



**MINUTES OF EC MEETING HELD ON FRIDAY 29<sup>th</sup> March,2024 AT 11.30 AM ON 8<sup>TH</sup> FLOOR PNSC BUILDING KARACHI**

The following Members attended the Meeting in person and by online:

S. NO	Name	Organization	Designation
1.	Mr. Aasim A. Siddiqui	PIL	Chairman
2.	Mr. Raheel Monis (online)	KGTL	Sr. Vice Chairman
3.	Mr. Tahir Shaikh (online)	MSC	Vice Chairman
4.	Mr Azher Mahmood Alam (online)	OOCL	EC Member
5.	Mr. Furqan Ahmed(online)	CMA-CGM	EC Member
6.	Mr. Salahuddin Khuhro(online)	HLL	GB Member
7.	Capt. Ibraheem Zaheer	APSA	Secretary General
8.	Abid Aziz	Marine Logistics	GB Member
9.	Mr Bawer Iqbal (online)	PAK SHAEEN	GB Member
10.	Mr Abdul Rauf (Online)	Green Pak Shipping/PSAA Chairman	EC Member
11.	Mr Faisal Ansari (Online)	Emirates Shipping	GB Member
12.	Mr Fazal/Mr Arshad Ayub(online)	Maerks Line	EC Member
13.	Kashif Waheed	Marine	EC Member
14.	Capt Asim Shahab (online)	ICS	GB Memeber
15.	Capt Syed Ali Raza	Sharaf Shipping	GB Member
16.	Mr. Haris	InShipping	GB Member
17.	Mr Asif Mehfooz	Portlink	Proxy for EC member



## **ORIENTATION**

At the start of the EC members meeting, we had a prayer with permission from the Chairman, asking for blessings and success for the Association.

## **CONVERSATION OF THE AGENDA**

Agenda Discussion:

The special EC members meeting was called to discuss two main matters:

1. Notice of post-audit received by some members from the Pakistan Customs department.
2. Specific information requested by KPT from members through the Association.

### **Notice of post-audit received by some members from the Pakistan Customs department.**

Mr. Aasim Siddiqui welcomed everyone and asked Captain Zaheer to explain the details of each matter, one by one, for further discussion.

Captain Zaheer informed the chairman and the EC members that he had consulted with three different lawyers regarding the post-audit notices received by various members from the Pakistan Customs department. These lawyers provided their legal opinions on the jurisdiction and authority of the customs department to conduct such audits.

He explained that the lawyers viewed the audit notices as preliminary inquiries without specific grounds, similar to fishing expeditions. Unlike audits under the Income Tax Ordinance, 2001, which are based on self-assessment of tax returns, customs audits operate differently. The Supreme Court has not approved such fishing inquiries in the context of the Customs Act and has deemed them impermissible.

Captain Zaheer mentioned that he had requested Mr. Aga Zafar, a maritime lawyer, to provide his legal opinion on the audit notices once his fee was approved by the chairman. The matter would be further discussed after receiving this legal opinion.

This approach was supported by Mr. Aasim Siddiqui, Mr. Azher Mahmood Alam, and Mr. Salahuddin.

Mr. Asim Siddiqui also expressed his view that the customs audit notices lacked jurisdiction. He argued that Customs cannot request information regarding freight collection, additional charges, gross income, remittances abroad, audited financial statements, published tariffs, etc.

He suggested that the role of monitoring freight collections, remittances, and vessel returns should be handled by the Federal Board of Revenue (FBR) and the State Bank of Pakistan (SBP), rather than by customs authorities.



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However, Mr. Asim Siddiqui clarified that APSA would only be involved in the matter if there were policy decisions to be discussed with customs authorities due to certain Standard Operating Procedures (SOPs) and the mandate of APSA. Individual members should challenge the notices through their respective lawyers, and APSA could provide support. If necessary, APSA could arrange meetings with customs authorities.

Mr. Fazal ur Rahman expressed confusion about why the Directorate of Post Clearance Audit intended to conduct audits of shipping agents, as they are neither importers nor exporters, nor do they claim duty refunds.

Mr. Azher Mahmood Alam also clarified that the matter arose from an order issued by the Federal Tax Ombudsman (FTO) against an NVO, for which the FTO had requested customs to conduct post-audits of shipping agents. He emphasized that the solar panel matter was separate from this post-audit issue.

#### **Specific information requested by KPT from members through the Association.**

Captain Zaheer informed everyone that the Karachi Port Trust (KPT) had requested members, through the Association, to provide specific information for registration.

This information includes details such as directors' information, registration numbers, shipping agent license details, police verification of directors or owners, and security clearance from the Directorate of Port Intelligence.

The deadline for submitting these details is March 31, 2024, as indicated in a reminder message received by APSA, referencing the KPT letter dated March 01, 2024.

However, members have not yet submitted these details directly or through APSA.

Mr. Aasim Siddique and Mr. Azher Mahmood Alam suggested that Captain Zaheer write a letter to KPT requesting an extension for the submission of these details.

Additionally, Mr. Aasim Siddique proposed that he, along with APSA EC members, meet with KPT authorities to seek further clarification on the information requested. They would also advise KPT to only request relevant information from the members.

The meeting concluded with the decision to reconvene once the legal opinion from the lawyer is received.

Captain Ibraheem Zaheer Khan  
Secretary General  
**All Pakistan Shipping Association (“APSA”)**