

Residences to be raided to recover undeclared dollars

The government is planning to raid residential premises after approval of the Finance Bill 2019 to recover undeclared dollars. To a query, Federal Board of Revenue (FBR) Member Inland Revenue Policy Dr Hamid Atiq Sarwar informed media here at FBR House on Friday that the Finance Bill 2019 has introduced a provision to conduct raids on residential premises.

The provision said, "The Commissioner shall, subject to the condition as may be prescribed, raid any premises where there is reliable information of undeclared gold, bearer security or foreign currency and confiscate the same in order to enforce any provision of this Ordinance."

The FBR Member said that certain people have concealed dollars in their residential premises which are undeclared or unexplained. The government would raid these premises to recover the undeclared dollars, he said.

He said the government may exclude gold from the list of items which could be recovered from conducting raids at the residential premises or private houses under enforcement provisions of the Finance Bill 2019.

Due to FBR's capacity constraints, it will not be able to go after all the people. The FBR Member Inland Revenue Policy said that FBR would go after 50 people next month. The FBR wants to utilise the information to enhance tax base from less than two million to four million by the end of fiscal year 2019-20.

The nature of data available on the Nadra website is different from the information available on FBR's website. The Nadra has not been granted access to the bank accounts of the citizens, as it does not have such mandate. But the FBR has got information of about 50 million bank accounts that it wants to use to assess the real incomes of people.

To a question, FBR Chairman Shabbar Zaidi said that Nadra's data was "not actionable" and it largely comprises travel details and certain business transactions. The NADRA does not know whether the money that is used for conducting a transaction is tax-free or not, as is the case with the agriculture income.

Zaidi also said that the information will not become a basis for any tax assessment but it can be used while assessing the tax liability of a person.

The FBR chairman added that on the basis of Nadra's data, FBR could not impute the income of a person.

"Making any information actionable is a long process," said Zaidi. He shared that the tax authority also did not have exact information about how many of the 53 million people are receiving agriculture income.

Under the 1973 Constitution, the federal government cannot tax the agriculture-based income. Zaidi said that the FBR would coordinate with NADRA but legal right to tax people rests with the FBR.

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