

Pakistan tanners association

(Central Office)

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15th January'2018

SUB : MINUTES OF THE 3RD MEETING OF THE CENTRAL EXECUTIVE COMMITTEE OF PTA HELD ON SATURDAY, THE 13TH JANUARY'2018 THROUGH VIDEO CONFERENCE SIMULTANEOUSLY IN PTA (CENTRAL OFFICE), KARACHI AND PTA (NORTHERN ZONE) OFFICE, LAHORE :

The 3rd Meeting of the Central Executive Committee of Pakistan Tanners Association was held on Saturday, the 13th January'2018 at 2:30 pm (after lunch at 1:30 pm) under the Chairmanship of Mr. Amanullah Aftab, simultaneously in PTA Central Office, Karachi and PTA (Northern Zone Office) Lahore thru video conference

Following Central Executive Committee members as well as special invitees attended the Meeting:-

<u>Sl. #</u>	<u>Name of Member</u>	-	<u>Designation</u>
01.	Mr. Amanullah Aftab	-	Chairman
02.	Mr. Mansoor Iqbal	-	Sr. Vice Chairman
03.	Mr. Ejaz Ahmed Shaikh	-	Vice Chairman
04.	Mr. Agha Saiddain	-	Member
05.	Mr. Anjum Zafar	-	- do -
06.	Mr. Badre Alam	-	- do -
07.	Mr. Muhammad Afzal Hussain	-	- do -
08.	Mr. Muhammad Musaddiq	-	- do -
09.	Mr. Shahid Usman	-	- do -
10.	Sh. Saqib Saeed Masood	-	- do -
11.	Mr. Danish Naseem	-	Special Invitee
12.	Mr. Fazalur Rehman	-	- do -
13.	Mr. Gulzar Firoz	-	- do -
14.	Mr. Hamid Arshad Zahur	-	- do -
15.	Mr. Masood Hassan	-	- do -
16.	Mr. Muhammad Shafi	-	- do -
17.	Mr. Naeem Akhtar	-	- do -
18.	Mr. Rehan Shaikh Hannan	-	- do -
19.	Mr. Tahir Mushtaq	-	- do -
20.	Mr. Tanweer Aslam Chawla	-	- do -

The meeting commenced with recitation from the Holy Quran by Sh. Saqib Saeed Masood.

Before taking-up the Agenda, the House was apprised of the sad demises of i) Late Mr. Muhammad Naeem Vohra of M/s. Vohra Asian Leather Crafts (Pvt) Ltd., Lahore ii) Late Haji Riaz Ahmed of M/s. Shehbaz Brothers iii) Late Son of Mr. Naeem Javed of M/s. Leather Master (Pvt) Ltd., Sialkot. The members present in the meeting offered Fateha praying to rest the departed souls in eternal peace and grant strength to the respective bereaved family members to bear the great loss.

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The Committee accordingly adopted the following Condolence Resolution in this regard :-

RESOLUTION

“BE IT RESOLVED AND IT IS RESOLVED THAT THE CENTRAL EXECUTIVE COMMITTEE OF PTA CONDOLED THE SAD DEMISES OF I) Late MR.MUHAMMAD NAEEM VOHRA OF M/S.VOHRA ASIAN LEATHER CRAFTS (PVT) LTD., LAHORE II) LATE HAJI RIAZ AHMED OF M/S. SHEHBAZ BROTHERS III) LATE SON OF MR. NAEEM JAVED OF M/S. LEATHER MASTER (PVT) LTD., SIALKOT. THE MEMBERS OFFERED FATEHA PRAYING TO REST THE DEPARTED SOUL IN THE ETERNAL PEACE AND GRANT STRENGTH TO THE RESPECTIVE BEREAVED FAMILY MEMBERS TO BEAR THE GREAT LOSS.”

Thereafter, the proceeding on the Agenda of the Meeting started seriatim as under :-

01. TO CONFIRM THE MINUTES OF THE 2ND MEETING OF THE CENTRAL EXECUTIVE COMMITTEE OF PTA HELD ON 11TH NOVEMBER'2017 AT KARACHI & LAHORE VIA VIDEO CONFERENCE :

While proceeding to the confirmation of Minutes, the House was informed that PTA won the case of Income Tax as was pending in the Income Tax Department and got the verdict from the Commissioner, Income Tax in writing to endorse PTA's views for the remittances for Int'l Fair and the House was also informed by the Chairman, PTA that the Department, FBR has submitted the Appeal ground to the Tribunal concerned and copied to us for reopening the case in the Tribunal, but no official notice has yet been received at this office from Tribunal. The House appreciated the efforts for resolving the issue to some extent and empowered the Chairman, PTA with its full confidence to plea the case further if the Notice is received from Tribunal with the same Lawyer till the final resort, thereafter the Minutes of the 2nd meeting was approved as proposed by Mr. Saqib Saeed Masood and seconded by Mr. Anjum Zafar.

02. TO REVIEW STATUS OF DECISIONS TAKEN DURING 2ND MEETING OF THE CENTRAL EXECUTIVE COMMITTEE, PTA HELD ON 11TH NOVEMBER'2017 AT KARACHI & LAHORE VIA VIDEO CONFERENCE :

The implementation of the Minutes was also reviewed and approved by the House with satisfaction.

03. TO NOTE ACCOUNTS FOR THE MONTHS OF OCTOBER, NOVEMBER & DECEMBER'2017 :

On a query, the House was informed that the disbursement of amount for the subsidy for 3rd PMLS'2017, Lahore would be made amongst both the zonal offices as per approved share **on its receipt from TDAP**, for which PTA is actively pursuing with them to get it early, thereafter the Accounts were reviewed & approved by the House unanimously with satisfaction.

04. TO CONSIDER AND APPROVE RECOMMENDATION FROM PTA-SZ FOR CO-OPTION OF MR.MUHAMMAD SHAFI OF M/S.MATEEN BROTHERS, KARACHI AS 1-SEAT FALLEN VACANT DUE TO RESIGNATION OF CEC MEMBER, MR.AZIZ AHMED (ASSOCIATE CLASS) FROM THE MEMBERSHIP OF CENTRAL EXECUTIVE COMMITTEE FY 2017-18 :

The House has approved the resignation of Mr. Aziz Ahmed of M/s. A.M.A. Leather Industry, Karachi (Associate Class) from the membership of Executive Committee of PTA (Central) for the year 2017-18 unanimously and approved the proposed nomination of Mr. Muhammad Shafi of M/s.Mateen Brothers, Karachi (Associate Class) in place of him in compliance of prescribed rules & regulations of the Association for the year 2017-18 and directed to proceed for further in submission of requisite papers to the quarters concerned for enrolling him as the replaced/co-opted member of CEC of PTA for the year 2017-18 .

05. **TO DISCUSS & CONSIDER THE PROPOSAL RECEIVED FROM PFMA FOR THE CHANGE OF NAME & LOGO OF PAKISTAN MEGA LEATHER SHOW, LAHORE. THE NAMES PROPOSED BY PFMA ARE 1) FOOTWEAR & LEATHER SHOW 2) FOOTWEAR & LEATHER EXPO PAKISTAN 3) INT'L FOOTWEAR AND LEATHER FAIR & 4) PAKISTAN FOOTWEAR & LEATHER FAIR :**

The threadbare discussion on the proposal of PFMA for the change of Name of "Pakistan Mega Leather Show" and its Logo with the proposed Name i.e. 1) Footwear & Leather Show 2) Footwear & Leather Expo Pakistan 3) Int'l Footwear & Leather Fair & 4) Pakistan footwear & Leather Fair was made and reviewed/discussed all pros & cons of the issue in deep particularly legal implications from the Government of Pakistan, MOC, Joint Account which is operational in NBP, Karachi between PTA & TDAP with joint signatories wherein the name of Head of the Joint Account has already been established with "Pakistan Mega Leather Show" & other negative repercussions to the proposals of PFMA for the change of Name of the Show, which is already renowned internationally in result of hectic efforts for last 3 consecutive years. It was realized necessity to get the consents from remaining Two Association, who are also stakeholders of the Show i.e. Leather Garments Association & Leather Gloves Association, who may create/object thereon or they may also propose to indulge their commodity name in the proposed Name of the Show. It was generated view of the House i.e. Mr. Mansoor Iqbal, Sr. Vice Chairman, Mr. Gulzar Firoz, Mr. Anjum Zafar, Mr. Agha Saiddain, Mr. Muhammad Musaddiq, Mr. Hamid Zahur & Mr. Ejaz A. Sheikh to resolve the issue with PFMA with harmony and convince them to keep continue with the same name of the Show in future to avoid haste.

However, thorough discussion & debate made thereon, the House unanimously decided to keep continue the same name of the show " Pakistan Mega Leather Show" in future, which is representing the entire sector of the country and **accordingly did not approve the proposal of PFMA for the change of name of show & its logo**, as already recognized domestically & internationally.

The House also approved & emphasized the need to participate only CEC Members and Steering Committee nominated/authorized members in upcoming Joint Steering Committee Meetings between PFMA & PTA and do not permit to any outsider/irrelevant personnel's for participation in the Official meetings to meet the decorum of the meetings.

Mr. Muhammad Musaddiq, Convener of Standing Committee on PMLS'2018, PTA informed the House the outcome of the meeting held recently with Expo Management at venue in Lahore with PFMA's team :-

- Dr. Mifta Ismail, Advisor to PM on Finance & Revenue has already consented to be the Chief Guest at the Inaugural Ceremony on 27.01.2018 at 3:00 pm (evening).
- All the shortcomings in the venue specially amelioration of Bathrooms, sound system, CCTV camera, security system were brought to the Notice of Expo management and they assured to make it stream this time for the convenience to exhibitors & foreign buyers/customers during the show.
- Trend Gallery : PTA is making arrangement in coordination PIFD, Lahore at the entrance of the hall # 2 and separate inauguration can be considered to be made as was made previously.

- Next joint Steering Committee of PFMA & PTA is already scheduled to be held on 16.01.2018 to finalise all rest of arrangements for smooth & result oriented participation in 4th PMLS'2018, Lahore.

06. TO DISCUSS & CONSIDER THE NOTIFICATION (INCOME TAX) SRO # 1314(I)/2017 DATED 22ND DECEMBER'2017 REGARDING REMITTANCE TO NON RESIDENTS SUBJECT TO PERMISSION TO BE OBTAINED IN ADVANCE FROM COMMISSIONER INLAND REVENUE, FBR

The House was clarified/informed by Mr. Mansoor Iqbal, Sr. Vice Chairman, PTA that the SRO interoperates that prior withholding tax atleast 1 week before should be made/paid before remittance to Non residents i.e against the local services, which may NOT bring negative impact on exporters and their regular remittances of commission to their Agents & others from Foreign Currency accounts against exports @ 10% each on realization, which is already allowed by SBP and accordingly the House was satisfied .

07. TO DISCUSS & CONSIDER A PROPOSAL FOR THE UP-GRADATION OF VIDEO CONFERENCE/CAMERA SYSTEM IN PTA CENTRAL OFFICE, DHA, KARACHI ALSO IN LINE WITH THE UP-GRADATION AS ALREADY MADE IN PTA N/Z OFFICE :

The house realized the necessity to upgrade the video conference system in PTA Central office, DHA, Karachi in line with the up gradation already made in PTA Northern Zone Office, Lahore and accordingly the House unanimously approved the Proposal with the Cost to be incurred for the upgradation of Video Conference system in PTA Central office, DHA, Karachi.

08. TO INFORM THE OUTCOME OF THE MEETING HELD WITH SECRETARY, TDAP ON 03.01.2018 AND SECRETARY COMMERCE ON 08.01.2018 :

Mr. Amanullah Aftab, Chairman, PTA informed the House the outcome of the meetings held so far as below :-

a) MEETING OF PTA DELEGATION WITH SECRETARY, TDAP on 03.01.2018 AT TDAP'S OFFICE, KARACHI :

<u>Agenda Point(S)</u>	<u>Decision(s)</u>
Release of remaining balance 25% Govt., subsidy for the individual treatment plants for 8 members against STPF 2009-12 to the tune of Rs.20,904,890/-.	It was decided that a summary would be moved by TDAP, Karachi to MOC for the approval with sufficient fund to enable TDAP to release the due remaining 25% fund for Rs.20,904,890/- to 8 eligible firms already approved by TDAP. Kindly share with us a copy of TDAP's letter addressed to MOC for our information & follow up with them.

<p>To consider for removal of 5 years & 2 years participation condition from TDAP's prescribed rules & regulations for Int'l Fairs.</p>	<p>It has been ensured by the Secretary, TDAP to remove 5 years & 2 years condition, which was realized by him also that these are irrational under the prevailing business circumstances and directed for proceeding for removal for Leather being specific product commodity of the country as core product. Therefore, you are requested to please proceed at your end for the removal of both conditions of 5 years & 2 years participation for Specific Sector (Leather) and KINDLY CONFIRM to this office in writing for our member exporters satisfaction please and smooth & result oriented participation in Int'l Leather Fairs henceforth irrespectively.</p>
<ul style="list-style-type: none"> To increase the subsidy percentage upto 70% instead of 40% for participation in Int'l Fairs being organized by PTA in collaboration with TDAP. 	<p>The delegation was informed categorically that in view of financial stringencies being confronted by TDAP it is not viable for them at the moment to increase the subsidy percentage UNTILL increase budget allocation to be made by MOC to TDAP.</p>
<ul style="list-style-type: none"> To consider favorably for 50% Govt., subsidy on PTA's sample shipment meant for display in Pakistan pavilion of Int'l Fairs being organized by PTA. 	<p>The request has been accepted in principle and subsequently directed by the Secretary, TDAP to PTA's delegation to submit complete concrete proposals with facts & figure in writing in this regard to TDAP for the allocation of specific budget for PTA in this regard.</p>
<ul style="list-style-type: none"> To release the subsidy on standard booth size at 12 sqm instead of reduced size at 9 sqm for Int'l Fairs allocated to PTA 	<p>The Secretary, TDAP approved the Standard size of Govt., subsidy at 12 sqm instead of 9 sqm and directed to implement it henceforth for Leather being specific core product of the country and also realized it is well nigh impossible to display the entire range of Leather particularly Cow & Buffalo within the reduced size of booth at 9 sqm, which is insufficient for display of leather with ample space inside of the stand of 9 sqm for business meetings with potential foreign customers during the show. You are, therefore, requested to please confirm in writing to PTA for our record please.</p>

<ul style="list-style-type: none"> To discuss & consider for the exploration of new business avenues for participation in Int'l Leather Fairs in addition duly subsidized by TDAP. 	<p>The Secretary, TDAP accepted the request for the allocation of more Int'l potential events to PTA for Leather in addition to explore new business avenues for the promotion of country's exports and advised to PTA to submit necessary Feasibility with the proposed name of Int'l Fairs for allocation to PTA with proposed budget of participation for consideration of allocation to PTA in addition. One of the events was already proposed i.e. "Shoes & Leather, July'2018 at Vietnam" for the allocation, which was unfortunately not organized by PTA in 2017 owing to time constraints & late approval of TDAP.</p>
<ul style="list-style-type: none"> To expedite the process for releasing due approved govt., subsidy for Int'l fairs in general and the subsidies already pending at TDAP 	<p>The Secretary, TDAP reviewed list of subsidies pending at TDAP and immediately issued directives to release atleast 2 following subsidies i.e. at s. # 01 & 02 within one week and expedite the process for remaining for the release as soonest as possible after completion of due process :-</p>
	<ol style="list-style-type: none"> 01. Lineapelle Fair, Feb'2017 at Italy 02. ACLE, Sept'2017, at Shanghai, China 03. Premier Vision, Sept'17 Paris 04. Lineapelle Fair, Oct'2017 at Italy

b) Meeting Secretary Commerce on 05.01.2018 at Marriott Hotel, Karachi during "consultative Session" arranged by MOC :

Mr. Amanullah Aftab, Chairman, PTA informed the house all the Proposals/Suggestions framed for Trade Policy for the year 2015-18 & 2018-23 which was submitted earlier to him and other Government Departments has again been placed/submitted during Consultative Session to Secretary Commerce and they assured again to consider these proposal favorably for incorporation in upcoming Trade Policies. The proposals submitted to them are as follows :

01. To issue revise **SRO 578(I)/2016** dated 01.07.2016 with relaxed import procedures for subsidy on import of all proposed **24-Tanning Machineries.** PTA's detailed letter already submitted to MOC.
02. To allow **75% Matching Grant for setting-up of Effluent Treatment Plants** in Individual Tanneries which is a fundamental requirement for enrolling our member exporters in LWG (Leather Working Group). A detailed submission has already been made to MOC.

03. To allow **75% Govt., subsidy on International Lab Testing** for Leather which is a pre-requisite of Foreign buyers/brands for selling the finished leather to them. As the incentive has already been approved/announced by Engr. Khurram Dastgir Khan (Ex-Federal Minister for Commerce) during inaugural function of 3rd Pakistan Mega Leather Show in January 2017. Detailed submission has already been made to MOC.
04. To withdraw 3%+1% = **4% Custom Duty** on import of Wet blue and include **H.S CODES 4104.1100/4104.1900/4105.1000 & 4106.2100** in the Fifth Schedule of the Customs Act 1969 as well as notify through SRO. Recently allowed Duty Free Import of wet blue was linked with FTA, which is not viable for Leather Industry as to make the duty free import without any restriction/compulsion & FTA.
05. To allow **Duty Free Import of basic Tanning Machineries for Tanning Sector of Pakistan** without Custom Duty & Sales Tax **as already allowed for Textile Sector** for the upgradation/modernization of Tanning Sector to produce & provide best quality innovative leather for meeting foreign buyers demand.
06. Unilateral slashing down **Duty Drawback rates on export of Finished Leather** by FBR for which a detailed presentation was sent to FBR on 24-May-2017.
07. To finalise and early announcement of FTA's with **South Korea, Japan, Thailand, Turkey & China.**
09. On a instance made by Mr. Shahid Usman, the house also approved to propose one more "duty Free Import of Finished Leather into Pakistan".

c) **Meeting with Secretary Commerce on 08.01.2018 at PTA Southern Zone Office, Korangi, Karachi** :

The meeting was originally designed at KATI, Korangi, Karachi but in result of efforts, short meeting was held in PTA southern zone for **One specific Agenda** for the Upgradation of Combined Effluent Treatment Plant, Korangi, Karachi and the Secretary Commerce had approved in principle the proposed upgradation and advised to submit comprehensive Feasibility with the share of PTA's members in the upgradation for placing to EDF Board for the approval.

Mr. Amanullah Aftab, Chairman, informed the house owing to constraints the core issues/points of PTA were not unfortunately discussed with the Secretary Commerce and accordingly PTA is trying to get separate appointment in Islamabad for discussion & resolution of our issues.

09. a) **TO GRANT EX-POST FACTO APPROVAL FOR ISSUANCE OF PTA CERTIFICATE FEE @RS.15,000/- EACH FOR ASSOCIATE CLASS MEMBER AND RS.30,000/- EACH FOR CORPORATE CLASS MEMBER ON ACCOUNT OF DLTL CLAIMS OF PTA MEMBERS CONCERNED TO BE FILED FOR THE FY JULY-JUNE 2017-18 AS PER PRESCRIBED FORMAT OF MINISTRY OF COMMERCE NOTIFIED THROUGH SRO 1248(I)/2017 DATED 14TH DECEMBER'2017- DLTL (NON-TEXTILE) ORDER 2017** :

The House unanimously approved the charges for issuance of Certificate for its members for the new DLTL claims against SRO # 1248(I)/2017 dated 14.12.2017 as below :-

- Associate Class Member @Rs.15,000/- each
- Ordinary Class Member @Rs.30,000/- each.

- b) TO DISCUSS THE ISSUANCE OF CERTIFICATE, ITS VALIDITY AND RENEWAL PERIOD IN RESPECT OF DLTL CASES OF PTA MEMBERS CONCERNED AS THEIR PRESENT MEMBERSHIP CERTIFICATE IS GOING TO BE EXPIRED ON 31.03.2018 :

After threadbare discussion, the House has approved to issue the Certificate to its members till 31st December, 2018 against the SRO # 1248 for facilitation to its country wide members to avoid any kind of objection, but make it ensure that all the members should renew/pay their Fee for the next term for the year 2018-19 otherwise their Certificate can be considered to be revoked for onward implementation & communication to the Government/SBP concerned.

10. ANY OTHER MATTER WITH THE PERMISSION OF THE CHAIR :

- I) To grant approval for payment of Rs.50,000/- on account of Annual Subscription of FPCCI for PTA's Membership for the financial year January 1, 2018 to December 31, 2018 :

The house approved the Annual Subscription of FPCCI for PTA membership @ Rs.50,000/- for the year January 1, 2018 to December 31, 2018.

- II) To consider and approve bill for Rs.197,498/- received from PTA-Northern Zone for Luncheon Meeting (AGM) held on 29.09.2017 :

The House also approved the bill for Rs.197,498/- received from PTA N/Z for the meeting held on 29.09.2017 in PTA Northern Zone Office, Lahore

- III) To consider and approve for increase in rates of Annual Subscription of PTA Membership Fee FY 2018-19 effective from 1st March'2018 for both the Classes of PTA's members on the recommendations received from PTA (NZ) :

The House discussed the proposed increase of annual subscription fee of PTA for the year 2018-19 as proposed by PTA NZ as below and decided to seek the comments from PTA Southern Zone Office, Korangi in this regard for further proceeding :-

Proposed Rates:

- Corporate Class @Rs.50,000/- each.
- Associate Class @Rs.35,000/- each

- IV) Proposal of Mr. Gulzar Firoz to withdraw EDS @.25% for 3-years on export proceeds :

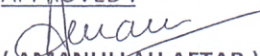
On a proposal of Mr. Gulzar Firoz, the House approved the proposal for the removal of EDS @0.25% for atleast upcoming 3 years on exports and advised to plead the case at FPCCI's platform for the desired removal of EDS for facilitation to the Leather Sector of Pakistan under the prevailing business circumstances.

- V) Publication / purchase of Book containing informative information of Leather Industry as already published by the European publisher :

On a proposal of Mr. Agha Saiddain, the House has considered positively/favorably to purchase the Books as shown by Mr. Agha Saiddain containing information about the Leather Sector.

Since there being no other matter to discuss, the meeting concluded with a vote of thanks to the Chair.

APPROVED :


(AMANULLAH AFTAB)
CHAIRMAN

Yours faithfully,
For: PAKISTAN TANNERS ASSOCIATION


(MUHAMMAD ALI)
SECRETARY GENERAL

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