

RASG IMPACT

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RIAZ AHMAD, SAQIB, GOHAR & CO.
CHARTERED ACCOUNTANTS

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Result Assured Services for Growth

TECHNICAL UPDATES

FEDERAL INCOME TAX LAWS

Amendment to - S.R.O. 1216/ 2025 (ragarding reduced withholding tax rate on import of sugar

The Federal Board of Revenue has through its S.R.O 455(I)/2026 dated March 05, 2026, amended S.R.O. 1216(I)/2025 dated 8th July 2025.

Accordingly, the cut-off date for import of sugar subject to a withholding tax rate of 0.25% has been extended to 28th February 2026.

SALES TAX LAWS

Update regarding reduced sales tax on sugar imports

The Federal Board of Revenue has through its S.R.O 527(I)/2026 dated March 19th 2026, pursuant to Federal Cabinet Decision Case No. 95/Rule-19/2026/40 dated February 04, 2026, has amended S.R.O. 1217(I)/2025 dated 8th July 2025.

Accordingly, the cut-off date for import of sugar at sales tax rate of 0.25% and being exempt from minimum value added sales tax of 3% has been extended from 30th November 2025 to 28th February 2026.

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CHALLENGES / OPPORTUNITIES

When War Reaches the Economy: What It Could Mean for Pakistan

Prof. Dr. Muhammad Ovais, Executive Director

A Conflict Beyond Borders

Wars do not remain confined to the countries directly involved. Their effects travel through oil prices, trade routes, financial markets, and public confidence. For Pakistan, the current Middle Eastern crisis matters because the economy remains sensitive to external shocks. The country is still managing inflation risks, exchange-rate pressure, and the need to protect its external buffers under an ongoing IMF program. On March 28, 2026, the IMF reached a staff-level agreement with Pakistan that could unlock about \$1.2 billion, while continuing to stress tight, data-dependent policy and stronger external buffers.

At the same time, Pakistan has also been dealing with conflict and instability on the Afghan border. Reuters reported in early April 2026 that Pakistan and Afghanistan were holding talks in China to seek a ceasefire and reopen border crossings for trade and travel after weeks of fighting and disruption. This means Pakistan is facing not one but **two overlapping pressures**: the economic fallout of the Middle Eastern crisis and the direct commercial and security effects of tensions closer to home.

The Short-Term Impact: Immediate Pressure on Prices and Stability

In the short term, the clearest risk for Pakistan is **higher energy cost**. Reuters reported on March 6, 2026 that Pakistan raised retail fuel prices by about **20%**, and then on April 2, 2026 reported another sharp increase, with petrol rising to **Rs 458.40 per liter** and diesel to **Rs 520.35 per liter**, as global oil prices surged during the Middle Eastern conflict. These increases matter immediately because Pakistan imports most of its oil through Gulf-linked routes, making domestic prices highly vulnerable to external disruption.

For households, this is usually the first visible effect of war abroad. Higher fuel prices raise transport fares, food distribution costs, electricity expenses, and the overall cost of living. For businesses, they increase production and logistics costs and weaken operating margins. The government has also had to respond with austerity measures, including cutting fuel use across departments and reducing official spending, showing how quickly an external conflict can move from the international arena into domestic economic management.

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The Afghan-border conflict adds another short-term burden. Reuters reported that the fighting disrupted crossings and led to talks focused on reopening border routes for trade and travel. For Pakistan, that means possible delays in frontier commerce, higher transport risk, and reduced business confidence in affected regions. Even if the macroeconomic impact of border tensions is smaller than the oil shock, the combined effect of both crises increases pressure on an already fragile economy.

The Long-Term Impact: Growth, Confidence, and External Pressure

If these crises continue, the longer-term effects on Pakistan could become more serious than the initial price shock. One concern is **slower economic growth**. When energy remains expensive for an extended period, consumers cut spending, businesses delay expansion, and governments have less room to support development. Another concern is **external vulnerability**. Reuters reported on April 7, 2026 that Pakistan's repayment of a **\$3.5 billion** UAE loan was putting pressure on reserves, which stood at about **\$16.4 billion** as of March 27, while the IMF program requires reserves above **\$18 billion** by June. In such a setting, any prolonged rise in oil prices or further trade disruption can intensify pressure on reserves, the rupee, and investor sentiment.

Investor confidence is also at risk. Long conflicts create uncertainty, and uncertainty discourages investment. Businesses become cautious, lenders tighten their stance, and major projects may slow down. When regional conflict is combined with nearby border instability, Pakistan can appear riskier to investors than it would under normal circumstances. Over time, this can weaken momentum for growth, employment, and reform. That is why the long-term danger is not only inflation. It is also the gradual erosion of confidence.

Opportunities Amid Crisis

Even so, crises can sometimes create limited but meaningful opportunities. One such opportunity for Pakistan lies in **accelerating energy transition and fuel substitution**. Reuters reported on April 7, 2026 that soaring fuel costs and fears of shortages had triggered a major rise in demand for **electric motorbikes** in Pakistan, with some dealers reporting sales growth of up to **70%**. This suggests that the crisis may push consumers, markets, and policymakers toward alternatives that reduce long-term dependence on imported fuel.

A second opportunity lies in **policy reform and efficiency**. External shocks often force governments to act faster than they otherwise would. Measures taken to conserve fuel, reduce waste, support targeted relief, and rethink energy use can, if managed well, become the starting point for deeper structural reform. A crisis does not

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automatically create progress, but it can create urgency, and urgency can sometimes produce long-delayed decisions. Pakistan's recent fuel-saving measures and targeted support responses show how economic pressure can accelerate practical action.

There may also be an opportunity in **repositioning the economy toward less oil-intensive and more resilient sectors**. In a period when shipping routes are vulnerable and imported energy is expensive, Pakistan has greater reason to strengthen sectors that rely less on physical fuel-intensive trade and more on services, technology, digital work, and domestic productivity improvements. The opportunity is not in the conflict itself. The opportunity lies in using the pressure of the crisis to move faster toward resilience. This is an inference drawn from the current pattern of fuel-price shock, public adaptation, and policy response.

A Test of Resilience

For Pakistan, the short-term danger lies in **inflation, higher import costs, pressure on the rupee, and disruption to trade and transport**. The long-term danger lies in **slower growth, weaker investor confidence, fiscal strain, and prolonged uncertainty**. Yet within the same difficult environment, there are also openings for reform, diversification, and more efficient energy use. The central lesson is clear: in a connected and fragile region, war affects far more than battle zones. For Pakistan, the

challenge is to absorb the shock without losing stability, while also using the crisis as a reason to build a more resilient economy.

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LIFE AT RASG

Honoring Excellence. Celebrating Our People.

We are delighted to share highlights from our Talent Recognition Awards 2025, a special occasion dedicated to honoring the passion, commitment, and achievements of our exceptional RASGians, while reflecting our commitment to Diversity, Equity, Inclusion, and Belonging by celebrating talent, valuing every contribution, and recognizing excellence across our people. The event also celebrated the inspiring spirit of our colleagues who represented RASG in the CASA Sports League 2025 in Chess and Cricket.

Congratulations to our award winners:

RASGian of the Year: Shakeel Ahmed



Top Performers: Fariha Alvi, Nabeel , Umair Sohail, and Muhammad Sharjeel Khan



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Special Recognition Awards: Asif Hussain, Shahana Ali, and Samiullah Khan



Your commitment, hard work, and positive spirit make RASG proud every day.

Mr. Mohammad Talha was recognized for participating in CASA Sports League 2025 – Chess Championship



The cricket team members were recognized for their impressive cricketing skills and for reaching the second round of the **CASA Sports League 2025 – Cricket Tournament.**



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Together, we celebrate excellence.
Together, we grow stronger.



RASG IS HIRING

RASG Placement

Position: Supervisor / Assistant Manager

Department: Taxation

Location: Islamabad

At Riaz Ahmad, Saqib, Gohar & Co., we are looking for a skilled and motivated Supervisor / Assistant Manager - Taxation to join our team. This role presents an exciting opportunity for someone with strong expertise in corporate tax (both direct and indirect) to manage and deliver tax consulting services, ensure client satisfaction, and provide strategic solutions across diverse sectors. In addition, you will mentor junior team members, manage key client relationships, and identify business growth opportunities. If you're ready to take the next step in your career and contribute to the firm's success, we invite you to apply.

Key Duties & Responsibilities:

- Managing the delivery of tax and corporate consulting services to a wide range of clients.
- Managing multiple relationships and ensuing client satisfaction.
- Developing and growing team members.
- Pro-actively identifying opportunities to grow the business
- Ability to handle procedural issues involved in taxation matter on behalf of clients.
- Able to prepare data required by different regulatory bodies and also able to present the - company before relevant regulatory body.

- Able to manage data and process efficiently for smooth operation, suggest improvements where required.

Qualifications & Skills

- CA Finalist or ACCA Member
- A very strong knowledge and minimum 4 years of experience in Corporate Tax (direct and indirect) ideally within a large professional services company or similar environment.

What We Offer

- Competitive salary package
- Medical & health benefits (for self and family)
- Leave Encashment
- Paid annual and religious leave
- Maternity & paternity, bereavement, and family care leave
- Local & international mobility opportunities
- Sponsored learning & development, and education reimbursement
- Career development plans, long service awards, and team events

How to Apply

Apply Online or share your resume at haber@rasgco.com and mention the position in subject line.

Link to Apply.

Confidentiality

This search is being conducted with strict confidentiality. All applications and candidate information will be handled with the highest level of discretion.

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