

Crowe Dialogue Combatting COVID-19 Scenario



Crowe Dialogue Series

Crowe Hussain Chaudhary & Co. (Crowe Pakistan) has initiated Crowe Dialogue Series for its clients and associates. The entire objective of this Dialogue is to bring together industry gurus, subject matter experts and influencers to discuss and deliberate the upcoming regulations and ideas and how does these affect entrepreneurs in our ecosystem.

With the 4th Industrial Revolution and a highly revolutionized business landscape, Crowe Pakistan is bringing together professionals with the highest business acumen to suggest cutting-edge innovative solutions and discover opportunities in the current highly competitive economic environment.

Starting in 2019, Crowe Pakistan is continually conducting these Dialogues and gathering suggestions from thought leadership representing all the leading sectors of Pakistan's economy.

Let's collaborate further and dialogue for mutual prosperity!

Crowe Dialogue on Combatting COVID-19 Scenario

Federal and Provincial Governments of Pakistan have recently undertaken various fiscal and regulatory measures to support businesses and the economy at large. Keeping in view the wave of rapid changes through regulatory regime, Crowe Pakistan through its team was in continuous discussion with clients, friends, and colleagues in professional circles to deliberate the potential impact and effectiveness of these measures in combating COVID-19. The importance of these changes/initiatives and feedback received from various corners led Crowe Pakistan to facilitate a dedicated dialogue with a diverse group of finance leaders from various sectors.

The Crowe Dialogue covered relaxations introduced by the State Bank of Pakistan (SBP), the Federal Board of Revenue (FBR) and the Securities and Exchange Commission of Pakistan (SECP) and measures like uplifting the construction industry to keep the economy afloat even during the times of pandemic (COVID-19).

Mr. Muhammad Nasir Muneer, Senior Partner hosted Crowe Dialogue. Mr. Iftikhar Taj, Governance & Strategy Lead, and Mr. Muhammad Amin, Taxation Lead facilitated the session by making presentations and responding to participants' questions.

Participants remained engaged for more than 2 hours in this Dialogue, whereby both the problems faced and suggestions proposed by the leadership from the following leading sectors:

- ▲ Agriculture
- ▲ Chemicals
- ▲ Construction
- ▲ Edible oil
- ▲ Industrial Batteries
- ▲ Information Technology
- ▲ Land Development
- ▲ Public Utilities Sector
- ▲ Paints
- ▲ Textiles
- ▲ Tires and Rubber

The Presentation on Measures Taken by the Government

The presentation was made by Mr. Iftikhar Taj and Mr. Muhammad Amin to cover all the measures taken by the governing bodies to uplift the business community and steps to combat the COVID-19 scenario.

Click on the below button to download the complete presentation;

[**Download Presentation**](#)

Thoughts Emerged from Leadership

After presentations and question & answer session, Participants deliberated various thoughts and strategies. These thoughts are compiled to keep the discussion flow lucid, without any specific seriatim.

- ▲ Revising policy rate to 9% will, greatly, help the companies to reduce their finance cost but companies are expecting further reduction.
- ▲ Relief for Construction industry will be beneficial to small and medium projects only. Mega projects will not benefit from such Construction industry measures as these projects generally span over the longer period of time.
- ▲ Such relief should be available to existing construction projects and companies as well.

Many businesses are, generally, affected adversely but there will be many opportunities to develop digital platforms.

- ▲ Capital gain has been exempted from tax but advance tax should also be rationalized on these transactions for individuals
- ▲ SBP measures are helpful for businesses that have borrowed from banks, relief for equity-based companies also needs to be introduced

Outsourcing of services can be seen as next new-norm.

- ▲ All the measures of Govt. focus to improve liquidity, whereby challenge to break even and have a positive bottom line remains unaddressed.
- ▲ Salaries' refinancing is a very good initiative by SBP but companies may not be having additional collateral to offer to banks to avail refinance.

Companies should review business processes to make it simple and speedy.

- ▲ FBR released large amount of sales tax refunds – refunds of income tax also need to be released.
- ▲ Govt. has allowed many industries to operate but supply chain side is a big challenge along with labor mobilization, both skilled and unskilled.

Govt. should work on demand side of products as well.

- ▲ Industries dealing with Essentials didn't face much challenge with revenue but recovery has declined.
- ▲ This COVID-19 lockdown provided great opportunity to review digital readiness of companies.
- ▲ Special rate of 7% is good initiative for new projects, same should be available to existing projects.

Businesses should wait few more weeks before investing in new projects @ 7% as there is strong likelihood that this rate will be further reduced.

- ▲ Public utilities companies are facing recovery challenges.
- ▲ In the current scenario, cash liquidity is critical and all efforts should be made for liquidity.
- ▲ COVID-19 crisis demands quick decision making by the decision makers.

Companies should create Strategy Management Group comprising of strategic minds to combat this unprecedented

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About Us

Crowe Hussain Chaudhury & Co. Chartered Accountants (Crowe Pakistan) is one of Pakistan's oldest and highly reputed firms of Chartered Accountants and Management Consultants. The firm was established in 1947 in Lahore, the year of Pakistan's independence by Mr. M Hussain Chaudhury (Late). In a very short span of time, the firm grew to a national presence with offices in Karachi and Rawalpindi, the two other major cities of Pakistan. Today, Crowe Pakistan operates with a team of over 400 professionals through four offices across Pakistan, and is capable of providing global coverage to its clients through the extensive network of Crowe Global.

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