# **MINUTES OF THE PSAA EXECUTIVE COMMITTEE**

# **MEETING HELD ON 29.04.2014 AT 3.00 PM**

## **AT ASSOCIATION’S OFFICE, KARACHI**

Present:

Mr.Mohammed A.Rajpar Chairman

Mr.Asim Saeed Khan Senior Vice Chairman

Capt.S.Kamal A.Mahmoodi Vice Chairman

Mr.Adil Khan Executive Committee Member

Mr.Khalid W.Khokhar Executive Committee Member

Mr.Ovais-ur-Rehman Executive Committee Member

Mr.Amir Ali Jamal Secretary General

Mr.Syed Tahir Hussain Deputy Secretary

Regrets:

Ms.Ava A.Cowasjee Executive Committee Member

Mr.Kareem Ispahani Executive Committee Member

Capt.M.Nouman Alvi Executive Committee Member

Mr.Tariq Haleem Executive Committee Member

A meeting of the Executive Committee was held at 3.00 pm on 29.04.2014 at Association’s office, Karachi.

**01) To confirm Minutes of the Executive Committee meeting held on 17.02.2014.**

The Minutes of the Executive Committee meeting held on 17.02.2014 were approved by all present.

**Matters arising:**

**a) Director General (Ports & Shipping)**

Mr.Mohammed A.Rajpar informed ban on hiring has been lifted by the Prime Minister but not on permanent hiring. Hiring will be done on daily wages therefore, problems being faced by Shipping Lines/Agents might not be resolved as Engineers and Master Mariners would not be interested in working on daily basis.

**b) Port Clearance by EDI**

Mr.Khalid W.Khokhar informed data transmission through EDI for obtaining Port Clearance is not functioning properly which needs to be rectified.

**c) Meeting with Chairman, KPT**

Mr.Amir Ali Jamal informed that Vice Admiral Shafqat Jawed, HI(M) has been appointed as Chairman of KPT. Now we have two options: either first to go for a courtesy call followed by working session in order to discuss our problems and issues. The second option is to directly hold a working session. The participants felt that we should straight away go for courtesy call cum working session.

**d) Members’ Directory**

Mr.Mohammed A.Rajpar informed that publication of the directory was slightly delayed as we were campaigning to collect some more advertisements since we were facing a deficit of Rs.250,000 to purchase car for the Secretary General. Mr.Amir Ali Jamal informed that finally we managed to obtain 45 advertisements thus generating an amount of over Rs.1.00 Million. Mr.Mohammed A.Rajpar inquired how much time is now required for printing. Mr.Syed Tahir Hussain informed that directory is already under printing and will be ready within one week.

**02) To ratify decision regarding purchase of Suzuki Cultus Car for the Secretary General.**

Mr.Mohammed A.Rajpar informed that detail proposal to sell Suzuki Alto and purchase Suzuki Cultus for the use of Secretary General was sent on 12.03.2014 to all EC Members who were kind enough to approve the same (Annexure-I). He requested participants to ratify this decision which was done by all present.

Mr.Amir Ali Jamal thanked the EC Members for their co-operation.

**03) To approve plan of activities for 03 years for submission to Director General Trade Organizations.**

Mr.Amir Ali Jamal informed that PSAA License is valid upto November, 2014 and as per procedure PSAA has to apply for renewal of License in July, 2014. Apart from several formalities PSAA has to submit plan of activities for the next 03 years. Subsequently he presented the plan as per attached (Annexure-II) for approval. All present approved the same.

**04) To discuss Sales Tax payable to Sindh Revenue Board (SRB).**

Mr.Mohammed A.Rajpar informed that several members have approached him and informed that SRB has approached them and demanded Sales Tax on all income namely commission on FOB, DO, THC and Container Management Fee, etc. whereas it was a settled issue after the introduction of Sindh Sales Tax on Services Act/Rules, 2011 effective 01.01.2011 whereby members were paying Sales Tax only on C&F cargo commission and Tramper vessels agency fee. He added that SRB is going outside scope of taxation and now we have two options:

a) Start dialogue to convince SRB to restrict the scope of taxation to C&F cargo commission.

b) Filing of petition against SRB in the SHC.

Mr.Asim Saeed informed PIFFA is also facing the same problem and held meeting SRB with little hope of getting relief from them and now thinking of going to Court.

All pt agreed to this suggestion and following resolution was passed:

RESOLUTION PASSED IN THE EXECUTIVE COMMITTEE MEETING OF THE ASSOCIATION HELD ON 29th 29.04.2014 TO CONSIDER THE MATTERS /ISSUES RELATING TO LEVY OF SALES TAX ON SERVICES, BY SINDH REVENUE BOARD, UNDER THE SINDH SALES TAX ON SERVICES ACT XII OF 2011 (AS AMENDED UPTO 1ST JULY 2013 ON MEMBERS OF THE PAKISTAN SHIP’S AGENTS ASSOCIATION AND TAKING RECOURSE TO SEEK COLLECTIVE JUDICIAL REDRESS IN THE MATTER ON BEHALF OF ITS MEMBERS.

“RESOLVED Amir Ali son of Mohammed Hussain the Secretary General of the Pakistan Ship’s Agents Association (PSAA), is unanimously authorized to take all appropriate measures and action/s for challenging and assailing the matter of Sales Tax on Services, as threatened to be enforced by the Sindh Revenue Board, against members of PSAA, purportedly under the provisions

of Sindh Sales Tax on Services Act XII of 2011 (as amended by Sindh Finance Act 2013), read with item No. 49 (Part I of Fourth Schedule as amended by XVIII Amendment to the Constitution of Islamic Republic of Pakistan, 1973), the National Finance Commission Award, on ground of such intended and/or threatened actions being Ultravires of the Constitution and in clear violation of various Articles of the Constitution, particularly Article 18, 25, 163, besides other, The Sales tax Act and other Laws and enactments and also to take all other remedial measures in the matter as deemed fit and expedient by him, based on the legal advice and to constitute and appoint Mr. Mohammed Yousuf, Advocate/Messrs. Yousuf Law Associates, Advocate/s for and on behalf of the Association, to appear, act and represent the PSAA, in that behalf.”

Mr.Khalid W. Khokhar inquired whether Mr.Mohammed A.Rajpar consulted with any legal advisor in this regard.

Mr.Mohammed A.Rajpar informed about consulting with Mr.Mohammed Yousuf, Advocate who has advised to challenge vises of law i.e. Shipping Lines/Agents are professionals not servants and Sales Tax is levied on servants not professionals.

Mr.Mohammed A.Rajpar suggested drafting a circular to all Members in order to know their compliance with respect to SRB.

Mr.S.Kamal A.Mahmoodi suggested instead of going individually to Court we should jointly go to Court under the umbrella of PSAA.

**05) Update on joint cooperation between ACAAP, PIFFA and PSAA on defaulted payments**

Mr.Amir Ali Jamal informed that after comprehensive/extensive discussions the three Associations namely ACAAP, PIFFA and PSAA have decided to jointly establish a database whereby the defaulters of freight payment would be identified and precautionary steps according to law would be taken by the Members of all these Associations to prevent and resolve such defaults. It is well known that actions of a few errant merchants increases the cost of doing business for the law abiding citizens. It is hoped that establishment of this database will help in reducing the cost of doing business for the legitimate parties. He added that this is an old issue which was previously discussed with PIFFA on a few occasions. Recently two meetings were held on 25.03.2014 and 21.04.2014. Apart from the PSAA nominees on this Committee (Mr.Asim Saeed Khan and Mr.Ovais-ur-Rehman) Mr.Mohammed A.Rajpar and Mr.Amir Ali Jamal also attended the meetings.

Mr.Amir Ali Jamal informed he has circulated SOP and MOU drafts to Executive Committee for their input.

Mr.Mohammed A.Rajpar informed that right from the beginning PSAA Lawyer Barrister Abdur Rahman of M/s.M.Naim-ur-Rahman Associates is vetting the procedure in order safeguard the interest of PSAA Members and ensure that no violation is committed against CCP rules and other regulations.

**06) Any other business with the permission of the chair.**

a) Mr.Amir Ali Jamal on behalf of PSAA congratulated Mr.Tariq Haleem and Capt.S.Kamal A.Mahmoodi on being appointed as Chairman and Vice Chairman of FPCCI Standing Committee on Ports and Shipping by the President, FPCCI.

b) Mr.Amir Ali Jamal informed that National Centre for Maritime Policy Research (NCMPR) is a constituent unit of Bahria University, Karachi, which is pursuing the goals of instituting academic and research programs in Maritime Affairs. On the request of NCMPR PSAA has nominated its

Former EC Member Capt.Mohammad Inam as a Member of “Corporate Advisory Committee (CAC)” who will advise NCMPR/Bahria University to fulfill the needs of the local maritime organizations.

There being no other business, the meeting ended at 05.00 p.m. with a vote of thanks to the Chair.

**Confirmed**

**Date:\_\_\_\_\_\_\_\_\_ Chairman:\_\_\_\_\_\_\_\_\_\_\_**