

Proposal to continue new amnesty scheme till December

ISLAMABAD: Amid Pakistan and the IMF's decision to kick-start parleys from next week for making efforts to strike consensus on staff level agreement for \$6 billion package, the ball for launching new tax amnesty scheme will now be in the court of the IMF team.

Now Islamabad requires stamp of approval from the IMF. It is not yet known whether the IMF will close its eye or may raise objections over such amnesty scheme when Pakistan is ready to enter into fresh arrangement of seeking another bailout package from the lender as last resort for countries facing balance of payment crisis.

Despite making repeated attempts, both the IMF and Finance Ministry high-ups remained tightlipped as none of them replied calls and written messages. "The upcoming IMF mission will be holding parleys with Pakistani authorities on next bailout package from Monday," a top official of the Finance Division told The News here on Thursday.

On other hand, the FBR has finalised the draft of tax amnesty scheme where they proposed higher tax rates for declaration of domestic and foreign assets in the range of 5 percent till June, 10 percent till September and 20 percent till December 2019. For domestic real estate, the proposed rate till end June stands at 1 percent, 2 percent till September 30, 2019 and 4 percent till December 31, 2019.

The value of foreign assets to be declared under the upcoming scheme shall be converted into Pak Rupees by applying the exchange rate prevalent on the date of declaration. The undisclosed sales may chargeable to tax at the rate of three percent (3 percent) of such sales in lieu of sales tax and federal excise duty.

Any foreign asset declared under this scheme may be required to be repatriated to Pakistan or invested in Pakistan Banao Certificate before filing of declaration in the manner prescribed by the State Bank of Pakistan. This condition may not be applicable on such foreign asset which represents foreign real estate.

Where a declarant has made a declaration under Section 5, he shall be entitled to incorporate such assets, income or sales in his books of accounts. Any person shall be entitled to incorporate assets in the books acquired which have been barred by the time of limitation under the Income Tax Ordinance, 2001.

Notwithstanding anything contained in any other law for the time being in force, an asset declared under this scheme may be prohibited to be transferred to any holder of public office as gift or below the fair market value by any person.

Where an asset declared through this scheme is transferred in violation of the said condition, such declaration shall be void and shall be deemed to have been never made under this Ordinance.

Where any cash in hand has been declared, the same shall be deposited before the filing of declaration. No bearer assets shall be allowed to be declared including bearer prize bonds. Notwithstanding the provisions of sub-section of Section 216 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Right of Access to Information Act, 2017 (XXXIV of 2017) and any other law for the time being in force, particulars of any person making a declaration under this proposed scheme or any information received in any declaration made under this proposed scheme shall be confidential.

A person who discloses any particulars in contravention of sub-section (1) shall commit an offence punishable on conviction with a fine of not less than five hundred thousand rupees but not exceeding one million rupees or imprisonment for a term not exceeding one year or with both.

Notwithstanding anything contained in any other law for the time being in force, nothing contained in any declaration made under Section 5 shall be admissible in evidence against the declarant for the purpose of any proceedings relating to imposition of penalty or for the purposes of prosecution under any law including the Income Tax Ordinance, 2001 (XLIX of 2001), the Sales Tax Act, 1990, the Federal Excise Act, 2005 and the Benami Transactions (Prohibition) Act, 2017 (V of 2017).

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