**PRIME MINISTER’S MEETING WITH COUNTRY’S BUSINESS LEADERS ON 28TH NOVEMBER 2013 – SALIENT FEATURES OF PACKAGE ANNOUNCED FOR BUSINESSMEN**

1. There would be no scrutiny on investment of up to Rs.25 million as part of a package of incentives to attract investment and promote a culture of tax payment.
2. The government would not ask for source of investment made in green field projects or expansion of the existing projects provided the investment is made after first of January 2014.
3. This incentive would be available for construction industry, Thar coal project in Sindh and mining projects in Khyber-Pakhtukhwa (KP) and Balochistan.
4. There would be a negative list of industries to which this incentive would not be applicable.
5. These are weapons‚ ammunition‚ fertilizer‚ sugar‚ cigarettes‚ beverages‚ cement‚ textile spinning units‚ flour mills, ghee and edible oil mills.
6. Under the scheme the minimum investment required was Rs.25 million and it should create at least five jobs.
7. However sources of income that are hit by Narcotics Act of 1977, Anti-Terrorism Act of 1977 and Anti-Money Laundering Law would not be protected under the new incentive.
8. In order to encourage taxpayers, Privileged Tax Payers Cards would be issued to four hundred people paying more tax in different categories including chief executive officers, association of persons, salaried and non-salaried.
9. Holders of the card would be able to use VIP lounges at airports, their immigration would be done on fast track‚ passports would be issued gratis (free of charge) and their existing baggage allowance would be increased from 500 to 5000 dollars from March 2014.
10. Excellence awards would also be given to top 10 taxpayers in each category and PM himself would host annual dinner in their honor.
11. Tax returns of all those who have paid at least 25 percent more tax than last year would be exempted from total audit. For this purpose‚ the last date for filing of tax returns is being extended to 15th of next month. Those who have already filed their returns can also avail themselves of this facility by revising their returns.
12. Tax returns of those who have been filing for the last five years would also be exempted from audit provided they pay at least Rs20,000 tax.
13. Those acquiring NTN for the first time would be exempted from penalty and default surcharge provided they pay at least Rs25,000 tax.
14. Special incentives would also be available to ten top most taxpayers from among the new taxpayers.
15. Power previously given to FBR chairman and its members to access bank accounts stands withdrawn for those who are taxpayers.
16. Federal and provincial governments would also facilitate establishment of Special Economic Zones by recognised trade bodies. Provincial governments would also facilitate in acquisition of the land for the purpose at market rates. Commercial courts would be established.
17. An advisory council would be established to exclusively deal with the issues confronting the agriculture sector of the country.
18. Business advisory council would meet quarterly to debate the issues and ideas to enhance business activity and attract foreign investment to the country.
19. Provincial governments will be engaged through the Inter-Provincial Coordination Division and Council of Common Interests (CII) to create ease in doing business by consolidating, rationalising and minimising the licencing, registration and inspection regimes.
20. They will also facilitate setting up of Special Economic Zones by recommending cases to the federal government.
21. The provinces would also be asked to facilitate contract enforcement by setting up commercial courts.

**Dawn story:**

In a major initiative since he came to power six months ago, Prime Minister Nawaz Sharif announced on Thursday a growth-oriented incentive-cum-amnesty package for the business community. The package aims at reviving a faltering investment climate, creating jobs and expanding tax base.

A “Prime Minister’s Business Advisory Council” has also been set up to implement economic decisions to be taken on a quarterly basis.

The prime minister said top business leaders, ministers and key officials would meet quarterly under the advisory council, hold discussions on economic issues, take decisions and implement them immediately.

He said a similar forum, “PM’s Agriculture Advisory Council”, would also be constituted soon because the two sectors had to take the country forward.

The prime minister announced the package during a meeting with leading businessmen and representatives of chambers of commerce and industry.

He spoke of almost every challenge he faced in leading the country, including the recent sectarian violence, the security environment, talks with Taliban, the law and order situation in Karachi, relations with India, energy crisis and a weak economy.

He promised to restore integrity and respect of non-resident Pakistanis through legislation to let them play a role in nation-building. The issue of granting most-favoured nation status to India was under consideration as promised by the previous government, but a final decision would be taken after consultations with the business community, Mr Sharif added.

Taking a cue from business leaders who appealed to PTI chief Imran Khan to take into consideration Pakistan’s broader national interest while taking any political decision and end his campaign against Nato containers, the prime minister said there should be no politics on economic matters. He said the all-party conference held on Sept 9 had unanimously decided to give peace a chance through dialogue and “we want to take that process forward”.

The country, he said, had given great sacrifices and its economy, people and the armed forces had suffered a lot and innocent people were still being targeted, but “we will try to take the dialogue process forward”.

Without naming Imran Khan, the prime minister said there should be no politics on the issue of dialogue with Taliban and there was no need for anybody to take a unilateral path.

Countries around the world solved their problems through dialogue and hence “we also want to improve our relations with India”. “They are our neighbours and neighbours cannot be changed. It is better to have good relations, move forward with patience and sagacity; otherwise neither they nor we can make progress,” Mr Sharif observed.

He said peace with India was in Pakistan’s interest because the two nations had not benefited in any manner from acrimony.

**INVESTMENT PACKAGE:** The prime minister said the government would not ask about, probe or scrutinise the source of income in case of an investment between Rs10 million and Rs50 billion in any green field industrial project or expansion in the existing industry after Jan 1, 2014, which created jobs at the rate of one person per Rs5m investment.

Because of energy shortage, captive power plants will be treated as part of a green field project and the facility will also be available to low cost housing construction and livestock, including mining and quarrying in Thar, Balochistan and Khyber Pakhtunkhwa.

Except for a list of 10 industries, every sector will enjoy this facility. The negative list includes arms and ammunition, explosives, fertiliser, sugar, cigarettes, beverages, cement, textile spinning mills, flour mills and vegetable ghee and cooking oils.

**TAX RETURNS:** Announcing a tax amnesty, the prime minister extended the deadline for filing tax returns to Dec 15 from Nov 30 and said those who had already filed returns would be free to revise their returns until the new deadline in the light of new incentives.

He said an individual paying as tax an amount exceeding by 25 per cent the amount paid the previous year would be exempted from audit.

NTN-holders would be exempted from penalties, default surcharge and audit if they filed income tax returns for the past five years or filed missing returns and paid a minimum of Rs20,000 per annum.

Returns filed voluntarily by non-NTN holders will be granted immunity from audit, penalties and default surcharge. They will also enjoy immunity for five years if they pay a minimum tax of Rs25,000 per year.

Accepting a major demand of the business community, the prime minister said the powers of chairman and members of the Federal Board of Revenue to access bank accounts would stand withdrawn in case of the existing taxpayers.

**TAXPAYERS STATUS:** Prime Minister Sharif said 400 top taxpayers in companies, main shareholders and salaried and non-salaried individuals would be issued taxpayer recognition card with an entitlement to use VIP lounge at airports, get fast-track immigration and gratis passport, increase baggage allowance from $500 to $5000 and enjoy annual dinner with the prime minister.