

PM's hint at extending amnesty scheme deadline hailed

The Friends of Economic and Business Reforms has welcomed Prime Minister Imran Khan's consideration to extend the deadline of the Asset Declaration Scheme (ADS), helping maximum number of businessmen avail full benefit of legalizing their undeclared assets. Calling for ADS's extension for another three months till September 30, 2019, Kashif Anwar said that FEBR appreciates the PM's idea of extension because there's a lot of pressure, and lots of people are saying that there is too little time left to register.

It is to be noted that Prime Minister has said that within next 48 hours, the government would come up with a programme to accommodate those who had emerged in a huge number at the last moment to avail tax amnesty scheme expiring on June 30, 2019.

He said that Tax Amnesty Scheme 2019 would relieve pressure on the economy as it would generate additional revenue for the government while businessmen can declare their assets or income and they cannot be asked about their source. He said that three-month's extension in Tax Amnesty Scheme would enhance the chances of its success as businessmen would get more time to understand.

He said that this scheme will go a long way in achieving the desired results and will help broadening the tax net and would reduce the burden from the existing taxpayers. It is a matter of concern that just around 1.2 million income tax return filers in a country of more than 200 million people that's why Tax-to-GDP ratio in Pakistan is poor. The new scheme is better than the previous ones because this time the government has slashed the tax rate so that maximum number of people could take full advantage of it. Now, such individuals who keep undeclared assets in form of cash, prize bonds, cars and property may avail this terrific facility.

By paying tax from 2-5 percent, all these undeclared assets can be legalized. He said that this scheme also covers the foreign bank accounts as well as such immovable assets which have been kept abroad and never declared. This scheme also guarantees that the benefiter up to a certain limit would not be questioned about declaring the source of income.

Kashif Anwar, reiterating his call for availing the tax amnesty scheme, said being a non-filer was an illegal act. Besides, the country could not be steered out of the debt trap unless the people paid taxes. He said the culture of tax evasion continued in the country because the people found that their tax money was not being used for their welfare rather to support the luxuries of the ruling class.

He said that since 1958, successive governments in Pakistan introduced amnesty schemes that could not generate significant amount of tax revenue for the country. The main reason of their failure was that proper consultations with stakeholders were not made. He said that amnesty scheme launched in 1958 recovered 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. He asked the government that along with the efforts to enhance the tax net, it should also strive to reform the FBR to end the mistrust as well as get rid of the corrupt elements.-PR

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