



**COMPARISON OF SMEDA'S**  
**PROPOSALS SUBMITTED AND**  
**ANNOUNCED IN FEDERAL BUDGET**  
**2022-23**

Research, Regulatory Insights and Advocacy Assistance for SMEs (RRIA)  
Policy and Planning Division  
Small and Medium Enterprises Development Authority (SMEDA)

**Comparison of SMEDA’s Proposals Submitted and Announced in Federal Budget 2022-23**

	<b>SMEDA’s Proposals Submitted for Federal Budget 2022-23</b>	<b>Proposals Included in Federal Budget 2022-23</b>
1.	<ul style="list-style-type: none"> <li>Financial schemes for women entrepreneurs may be introduced including relaxation in markup rates, loans on soft conditions related to collaterals and guarantees.</li> </ul>	<ul style="list-style-type: none"> <li>Young men and woman will be provided interest free loan upto 5,00,000</li> <li>A loan scheme upto Rs. 25,000,000 will be introduced. There will be 25% quota for women in loan schemes</li> </ul>
2.	<ul style="list-style-type: none"> <li>It is proposed that income tax exemption threshold may be enhanced to PKR 1 Million for AOPs.</li> </ul>	<ul style="list-style-type: none"> <li>The slab for business individuals and associations of persons AOPs has been increased from 400,000 rupees to 600,000 rupees.</li> </ul>
3.	<ul style="list-style-type: none"> <li>Single fixed tax regime for small businesses below the turnover of PKR 20 million may be introduced</li> </ul>	<ul style="list-style-type: none"> <li>Fixed income and sales tax system is being introduced for small retailers. Under this system, tax ranging from 3,000 rupees to 10,000 rupees will be collected through electricity bills.</li> </ul>
4.	<ul style="list-style-type: none"> <li>The custom duties on the packaging films may be reduced from 20% to 10%.</li> <li>Import of Packaging Industry may also be allowed to import Aluminum foil H.S Code 7607.1100 at concessional rate of 5%.</li> </ul>	<ul style="list-style-type: none"> <li>To incentivize packaging industry, CD and ACD on various tariff lines pertaining to aluminum, polymers of ethylene, BOPP etc. have been downward rationalized.</li> </ul>
5.	<ul style="list-style-type: none"> <li>Rationalization of Custom Duty for imports of inputs for manufacturing Fiber Optic Cables</li> </ul>	<ul style="list-style-type: none"> <li>CD &amp; ACD on import of Stamping foils have been exempted for manufacturing of Optical Fiber Cable.</li> </ul>
6.	<ul style="list-style-type: none"> <li>FBR POS integration is obligatory for the Tier 1 retailers which includes retailers based upon the area of retail outlets i.e. 1000 sq feet or above. POS is also a burden for the small retailer trading in products covering more area for display. It is proposed that POS should be integrated with the FBR system based upon sales/ turnover instead of area of the retail outlet.</li> </ul>	<ul style="list-style-type: none"> <li>Regime of other then Tier-1 retailer has been streamlined.</li> </ul>

7.	<ul style="list-style-type: none"><li>• Pakistan's export base is mainly concentrated in few products and few markets. Product diversification and access to nontraditional export markets are main issues that need attention of the Government. Support may be provided to the sectors including, <i>Artificial Intelligence (AI), Robotics, Animation, Gaming High-value added textiles, elector-medical and diagnostic instruments, Mobile Phone, Computers and Electronics, Automobile and Auto-part etc. for product diversification.</i></li></ul>	<ul style="list-style-type: none"><li>• An amount of Rs 5 billion has been allocated for value added export based on latest technology, mineral sector and industry.</li></ul>
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