

GST claims: ECC approves exemption to GIZ

The Economic Co-ordination Committee (ECC) of the Cabinet has approved exemption in payment of General Sales Tax (GST) to the GIZ, a German development agency, because it has been facing delays in reimbursement of tax, it is reliably learnt. On the proposal of the Economic Affairs Division, the ECC meeting presided over by Finance Minister Ishaq Dar approved exemption in sales tax to the GIZ after it was informed that the development agency was having problem in reimbursement of GST claims.

The GIZ has submitted GST reimbursement claims of Rs 207.176 million for the period from 2012 to 2016 but received only two reimbursement of Rs 3.15 million. The exemption was requested in order to reduce the administrative burden and avoid delay in payments of the reimbursement to GIZ.

The Germany is providing both financial (through KfW) as well as technical assistance (through GIZ) and German Development Agency (GIZ) operates in various fields including economic development, governance & democracy, reconstruction, food security, health, basic education, environmental protection, resource conservation and climate change mitigation etc. The GIZ is implementing technical cooperation projects through grant assistance in Pakistan on behalf of the German government based on the bilateral agreement signed in 1972 and subsequent technical cooperation agreements signed by both sides.

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