income if it is derived from any business carried out within Pakistan.

3. Taxation Business Income for Non-Residents

Non-residents are also subject to tax on their business income if it can be directly or indirectly attributed to Pakistan. This includes:

- Income from a permanent establishment in Pakistan.
- Sales of goods or services in Pakistan, even if similar products are sold through a permanent establishment.

- Any business activities related to a business connection in Pakistan.
- Importation of goods tied to supply chains, installation, or construction carried out by associates or permanent establishments.

Significant Economic Presence

The guidelines also expand the scope of taxation for non-residents by introducing the concept of “significant economic presence.” This concept applies to non-resident entities engaging in business activities through digital platforms. Transactions involving goods, services, or data downloaded in Pakistan, as well as systematic digital interactions with Pakistani users, are now considered taxable income under the geographical source rules.

Specific Income Categories

Several other categories of income have been clearly outlined by the FBR as Pakistan-source income under the Income Tax Ordinance:

1. Dividends

Dividends are classified as Pakistan-source income if they are paid by a resident company.

2. Profit on Debt

Any profit on debt is considered Pakistan-source income if paid by a resident person, with certain exceptions for businesses carried on outside Pakistan through a permanent establishment.

3. Royalties

Royalties are deemed Pakistan-source income when paid by a resident person, unless the royalty pertains to business activities outside Pakistan through a permanent establishment.

4. Rental Income

Income generated from the lease of immovable property located within Pakistan is treated as Pakistan-source income.

5. Gains from Asset Disposal

Any gain from the disposal of assets or properties used to derive business income in Pakistan will also be considered Pakistan-source income.

6. Fees for Offshore Digital Services

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

Fees paid for offshore digital services, including software downloads and other online services, are taxable as Pakistan-source income if paid by a resident or borne by a permanent establishment in Pakistan.

Clarifications on Business Income

The FBR has provided clarifications on the taxation of non-resident business income, including income derived from independent services like professional services, entertainment, or sports activities. If a non-resident individual is paid by a resident person or their services are borne by a permanent establishment in Pakistan, that income will be taxed as Pakistan-source income.

Other Taxable Categories

In addition to the main categories of income, the FBR has outlined the following as Pakistan-source income:

- Pensions or annuities paid by residents or borne by permanent establishments.
- Technical fees paid by residents for services utilized in Pakistan.
- Any income not explicitly mentioned in the previous sections if it is paid by a resident or borne by a permanent establishment in Pakistan.

Conclusion

The FBR's guidelines on the taxation of geographical sources of income are a critical component of Pakistan's tax regime, particularly as the country expands its taxation scope to cover digital transactions and cross-border services. These rules ensure that income earned through significant economic activity in Pakistan, whether by residents or non-residents, is appropriately taxed, supporting the government's revenue collection efforts.

Taxpayers and businesses are advised to familiarize themselves with these provisions to ensure compliance and avoid potential penalties during the 2024-25 tax year.

FBR SET TO IMPLEMENT AMENDED RULES FOR ATL APPEARANCE

September 26, 2024

Karachi, September 26, 2024 – The Federal Board of Revenue (FBR) is preparing to implement amended rules governing the inclusion of individuals and entities in the Active Taxpayers List (ATL). These amendments, which are now finalized, are expected to be formally introduced soon.

According to official sources, the FBR issued notification SRO 1448(I)/2024 on September 18, 2024, proposing key changes to the Income Tax Rules, 2002, primarily focused on ATL-related

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

criteria. Stakeholders were invited to submit their feedback within seven days, a period that has now passed.

However, tax experts are calling for an extension of the comment period, arguing that the implications of the amended rules have not been adequately explained. “The draft notification details deletions and additions to the existing ATL rules but lacks an explanatory note outlining the impact of these changes on taxpayers and the general public,” stated a tax analyst.

The experts emphasized that without a comparative statement clearly explaining the changes and their effects, the public is left in the dark about how these amendments will influence tax obligations. “FBR should provide an additional seven days for public comments and issue a comprehensive breakdown of the proposed changes,” one expert recommended. They further criticized the FBR for using technicalities to rush through legal formalities without providing sufficient transparency on the real impact of the changes.

Under the new rules introduced by SRO 1448(I)/2024, a person’s name will be included in the ATL if they file their income tax return for the latest tax year by the due date or any extended due date. The FBR clarified that the “latest tax year” refers to the most recent tax year for which returns are due, including the prior tax year if the filing deadline for that year has not yet passed.

If a taxpayer files their return after the due date, they may still be included in the ATL by paying a surcharge, as specified in section 182A of the Income Tax Ordinance. For companies or associations of persons formed after June 30 relevant to the latest tax year, their inclusion in the ATL will be automatic, provided other criteria are met.

The FBR’s amendments aim to ensure greater compliance with tax regulations, but concerns remain about the clarity and accessibility of these changes. The tax authorities are under increasing pressure to ensure that these rules are well understood by both taxpayers and the public, as they could significantly affect those attempting to remain compliant with tax filing deadlines.

FBR TIGHTENS GRIP ON NON-FILERS WITH NEW ENFORCEMENT ACTIONS

September 26, 2024

Islamabad, September 26, 2024 – The Federal Board of Revenue (FBR) is preparing to implement strict enforcement actions against non-filers of income tax returns, following the approval of the prime minister.

Dr. Hamid Ateeq Sarwar, FBR Member Inland Revenue (Policy), revealed these plans on Wednesday, affirming that the government has no intentions of introducing any new taxation measures or a mini-budget for the fiscal year 2024-25.

Speaking to the Senate Standing Committee on Finance, Dr. Sarwar clarified that the government’s immediate focus is on enforcing compliance from non-filers and tightening restrictions on individuals, including filers, who are involved in significant under-declaration or

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

mis-declaration of their income in tax returns. The enforcement measures aim to improve transparency and increase the tax net without placing additional tax burdens on the general public.

Dr. Sarwar also emphasized that the deadline for filing income tax returns would not be extended beyond September 30, 2024. As of now, six million individuals have filed their returns for the tax year 2023, a figure that is expected to rise due to the ongoing campaign targeting non-filers. Out of the six million returns filed, a staggering 2.5 million are zero-income returns, highlighting a significant number of individuals declaring no taxable income.

In response, the FBR has set up a system to block financial transactions for those filing zero-income returns until they provide proper documentation explaining their sources of income. This move is expected to clamp down on tax evasion and encourage greater compliance.

While addressing the media at the Parliament House, Dr. Sarwar also outlined the FBR's plan to meet its revenue collection target of Rs2,652 billion for the first quarter of the fiscal year 2024-25, which ends in September. The FBR is optimistic about collecting Rs50 billion alongside tax returns, with additional contributions from advance tax payments, primarily from corporate entities and banks. He also noted that gas companies are expected to contribute their due share of taxes within the current month.

Additionally, the FBR aims to broaden the scope of its taxation by expanding the number of Tier-I retailers, adding standalone stores to the category. This effort is part of a broader strategy to bolster tax compliance and revenue generation across different sectors.

The government's decision to focus on enforcement rather than introducing new taxes reflects its commitment to maintaining fiscal discipline while ensuring that all eligible individuals and businesses contribute their fair share to national revenue.

Finance

PAKISTAN'S FOREIGN EXCHANGE RESERVES INCREASE BY \$46 MILLION

September 26, 2024

Karachi, September 26, 2024 – Pakistan's foreign exchange reserves witnessed an increase of \$46 million during the week ending on September 20, 2024, according to data released by the State Bank of Pakistan (SBP) on Thursday. This rise brings the total reserves to \$14.873 billion, compared to \$14.827 billion recorded a week earlier on September 13, 2024.

The country's central bank, the SBP, saw its own reserves rise by \$24 million, taking the total to \$9.534 billion by the end of the week. In comparison, a week earlier, on September 13, the SBP's reserves stood at \$9.51 billion.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

Commercial banks also reported a modest increase in their foreign exchange holdings. The reserves held by commercial banks grew by \$22 million, reaching \$5.339 billion by the end of the week, up from \$5.317 billion a week ago.

This latest data reflects gradual improvements in Pakistan's forex position, which has been under pressure due to external debt repayments and import financing in recent months. However, these pressures are expected to ease in the coming weeks as Pakistan anticipates the release of a \$1.1 billion tranche from the International Monetary Fund (IMF), part of a recently approved extended loan program.

On Wednesday, the IMF's executive board approved a \$7 billion Extended Fund Facility (EFF) for Pakistan. The program aims to support the country's balance of payments and bolster its reserves. The first tranche of \$1.1 billion is expected to be disbursed soon, a move that would provide further relief to the country's reserves and stabilize the financial situation.

The improved reserve position will play a critical role in maintaining stability in the exchange rate, ensuring the smooth facilitation of imports, and addressing external debt obligations. Pakistan has faced considerable challenges in managing its foreign exchange reserves over the past year due to global economic pressures, rising inflation, and domestic economic imbalances.

This increase in reserves, coupled with the anticipated IMF disbursement, provides a positive signal to international markets and investors, reinforcing Pakistan's ability to meet its external obligations and sustain macroeconomic stability. However, the road to economic recovery remains long, and careful management of both foreign reserves and domestic fiscal policies will be crucial for Pakistan's financial future.

The IMF's support will be pivotal in providing the financial cushion needed to navigate this challenging period while setting the stage for long-term economic reforms.

Markets » Cotton & Textile

COTTON SPOT RATES

Recorder Report Published about 2 hours ago

KARACHI: official KCA spot rates for local dealings in Pakistan rupees on Thursday, (September 26, 2024)

=====

The kca official spot rate for local dealings in Pakistan rupees

For base grade 3 staple length 1-1/16"
Micronaire value between 3.8 to 4.9 ncl

=====

Rate	Ex-gin for	Upcountry price	Spot rate Ex-Karachi	Spot rate ex. Khi. as on 25-09-2024	Difference Ex-karachi
------	---------------	--------------------	-------------------------	---	--------------------------

=====

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

37.324 KG	17,500	235	17,735	18,435	-700/-
Equivalent					
40 KGS	18,755	252	19,007	19,757	-750/-

Copyright Business Recorder, 2024

SPOT RATE SHEDS RS700 PER MAUND

Recorder Report Published about 2 hours ago

LAHORE: The Spot Rate Committee of the Karachi Cotton Association (KCA) on Thursday decreased the spot rate by Rs 7,00 per maund and closed it at Rs 17,500 per maund.

Cotton Analyst Naseem Usman told Business Recorder that the local cotton market witnessed sharp decline of about Rs 1200 in two days in Sindh and Punjab with the improving arrival under conducive weather condition.

The rate of cotton in Sindh is in between Rs 17,000 to Rs 17,500 per maund. The rate of Phutti in Sindh is in between Rs 6,700 to Rs 7,300 per 40 kg.

The rate of cotton in Punjab is in between Rs 17,500 to Rs 17,700 per maund. The rate of Phutti in Punjab is in between Rs 7,000 to Rs 8,500 per 40 kg.

The rate of cotton in Balochistan is in between Rs 17,000 to Rs 17,300 per maund. The rate of Phutti in Balochistan is in between Rs 7,300 to Rs 8,500 per 40 kg. The rate of Balochi Cotton is in between Rs 19,900 to Rs 20,200 per maund.

6400 bales of Tando Adam were sold in between Rs 16,800 to Rs 17,800 per maund, 2200 bales of Sanghar were sold in between Rs 16,900 to Rs 17,800 per maund, 3,000 bales of Shahdad Pur were sold in between Rs 16,800 to Rs 17,000 per maund, 800 bales of Hala were sold in between Rs 16,500 to Rs 16,800 per maund, 400 bales of Nawab Shah were sold at Rs 17,000 per maund, 200 bales of Qazi Ahmed were sold at Rs 16,500 per maund, 1400 bales of Saleh Pat were sold in Balochistan Rs 17,000 to Rs 17,500 per maund, 2600 bales of Khair Pur were sold in between Rs 16,900 to Rs 17,300 per maund, 600 bales of Dera Ghazi Khan were sold at Rs 18,500 to Rs 19,000 per maund (Balochi), 400 bales of Lodhran were sold at Rs 18,500 per maund, 2200 bales of Haroonabad were sold in between Rs 17,500 to Rs 18,500 per maund, 1,000 bales of Fort Abbas were sold in between Rs 17,500 to Rs 18,000 per maund, 600 bales of Chishtian were sold in between Rs 17,700 to Rs 18,000 per maund, 600 bales of Faqeer Wali were sold in between Rs 17,700 to Rs 18,000 per maund, 400 bales of Bakhar were sold in between Rs 17,500 to Rs 17,750 per maund, 1400 bales of Vehari were sold in between Rs 17,300 to Rs 17,700 per maund, 400 bales of Khanewal were sold in between Rs 17,500 to Rs 17,700 per maund, 600 bales of Chishtian were sold at Rs 17,500 per maund, 400 bales of Burewala were sold in between Rs 17,300 to Rs 17,500 per maund, 400 bales of Hasil Pur were sold at Rs 17,500 per maund and 200 bales of Sanghar were sold at Rs 17,000 per maund.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

The Spot Rate Committee of the Karachi Cotton Association decreased the spot rate by Rs 7,00 per maund and closed it at Rs 17,500 per maund. Polyester Fiber was available at Rs 357 per kg.

Copyright Business Recorder, 2024

Stock & Commodity

SRI LANKA SHARES END FLAT

Reuters Published about 2 hours ago

BENGALURU: Sri Lankan shares closed largely flat on Thursday, as a decline in information technology stocks countered gains in financials.

The CSE All Share index settled 0.10% up at 11,671.9.

Nation Lanka Finance and Industrial Asphalts (Ceylon) were the top percentage gainers on the CSE All Share index, rising 50% and 33.3%, respectively.

Trading volume on the CSE All Share index rose to 238.2 million shares from 150.9 million in the previous session. The equity market's turnover rose to 4.31 billion Sri Lankan rupees (\$14.38 million) from 3.96 billion rupees in the previous session, according to exchange data. Foreign investors were net sellers, offloading stocks worth 694.3 million rupees, while domestic investors were net buyers, purchasing shares worth 4.25 billion rupees, the data showed.

WALL ST RISES ON AI OPTIMISM AFTER MICRON'S UPBEAT FORECAST

Reuters Published about 2 hours ago

NEW YORK: Wall Street's main indexes rose in choppy trading on Thursday, with the S&P 500 hitting an intraday record high after Micron's upbeat forecast rekindled the hype around artificial intelligence, and a soft jobless claims report soothed worries about the labor market.

Micron Technology jumped 12.9% after the memory chip maker forecast higher-than-expected first-quarter revenue, underscoring that demand for memory chips used in AI computing was robust.

Most chip stocks traded up, sending the broader Philadelphia SE Semiconductor index 2% higher.

Investors also scrutinized a Labor Department report that showed jobless claims dropped to a four-month low last week, while the final reading of gross domestic product confirmed that the economy grew 3% in the second quarter.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

“If there’s a problem in the labor market, it’s not showing up in the weekly jobless claims data. Numbers like this will likely keep soft-landing hopes alive and well,” said Chris Larkin, managing director of trading and investing at E*TRADE.

At 11:46 a.m. the Dow Jones Industrial Average rose 231.95 points, or 0.55%, to 42,143.85, the S&P 500 gained 19.59 points, or 0.34%, to 5,741.85 and the Nasdaq Composite gained 84.67 points, or 0.47%, to 18,166.88.

Seven of the 11 S&P 500 sectors rose, led by a 1.9% gain in materials stocks.

Metal prices got a boost after China pledged to deploy “necessary fiscal spending”. Copper miners such as Freeport-McMoRan rose 7.7%, while lithium miners such as Albemarle climbed 7% and Arcadium added 5.6%.

However, energy stocks slipped 1.7%, tracking crude prices that slid on expectations of greater supply by the OPEC.

The Russell 2000 index tracking small caps outperformed the broader market with a 0.8% gain.

The benchmark S&P 500 and blue-chip Dow have hit multiple record highs this year and the tech-laden Nasdaq is about 2% away from its own milestone. Optimism around AI and expectations of lower interest rates have led markets to rally this year.

Late on Wednesday, Fed Governor Adriana Kugler said she “strongly supported” the central bank’s decision to kick off monetary policy easing last week.

Investors have been swaying between a 25 and a 50 bps cut since the Fed commenced its easing cycle, with bets favouring a bigger cut now, up from 38.8% a week ago, as per the CME Group’s FedWatch Tool.

“The employment situation report next week is going to help really settle the debate about whether the November Fed meeting will be a 25 or 50 basis point cut,” said Brian Jacobson, chief economist at Annex Wealth Management.

Among others, US-listed Chinese firms such as Li Auto gained 7.1%, PDD Holdings advanced 11.7%, while Alibaba added 9.5%.

Wells Fargo gained 4.5% after a report showed the banking giant had sent the Fed a review for lifting asset cap restrictions.

EUROPE’S STOXX 600 CLOCKS ALL-TIME CLOSING HIGH ON CHINA STIMULUS BOOST

Reuters Published about 2 hours ago

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

PARIS: European shares jumped on Thursday, with China-exposed stocks such as luxury and miners outperforming on news of aggressive Chinese economic stimulus, while chip stocks also advanced following US firm Micron's strong revenue forecast.

The pan-European STOXX 600 index closed 1.3% higher at 525.61 points, an all-time closing high and 0.2% away from the intraday record high.

Chinese leaders pledged to deploy “necessary fiscal spending” to meet this year’s economic growth target of roughly 5%, acknowledging new problems and raising market expectations for fresh stimulus on top of measures announced this week.

“This is a very positive market reaction that will probably fade a little bit with time because issues around Chinese demand are going to take time to solve,” said Tim Graf, managing director and head of macro strategy for EMEA at State Street Global Markets.

“You’re seeing a little bit of a relief rally that there are efforts being taken to solve them, but it’s still a very long process.” China-exposed luxury firms such as LVMH and Hermes gained around 9% each. A gauge of ten of Europe’s biggest luxury firms rose 6.5%.

Mining stocks also jumped 4.3% on elevated base metal prices.

Europe’s technology sector gained 3% as shares of semiconductor companies jumped after Micron Technology forecast higher-than-expected revenue on AI demand.

Bucking the trend, heavyweight energy shares eased 3% as crude oil prices dropped more than 2% on a media report that Saudi Arabia will give up its price target in preparation for raising output, and as OPEC+ looked set to raise output in December.

In Switzerland, the country’s central bank reduced interest rates by 25 basis points, echoing steps to lower borrowing costs by the European Central Bank (ECB) and US Federal Reserve, and left the door wide open for more rate cuts as inflation cools sharply. The Swiss benchmark closed 1.4% up.

Policy doves at the ECB are preparing to fight for an interest rate cut next month after a string of weaker-than-expected economic data, a move likely to meet resistance from their more conservative peers, seven sources told Reuters.

CHINA STOCKS LEAP AS BEIJING PLEDGES MORE STIMULUS

Reuters Published about 2 hours ago

SHANGHAI: Stock markets in China and Hong Kong jumped on Thursday, led by gains in the embattled property sector, as Beijing pledged more policy measures to spur growth just days after announcing big rate cuts and funding for the markets.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

The benchmark Shanghai Composite index ended 3.6% higher at 3,000.95 points by the close, while the blue-chip CSI300 Index jumped 4.2% to 3,545.32 points.

Both indexes finished at the highest closing level since June, and capped their seventh straight winning session.

Chinese H-shares listed in Hong Kong soared 4.28% around 0702 GMT, while the Hang Seng Index jumped 3.67%.

Shares rose sharply after state media reported, citing a Politburo meeting on the economic situation, that China will step up counter-cyclical adjustments of fiscal and monetary policy and strive to achieve full-year economic and social development targets.

Markets also got a bump higher after a Bloomberg News report citing unnamed sources said Beijing was considering injecting up to 1 trillion yuan (\$142.48 billion) of capital into its biggest state banks to increase their capacity to support the struggling economy.

An index tracking the consumer staple shares surged 8.65%, while the real estate index jumped 9.36%.

Analysts at UBS investment bank said in a note to clients that bearish investors could cover their shorts and go for a neutral weight on the market, or go long but through stock options.

“Investor sentiment on China has remained low with many head-fakes post-COVID, so the recent headlines are only exciting those who have China mandates and have been waiting for a coordinated, top/down response, which is taking shape,” they wrote.

GULF MARKETS END MIXED ON CHINA STIMULUS

Reuters Published about 2 hours ago

DUBAI: Stock markets in the Gulf ended mixed on Thursday helped by news of aggressive economic stimulus from China, while geopolitical tensions in the region weighed on sentiment.

China’s central bank on Tuesday unveiled its biggest stimulus since the pandemic to pull the economy out of its deflationary funk and back towards the government’s growth target.

Driving the optimism was an official readout from a meeting of China’s politburo that said the country would deploy “necessary fiscal spending” to meet this year’s economic growth target of roughly 5%.

Saudi Arabia’s benchmark index gained 0.3%, with ACWA Power Company advancing 4.8%.

On the other hand, oil giant Saudi Aramco dropped 0.5%.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

Oil prices - a catalyst for the Gulf's financial markets - slipped, reversing earlier gains, on a media report that Saudi Arabia, the world's top crude exporter, will give up its price target in preparation for raising output.

NIKKEI JUMPS NEARLY 3PC AS CHIP HEAVYWEIGHTS ADVANCE

Reuters Published about 2 hours ago

TOKYO: Japan's Nikkei share average jumped nearly 3% on Thursday as chip giants Tokyo Electron and Advantest tracked their US peers higher and a weaker yen boosted exporters.

The Nikkei was up 2.79% at 38,925.63, its biggest daily percentage gain since Sept. 12. The benchmark has risen for five out of six sessions.

The broader Topix gained 2.66% to 2,721.12.

"Gains in US chip stocks, particularly those of Micron's, lifted Japanese chip shares," said Kentaro Hayashi, a senior strategist at Daiwa Securities.

Shares of Micron Technology surged roughly 14% in after-hours trade on Wednesday after the company forecast higher-than-expected first-quarter revenue due demand for its memory chips used in artificial intelligence computing.

The yen fell to a three-week low of 145.04 per dollar earlier in the session. A weaker yen is seen as a boon for Japanese exporters as it lifts profits when earnings from abroad are brought home.

WALL ST RISES ON AI EUPHORIA AFTER MICRON'S UPBEAT FORECAST

Reuters Published September 26, 2024

Wall Street's main indexes rose on Thursday, with the S&P 500 hitting a record high, as Micron's upbeat forecast revived the frenzy around artificial intelligence, and a softer-than-expected jobless claims report soothed worries about the labor market.

Micron Technology jumped 17.3% after the memory chip maker forecast higher-than-expected first-quarter revenue, underscoring that demand for memory chips used in AI computing was robust.

The optimism lifted other chip stocks, with Nvidia rising 2.8%, Advanced Micro Devices advancing 3.6% and Broadcom adding 2.2%. The broader Philadelphia SE Semiconductor index jumped 3.7% to levels seen more than two months ago.

Investors also scrutinized a Labor Department report that showed jobless claims came in at 218,000 for the week ended Sept. 21, below estimates of 225,000.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

“Better employment numbers mean that the Fed will only cut by 25 bps at the next meeting ... on the one hand we won’t get a bigger rate cut, but on the other hand, it indicates the economy is strong, which is good news,” said Melissa Brown, managing director of investment decision research at SimCorp.

Separately, the final reading of gross domestic product confirmed that the economy grew 3% in the second quarter.

At 9:46 a.m., the Dow Jones Industrial Average rose 219.41 points, or 0.52%, to 42,134.16, the S&P 500 gained 37.03 points, or 0.65%, to 5,759.29 and the Nasdaq Composite gained 201.80 points, or 1.12%, to 18,284.01.

Six of the 11 S&P 500 sectors rose, with technology rising 1.3%. Energy stocks slipped 1.4%, tracking crude prices that slid on expectations of greater supply by the Organization of Petroleum Exporting Countries.

Wall Street mixed as investors await Fed rate clues

The Russell 2000 index tracking small caps also added 1.1%.

The benchmark S&P 500 and blue-chip Dow have hit multiple record highs since the start of this year and the tech-laden Nasdaq is about 2% away from its own milestone. Optimism around AI and expectations of lower interest rates have led markets to rally this year.

Late on Wednesday, Fed Governor Adriana Kugler said she “strongly supported” the central bank’s decision to kick off monetary policy easing with a rare half a percentage point cut last week, as part of an emerging focus on the job market.

Traders now see a 54.6% chance of the Fed delivering a 50 basis point rate cut in November, up from 38.8% a week ago, as per the CME Group’s FedWatch Tool.

Among others, Copper miners such as Freeport-McMoRan rose 6.9%, while lithium miners such as Albemarle climbed 6% and Arcadium added 4.4% after China pledged to deploy “necessary fiscal spending”. The broader materials index rose 1.36%.

U.S.-listed Chinese firms such as Li Auto and PDD Holdings advanced 11%, while Alibaba added 7.5%.

Southwest Airlines climbed 9.7% after the carrier raised its third-quarter revenue forecast, while Accenture gained 7% after the IT services provider forecast annual revenue above estimates.

Advancing issues outnumbered decliners by a 3.59-to-1 ratio on the NYSE and by a 3.67-to-1 ratio on the Nasdaq.

The S&P 500 posted 37 new 52-week highs and two new lows, while the Nasdaq Composite recorded 66 new highs and 20 new lows.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

INDIAN SHARES NOTCH NEW HIGHS AS AUTO, METAL STOCKS SURGE

Reuters Published September 26, 2024

BENGALURU: Indian shares hit fresh highs for the sixth consecutive session on Thursday, as automakers surged on hopes that the state of Karnataka would offer cuts and incentives for the clean mobility sector, while gains in metals added to the rally.

The Nifty 50 closed 0.81% higher at 26,216.05 points, while the BSE Sensex surged 0.78% to 85,836.12.

The blue-chip indexes added 3.3% and 3.5%, respectively, in the past six sessions after a big rate cut from the Federal Reserve on Wednesday boosted hopes of higher foreign inflows into emerging markets, like India.

“The market undertone remains strong and no major downside is expected in the near term,” said Siddharth Sedani, head of equity advisory at Anand Rathi Financial Services.

The auto index surged 2.3% to a record high, with Maruti Suzuki up 4.7%, Tata Motors rising 3.1% and Mahindra and Mahindra climbing 2.9%.

Indian shares hit all-time highs for fifth consecutive session

Reuters reported on Wednesday that Karnataka state, which racks up India’s third-highest sales of electric vehicles, would offer tax cuts and incentives for the clean mobility sector.

Plans of a tax cut in hybrid cars is boosting gains for the likes of Maruti Suzuki as the market anticipates higher demand in Karnataka as seen post a similar tax cut in the state of Uttar Pradesh in July, said Amit Hiranandani, automobile sector lead analyst at brokerage SMIFS.

Metals jumped 2.1% amid a surge in global prices as top consumer China pledged additional measures to spur its economic growth.

Growth in the Chinese economy would aid a decline in low-priced steel imports from China in countries including India, which would lift local prices of the metal, two analysts said.

Later in the day, Fed Chair Powell and other key officials’ comments will be scrutinized for cues on the central bank’s next move.

SRI LANKA SHARES END FLAT AS IT LOSSES OFFSET FINANCIAL GAINS

- CSE All Share index settled 0.10% up at 11,671.9

Reuters Published September 26, 2024

BENGALURU: Sri Lankan shares closed largely flat on Thursday, as a decline in information technology stocks countered gains in financials.

The CSE All Share index settled 0.10% up at 11,671.9.

Nation Lanka Finance and Industrial Asphalts (Ceylon) were the top percentage gainers on the CSE All Share index, rising 50% and 33.3%, respectively.

Trading volume on the CSE All Share index rose to 238.2 million shares from 150.9 million in the previous session.

Energy, financials power Sri Lanka shares to best day in over a year

The equity market's turnover rose to 4.31 billion Sri Lankan rupees (\$14.38 million) from 3.96 billion rupees in the previous session, according to exchange data.

Foreign investors were net sellers, offloading stocks worth 694.3 million rupees, while domestic investors were net buyers, purchasing shares worth 4.25 billion rupees, the data showed.

CHINA RALLY PUSHES STOXX 600 CLOSE TO RECORD HIGHS

Reuters Published September 26, 2024

European shares jumped on Thursday, buoyed by optimism in Asia following news that China is considering capital injections into its top banks, while investors awaited remarks from the European Central Bank's (ECB) president.

The pan-European STOXX 600 index was up 1% at 524.56 points by 0710 GMT, just shy of its record high of 526.66. Technology and basic resources were the biggest boost to the benchmark index, gaining over 3% each.

Oil stocks were the biggest drag, losing 2.8% as oil prices fell on news of top exporter Saudi Arabia giving up its crude oil price target.

Meanwhile, a report said that China is considering injecting up to 1 trillion yuan (\$142.39 billion) of capital into its top banks to increase their capacity in a bid to support its struggling economy.

Chinese leaders also pledged to support the economy through "forceful" interest rate cuts.

Luxury stocks also lifted the benchmark on the day, with LVMH and Hermes gaining over 4.3% each.

European shares jump on China stimulus; luxury stocks shine

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

A slew of ECB board members are scheduled to speak later in the day, with comments from president Christine Lagarde taking centre-stage, due at 1330 GMT.

The Swiss National Bank is expected cut its interest rate by 25 basis points.

H&M dropped 7.7% after the world's second-largest listed fashion retailer said it no longer expected to reach its full-year earnings margin goal, while reporting a lower-than-expected operating profit for the third quarter.

LONDON SHARES GAIN AS CHINA PLEDGES MORE STIMULUS; OIL STOCKS FALL

Reuters Published September 26, 2024

UK stocks rose on Thursday, boosted by mining stocks after China's latest pledge for more policy measures fuelled optimism for a turnaround in the world's second largest economy, while a drop in oil-related stocks limited gains.

The blue-chip FTSE 100 gained 0.5% by 0720 GMT.

China will deploy "necessary fiscal spending" to meet an economic growth target of roughly 5%, leaders pledged, following a raft of aggressive central bank policy easing measures earlier in the week.

That followed a report that China is considering injecting up to 1 trillion yuan (\$142.39 billion) of capital into its biggest state banks.

The moves signal renewed efforts to turnaround growth and demand in the world's second largest economy.

UK stocks slipped on Wednesday as investors questioned whether the scope of China's proposed measures were sufficient, but the newly-announced fiscal stimulus appeared to have soothed those concerns.

The index tracking industrial metal and mining companies jumped 4% as copper prices rallied.

However, an index of oil and gas stocks dropped 4%, as crude prices slumped over 2% following a report that Saudi Arabia is preparing to abandon its unofficial price target of \$100 a barrel as it prepares to increase output.

Among single movers, shares of Watches of Switzerland jumped 4.7% after Deutsche Bank upgraded the stock to "buy" from hold and raised its price target. Burberry shares rose 6.5% on hopes of renewed demand in the Chinese market.

FTSE 100 drops over 1pc on strong retail sales

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

These moves also lifted the domestic-focused midcap index 0.8% and the personal goods index 5.7%. Investors eyed speeches from Federal Reserve officials later in the day, including Chair Jerome Powell, for more clues on US monetary policy.

Domestically, a survey from the British Retail Consortium survey showed British consumers have grown more gloomy over the past month following the new Labour government's removal of a welfare benefit for pensioners and warning of tax rises at next month's budget.

KSE-100 PLUMMETS AS IMF EUPHORIA MAKES WAY FOR ECONOMIC REALITY

BR Web Desk Published September 26, 2024

An initial buying spree made way for selling pressure as investors took a stock of Pakistan's economic condition despite the International Monetary Fund (IMF) approving Pakistan's 37-month Extended Fund Facility (EFF) of about \$7 billion.

The KSE-100 started the session positive, hitting a historic intra-day high of 82,905.73.

However, selling in the latter hours pushed the index below 82,000.

At close, the benchmark index settled at 81,657.97, down by 589.95 points or 0.72%.

Experts BUSINESS RECORDER reached out to said all positive news had been incorporated, making way for some consolidation, profit-taking, and taking stock of Pakistan's economic situation that is currently still precarious.

Most analysts generally see the IMF programme as an overall positive for Pakistan as it gives the government a much-needed roadmap for economic reforms, a task Islamabad tends to shy away from.

On Wednesday, the IMF Executive Board considered Pakistan's request and authorised to immediately release the first loan tranche of nearly \$1.1 billion, likely to be received by September 30.

The same day, PSX had also witnessed a bullish session as the benchmark KSE-100 Index closed higher by 764 points, settling at 82,247.92 ahead of the IMF Board meeting.

Globally, Asian stocks bucked the global trend to extend a rally on Thursday, fuelled by persistent optimism over China's aggressive stimulus package, although there were signs some of that enthusiasm was starting to ebb.

The sea of green across equities in Asia came even as Wall Street closed lower overnight with global stock indexes giving up their gains from earlier in the week.

Still, MSCI's broadest index of Asia-Pacific shares outside Japan rose more than 1% to an over two-year high on Thursday. Japan's Nikkei surged 2.4%.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

Hong Kong's Hang Seng Index similarly advanced 1.5%, while the mainland CSI300 blue-chip index reversed early losses to last trade 0.3% higher.

Meanwhile, the Pakistani rupee registered a marginal gain against the US dollar on Thursday, appreciating 0.06% in the inter-bank market. At close, the currency settled at 277.69, a gain of Re0.16 against the US dollar.

Volume on the all-share index increased to 423.94 million from 422.16 million on Wednesday.

The value of shares decreased to Rs17.67 billion from Rs18.38 billion in the previous session.

PIA Holding Company was the volume leader with 36.33 million shares, followed by WorldCall Telecom with 33.11 million shares, and Kohinoor Spinning with 25.82 million shares.

Shares of 444 companies were traded on Thursday, of which 125 registered an increase, 263 recorded a fall, while 56 remained unchanged.

Business & Finance » Money & Banking

DOLLAR DOWN IN CHOPPY TRADE

Reuters Published about 2 hours ago

NEW YORK: The dollar was down in choppy trading on Thursday after a host of US data indicated a relatively healthy economy, while the Swiss franc rose after the country's central bank cut interest rates by 25 basis points (bps).

The greenback began paring losses after data showed US weekly jobless claims fell by 4,000 to a four-month low of 218,000, below the 225,000 forecast by economists polled by Reuters.

In addition, other reports showed corporate profits increased at a more robust pace than initially thought in the second quarter while gross domestic product grew at an unrevised 3%.

A gauge of new orders for key US-manufactured capital goods unexpectedly rose in August, although business spending on equipment appears to have waned in the third quarter.

"Looks like pretty good news for the dollar," said Joseph Trevisani, senior analyst at FXStreet in New York.

"Once again we have this split between the Fed cutting rates and an economy that is essentially growing at 3% or more, so the market doesn't quite know what to make of this." The dollar index, which measures the greenback against a basket of currencies including the yen and the euro, fell 0.33% to 100.61 after rising as high as 100.95 in the session. The euro was up 0.34% at \$1.117.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

The Federal Reserve has recently signaled a shift in focus away from inflation and towards keeping the labor market healthy, but delivered a larger-than-usual 50-bp interest rate cut last week.

The market is completely pricing in a cut of at least 25 basis points at the Fed's Nov. 6-7 meeting, with a 52.1% chance for another outsized half-percentage-point cut, according to CME Group's FedWatch Tool.

Against the Swiss franc, the dollar weakened 0.27% to 0.848. after the Swiss National Bank reduced interest rates by 25 basis points, echoing the moves by the Fed and European Central Bank (ECB), and left the door open for more rate cuts as inflation cools sharply.

Analysts at Goldman Sachs said the SNB cut was "motivated by lower inflationary pressure, driven, among other things, by a stronger franc" and expect a further 25-bp cut at the central bank's December meeting given its dovish guidance and new inflation projections.

A slew of US central bank officials were speaking on Thursday, although several, including Fed Chair Jerome Powell declined to comment on monetary policy.

US Treasury Secretary Janet Yellen said labor market and inflation data suggest the US economy is on a path to a "soft landing," but the "last mile" in the effort to tame inflation revolves around bringing down housing costs.

The Japanese yen strengthened 0.01% against the greenback to 144.72 per dollar. Bank of Japan policymakers were divided on how quickly the central bank should raise interest rates further, minutes of the bank's July meeting showed, highlighting uncertainty on the timing of the next increase in borrowing costs.

Sterling strengthened 0.5% to \$1.3391.

ASIAN CURRENCIES: SINGAPORE DOLLAR GAINS

Reuters Published about 2 hours ago

BENGALURU: The Singapore dollar gained on Thursday after strong industrial production data boosted growth prospects, while most Asian stock markets edged higher, buoyed by enthusiasm at China's aggressive stimulus package to boost the region's largest economy.

The Singapore dollar strengthened 0.2% against the greenback. The currency has been hovering near a seven-year high touched earlier in the week. Local stocks, on the other hand, traded flat.

Data showed that industrial production in the city-state jumped 21% year-on-year in August, compared with the 9% increase estimated in a Reuters poll, lifted by a higher biomedical and electronics output.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

Analysts at Barclays estimate Singapore's gross domestic product growth is on track to rise to 4.2% year-on-year in the third quarter, compared with 2.9% in the second quarter, with the rebound in manufacturing being the swing factor.

They also expect the Monetary Authority of Singapore to leave its forex policy settings unchanged through 2025, with the policy statement sounding less hawkish but not dovish.

Among other Southeast Asian assets, Manila stocks gained 1.3%, while equities in Taipei were up 0.4%.

The Indonesian rupiah and the Philippine peso weakened 0.5% and 0.1%, respectively.

On Wednesday, the People's Bank of China cut medium-term lending rates to banks, a day after Beijing unveiled wide-ranging policy easing measures including steps to boost the stock market and support for the ailing property sector.

Also aiding sentiment, Bloomberg News reported earlier in the day that China was considering plans to inject capital of up to 1 trillion yuan (\$142.46 billion) into its biggest state banks to beef up capacity to support the struggling economy.

SBP-HELD FOREIGN EXCHANGE RESERVES INCREASE \$24MN, NOW STAND AT
\$9.53BN

BR Web Desk Published September 26, 2024

Foreign exchange reserves held by the State Bank of Pakistan (SBP) increased by \$24 million on a weekly basis, clocking in at \$9.53 billion as of September 20, data released on Thursday showed.

Total liquid foreign reserves held by the country stood at \$14.87 billion. Net foreign reserves held by commercial banks stood at \$5.34 billion.

The central bank did not specify a reason for the increase in reserves.

“During the week ended on 20-Sep-2024, SBP reserves increased by US\$ 24 million to US\$ 9,533.6 million,” it said.

Last week, SBP foreign exchange reserves increased by \$43 million.

In a key development, the International Monetary Fund (IMF) Executive Board on Wednesday approved the 37-month, \$7-billion Extended Fund Facility for Pakistan.

The IMF is expected to immediately release an initial tranche of \$1.1 billion, which will boost the country's foreign exchange reserves.

PROFIT REPATRIATION SURGES 461% IN FIRST TWO MONTHS OF FY25: SBP

September 26, 2024

Karachi, September 26, 2024 — The repatriation of profits and dividends by foreign companies operating in Pakistan surged by an astounding 461% during the first two months (July-August) of the current fiscal year 2024-25, according to data released by the State Bank of Pakistan (SBP) on Thursday.

The SBP reported that profit and dividend repatriation reached \$275 million during this period, a significant increase from the \$49 million recorded in the corresponding months of the previous fiscal year. This dramatic rise highlights the impact of recent policy changes by the central bank aimed at facilitating foreign investors.

Market analysts attribute the surge to the SBP's more liberal approach towards allowing profit and dividend repatriation by foreign companies. In previous years, the SBP had imposed restrictions due to Pakistan's foreign exchange crisis, limiting the ability of companies to repatriate earnings. However, as the country's foreign exchange reserves stabilized and economic conditions improved, the central bank lifted many of these restrictions, creating a more favorable environment for foreign businesses to repatriate their profits.

A breakdown of the data shows that profit repatriation against Foreign Direct Investment (FDI) saw a particularly sharp rise. During the first two months of FY25, repatriation of profits linked to FDI reached \$268 million, compared to just \$44 million during the same period in FY24. This substantial increase is indicative of improved investor confidence in the country's economic recovery and the SBP's measures to support foreign investors.

Additionally, repatriation of profits and dividends against foreign portfolio investment (PFI) also saw a modest increase, rising to \$6.6 million during July-August FY25, compared to \$5.3 million in the same period last year. Although smaller in scale compared to FDI repatriation, this rise also reflects growing investor interest and activity in Pakistan's financial markets.

The sharp increase in profit repatriation underscores the importance of stable economic policies for maintaining investor confidence. As Pakistan continues to recover from previous economic challenges, including a foreign exchange crisis, the SBP's proactive measures to create a more predictable and open environment for foreign investors are playing a crucial role in restoring investor trust.

Looking ahead, continued efforts to enhance the country's investment climate, paired with a focus on maintaining fiscal discipline, will be critical for sustaining this upward trend in foreign investment and profit repatriation.

Trade & Industry

PAKISTAN PHARMA SUMMIT 2024: EXPERTS GATHER WITH AIM TO CHART PATH FOR GROWTH IN PHARMACEUTICAL INDUSTRY

Bilal Hussain Published September 26, 2024

ISLAMABAD: The 7th Pakistan Pharma Summit, held at the Serena Hotel in Islamabad, brought together industry leaders, government officials, and international experts to discuss the future of Pakistan's pharmaceutical sector.

Mian Khalid Misbah ur Rehman, Chairman of the Pakistan Pharmaceutical Manufacturers Association (PPMA), opened the summit with an ambitious vision. He highlighted the potential for growth in Pakistan's pharmaceutical exports, currently estimated at just over \$300 million, compared to the global industry total of \$1.6 trillion.

Misbahuddin announced a target to jack up exports by ten times to over \$3 billion within five years.

7th Pakistan Pharma Summit: event aims to highlight innovations, collaborative growth in pharmaceutical sector

He said the industry recently saw 24% growth, crediting the Drug Regulatory Authority of Pakistan (DRAP) for recent price deregulation efforts.

Misbahuddin emphasised the role of the PPMA, a recognised trade body founded in 1961, with over 250 members fulfilling 90% of the country's medicine needs through local production. He expressed optimism that the industry could meet its \$3-billion export goal but acknowledged ongoing challenges that threaten its survival.

He urged the government to expedite the passage of amendments to the Drug Act of 1977, which he said is critical for the growth of the pharmaceutical industry. While deregulation has led to increased drug prices, it has also improved the overall availability of medicines, alleviating severe shortages in the market.

The summit featured prominent speakers, including Dr Mehmood Khan, CEO of the Hevolution Foundation in Saudi Arabia. He addressed the theme "From Molecules to Markets: Leveraging Global Innovation, Collaboration, and Leadership Insights to Unlock Pakistan's Life Sciences Potential." His insights focused on the importance of collaboration and innovation in propelling Pakistan's pharmaceutical landscape.

Dr Qaiser Waheed, former chairman of PPMA, underscored the need for digital transformation in the pharmaceutical sector to remain competitive, particularly against regional rivals like India and Bangladesh.

He criticised the current oversight of controlled substances by narcotics officials instead of health officials, calling for specialized regulatory attention.

“We must ensure that the powers of DRAP remain intact and are not shifted to departments lacking medical expertise,” Dr Waheed stated, voicing concerns over regulatory efficacy.

Dr Malik Mukhtar Ahmad Bharath, Coordinator to the Prime Minister on Health, echoed these sentiments. He noted that Prime Minister Shehbaz Sharif is committed to transforming the pharmaceutical industry into a leading export sector.

He assured attendees that the government is focused on developing supportive policies to facilitate industry growth. “This summit provides a unique opportunity for stakeholders to collaborate on strategies that will strengthen the pharmaceutical sector,” he said.

Bharath also addressed the complexities of the Drug Act, noting that health has devolved to the provinces after the 18th Amendment. He promised to bring consensus documents through the Council of Common Interests (CCI) to move forward.

Pinar Kivilcim, Global Client Officer at Ipsos Healthcare, presented the critical role of market research in shaping the pharmaceutical landscape. Her presentation, “From Insights to Impact: Leveraging Market Research for Pharma Growth,” emphasized the need for data-driven decision-making to better understand market dynamics and consumer behavior.

Asim Rauf, CEO of DRAP, highlighted the ongoing efforts to achieve WHO Level-3 certification for the regulatory body, which will enhance the industry’s standing in international markets. He mentioned that DRAP is preparing for an international audit and expects the industry to follow suit.

Rauf lauded the summit’s theme, stating that it reflected the industry’s alignment with global trends. “Despite the challenges, the pharmaceutical sector in Pakistan is continuously growing, and exports are on an upward trajectory,” he remarked, adding that recent access to the UAE and European markets underscores the industry’s progress.

Dr Dennis Hall, Vice President for Advanced Manufacturing Technologies at the US Pharmacopeia, discussed the digital transformation of pharmaceutical manufacturing, emphasizing that investments in cutting-edge technologies improve efficiency and enhance product quality, which can boost export potential.

Dr Semih Kumluk, an expert in AI and digital transformation, discussed how AI is reshaping the pharmaceutical landscape, particularly in drug discovery and clinical trials. He stressed the importance of leveraging AI for personalized treatments, underscoring the role of data in this evolution.

Minister for Commerce Jam Kamal Khan reaffirmed the government’s commitment to revitalising the pharmaceutical industry. He announced the reactivation of 16 sectoral councils to develop comprehensive plans for industrial growth and trade promotion. The minister

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

highlighted that suggestions from these councils will be presented to the Export Development Board, chaired by the Prime Minister, for swift implementation.

The efforts of M. Haroon Qassim, Chairman Summit Organizing Committee and Dr. Qaiser Waheed, Conference Chairman were lauded for organizing the summit in a befitting manner.

The summit concluded with the Pharma Export Summit Awards (PESA 2024), where Yusuf Raza Gilani, Chairman of the Senate of Pakistan, served as Chief Guest. He commended the industry's achievements and its increasing export potential, particularly in high-value markets such as the U.S. and Europe. "This is a promising industry with a bright future," Gilani stated, as he presented awards to the top 50 exporting companies.

Copyright Business Recorder, 2024

GOVT URGED TO FACILITATE TRADERS AFTER SUCCESSFUL IMF TALKS

Recorder Report Published about an hour ago

LAHORE: United Business Group (UBG) Patron-in-Chief S M Tanveer has urged the government to facilitate the business community after successfully negotiating with the IMF, as loans can sustain the government but not businesses.

He urged the State Bank of Pakistan to reduce interest rates by 300 basis points to revive closed industrial units and ensure employment. He also called for resolving IPP issues and reducing electricity prices to Rs25 per unit, enabling the export industry to compete regionally.

Tanveer emphasized that Pakistan needs business activity revival, not more loans. He criticized government borrowing, saying the borrower and repayer are often different.

He also criticized governments for taking loans to cover expenses while development work remains limited to papers. He noted that 58% of Pakistan's tax revenue goes towards paying off debts and interest, highlighting the country's debt trap situation. This debt burden falls heavily on the business community, he said.

Tanveer stressed that the government should focus on strengthening the economy through business facilitation, not accumulating more debt. By addressing these concerns and implementing sustainable economic policies, he said, Pakistan can break free from its debt trap and foster a more robust economy.

Copyright Business Recorder, 2024

PHMA ELECTS ABDUL HAMEED AS ZONAL CHAIRMAN

Recorder Report Published about 2 hours ago

LAHORE: The Pakistan Hosiery Manufacturers and Exporters Association (PHMA) has elected new office-bearers for the term of 2024-26 including Abdul Hameed as Zonal Chairman, Hazar Khan as Senior Vice-Chairman and Tariq Mahmood Bhatti as Vice-Chairman of the North Zone Office.

The all members of the new Zonal Executive Committee were elected unopposed, including Ahmad Mansha, Muhammad Amin, Fahim Muhammad Akram, M Shaheen Tabassum, Muhammad Imran Latif, Mohsin Jawaidd, Javaidd Aslam, Hafiz Rashid Mahmood, Razi Ahmed, Ch Asif Hussain and Ch Muhammad Arshad.

The new Executive Committee expressed the confidence that it will make all efforts to work selflessly in resolving issues and problems faced by the industry in the best interests of PHMA members and in further enhancing and boosting the exports.

PHMA outgoing Central Chairman Nahid Abbas and Zonal Chairman Farrukh Iqbal congratulated the new body and hoped that it would continue its efforts for the industry's growth.

Newly-elected Zonal Chairman Abdul Hameed said that the knitwear apparel maintained the highest exports share, remaining at top of exports statistics every year despite adverse factors such as liquidity crunch and high costs of doing business. He pledged that the new body would accord top priority in reduction of input cost, resolution of refund issues and a favourable environment for the promotion of knitwear industry.

The new Senior Vice-Chairman Hazar Khan and Vice-Chairman Tariq Mahmood Bhatti said that the growth of value-added textile industry was a must to steer the overall economic growth of the country.

Copyright Business Recorder, 2024

OFFICE-BEARERS FOR PYMA ELECTED

Recorder Report Published about 2 hours ago

KARACHI: Muhammad Saqib Good Luck, Muhammad Tahir, Altaf Haroon, Muhammad Usman Afzal has been elected as Chairman, Senior Vice Chairman, Vice Chairman Sindh Balochistan, Vice Chairman Punjab KPK of Pakistan Yarn Merchants Association (PYMA) for the year 2024-26 unopposed respectively.

Those who have been elected as members of executive committee includes Waheed Umer, Danish Hanif, Kamran Sultan, Abdul Karim Gohan, Ather Kamil Battla, Farhan Ashrafi, Muhammad Salman Ashrafi, Abdul Samad Gaba, Umar Abubakar, Abdullah Nadeem, Furqan Saga, Kousar Ijaz, Waqar Nasir, Shahid Mahmood Sheikh, Rana Moezz Ghafoor, Kashif Khalid Muhammad Nasir, Muhammad Farooq, Kamran Ali Magoon, Sherz Ali, Sheikh Muhammad Noman, Muhammad Owais and Shaikh Muhammad Waheed.

Copyright Business Recorder, 2024

LARGE-SCALE TRIAXIAL MACHINE MADE FUNCTIONAL AT WAPDA'S CMTL

Recorder Report Published about 2 hours ago

LAHORE: The large scale triaxial machine, the largest of its type in Pakistan, has been successfully made functional at Wapda's central material testing laboratory (CMTL).

The technical services division Water and Power Development Authority (Wapda) made the machine operational in collaboration with University of Engineering and Technology (UET), Lahore. The machine is designed for geo-tech testing of rocks for foundation of mega dams and hydropower projects.

To mark the occasion, Chairman Wapda Engr Lt Gen Sajjad Ghani (r) and Vice Chancellor UET Prof Dr Shahid Munir visited CMTL on Thursday. UET's Pro Vice Chancellor, Dean Faculty of Mechanical Engineering, Chairperson Civil Engineering Department, Director Center of Excellence in Water Resources Engineering, Wapda's Member (Water), GM (Technical Services) and GM (C&M) Water were also present on the occasion.

The Chairman accompanied by the vice chancellor had a detailed visit of the rock machine lab, soil mechanic lab and cement and concrete lab to view testing facilities available there.

Expressing gratitude for UET Vice Chancellor and his team, the Chairman appreciated technical services division Wapda for making the large scale triaxial machine functional. Dilating upon his priorities, the Chairman said that Wapda is adding latest machines and gadgets to the CMTL besides revamping and digitalising the existing testing equipment with a view to developing modern testing facilities in Pakistan for all sort of material used in mega projects instead of sending the samples abroad for testing.

Speaking on the occasion, the Vice Chancellor UET highlighted the significance of developing industry-academia linkages for research and excellence in construction of projects. He said "we are keen to work with Wapda to enhance human intellectual capital at Wapda."

During the interaction, the Chairman Wapda and Vice Chancellor UET also discussed the proposals about establishing Wapda chair at UET and developing the need-based courses at advanced academic levels in UET for Wapda officers/scholars.

It was also agreed that a delegation comprising senior faculty members of the UET will visit Wapda's mega projects - Diamer Basha Dam, Dasu Hydropower Project and Mohmand Dam to witness construction activities going on there under supervision of the international consultants and the experts of repute. Earlier, the GM (technical services) briefed the Chairman and the Vice Chancellor about revamping of large scale triaxial machine. The Chairman directed the GM (Technical Services) to explore possibilities for increasing commercial ventures at CMTL.

Copyright Business Recorder, 2024

SAI ELECTS OFFICE BEARERS FOR 2024-26 TERM

September 26, 2024

KARACHI: The Election Commission of the SITE Association of Industry (SAI), chaired by Muhammad Tariq Yousuf, has announced the unopposed election of key office bearers for the 2024-26 term. Ahmed Azeem Alvi has been elected President, Khalid Riaz as Senior Vice President, and Muhammad Riaz Dhedhi as Vice President.

These appointments were confirmed during the 60th Annual General Meeting (AGM) of the association, held at the SAI office. The AGM was presided over by Chief Coordinator and former SAI President, Saleem Parekh, and attended by distinguished guests including Zubair Motiwala, Chairman of the Businessmen Group (BMG) and Patron-in-Chief of SAI.

The newly elected office bearers will officially assume their roles on 1st October 2024. President-elect Ahmed Azeem Alvi expressed his appreciation to the association's members for their trust and support. In his remarks, he emphasized the pressing challenges faced by the SITE area, including deteriorating infrastructure and utility shortages. Alvi also urged active participation from members in the association's future initiatives and assured them of his commitment to addressing their concerns.

Chief Coordinator Saleem Parekh congratulated the newly elected officials and acknowledged the contributions of the outgoing leadership, including President Muhammad Kamran Arbi, Senior Vice President Muhammad Hanif Tawakkal, and Vice President Farhan Ashrafi. He highlighted that while many young professionals are stepping into leadership roles, the guidance and experience of senior members and the outgoing Executive Committee would continue to be valuable.

Zubair Motiwala, Chairman of the BMG, welcomed the incoming leadership team and commended the outgoing office bearers for their dedication. He noted that while several issues have been addressed, the industry still faces numerous challenges that will require consistent effort and innovation.

Several prominent figures from the SITE Association were also present, including Jawed Bilwani, Younus Bashir, Majyd Aziz, and Tariq Yousuf, who expressed their gratitude to the outgoing team and extended a warm welcome to the new office bearers.

The AGM was also attended by esteemed guests from the Karachi Chamber of Commerce & Industry (KCCI), including Iftikhar Ahmed Shaikh (President KCCI), Altaf A. Ghaffar (SVP KCCI), and Tanveer Ahmed Barry (VP KCCI), along with other town associations. They too expressed their appreciation for the outgoing leadership and welcomed the newly elected officials.

The SITE Association looks forward to a productive term under its new leadership, focusing on advocating for industrial needs and addressing challenges faced by its members.

Business & Finance » Companies

AUSTRALIA'S QANTAS SAYS ROLLING ENGINEER STRIKES NOT EXPECTED TO DISRUPT FLIGHTS

Reuters Published September 26, 2024

Australia's Qantas Airways said rolling aircraft maintenance engineer strikes that began on Thursday in Melbourne and are set to continue for two weeks across the country are not expected to disrupt flights.

"We're putting contingencies in place and don't currently expect this industrial action to have an impact on customers," a Qantas spokesperson said.

The Qantas Engineers' Alliance, made up of several unions, said on Thursday it wants a 5% annual pay rise and a 15% first-year payment "to make up for 3.5 years of wage freezes".

The alliance said the industrial action was likely to affect Qantas flights in all major locations.

It did not respond immediately to a request for further comment.

Australia's flag carrier has been trying to fix its reputation following a series of controversies regarding travel bookings and employee treatment that alienated travellers, employees and shareholders in the COVID-19 era and beyond.

About 1,100 employees out of 2,500 engineers across Qantas are covered by the enterprise agreements under discussion that expired at the end of June 2024, Qantas said.

Qantas flight lands safely on one engine after mid-flight issue with Airbus plane

The airline said it had made progress on a number of items with unions.

"We want to reach an agreement that includes pay rises and ensures we have a sustainable business," the spokesperson said.

Qantas in August reported an annual underlying pre-tax profit of A\$2.08 billion (\$1.41 billion), down 16% from the prior year.

On the day of its results it announced an in-principle agreement on pay increases for around 2,500 international cabin crew and agreed to three applications by the flight attendants' union to raise pay for up to 800 short-haul staff.

SYSTEMS LTD WINS 'TOP IT SERVICES EXPORTER AWARD'

Recorder Report Published about 2 hours ago

KARACHI: Systems Limited has once again marked its success at the P@SHA ICT Awards 2024 by securing the esteemed Top IT Services Exporter Award.

The award was presented by Shaza Fatima Khawaja, State Minister for Information Technology and Telecommunication, and proudly received by Tariq Rasheed, Senior Vice President Telco Growth Leader, and Javeria Fahad, Head of Marketing, from Systems Limited.

Over the years, Systems Limited has been a consistent recipient of P@SHA's accolades, showcasing its relentless commitment to digital excellence.

Recognised for its outstanding performance and contributions to the IT sector, Systems Limited continues to expand its presence in diverse international markets, delivering world-class technology solutions. The Top IT Services Exporter Award reflects the company's significant growth and role as a key player in Pakistan's thriving tech ecosystem.

Copyright Business Recorder, 2024

PHARMA SUMMIT & AWARDS: HALEON PAKISTAN AWARDED FOR EXPORTING RS1.1BN PHARMA PRODUCTS

Abdul Rasheed Azad Published about an hour ago

ISLAMABAD: Haleon Pakistan Limited has been awarded with export award at the Pakistan Pharma Summit and Awards for exporting Rs1.1 billion pharma products to international markets, including Vietnam and Philippines.

The award was presented to Chief Executive Officer Haleon Pakistan Farhan Muhammad Haroon by Senate Chairman Yousaf Raza Gillani hosted by the Pakistan Pharmaceutical Manufacturer's Association (PPMA) the other day.

CEO Haleon, while talking to Business Recorder, here on Thursday, said his company is incredibly proud to receive this prestigious export award and the company is aiming to achieve economies of scale by expanding its production lines.

He said that this will not only control the cost but will also ensure smooth availability in the local market besides fostering growth in exports. Deregulation of the prices of non-essential medicines is also a good omen for the industry and will allow the companies to share the cost shocks with their consumers.

He said that in the next few years, the company is committed to increase exports as well as locally increase market share. He said that at present, Pakistan's pharma industry's total exports were roughly around \$700 million dollars and the entire pharma industry is committed to take it to \$3 billion within the next few years.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

According to the pharma industry, there is a huge potential for the Pakistani healthcare products in Africa, for East Asia, Central Asia and other parts of the world as Pakistani medicines are much cheaper than of Indian products and good in quality.

“This recognition reflects the hard work, dedication, and innovation of our team while showcasing the strength and potential of the Pakistani pharmaceutical industry. We are committed to continuing our efforts to export Made in Pakistan high-quality healthcare products to international markets and to contribute to the economic growth of Pakistan.”

The export award acknowledges the company’s outstanding achievements in exporting top quality healthcare products to international markets, including Vietnam and Philippines. This recognition is a testament to the company’s commitment towards innovation, quality, localisation and global standards.

Haleon Pakistan’s exports have significantly contributed to the growth and development of the pharmaceutical industry within the country, making it the largest multinational exporter to receive this award. By expanding its reach beyond domestic borders, the company has not only generated valuable foreign exchange but has also enhanced the country’s reputation as a reliable source of quality healthcare products.

Their portfolio includes a wide range of trusted brands, including Panadol, Sensodyne, Paradontax, CaC1000 Plus and Eno. These products are known for their efficacy, safety, and widespread availability, making them popular choices for consumers.

This export award further solidifies Haleon Pakistan’s position as a leading force in the consumer healthcare market. The company remains focused on its mission to improve everyday health through trusted science, innovation, and deep consumer understanding.

Copyright Business Recorder, 2024

FATIMA EURICOM RICE MILLS (PVT) LTD BY M/S EURICOM SPA: CCP GRANTS APPROVAL OF ACQUISITION OF 50PC SHAREHOLDING

Recorder Report

Published about an hour ago

ISLAMABAD: The Competition Commission of Pakistan (CCP) has granted approval for the acquisition of a 50 percent shareholding in M/s Fatima Euricom Rice Mills (Pvt) Ltd by M/s Euricom SPA, a leading agribusiness entity based in Italy.

This acquisition, under the Share Purchase Agreement, represents a major advancement in attracting Foreign Direct Investment (FDI) to Pakistan, as global agribusiness leaders increasingly recognize the country’s untapped agricultural potential.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

Euricom S.P.A, with a global mission in agribusiness, is renowned for its expertise in the farming, processing, and trading of rice products across international markets.

By acquiring a substantial stake in Fatima Euricom Rice Mills, a Pakistan-based company engaged in paddy rice procurement and processing, Euricom S.P.A aims to tap into Pakistan's rich agricultural potential. The collaboration is set to further enhance Pakistan's rice export capacity, allowing the country to expand its footprint in the global rice trade.

The CCP's Phase I competition assessment of this merger highlights the substantial economic benefits of the proposed transaction. Through this transaction, the inflow of capital reflects growing investor confidence in Pakistan's economic prospects and demonstrates the importance of a robust merger clearance regime in facilitating international business ventures.

The CCP identified the relevant product market as the 'cultivation, processing, and packaging of Basmati Rice.' Although Fatima Euricom Rice Mills has not yet commenced operations, it is set to have an operational capacity of 30,000 tons.

The transaction is expected to promote healthy competition within the industry, thereby fostering growth and creating opportunities for new entrants.

Copyright Business Recorder, 2024

DESPITE HIGHER SALES, TEXTILE GIANT INTERLOOP'S PROFIT DOWN 18% IN FY24

BR Web Desk Published September 26, 2024

Despite higher sales, Interloop Limited (ILP), one of Pakistan's largest textile exporters, saw its profit decline by over 18% to Rs16.46 billion during the year ended June 30, 2024.

The company registered a consolidated profit of Rs20.17 billion in the same period last year (SPLY), according to a notice sent to the Pakistan Stock Exchange (PSX) on Thursday.

Earnings per share (EPS) decreased to Rs11.78 in the period under review compared to Rs14.39 in SPLY.

The company also announced a final cash dividend of Rs2.5 per share i.e. 25% for the year ending June 30, 2024. This was in addition to an interim cash dividend of Rs2 per share i.e. 20%.

"Earnings are lower than industry expectations due to lower gross margins and higher financial costs," said Topline Securities in a note.

During the period, the textile giant's net sales surged by nearly 33% to Rs158.18 billion during FY24, compared to Rs119.2 billion recorded in the prior year.

Interloop saw its gross profit surge to Rs44.17 billion in FY24, up 11%. However, the company's profit margin decreased to 27.9%, as compared to 33.4% in SPLY owing to higher costs.

Textile giant Interloop's profit surges 115% to Rs10bn in 1HFY24

On the other hand, the company's operating expenses rose nearly 32% year-on-year, to Rs17.05 billion in FY24.

The textile exporter's 'other income' showed exponential growth of 324%, hitting Rs670.83 million in FY24, compared to Rs158.24 million in SPLY.

Its cost of finance ballooned to Rs10.16 billion in FY24, an increase of 84%. The increase comes as interest rates increased significantly during the year.

Consequently, profit before tax clocked in at Rs18.49 billion in FY24, as compared to Rs21.58 billion in SPLY, a decrease of over 14%.

Established in 1992, Interloop was listed on the country's stock exchange in 2019.

The company is a vertically-integrated, multi-category company that manufactures hosiery, denim, knitted apparel and activewear. In addition, it produces yarn for textile customers. It is also one of the largest exporting firms in Pakistan and among the largest listed companies on PSX.

All of its plants are located in the province of Punjab.

SAMSUNG RING RECEIVES FIRST SOFTWARE UPDATE WITH KEY FIXES

September 26, 2024

The Samsung Galaxy Ring, launched in July after its February unveiling, has received its first software update.

The update, available under firmware version Q50XWWU2AXH1, is a minor one, requiring just 0.64MB of space. Despite its small size, the update promises essential improvements, particularly in Bluetooth connectivity and Samsung Health functionality, though the details remain limited.

Currently, the update is rolling out to users in the United States, with a broader global release expected soon. Users can anticipate better stability in their devices, contributing to an overall enhanced experience.

Simplified Health Monitoring with Galaxy Ring

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

The Galaxy Ring is designed to offer a seamless and simple health-tracking experience. The ring continuously monitors various health metrics, providing personalized insights that can be accessed throughout the day, even during sleep.

With its lightweight design, weighing between 2.3 to 3.0 grams, the ring is also built for comfort and durability. Its Titanium Grade 5 finish and 10ATM water resistance ensure the ring is sturdy enough for everyday use.

Available in Titanium Black, Titanium Silver, and Titanium Gold, the Galaxy Ring also comes in nine different sizes to ensure a perfect fit for every user. It boasts a battery life of up to seven days, and the included charging case features sleek LED indicators.

Standout Features of Samsung Galaxy Ring

24/7 Health Monitoring: The ring integrates with Samsung Health for continuous real-time data tracking, with no additional subscription required.

Advanced Sleep Analysis: It tracks sleep quality with metrics like heart rate, respiratory rate, and movement.

Energy Score: Galaxy AI assesses both physical and mental states to provide tailored health advice.

Heart Rate Alerts: Notifications are sent via the Samsung Health app if any abnormal heart rate activity is detected.

Auto Workout Detection: It automatically tracks walking, running, and other fitness activities, offering daily reminders to stay active.

This update further refines the Galaxy Ring's already robust wellness features, reinforcing its appeal as a versatile and fashionable health accessory.

Technology

PAKISTANIS CAUTIONED: '25 TOP WEB TRACKING SERVICE PROVIDERS COLLECTING USERS' ONLINE BEHAVIOUR DATA'

Recorder Report Published about an hour ago

ISLAMABAD: A global cybersecurity company Thursday cautioned Pakistanis that 25 top web tracking service providers are regularly collecting users' online behaviour data.

A report released by Kaspersky's with latest analysis of the 25 most prevalent web tracking services, including Google services, New Relic, Microsoft, revealed over 38 billion instances of

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

web trackers collecting user behaviour data in 2024, with an average of one million detections every day.

The report disclosed that the web tracking involves collecting, storing, and analyzing data on users' online behaviour. This data can include demographics, website visits, time spent on pages, and interactions such as clicks, scrolls, and mouse movements, which can be used for creating heat maps and other insights. Businesses leverage this information to personalize experiences, boost user engagement, target ads more effectively, and measure the performance of their online services.

Kaspersky products feature a Do Not Track (DNT) component that blocks tracking elements designed to monitor user activity on websites. This feature enables Kaspersky to assess the current state of data harvesting by web trackers.

To conduct this assessment, Kaspersky experts analyzed the 25 most prevalent tracking services. These include four from Alphabet Inc. – Google Display & Video 360, Google Analytics, Google AdSense, and YouTube Analytics – as well as services from New Relic, and Microsoft, including Bing and other Microsoft tracking platforms. Their analysis revealed that 38,725,551,855 data collection incidents were detected in a year, from July 2023 to June 2024, with users sharing their data approximately 1,060,974 times per day.

The report provides a region-by-region analysis of the prevalence of various tracking services. Google Display & Video 360 holds the largest share among the top 25 tracking systems in Asia. In South Asia, it accounted for 25.47% of DNT component triggers, while in East Asia it was 24.45%, in the Middle East – 22.92%, in Africa – 19.03%, in Europe – 17.24%. The smallest share was in the Commonwealth of Independent States (CIS) at 8.38%, where local tracking systems are more prevalent.

Google Analytics, which tracks user behaviour and keywords to optimize website traffic and performance, has its largest share in Latin America (14.89%), followed by the Middle East (14.12%). In Europe, it accounted for 11.93%, in Africa – 12.94%.

Anna Larkina, security and privacy expert at Kaspersky stated that while the top 25 tracking services show that data collection isn't confined to just a few companies, the more organizations storing and processing our information, the greater the risk of breaches. However, with most tracking handled by tech giants, there's strong motivation for them to protect user data and safeguard their reputations. Ultimately, though, users must take responsibility for their own data security, being mindful of the platforms they engage with and taking steps to protect their privacy.

Copyright Business Recorder, 2024

META BETS BIG ON CELEBRITY AI VOICES AND AUGMENTED REALITY GLASSES

AFP Published September 26, 2024

MENLO PARK, United States: Meta launched AI chatbots voiced by Hollywood celebrities including Judi Dench and John Cena on Wednesday, betting its billions of users are eager to embrace artificial intelligence.

At the company's annual product launch event, CEO Mark Zuckerberg also unveiled a prototype of normal-looking augmented reality glasses, which he hopes can one day replace smartphones.

Social media giant Meta is banking on AI and virtual and augmented reality applications to diversify its revenue streams.

However, the company has yet to convince investors of the need to shift from its highly profitable advertising-based model.

"I think voice has the potential to be one of, if not the most frequent way, that we interact with AI," Zuckerberg said, demonstrating a conversation with an AI version of performer Awkwafina.

"It is just a lot better," he said.

'Titanic' director James Cameron joins Stability AI board

This launch follows OpenAI's controversial ChatGPT voice feature, which drew criticism for its similarity to actress Scarlett Johansson's voice.

Meta has secured permission from the celebrities featured in its voice tool, which will be available on Instagram, Facebook, and WhatsApp.

However, due to EU data protection laws, Meta AI will not be accessible in Europe.

Meta's AI relies on data from its platforms' legions of users, a practice that in Europe would potentially violate data privacy laws.

Meta AI, similar to ChatGPT or Google's Gemini, is an assistant that answers questions, creates images, writes messages, and even provides companionship.

The company reports that more than 400 million people already use Meta AI monthly, aiming to make it "the most widely used AI assistant by year-end."

Critics note, however, that many users may encounter Meta's AI unintentionally, as it can be easily mistaken for search functions on WhatsApp and Instagram.

'Big hurdle'

Competition in the AI field is fierce, with Google and Microsoft leading in productivity features and Apple entering the market with AI-capable iPhones.

These developments require substantial resources, impacting company budgets significantly.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

Despite concerns about heavy AI and VR spending, Meta's profits and share price have soared due to strong advertising results on Facebook and Instagram.

Analyst Carolina Milanesi of Creative Strategies noted that "when I think about AI, Meta is not necessarily the first brand that comes to mind. And their biggest hurdle is going to be privacy and trust."

Meta hopes to change perceptions with its new AR glasses, called Orion.

These glasses resemble thick-rimmed reading glasses but can display holographic text messages and apps, and place video calls in the user's field of vision.

The release of the product is still years away, but Zuckerberg sees it as a potential hands-free alternative to smartphones.

The company is also doubling down on its Ray-Ban Meta smart glasses that serve as earphones, take pictures and video, and will soon feature live translation, the company said.

Economic distress

GOVT BRACES FOR 'TRANSITIONAL PAIN'

AFP Published about 2 hours ago

ISLAMABAD: Pakistan said Thursday it would have to go through "transitional pain" after the International Monetary Fund agreed to a new relief package of \$7 billion to bolster its faltering economy.

Although the South Asian nation's economy has stabilised since it came close to defaulting last summer, it is dependent on IMF bailouts and loans from friendly countries to service its huge debt, which swallows up half of its annual revenues.

"There will be transitional pain, but if we are to make it the last programme, then we have to carry out structural reforms," Minister of Finance Muhammad Aurangzeb told local broadcaster.

The IMF said in a statement it would issue an "immediate disbursement" of around \$1 billion. The three-year loan programme "will require sound policies and reforms" to support Pakistan's ongoing efforts to strengthen its economy "and create conditions for a stronger, more inclusive, and resilient growth", it added.

Pakistan in July agreed to the deal — its 24th IMF payout since 1958 — in exchange for unpopular reforms, including cutting back on power subsidies and widening its chronically low tax base.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

Speaking on the sidelines of the United Nations General Assembly in New York on Wednesday, Prime Minister Shehbaz Sharif said the deal came through thanks to the “tremendous support” of Saudi Arabia, China and the UAE.

“In the final phase (of negotiations), the IMF’s conditions were related to China. The way the Chinese government supported and strengthened us during this time is something I am truly grateful for,” he told reporters shortly before the deal was announced.

Last month, Aurangzeb had said Pakistan was negotiating a \$12 billion loan reprofiling from bilateral lenders.

The amount comprised \$5 billion from Saudi Arabia, \$4 billion from China and \$3 billion from the UAE for a three- to five-year period.

Reacting to the news, Pakistan’s stock exchange briefly reached a new record high before losing ground in later trade.

Kaiser Bengali, a Pakistani economist, told AFP: “This deal will help us pay back our immediate debts, but nothing more than that. “The only economic reforms that we are required to implement is more taxes. There is no progress on reducing government expenditures.”

At the end of 2023, Pakistan — long locked in a cycle of overlapping political and economic crises — had amassed a total debt of more than \$250 billion, or 74 percent of GDP, according to the IMF.

About 40 percent of its debt is owed to external creditors in foreign currencies. Its biggest single foreign creditor is China and Chinese commercial banks, at just under \$30 billion, followed by the World Bank at more than \$20 billion, according to the report. Last year the country came to the brink of default as the economy shrivelled amid political chaos following catastrophic 2022 monsoon floods and decades of mismanagement, as well as a global economic downturn.

It was saved by last-minute loans from friendly countries as well as an IMF rescue package.

Islamabad wrangled for months with IMF officials to unlock the latest loan, which came on the condition of reforms including hiking household bills to remedy a permanently crisis-stricken energy sector and raising pitiful tax takings. In a nation of more than 240 million people where most jobs are in the informal sector, only 5.2 million filed income tax returns in 2022.

GOVT COMPELLED TO TAKE EFFECTIVE STEPS: ‘POWER SECTOR HOLDS PEOPLE,
ECONOMY HOSTAGE FOR LAST 30 YEARS’

Recorder Report Published about 2 hours ago

KARACHI: Chairman of the FPCCI Advisory Board and National Business Group Pakistan, President of Pakistan Businessmen and Intellectuals Forum, Mian Zahid

Hussain said that the power sector held the people and the economy hostage for the last 30 years.

He said that the public and the business community across the country are paying heavy price for keeping the incompetent and corrupt power sector afloat. Still, they can't bear the burden now. Mian Zahid Hussain said that the Federation of Pakistan Chambers of Commerce and Industry has highlighted this issue and created public awareness, so the government is now inclined to conduct a forensic audit of IPPs to satisfy the public.

He said that the government is compelled to take real and effective measures.

Federal Minister of Energy Owais Ahmed Khan Leghari has promised that electricity prices will be reduced this month and brought to par with other countries in a few more months so that Pakistani manufacturers can reduce their costs and sell their products.

Making exporters able to compete in global markets at competitive prices is welcomed by businesses, he informed.

Mian Zahid Hussain said that the IPPs and supportive bureaucrats have created a trap against the people and the economy that has become impossible to escape, but despite this, dozens of new IPPs are being set up.

Non-transparent contracts, payment in dollars instead of profits in rupees, collusion with private power company owners, over-invoicing by IPP owners, tax exemptions, violation of open bidding laws, and record corruption in power companies inevitably result in circular debt.

The burden of this debt has left the economy almost dead. While making contracts with IPPs, the electricity transmission and distribution system was not upgraded, so trillions of rupees could be paid to private power plants without generating electricity.

To solve all these problems, a policy of continuous increase in the price of electricity was adopted. As a result, the people's and the industrialists' purchasing power was lost, and many industries were closed.

He said that to survive, people started taking loans to install solar systems in this situation, which gave discos another opportunity to make money.

Presently, Discos are receiving up to fifty thousand rupees in bribes for installing a single residential green meter, which is distributed very honestly from top to bottom.

Power plants worldwide are paid up to thirty-five percent according to their capacity, which in Pakistan is between sixty two and seventy percent.

He informed that, at present, the government itself is taking fifty percent of such payments, while China's coal-fired power plants are receiving thirty-five percent.

Mian Zahid Hussain said that, like the tax system, the electricity system has also been made so complicated that most consumers cannot understand it. This gives the power companies an opportunity for further corruption while consumers are left high and dry. Therefore, taxes on the electricity tariff system should be reduced by 30%, and different slabs should be made easy to understand.

Copyright Business Recorder, 2024

Markets – Rates

PSX SLIPS FROM HISTORIC PEAK

Recorder Report Published about 2 hours ago

KARACHI: Pakistan Stock Exchange (PSX) on Thursday witnessed a volatile session and closed on a negative note due to institutional profit-taking in the select scrips.

The benchmark KSE-100 Index declined by 589.95 points or 0.72 percent to close at 81,657.97 points on Thursday down from 82,247.92 points on Wednesday. The index hit 82,905.73 points intraday high and 81,552.66 points intraday low, however closed on lower level due to profit-taking, despite the approval of \$7 billion loan program by the IMF board.

Total daily volumes on the ready counter surged to 423.942 million shares as compared to 422.163 million shares traded a day earlier. Total daily traded value on the ready counter decreased to Rs 17.671 billion against previous session's Rs 18.380 billion.

On Thursday, BRIndex100 fell 96.7 points or 1.12 percent to reach 8,571.51 points compared to 8,668.21 points. Total volume at BRIndex was 307.067 million shares and WorldCall Telecom was the most traded company.

BRIndex30 opened at 26,265.46 points and closed at 25,859.25 with a decline of 406.21 points or 1.55 percent with total volume of 197.199 million.

The market capitalization decreased by Rs 72 billion to Rs 10.713 trillion. Out of total 444 active scrips, 125 closed in positive and 263 in negative while the value of 56 stocks remained unchanged.

PIA Holding Company was the volume leader with 36.32 million shares followed by WorldCall Telecom that closed at Rs 1.23 with 33.11 million shares. Kohinoor Spinning ranked third with share trading of 25.81 million shares.

Sapphire Textile Mills Limited and Hallmark Company Limited were the top gainers increasing by Rs 108.85 and Rs 93.39 respectively to close at Rs 1,257.62 and Rs 1,027.29, while Unilever Pakistan Foods Limited and Sapphire Fibres Limited were the top losers declining by Rs 254.31 and Rs 119.90 respectively to close at Rs 17,145 and Rs 1,310.

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

Ahsan Mehanti analyst at Arif Habib Corp said that stocks closed lower on institutional profit-taking amid uncertainty over outcome of govt tax reforms to unlock \$7 billion IMF bailout and challenges over ongoing political and institutional tensions. Weak rupee, slump in global crude oil prices and concerns for surging power sector circular debt played a catalyst role in bearish close, he added.

Key market movers included heavyweights such as SRVI, BAFL, POL, BAHL, and NBP, collectively adding 118 points to the index. On the contrary, HUBC, FFC, UBL, ILP, and MARI together dragged the index down by 426 points. On the news front, the International Monetary Fund (IMF) board approved a \$7 billion Extended Fund Facility (EFF) for Pakistan, providing a critical boost to the nation's struggling economy.

BR Automobile Assembler Index lost 172.66 points or 1 percent to close at 17,073.86 points with a total turnover of 7.392 million.

BR Cement Index closed at 8,032.49, down 3.54 points or a percentage change of 0.04 with a total turnover of 33.382 million.

BR Commercial Banks Index fell by 10.52 points or 0.04 percent to close at 23,553.30 points and some 27.525 million shares were traded.

BR Power Generation and Distribution Index declined by 601.16 points or 3.53 percent to close at 16,406.21 points with a total turnover of 28.733 million.

BR Oil and Gas Index closed at 7,469.57 points, down by 44.12 points or 0.59 percent with a total turnover of 22.486 million.

BR Tech. & Comm. Index closed at 3,931.08 with a net negative change of 54.2 points or a percentage change of 1.36 and a total turnover of 72.449 million.

Copyright Business Recorder, 2024

LME OFFICIAL PRICES

LONDON: The following were Wednesday official prices.

===== ALUMINIUM...

Recorder Report Published about 2 hours ago

LONDON: The following were Wednesday official prices.

```
=====
ALUMINIUM
=====
CONTRACT          BID          OFFER
-----
Cash              2511.00      2512.00
```

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

3-month	2527.50	2528.00
=====		
COPPER		
=====		
CONTRACT	BID	OFFER

Cash	9618.00	9618.50
3-month	9750.00	9751.00
=====		
ZINC		
=====		
CONTRACT	BID	OFFER

Cash	2957.00	2957.50
3-month	2997.00	2998.00
=====		
NICKEL		
=====		
CONTRACT	BID	OFFER

Cash	16440.00	16450.00
3-month	16730.00	16750.00
=====		
LEAD		
=====		
CONTRACT	BID	OFFER

Cash	2043.00	2044.00
3-month	2085.00	2086.00
=====		

Source: London Metals Exchange.

Copyright Business Recorder, 2024

KIBOR INTERBANK OFFERED RATES

KARACHI: Kibor interbank offered rates on Thursday (September 26, 2024).

===== ...

Published about 2 hours ago

KARACHI: Kibor interbank offered rates on Thursday (September 26, 2024).

=====		
KIBOR		
=====		
Tenor	BID	OFFER
=====		
1-Week	17.17	17.67
2-Week	17.18	17.68
1-Month	17.12	17.62
3-Month	16.30	16.55

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

6-Month	15.64	15.89
9-Month	15.25	15.75
1-Year	14.71	15.21
=====		

Data source: SBP

Copyright Business Recorder, 2024

OPEN MARKET FOREX RATES

Updated at: 27/9/2024 8:06 AM (PST)

Currency	Buying	Selling
Australian Dollar	190.50	192.75
Bahrain Dinar	732.75	740.75
Canadian Dollar	206.60	209.00
China Yuan	39	39.40
Danish Krone	41.12	41.52
Euro	308.10	310.85
Hong Kong Dollar	35.35	35.70
Indian Rupee	3.34	3.45
Japanese Yen	1.92	1.98
Kuwaiti Dinar	899.25	908.75
Malaysian Ringgit	63.65	64.25
NewZealand \$	172.47	174.47
Norwegians Krone	26.04	26.34
Omani Riyal	717.20	725.70
Qatari Riyal	75.64	76.34
Saudi Riyal	73.76	74.35
Singapore Dollar	208.85	211.85
Swedish Korona	27.20	27.51
Swiss Franc	325.95	328.75
Thai Bhat	8.34	8.49
U.A.E Dirham	75.50	76.15
UK Pound Sterling	368.85	372.35
US Dollar	278.75	280.25

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

INTER BANK RATES

Updated at: 27/9/2024 8:06 AM (PST)

Currency	Bank Buying TT Clean	Bank Selling TT & OD
Australian Dollar	190.11	190.45
Canadian Dollar	206.22	206.59
China Yuan	40.00	40.07
Danish Krone	41.49	41.57
Euro	309.52	310.08
Hong Kong Dollar	35.82	35.89
Japanese Yen	1.9181	1.9215
Saudi Riyal	74.04	74.18
Singapore Dollar	215.78	216.16
Swedish Korona	27.45	27.50
Swiss Franc	326.79	327.37
Thai Bhat	8.50	8.51
UK Pound Sterling	370.51	371.18
US Dollar	277.75	278.25

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

GOLD RATE

Gold Price Today

As on Fri, Sep 27 2024, 02:58 GMT

Metal	Symbol	PKR for 10 Gm	PKR for 1 Tola	PKR for 1 Ounce	
Gold	XAU	237,472	276,693	738,633	
Palladium	XPD	93,150	108,535	289,734	
Platinum	XPT	88,796	103,461	276,190	
Silver	XAG	2,847	3,317	8,855	

Gold Price in Pakistan

As on Fri, Sep 27 2024, 02:58 GMT

Gold Rate	24K Gold	22K Gold	21K Gold	18K Gold
per Tola Gold	Rs. 276700	Rs. 253640	Rs. 242113	Rs. 207525
per 10 Gram	Rs. 237200	Rs. 217432	Rs. 207550	Rs. 177900
per Gram Gold	Rs. 23720	Rs. 21743	Rs. 20755	Rs. 17790
per Ounce	Rs. 672500	Rs. 616454	Rs. 588438	Rs. 504375

SLD E-LAW UPDATING SERVICE

News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

Gold Rates in other Major Currencies

Currency	Symbol	10 Gm	1 Tola	1 Ounce	
 China Yuan	CNY	6,008	7,001	18,689	
 Euro	EUR	767	894	2,385	
 Japanese Yen	JPY	123,406	143,788	383,841	
 Saudi Riyal	SAR	3,205	3,734	9,968	
 U.A.E Dirham	AED	3,138	3,657	9,762	
 UK Pound Sterling	GBP	641	747	1,993	
 US Dollar	USD	855	996	2,658	