

**PHMA for including Proprietorship & AOP at par with company**

Muhammad Jawed Bilwani, Central Chairman, Pakistan Hosiery Manufactures & Exporters Association (PHMA) urged the federal finance minister to include Proprietorship & AOP at par with company to avoid discrimination to avail tax credit for equity investment in purchase and installation of plant and machinery for the purposes of balancing, modernization, replacement or expansion in an industrial undertaking established before July 01, 2011 through amendment under section 65b in the Income Tax Ordinance 2001.

In a letter to the Federal Minister for Finance & Revenue, Central Chairman (PHMA) said that the government under Finance Act 2010 passed amendment in the Income Tax Ordinance 2001, "Tax Credit for Investment in Industrial Undertaking" the Section 65B in order to encourage companies for investment in balancing, modernization and replacement of the already installed plant and machinery in an industrial undertaking set up in Pakistan and owned by such company under the provisions thereof, to provide 10 percent rebate in income tax payable for the tax year in which such plant and machinery is installed, shall be admissible if such investment is made in the purchase and installation of plant and machinery at any time between the 1st day of July, 2010 and the 30th day of June, 2015. In the Finance Act 2018, the said tax credit under section 65B the cut-off date has been extended to 30-06-2021.

He expressed that under the prevailing laws of Pakistan and according to the Article 18 "Freedom of Trade, Business or Profession" of the Constitution of the Islamic Republic of Pakistan, every citizen shall have the right to enter into lawful trade or business. Consequently, in Pakistan, the businesspersons in Pakistan engage into legal business by registering with the concerned authorities as Proprietor/Business Individual, Association of Persons (AOP) (under Partnership Act 1932 and Limited Liability Partnership Act 2017) or with formation of a Company under Companies Act 2017 (previously Companies Ordinance 1984) with SECP.

He emphasized that ever since, there exists no legal restriction to Pakistani citizens to enter into businesses for any specific law. In order to avoid discrimination in the subject case, he urged the Federal Finance Minister to bring necessary amendments in the Income Tax Ordinance 2001 under section 65B to include "Proprietorship/Business Individual" as well as "Association of Persons (AOPs)" at par with "Company" to provide equal playing field to avail tax credit for equity investment in purchase and installation of plant and machinery for the purposes of balancing, modernization, replacement or expansion in an industrial undertaking, accordingly, which will definitely boost new confidence in the Industrial concerns registered as the AOPs or Proprietorship for the purpose in the larger interests of our economy.-PR

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