

Benami properties, transactions: Authorities asked to establish cases

ISLAMABAD: The Benami Transactions (Prohibition) Rules, 2019 have been enforced with immediate effect and Broadening to Tax (BTB) zones of Inland Revenue Service (IRS) have been assigned the duty to establish cases against Benami properties and submit challans to Adjudication Authority within 120 working days.

According to the Federal Board of Revenue (FBR), a Benami property means any property which is subject matter of Benami transaction and also includes proceeds from such property. The potential types of Benami properties include plots, houses, shopping plazas, shops, housing schemes, bank accounts, vehicles, business shares, jewellery, foreign currency, legal documents and intangible properties having financial value.

Benami transaction encompasses where a property is transferred to, or is held by, a person and the consideration for such property has been provided, or paid by, another person (the trustees and wife, children, brother or sister to whom property has been transferred from known resources will be excluded); A transaction or arrangement in respect of a property carried out or made in a fictitious name; or a transaction or arrangement in respect of a property where the owner of the property is not aware of, or denies knowledge of such ownership; or a transaction or arrangement in respect of a property where the person providing the consideration is not traceable or is fictitious.

The Benami Transactions (Prohibition) Rules, 2019 have been enforced with immediate effect and BTB zones of Inland Revenue Service have been assigned the duty to establish cases against Benami properties and submit challan to Adjudication Authority within 120 working days.

During this period, sale, purchase and transfer of property will be banned till further orders. Appeal against the decision of Adjudication Authority can be lodged with the Federal Tribunal and after the decision of the Federal Tribunal such properties will be confiscated and sold out by the federal government.

Furthermore, if the crime of Benami transactions proved, criminal proceedings will be initiated against accused persons and where proven guilty, rigorous imprisonment of one year to seven years can be awarded to such persons. Similarly, persons providing false and baseless information can also be sentenced to rigorous imprisonment of six months to five years.

In this regard, the whistleblowers will be entitled to a cash reward for providing credible information leading to detection of Benami property or transaction. If property is worth Rs2,000,000 or less, five percent of price of Benami property will be given to informer. If property's worth is more than Rs2,000,000 or 5,000,000, four percent of Benami property will be given to informer and where the value of property will be more than Rs5,000,000, three percent of Benami property will be given to informer.

This reward will be given only if the information provided is of value and FBR doesn't already have it and the information was not available in public records and appeal against confiscation of property has attained finality.

Our Correspondent