

# **FBR rejects scores of previously exposed disclosures under amnesty scheme**

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KARACHI: Authorities rejected a number of disclosures made by individuals under the ongoing amnesty scheme as their undeclared assets have already been exposed and audited by the tax department, officials said on Tuesday.

“The returns of income and asset statements filed under the amnesty by the individuals whose cases have been finalised for tax evasion will be treated as invalid returns,” an official at Regional Tax Office (RTO) Karachi said.

The official, however, said a number of individuals and corporate entities have already availed amnesty scheme against the notices for unexplained income served by the FBR.

Officials said around 50,000 returns have already been filed under the amnesty scheme. Amnesty beneficiaries are required to separately file income and wealth statements for undisclosed foreign and domestic assets for the tax year 2018, they added.

At least two trillion rupees of assets have already been disclosed, while the FBR collected Rs80 to 100 billion as concessionary taxes.

In April, the last government announced amnesty scheme to enable individuals to declare their concealed local and foreign assets against two to five percent taxes.

The amnesty scheme was to expire on June 30, but the caretaker government extended the deadline to July 31. The date was extended through a presidential ordinance and some provisions in the earlier law were also amended.

“Where proceeding under Income Tax Ordinance, 2001 in respect of undisclosed income or assets have attained finality, no declaration shall be filed under section 5 in respect of such income or assets and the tax payable under the said ordinance shall continue to be payable,” a statement explaining the amendment into domestic asset amnesty law said.

Rehmatullah Khan Wazir, FBR’s ex-executive, said the law was amended to avoid misuse of facility of the amnesty.

Wazir said the interpretation of the amended law was to deny amnesty in the cases where the order was passed for recovery of tax-evaded amount.

“However, if cases are in the appeal stage then a taxpayer has right to avail the amnesty,” he added.

Previously, the FBR said an individual could file declaration for assets which were subject to audit proceedings.

The section 4 of Voluntary Declaration of Domestic Assets Act 2018 said the amnesty would apply to undisclosed income and domestic assets held by individuals defined by the law, “except where proceedings are pending in any court of law in respect of the undisclosed income or domestic assets”.

Zeeshan Merchant, vice president of Karachi Tax Bar Association said a taxpayer could avail the amnesty even if audit notices have been served. “But the amnesty will be invalid if case was decided against the taxpayer and he had not availed the right to appeal.”

Merchant said such individuals would “now be in trouble”. “They will have to pay the normal tax on their declarations.”