

## Budget Recommendations vs. Draft Budget Announcements

#	P@SHA Industry Recommendations	Included in Budget 2022-2023
1.	<b>Tax Regime</b> Reversal of Tax Credit Regime to Income Tax Exemption until 2025	No
2.	<b>Tax Issue Resolution</b> <ul style="list-style-type: none"> <li>standardized definitions for IT/ITeS industry for all purposes</li> <li>issue fast-track tax resolution mechanism for existing companies</li> <li>define it as a 'service' clearly and not a 'product'</li> </ul>	No
3.	<b>Forex Retention</b> Allow 50% forex retention with hassle-free & efficient in/out-flow	No
4.	<b>Cash Reward</b> Incentivize exports with flat 5% cash reward	No
5.	<b>IT-Specific Export Development Fund</b> Allocate 1% of preceding year's exports via PSEB/MoITT for: <ul style="list-style-type: none"> <li>training, upskilling and reskilling to improve talent supply and industry readiness</li> <li>branding and market development to promote #TechDestination</li> <li>industry &amp; infrastructure development</li> </ul>	No
6.	<b>Zero Taxes/Duties on productive assets</b> Facilitate zero taxes/duties on productive assets e.g. laptop and other essential IT and telecom equipment	No
7.	<b>Ease of Doing Business (EoDB)</b> Operationalize and fast-track STZs for existing IT & IT-enabled services industry ASAP	No
8.	<b>Skills Development</b> Allocate PKR 10 billion for skill development initiatives, and increase 'employable' IT graduates to 100,000 per annum	No
9.	<b>Special Export Refinance Scheme</b> Special 'collateral-free' Export Refinance Scheme for IT/ITeS Exporters with attractive interest rates (2~3%)	No
10.	<b>Make in Pakistan</b> #MakeinPakistan: measures should be taken to promote and foster local innovation in Pakistan via amendment of PPRA rules, etc.	No

Detailed P@SHA Budget Recommendations for IT and ITeS export growth in 2022-2023 can be seen [here](#).

A comparative analysis of IT Policies in Pakistan vs. other countries can be seen [here](#).