

Amnesty for smuggled vehicles criticised

By Mansoor Ahmad

LAHORE: "I imported a medium sized vehicle and paid Rs800,000 duty, while crooks that smuggled higher duty luxury cars will get it legalised by paying paltry Rs200,000 under the amnesty scheme announced by the government," rued businessman Abdul Hameed.

"Why am I being penalised for abiding with the government laws and crooks are being rewarded," he said. He warned that he will take the matter to courts and ask for duty refund if the amnesty is not withdrawn.

Amnesty to smuggled cars has created ripples among the law abiding citizens and the auto industry.

The Competition Commission of Pakistan has taken strong notice of the issue and issued a rare policy note to the federal government. It has declared the amnesty anti-competitive. "The SRO 172 (I)/2013 does not allow the facility of the duty and tax concessions on the import of vehicles via a Custom Station in violation of Import Policy Order and the vehicles which have since been auctioned," reads the policy note.

Appreciating the note, Chairman Pakistan Association of Automotive Parts and Accessories Manufacturers (Paapam), Munir Bana has asked the authorities to prosecute the car smugglers under the law of the land and give them stiff jail sentences, as amnesty coupled with simple

levy of fines and penalties has never proved to be a deterrent.

The CCP policy note also stated that the said statutory order is discriminatory against the persons importing motor vehicles through normal regular channels to the extent that the facility of duty and tax concessions under it has not been extended to the motor vehicles imported in violation of the import policy order via normal channels through a custom station. On the other hand, the smuggled/non-duty paid motor vehicles anywhere in Pakistan but outside the premises of custom stations have been allowed to avail the facility of duty and tax concessions, it stated.

"The importers who have opted to import via normal channels but violated import policy order have, in fact, been discriminated in contrast to the persons possessing smuggled/non-duty paid vehicles anywhere in Pakistan" it added.

Moreover, the CCP brought another discrimination to the notice of the government as the vehicles envisaged to be cleared under the scheme will not be subject to several tests, such as roadworthiness and emission control tests. And, no criteria for allowable age limit has been set for clearance of the smuggled/non-duty paid motor vehicles. On the other hand, the vehicles imported under the regular import channels are required to undergo roadworthiness test.

The policy note further pointed out that the scheme is also likely to affect the production decisions of relevant stakeholders i.e. automobile assemblers/manufacturers.

The automobile industry in Pakistan is inward looking and they plan their production decisions on the domestic demand forecasts. The market forecasts may change due to the import surge of older motor vehicles, which may adversely affect the competitive environment for the automobile sector as some of the infiltrating vehicles act as a substitute for the vehicles assembled in the country.

The Paapam Chairman said that the tax amnesty for smugglers of vehicles are acts of betrayal, which eat into the market shares of automotive and auto parts manufacturing industries, which are both fully documented and also amongst the highest and most honest taxpayers.

The association's vice chairman Usman Malik lamented that the amnesty scheme will yield only Rs12 billion for the government exchequer, while the government has ignored the fact that the local auto industry contributes over Rs80 billion to the government treasury every year. He said that the government only allows import of three-years-old used cars, but through this amnesty scheme, cars smuggled into Pakistan, which are much older than three years, can be legalised.

وائے وقت

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مسابقتی کمیشن کا سمرگل و ضبط شدہ گاڑیوں کو قانونی دائرہ کار میں لانے کیلئے پالیسی نوٹ جاری

پالیسی نوٹ ایس ارا و مسابقتی قوانین کی خلاف ورزی سے جس سے گاڑیاں سمرگل کر نیے والوں کو فائدہ اور قانونی طریقے سے درآمد کرنے والوں کی حوصلہ شکنی ہوگی

ایس ارا میں سمرگل شدہ گاڑیوں کیلئے ماڈل کی کوئی حد مقرر نہیں کی گئی جبکہ قانونی طور پر صرف تین سال پرانی گاڑیاں درآمد کی جاسکتی ہیں۔ مسابقتی کمیشن

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