

**Mobile phones: PTA seeks withdrawal of baggage rules exemption**

ISLAMABAD: The federal cabinet has been approached with a proposal to withdraw the Federal Board of Revenue (FBR) baggage rules exemption for mobile phones to address the misuse of travel data and for reduction in taxes and duties on new cell phones.

Sources said that Pakistan Telecommunication Authority (PTA) has briefed the federal cabinet in a recent meeting that identity credentials of around 44,943 international passengers were misused to unlock illegal/smuggled mobile phones.

A detailed briefing was made to the federal cabinet with regard to status of DIRBS as well as individual status for IMEI registration, number of registered mobiles phones with tax, total tax collection and misuse of reported cases.

The meeting was informed with regard to registration of mobile phones under the device identification, registration & blocking system (DIRBS) and individual registration. Under the DIRBS, the meeting was informed that 357 million IMEI were registered as of January 15, 2019 and the number of non-compliant sets which were blocked after January 15, 2019 stands at 9.57 million. The number of valid GSMA blocked mobile phone sets stood at 10.66 million.

Under overall individual registration, the number of total devices applied was 986.191 million, devices registered free of cost were 656.920 million while total registered devices with tax were 33.830 million. Tax collected from the registered mobile phones stood at Rs 74 million. However, misuse reported cases sent to FBR and FIA were 44,943 in number.

Recommendations of the PTA included; (a) because of implementation of DIRBS, the influx of smuggled and non-type approved devices has shown a consistent decline. Additionally, the mobile devices imported through legal commercial channels have shown a significant increase and there is need to continue with the implementation of DIRBS; (b) PTA is closely cooperating with FBR and FIA for providing data of misuse of identity cases on regular basis and ongoing effective action by FIA will create deterrence.

The PTA has proposed the withdrawal of baggage rule which would help in addressing the issue of misuse of travel data, rationalisation of applicable duties and taxes on mobile devices will take away incentive to use illegal means, and promote import by paying taxes.

About the background, the meeting was informed that in line with section 9.6 of the Telecom Policy 2015, PTA has developed a system to; (i) eliminate counterfeit, non-standard and duplicate (IMEI) devices from the networks; (ii) support FBR in curbing smuggled mobile devices; (ii) and address security issues due to usage of non-standard & duplicate IMEI handset.

As part of the federal cabinet decision, all devices seen on mobile networks as of January 15, 2019 were converted to compliant legal status. Thus, a total of 357 million devices have been converted to compliant status. Non-compliant devices seen on networks after January 15, 2019 and non-tax paid devices which are not registered (after 60 day) are being blocked in phases.

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