

# **TAX POLICY AND ENTERPRISE DEVELOPMENT IN PAKISTAN Key Informant Interviews**



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**TAX POLICY AND ENTERPRISE DEVELOPMENT IN SOUTH ASIA**  
**KEY INFORMANT INTERVIEWS <sup>1</sup>**

**Theme 1:**

**The Impact of Tax Exemptions and Concessions on Enterprise Development**

Q1). What is the institutional setting for the SME sector, in Pakistan? Which institutions affect the sector's development.

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Q2). Which institutions focus on the promotion of SMEs in Pakistan?

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Q3). Do you think that SME sector's productivity, growth and employment is affected by:

- a). regulatory constraints (specify) \_\_\_\_\_
- b). fiscal policy constraints (specify) \_\_\_\_\_
- c). Infrastructural constraints (specify) \_\_\_\_\_
- d). Human resource constraints (specify) \_\_\_\_\_
- e). Market constraints (specify) \_\_\_\_\_
- f). Financial Constraints (specify) \_\_\_\_\_
- g). macro policy constraints (specify) \_\_\_\_\_

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<sup>1</sup> List of Key informants attached

Q4). Please rank the top five in order of importance.

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Q5). Do you think tax exemptions and concessions favor the SME sector more than large scale sector?

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Q6). Identify the tax exemptions and incentives benefiting the SME's and what do you think their potential impact is?

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Q7). Are these exemptions and concessions effective?

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Q8). Which sectors/ regions are principal gainers of these exemptions/ concessions?

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Q9). Do you think that the large scale sector lobbies are more effective and get more benefits from government policies in terms of tax exemptions and concessions?

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Q10). In your opinion what are the major distortions of the lack of documentation of the economy?  
Does it lead to major losses in tax revenues?

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Q11). What are the major impediments to formalization of the economy?

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Q12). Do you think that there are biases against SMEs owned/ managed by women? If so, what are these biases?

Legal: \_\_\_\_\_  
Financial: \_\_\_\_\_  
Administrative \_\_\_\_\_  
Social/ cultural \_\_\_\_\_

Q13).Do you think entry/ exit of firms in easy in Pakistan?

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Q14). What are the impediments to entry and exit?

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Q15).Do you think out migration, especially of skilled labor is issue in SME operations in Pakistan?

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Q16). Which type of labor out migration affects SMEs more?

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Q17). Do you think tax regime has an impact on emigration of entrepreneurs and skilled labor?

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Q18). What changes in fiscal regime should be instituted to promote SMEs in Pakistan?

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Q19). Give some recommendations to develop SMEs?

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**Theme 2:**

**The Impact of GST on Enterprise Development**

Q20). What is the structure of GST in Pakistan? How it is administered?

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Q21). What in your view are the major problems in its structure and administration?

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Q22). How is GST affecting SMEs in Pakistan?

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Q23). Do you think that SME productivity and profitability is affected by GST?

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Q24). Do you think that the FBR (Tax Administration Authority) of GST treats SMEs differently than large enterprises?

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Q25). How do you think GST should be reformed such that its impact of SMEs becomes favorable?

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Q26). What reforms in administration of GST will facilitate SMEs?

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**THEME 3:**

**The impact of Urban Immovable Property Tax (UIPT) on Enterprise Development**

Q27). What is the structure of UIPT in Punjab/ Sindh?

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Q28). What are the key issues in UIPT?

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Q29). What impact does UIPT have on land market operation?

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Q30). Do you think any other tax (like stamp duty) has an impact on land market?

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Q31). Do you think that UIPT has an impact on the development of SMEs in Pakistan?

Yes  No . If yes, how?

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Q32). Which other land related taxes have an impact on SMEs?

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Q33). Do you think tenurial status of business establishment premises has an impact on its development? Yes  No . If yes, how?

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Q34). What reforms in land/property taxation regime should be instituted to facilitate the SME sector?

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Q35). What changes in property tax administration should be introduced to promote the SMEs?

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Q36). Which other changes in government policy should be introduced to overcome the negative effects of land market operations on SME development?

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## ANNEXURES

### List of Key Informants to be interviewed for

#### Theme 1:

#### The Impact of Tax Exemptions and Concessions on Enterprise Development

<b>Civil Servants (Derving &amp; Former)</b>
1. Member Inland Revenue, and Member Customs FBR
2. Former Chairman, FBR
3. Provincial Small Industries Corporation, Punjab
4. Chairman, SMEDA
5. Secretary, Excise and Taxation, Punjab
6. Chairman, Sindh Revenue Board
7. Director General, Excise & Taxation, Sindh
Elected Officials
8. Members Parliamentary Committee on Finance in the National Assembly
9. Members Parliamentary Committee, Punjab Provincial Assembly
Non- state Actors
10. Real Estate Agents,
11. First Women's Bank or SME Bank
12. One Trade Associations (Pakistan Carpet Manufactures and Exporters, Pakistan Handicraft Manufactures Association)
13. Chamber of Commerce and Industry, Lahore

**Theme 2:****The Impact of RGST on Enterprise Development**

<b>Civil Servants (Derving &amp; Former)</b>
1. Member Inland Revenue, and Member Customs FBR
2. Former Chairman, FBR
3. Provincial Small Industries Corporation, Punjab
4. Chairman, SMEDA
5. Chairman, Sindh Revenue Board
6. Director General, Excise & Taxation, Sindh Elected Officials
7. Members Parliamentary Committee on Finance in the National Assembly
8. Members Parliamentary Committee, Punjab Provincial Assembly Non- state Actors
9. One Trade Associations (Pakistan Carpet Manufactures and Exporters, Pakistan Handicraft Manufactures Association)

**THEME 3:****The impact of Urban Property Tax (UPT) on Enterprise Development**

<b>Civil Servants (Derving &amp; Former)</b>
1. Former Chairman, FBR
2. Provincial Small Industries Corporation, Punjab

3. Chairman, SMEDA
4. Secretary, Excise and Taxation, Punjab
5. Director General, Excise & Taxation, Sindh Elected Officials
6. Members Parliamentary Committee, Punjab Provincial Assembly Non- state Actors
7. Real Estate Agents,
8. One Trade Associations (Pakistan Carpet Manufactures and Exporters, Pakistan Handicraft Manufactures Association)
9. Chamber of Commerce and Industry, Lahore