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FBR takes major step towards Benami bank accounts

ISLAMABAD: To deal with Benami bank accounts, the Federal Board of Revenue (FBR) Tuesday asked the banks that there should be a positive statement in all KYC/CDD prescription about beneficial owner of bank account and amendment should be made part of the KYC/CDD requirements.

In a letter to secretary Pakistan Banks Association on Benami accounts, FBR Chairman Shabbar Zaidi said, “We fully take into account PBA’s suggestions that present KYC/CDD requirements as prescribed by State Bank of Pakistan, achieve the desired goal identified in our letter dated August 8, 2019.”

However, keeping in view the restrictive nature of ‘Benami Law’ it is desirable that there should be a positive statement in all KYC/CDD prescription that the account holder/depositor is the beneficial owner of sums deposited in a bank account / transactions undertaken in a bank account, said the letter.

“We consider that aforesaid statement does not form part of KYC/CDD requirement. It would be agreed by PBA that aforesaid amendment be made part of the KYC/CDD prescription,” Shabbar Zaidi said.

“We reiterate our comments that there are severe consequences under the Benami Law not only for the beneficial owner of the Benami accounts but also for the person maintaining or holding such accounts,” the FBR chairman added.