

Asad Umar knew about rupee fall: SBP governor

LAHORE: State Bank of Pakistan (SBP) Governor Tariq Bajwa Sunday rejected the allegation of keeping the government in the dark about depreciation of Pakistani rupee to historical low a week ago.

He said Finance Minister Asad Umar was on board, who admitted that the SBP had informed the government about devaluation of the national currency. "I will not talk more about dollar appreciation and this issue," he added.

The governor was talking to reporters here after the signing of a memorandum of understanding (MoU) between the Punjab government and the State Bank of Pakistan and 1-Link to allow taxpayers to pay their provincial taxes through alternative delivery channels (ADC) including online banking, ATM and phone banking. The measure has been adopted to promote ease of doing business in the province and will address the longstanding demand of the business community to make the process of tax payments easier.

"Asad Umar himself stated that devaluation of rupee was discussed with him and it was in his knowledge. So there is no argument left to discuss the issue because he clarified that he was aware of it," Tariq Bajwa said in discomfort with the question.

About further devaluation of Pakistani Rupee against the US dollar in the coming days, as Fitch forecasted about further devalue of Pakistani Rupee to Rs148 against one US dollar, the governor said that movement in dollar and rupee is dependent on two factors: one is macroeconomic fundamentals and other is market sentiments.

"When market sentiments would be positive, rupee would be appreciated against the US dollar." He hoped that existing pressure on rupee against dollar will ease out once the payments from abroad will start pouring in. Besides, Saudi Arabia's deferred payment oil facility would also ease out the situation in coming days," he hoped.

Fitch Solutions, in a report released last week, forecasted the rupee to touch Rs148 against the US dollar by end of the financial year 2018-19. The report forecasted the rupee to weaken further against the US dollar over the coming quarters, as the IMF would typically require the central bank to build up its foreign reserves' buffers.

The signing ceremony was attended by Governor State Bank of Pakistan Tariq Bajwa, Finance Minister Punjab Makhdoom Hashim Jawan Bakht, Chief Secretary Punjab, Yousef Naseem Khokhar, Finance Secretary, Hamid Yaqub Sheikh, Chairman PRA Javed Ahmed, and 1-link representative Najeeb Agrawala.

Bajwa said that digitization provides eco system for financial inclusion which plays a vital role in economic growth. He appreciated the Punjab Revenue Authority (PRA) for initiative which will empower the commoner and taxpayers. Further, he said pointed out three priorities areas of economy including, agriculture, provision of low cost housing and SME, besides two cross cutting areas Islamic Banking and financial inclusion through digitization of payment system.

On a question of declining revenue of provincial revenue authorities, Bajwa said that the Supreme Court had barred the government from collection of taxes from mobile users which affected it. He pointed out that it would be resolved soon with some alternative solution.

Speaking on the occasion, Punjab Finance Minister Makhdoom Hashim Jawan Bakht said that the Punjab government since coming to power striving to improve the business environment and provide maximum

facilitation to the business sector which was the backbone of the economy. With the introduction of this facility, taxpayers will no longer need to visit banks and stand in queues to deposit their taxes, thus the compliance cost of the taxpayers will be reduced, he added.

The finance minister said that the government intends to make the facility available for all provincial taxes. However, the Punjab Revenue Authority has taken the lead in this regard and payment of Sales Tax on Services through alternative delivery channels will be available by the end of December. Subsequently, the facility will be incrementally expanded to cover taxes collected by the Excise and Taxation Department and the Board of Revenue.

He appreciated the PRA for implementing the Punjab government's vision by making e-PRA and smart revenue organisations reliant on information technology, where the direct contact between taxpayers and tax collector is minimised. The future projects in the pipeline include pre-populated returns and algorithmic mass audits.

Chief Secretary Punjab Yousaf Naseem Khokhar stressed the need for ease of doing business and committed that the provincial government will continue to work towards this direction.

Jawwad Rizvi