

Parliament empowered to approve, amend or repeal ADO, 2019: FBR tells LHC

Federal Board of Revenue (FBR) has observed that it is now the prerogative of the Parliament to approve, amend or repeal the Assets Declaration Ordinance, 2019 (ADO, 2019). The FBR has submitted its response to the Lahore High Court (LHC) on a writ petition challenging tax amnesty scheme introduced under Assets Declaration Ordinance, 2019 (ADO, 2019).

Earlier, the LHC has issued notices to the Federal Government, Ministry of Finance, Ministry of Law, Speaker, National Assembly and Chairman FBR on a petition filed by tax lawyer Waheed Shahzad Butt, challenging the ADO, 2019.

The petitioner has argued that there is another financial "National Reconciliation Ordinance" under the umbrella of "ADO, 2019" recently promulgated by the President through an ordinance in terms of Article 89 of the Constitution. The FBR submitted its reply and states "Assets declaration ordinance is a onetime incentive scheme offered by the government and promulgated through Presidential Ordinance, where non-documented sectors of economy have been encouraged to get themselves documented. Hence the petitioner's contention of labelling the impugned scheme as an NRO is not tenable, the FBR's comments to the court said.

The petitioner states, "Introducing Amnesty Scheme for tax dodgers is simply nothing but one step forward and two steps back. Another clean chit to break the net for the untaxed and under-taxed businesses / persons / taxpayers and severe violation of Constitution.

Through present petition the petitioner questions the promulgation of ordinance in terms of Article 89 of the Constitution titled as "Assets Declaration Ordinance, 2019" by undermining the authority of the Parliament. The scheme is contrary to the constitutional rights provided by the Constitution to all the Citizens of Pakistan including taxpayer citizens, the petitioner said.

The FBR states before the LHC that "The Constitution of Pakistan itself makes allowance for promulgation of a law through an Ordinance, under compelling circumstance. It is now the prerogative of the Parliament to approve, amend or repeal it. Reply on behalf of respondent no. 4 (FBR), has been filed, however, the same is still awaited on behalf of the remaining respondents. Learned Law Officer wants to seek instructions in the matter, LHC ordered.

RECORDER REPORT