

Whitening money from amnesty scheme: Tax authorities obtain data of 152,000 Pak nationals from OECD

ISLAMABAD: Tax authorities have obtained data about 152,000 Pakistani nationals from OECD mechanism who live abroad but own bank accounts and properties after earning money here and now they can avail themselves of amnesty scheme to whiten undeclared income/assets.

Pakistan has obtained data from the countries of the Organisation for Economic Co-operation and Development (OECD) and efforts are underway to share exchange of data from 10 more countries.

But tax experts pointed out that the FBR possessed data of these accounts from last one year since September/October 2018 but nothing substantial was done in such cases so question arises why they would prefer to come into tax net now when knew that the FBR remained unable to move against them.

When contacted the top FBR officials said that the Benami law was not operationalised at time of last scheme but now rules were in place and the long arm of law would move against those who own Benami bank accounts or assets on the name of others. But one former official who had worked in FBR explained that the tax machinery had issued clarification on the occasion of last amnesty scheme that the Benami accounts and assets were allowed to be declared so there was nothing new.

When asked FBR Chairman Shahbar Zaidi on Monday, he told this scribe that the FBR would allow opportunity to rectify wrong information if displayed on FBR website through Tax Profiling System about any individual.

However, other top official sources said that people were availing this ongoing scheme but there were some caveats linked to this scheme as the government made it mandatory to deposit cash into bank accounts for availing this amnesty scheme. Earlier, in the last scheme there was no such restriction so people used to exploit the facility and misused to pay their future liabilities. The government claims that they were aiming to promote documentation instead of raising tax revenues through this ongoing tax amnesty scheme. The FBR and SBP also decided that they would remain open on coming weekend on Saturday and Sunday in order to facilitate those who would avail this scheme.

In the last tax amnesty scheme introduced during the PML-N-led regime, total 5929 foreign declarations had whitened Rs1040 billion and paid tax amount of Rs47 billion out of total collected taxes of Rs124 billion.

“I think that the people are liable to pay taxes have already availed amnesty last time so less people left so there are no expectations for any matching response for this ongoing scheme,” said one tax expert who had dealt with the tax issues in last 30 years. One person in LTU Islamabad showed intention to deposit Rs700 million into tax by availing tax scheme. The sources said that so far the FBR received Rs2.6 billion through ongoing tax amnesty scheme.

Another FBR official said that Pakistanis living abroad would only avail the amnesty scheme if they would find themselves comfortable before tax authorities of foreign jurisdictions. If anything declared here resulted into creating difficulties outside Pakistan the non-resident Pakistanis would not prefer to come into such scheme at any cost.