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To,
The Prime Minister,
Islamic Republic Of Pakistan

Appeal from Overseas Pakistanis against SRO 52 (1) 2019

The import of used cars by Overseas Pakistanis has become history after implementation of SRO 52(1) 2019, though it would still be worth discussing the discriminating intentions and objectives behind this by authorities. Post implementation of SRO 52(1)2019 indicates that it was not in the best interest of country, as only green fuel & eco-friendly (hybrid, semi hybrid & electric) were imported which was also one of the major sources to reduce oil import bill, pollution, unemployment and trade deficit in the country. **The same SRO was discarded by cabinet on 4th February 2018.**

The said SRO contravenes the requirements of the **competition Act, 2010** which is an act to provide free competition in all spheres of commercial and economic efficiency and to protect consumers for anti-competitive behaviour. The said SRO also contradicts with law governing in GCC countries to open bank account

- *In KAFALA system (adaptation of employee), the KAFALE (employer) has to take standing guarantee of all lawful & unlawful acts of his employee. Mostly kafales avoid such standing liabilities especially finical which can affect their legal standings*
- *Utility bills and tenancy agreement*
- *Account maintenance with minimum balance 3000-5000 dirhams*

For the first time in the history of used car import, **on 4th March 2019, Ministry of Maritime affairs** instructed all the shipping agents to not bring the vehicles, which are not in compliance with the said SRO. Now the question arises here that how the Shipping Companies can verify the import eligibility of the cars or vehicles? Which actually falls under domain of Pakistan Customs. These instructions clearly indicate that the purpose was to deliberately make import of used cars impossible in Pakistan and was not a rational and beneficial decision in the best interest of the consumer and country as-well.

The overseas Pakistanis which are always been considered as valuable asset of Pakistan, are now left with disappointing experience in case they want to import a used car. By any chance, if they become successful in bringing in the used vehicle at Karachi Port, the local requirements for clearance of the vehicles are made almost impractical and currently they go through a hassle if they want to import.

Firstly, the overseas Pakistanis need to originate custom duty amount from their personal account from the country of residence and remit either to their own bank account or blood relative in Pakistan. This is totally absurd as the authorities have allowed Overseas Pakistanis to remit amount through any-

Foreign exchange Company, but for import of used car, the amount needs to be remitted through personal bank account. Doesn't something sound fishy here? The existing **Foreign Exchange Act 1947 (By SBP FE1/2012 Dated 16-6-2012)** regulations are also ignored here whereby Overseas Pakistanis are legally allowed to bring in foreign currency in Pakistan, declare it to Custom Authorities and then convert with SBP approved Foreign Exchange Dealers.

The story doesn't end here, it becomes more horrible and painful as further requirements are deliberately enforced to make the import process almost impossible, **NADRA verification** is made compulsory if the duty amount is remitted in the bank account of any blood relative. The *travelling history* of the Overseas Pakistani bringing in the vehicle needs to be confirmed from airport authorities. He/she needs to travel before the arrival of the car at Port in order to provide the necessary documentation, which is again an economic loss for the individual, family and country.

The Ministry of Commerce has issued the said SRO, but unfortunately there is no coordination between authorities and due to which the importer have to wait for at least 45 days for the whole process to complete and at the same time pay heavy demurrage to the Port authorities. Interestingly, after making this laborious process, recently the **Ministry of Finance** has also directed the Custom to mark the car for '*Auction*' after 15 days of arrival (As per their law). If the cars are put for auction, the last resort with Overseas Pakistanis is the Court of Law, but if the Court does not grant the Stay, all their efforts & saving will go in vein. Last week more than 100 vehicles arrived after 15th Jan 2019 have been auctioned by authorities.

In a nutshell, Overseas Pakistani's are unable to import any car. One can safely say that the solutions are simple and doable with definitive policy making and measured actions but if there is will. We would like to seek Hon'ble PM Mr. Imran Khan's attention in this regard and we hope the Hon'ble PM of Pakistan looks into this matter and ensure that Overseas Pakistani get their due right, It's time to embrace them, after all they were an important part of the manifesto and the dream of '*Naya Pakistan*'.

Pakistan Zindabad!

Arshad Mehmood Awan
Chairman

Copy to:-

1. Chief Justice of Pakistan
2. Ministry of Commerce & Textile (Commerce Division)
3. Ministry of Finance, Revenue and Economic Affairs
4. Ministry of Overseas Pakistanis and Human Resource Development
5. Chairman Standing committee On Commerce & Textile
6. Chairman FBR
7. Embassy of Islamic Republic of Pakistan, Tokyo Japan.