

Businessmen support crackdown against tax evaders: FPCCI

President Federation of Pakistan Chamber of Commerce and Industry Eng Daroo Khan Achakzai Monday said that despite some reservations in budget, Prime Minister Imran Khan would get full support from business community in a vigorous crackdown against tax evaders for widening tax base besides introduction of documented economy.

Daroo Khan said that the decision was taken with consensus at a high level meeting with Chairman United Business Group (UBG) Iftikhar Ali Malik in chair. He urged the business community to avail the tax amnesty scheme introduced by the government by declaring their undisclosed assets by June 30, 2019 for avoiding any scrutiny in the future and help steer the country out of prevailing economic crisis.

He said that amnesty scheme would help the bleak economy on sound footings; thus, lessening the burden on existing taxpayers. Pakistan is the 6th largest country in the world and hardly only 1 per cent of the population pays taxes. "1-percent Pakistanis is bearing the burden of 220 million people. This is impossible," he said. "No country can serve its people if tax evaders are not brought under tax net" he added

He said that the amnesty scheme launched in 1958 helped recover Rs 1.12 billion from undeclared assets, followed by Rs 920 million in 1968, Rs 1.5 billion in 1976, Rs 10 billion in 2000, Rs 3.16 billion in 2008 and around Rs 120 billion in 2018. In comparison, he added, the amnesty scheme launched by Indonesia in 2016 had brought around 745,000 persons into the tax net and recovered over \$330 billion from undeclared assets.

Iftikhar Malik said that the government should follow the Indonesian model for amnesty scheme so as to extract maximum benefits for the economy, adding that the validity of the scheme up to 30th June 2019 was a very short period for its success. He said increasing tax base and revenue generation was imperative for provision of better economic and social services to people.

He said that the taxation and growth should go hand in hand, and it can only be done through fair taxation system. "If growth of business and economy will be choked there will be no increase in tax collection," he added. He said that ratio of tax payers in Pakistan was even less than Afghanistan, adding the broadening of tax net was must for strengthening the national economy and for the survival of the country.

Malik said Pakistan needed such type of amnesty scheme because people transferred their money abroad due to terrorism and poor law and order situation in the past. "The law and order situation is now fully restored in the country and people can bring their money back by taking full advantage of the new scheme," he added. He said that all must avail this gold opportunity and whiten their wealth and hidden properties through legal process and contributes towards national economy.

He also expressed the concern that rupee devaluation was affecting all businesses; therefore, the government must put in place measures to contain this trend, besides promoting business-friendly policies for speedy economic growth. He also emphasized to create awareness about converting the black money into white money, to increase the confidence of tax payer, incentives for the SMEs, exports warehouses, agriculture sector, and removal of piracy, mis-declaration and smuggling.

On the other hand, he urged the government to rectify all anomalies in the budget on top priority to provide conducive atmosphere and ease of doing business in the country, he added that business community is backbone of the national economy and all stake holders must be taken into confidence in policy making process.