

FBR to send tax notices to 600-700 potential tax evaders in UK

Page NO.01 Col No.05

ISLAMABAD: After expiry of the tax amnesty scheme that had failed to lure owners of offshore assets abroad in a big way, the Federal Board of Revenue (FBR) has decided dispatching tax notices to 600-700 individuals having rental income from possessing expensive properties in the UK in a bid to proceed against potential tax evaders.

The UK tax authorities have shared full details of Pakistanis owning properties and earning rental incomes with the FBR as they provided their addresses with telephone numbers. “We have worked out details and will start sending out tax notices very soon. In this format of information, no one can hide himself or herself from the radar of FBR,” top FBR officials confided to The News here on Friday.

The FBR has obtained information from the UK Tax authorities with the assistance of Organisation of Economic Cooperation and Development (OECD) as exchange of information became operational and now the FBR was all set to move the long arm of law for penalising the tax evaders in a big way.

“The incoming PTI led government wants to increase tax collection from Rs 4,000 bn to Rs 8,000 billion so the FBR is also making preparations to go ahead with the policy of name and shame for tax evaders but it will also depend that how much the government provides autonomy to the tax collection machinery,” said the FBR officials.

All concerned Large Taxpayers Units (LTUs) and Regional Taxpayers Offices (RTOs) have been instructed to send tax notices to these 600 to 700 individuals mainly belonging to Karachi, Lahore, Islamabad and other parts of the country to ascertain whether they were return filers or not. If they will be found non-filers, then the law of the land will move against them, said the sources.

The official said that the FBR developed centralised system to monitor progress on these dispatched tax notices in a bid to remove the element of harassment. “We will track down progress on these tax notices while sitting at our offices in Islamabad,” said the official sources.

“We have obtained information of hundreds of Pakistanis owning immovable properties in the UK,” said the official. Under confidentiality clauses, the FBR cannot disclose the exact number and details obtained from the UK Tax authorities under the OECD mechanism. And, the sources said if the confidentiality is breached, then the

FBR would not be able to get any future information so they have ensured foolproof arrangements to protect against any leaks.

The FBR placed a standardised software for receiving the first batch of thousands of cases of Pakistanis through automatic exchange portal from the OECD to seek financial data of assets and bank accounts with effect from September 1, 2018. The mechanisms are in place to use the information against those who did not avail the amnesty scheme. The FBR sources told this scribe that a total of 82,848 declarants whitened assets valuing Rs2.5 trillion through domestic and foreign tax amnesty schemes, while 5,363 availed foreign tax amnesty and 77,485 got domestic amnesty.

Pakistan also received \$366 million from abroad as cash on account of offshore tax amnesty scheme. The FBR has so far collected Rs121 billion from this amnesty scheme including Rs44 billion on foreign amnesty and Rs77 billion on domestic amnesty. The collection is expected to go up by Rs 5 to 6 billion as the SBP New York branch has not shared the final details with the FBR.