

**FBR told to fine tune assets declaration scheme**

ISLAMABAD: Adviser to Prime Minister on Finance, Revenue and Economic Affairs Dr Abdul Hafeez Shaikh on Sunday directed Federal Board of Revenue (FBR) to further simple the proposed Assets Declaration Scheme 2019 for legalization of un-disclosed assets and income/expenditure with the objective of broadening the tax base.

Hafeez Shaikh on Sunday reviewed in detail the proposed Assets Declaration Scheme 2019 including proposed tax rates during a detailed discussion with the tax authorities at the Ministry of Finance.

Finance Ministry and the FBR discussed the scope and features of the proposed scheme.

Finance Ministry and the FBR also discussed the possible last date for availing the scheme for declarations and payment of taxes till June 30, 2018 or September 30, 2019.

Sources said that the timeframe for availing the amnesty scheme has yet to be finalized. So far, the amnesty scheme is not on the agenda of next cabinet meeting but special cabinet meeting might be convened afterwards to get approval of the scheme.

During the Sunday meeting, it was discussed that the tax amnesty scheme should be instrumental in broadening the tax base alongwith increasing revenue collection. Both the objectives should be simultaneously achieved under the proposed scheme, Finance Ministry directed FBR.

Prime Minister Imran Khan has also assigned Hafeez Shaikh to simplify the proposed scheme with the objective to broaden the tax base.

Sources said that the tax amnesty scheme will be further simplified in the light of directions and guidance from Advisor to PM on Finance to achieve the objective of broadening of tax base instead of merely introducing the scheme as one time revenue measure.

The FBR has proposed 3-4 different rates for legalization of un-disclosed assets held domestic and abroad and unexplained income/expenditure under the proposed Assets Declaration and Amnesty Scheme-2019. The FBR has proposed 3-4 options in terms of conditions and rates for the tax amnesty scheme and maximum rate may be offered at 15 percent. The rates for tax amnesty may range between from one percent, 5 percent, 10 percent and 15 percent. Different rates have been proposed to be applicable on domestic asset, foreign asset, benami assets, foreign liquid assets etc. The public office holders including politicians and bureaucrats may be barred for availing this scheme.

The adviser instructed the FBR to fine tune the scheme and make it simple to understand and easy to implement.

He also emphasized that the objective of the scheme should be to make the economy more tax compliant and documented.

The FBR has proposed that whitening of criminal proceeds in shape of money laundering and terror financing would not be allowed under the amnesty scheme. such criminal proceeds or cases where litigation is underway on these charges will not be allowed to avail the amnesty scheme.

Another proposal under consideration is that lower rates would be offered to those under the proposed amnesty scheme who brought back foreign currency into Pakistan to whiten their assets.

The government would simultaneously implement carrot and stick policy for making the scheme successful, sources added.

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