

Ministry of Commerce & Textiles
(CARs & ECO Section)

No. 9(4)/2014-Iran

Dated 20th March, 2019

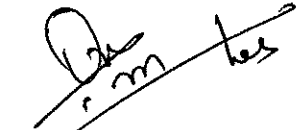
OFFICE MEMORANDUM

Subject:- **MINUTES OF FIRST MEETING OF THE COMMITTEE RELATING TO PAK-IRAN BILATERAL TRADE THROUGH LAND ROUTE.**

The undersigned is directed to refer to the first meeting of the committee to discuss issues relating to Pakistan's bilateral trade with Iran and Afghanistan held on 11th March 2019 at 1230 P.M. in the Ministry of Commerce, Islamabad.

2. Minutes of the above meeting are enclosed herewith for information and further necessary action, please.

Encl : **As above**



(Umar Minhas)
Section Officer (CARs & ECO)

1. Mr. Jawwad Uwais Agha, Member (Customs), Federal Board of Revenue, Islamabad
2. Malik Sikandar Hayat, Joint Secretary, Ministry of Interior, Islamabad
3. Mr. Aamir Nazir Gondal, Joint Secretary, Ministry of Finance, Islamabad
4. Mr. Arshad Memood Bhatti, Director (Exchange Policy), State Bank of Karachi
5. Mr. Adeem Khan, Secretary (Transit Trade) Federal Board of Revenue, Islamabad
6. Mr. Muhammad Shoaib Dogar, Director (R.T) M/o Communications, Islamabad
7. Mr. Zain ul Abidin, Director (Iran & Turkey), Ministry of Foreign Affairs, Islamabad
8. Mr. Siraj Ahmed Khan, Director (Afghan) Ministry of Foreign Affairs, Islamabad
9. Brig. Furqan Moazzam, FC (North), Quetta
10. Col. Shehryar Gohar Khan, F.C (South), Quetta
11. Mr. Imran Khan Khakar, President, Chaman Chamber of Commerce and Industry,
12. Haji. Jamal Uddin Achakzai, S.V.P. FPCCI, Karachi.
13. Mr. Mazhar UI Haq, Director, FPCCI, Islamabad
- ✓ 14. Ms. Faiza, Secretary General, PAJCCI, Karachi
15. Mr. Ghulam Farooq, Ex-President, Quetta Chamber of Commerce & Industry, Quetta
16. Mr. Freedom Akram Sheikh, S.A. to Minister of State for Revenue, Islamabad

Government of Pakistan
Ministry of Commerce and Textile
Commerce Division

**Minutes of the meeting of Committee relating to Pakistan-Iran
Bilateral Trade through the Land Route held on 11th March, 2019**

The first meeting of committee to discuss Pakistan-Iran and Pakistan-Afghanistan bilateral trade through land route was held on 11th March, 2019 in Ministry of Commerce, Islamabad. The meeting was chaired by the Minister of State for Revenue, Mr. Hammad Azhar. The list of the participants is enclosed.

2. The meeting started with the recitation from the Holy Quran. At the outset, Joint Secretary Foreign Trade II, Ministry of Commerce, presented a power point presentation to the participants delineating the issues hampering bilateral trade between Pakistan-Iran and Pakistan-Afghanistan.

3. **Pakistan-Iran Bilateral Trade**

a. Secretary Commerce highlighted the perennial problem of informal trade existing between Pakistan and Iran arising out of non-availability of normal banking channels due to international sanctions on Iran. He underlined the need for exploring different possibilities of overcoming the banking channel problem including requesting a wavier from the US and opening branch of an Iranian Bank in Pakistan which is not under the US Sanctions.

b. Member Custom informed that presently, trade with Iran is taking place through three border crossing points. He added that Pakistani banks were still reluctant to open Letter of Credit (L/C) for Iran. He informed that through an order of the Balochistan High Court, traders were exempted from furnishing EI Forms for trade with Iran.

c. Representative from the Quetta Chamber of Commerce and Industry informed that there are sixteen Iranian Banks which are not under the US sanctions and US is doing business with them. He proposed that Pakistani banks may also do business with these banks.

d. Representative of State Bank of Pakistan (SBP) informed that despite an MoU between the central banks of Pakistan and Iran signed in 2017, the banking problem could not be overcome, owing to the financial penalty imposed upon Habib Bank Limited by the US government, the commercial banks are reluctant to do business in Iran. He agreed that the possibility of opening of the branch of Iranian banks which are not under US Sanctions can be explored along with other avenues like European Model of Special Purpose Vehicle.

e. Representative from the Ministry of Foreign Affairs (MoFA) suggested that a meeting at technical level may be convened for finding a viable solution to the trade issues.

f. After hearing the stakeholders, the chair observed that the committee needs to develop a narrative for trade with Iran based on non-sanctioned institutions and non-sanctioned products. For this Ministry of Foreign Affairs and State Bank of Pakistan will discuss and give input regarding the following aspects before next meeting of the committee:

- i. Opening of the Iranian bank branch (which is not under US Sanction) in Pakistan
- ii. Obtaining a Waiver from US as available to India and some other countries.

3. **Pakistan-Afghanistan Bilateral & Transit Trade**

a. Secretary Commerce informed the meeting that the Pakistan proposed an Early Harvest Programme to Afghanistan in 2017 but the Afghan side has not responded to the proposal. He also informed that Afghanistan also did not respond to Pakistan's repeated requests to convene the 7th meeting of Afghanistan Pakistan Transit Trade Coordination Authority (APTTCA) to sort out the issues involved in transit trade.

b. Representative from the Chaman Chamber of Commerce and Industry highlighted the problem of internet vis-à-vis WEBOC. He also suggested timely payment of duty drawback and Sales Tax refunds.

c. Representative from the Pakistan-Afghanistan Joint Chamber of Commerce raised the issue of blocked Pakistani containers in Afghanistan and the demurrage cost arising therein. It was also highlighted that the

containers have to go through NLC checking and Custom checking which increases cost.

- d. The representative of Customs informed the participants of the meeting that custom checking and the NLC checking of the containers are not held jointly. He further added that implementation of Integrated Transit Trade Management System (ITTMS) is in the offing in which all processes of checking will be held under a single roof.
4. The chair decided that next meeting of the Committee to review the progress will be held on 20th March, 2019.

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LIST OF PARTICIPANTS

S. No.	Name and Designation	Ministry / Department
1.	Mr. Hamad Azhar Revenue Minister of State <u>Chair</u>	Revenue Division
2.	Mr. Mohammad Younus Dagha, Secretary Commerce	Ministry of Commerce
3.	Mr. Javed Akbar Bhatti, Additional Secretary (T.D)	Ministry of Commerce
4.	Dr. Jawwad Agha, Member (Customs),	Federal Board of Revenue
5.	Mr. Hussain Haider, Joint Secretary (FT-II)	Ministry of Commerce
6.	Mr. Aamer Nazir Gondal, Joint Secretary	Ministry of Finance
7.	Mr. Fareed Sheikh, Special Assistant to MOS	Revenue Division
8.	Malik Sikhandar Hayat, Joint Secretary	Ministry of Interior
9.	Mr. Imran Ali Shah, Collector Customs (App)	MCC, Peshawar FBR
10.	Mr. Raza, Collector of Customs (App)	MCC, Quetta, FBR
11.	Mr. Zain ul Abidin, Director (Iran)	Ministry of Foreign Affairs
12.	Mr. Siraj Ahmad Khan, Director (Afghan)	Ministry of Foreign Affairs
13.	Mr. Muhammad Shoab Dogar, Director (Road &Transport)	Ministry of Communications
14.	Mr. Addem Khan, Secretary (TT)	Federal Board of Revenue
15.	Brig. Furqan Moazzam, CO (North)	Frontier Corps, Balochistan
16.	Col Sheryar	F.C Baluchistan South Turbat on behalf of GHQ, Rawalpindi
17.	Mr. Arshad Mehmood Bhatti, Director (Exchange Policy)	State Bank of Pakistan

18.	Mr. Noor Ullah	State Bank of Pakistan
19.	Mr. Jalal uddin, Sr, V.President	PAJCCI
20.	Ms. Faiza, Secretary General	PAJCCI
21.	Mr. Mazhar Mufti, Director / Secretary	FPCCI, Islamabad
22.	Mr. Ghulam Farooq, Ex-President	Quetta Chamber of Commerce & Industry (QCCI) Quetta
23.	Mr. Imran Ali Kakar, President	Chaman Chamber of Commerce & Industry, Chaman
24.	Ms. Naoshen Imtiaz, Deputy Secretary (FT-II)	Ministry of Commerce
25.	Mr. Umar Minhas, Section Officer (CARs & ECO)	Ministry of Commerce