



FBR chief urges business to avail amnesty scheme

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ISLAMABAD: Federal Board of Revenue (FBR) Chairman Tariq Mahmood Pasha has advised the business community to take full advantage of the tax amnesty scheme, especially so, considering it is the last chance to legalise undeclared assets.

Addressing members of the Islamabad Chamber of Commerce and Industry (ICCI) on Wednesday, the FBR chief said that the amnesty scheme was primarily designed for the business community, which is why public office holders and their dependents had not been included as beneficiaries.

“Pakistan has signed a multinational convention. Starting September 1, our tax authorities will have the benefit of cooperating with tax authorities in other countries — 102 states in total — allowing the FBR to demand detailed reports of the assets of Pakistani nationals living in those countries. Taxpayers must use the amnesty scheme to bring their foreign assets home, and clean their record of any undeclared foreign assets by paying tax at a nominal rate,” he said.

Reminds everybody that information sharing begins on Sept 1

Mr Pasha admitted that due to the inefficiency of the FBR in the past, untaxed money was continuously remitted out of the country. But, he noted that new tax laws across the world were being designed to target tax evaders and Pakistanis — who own assets abroad — would do well to declare all their untaxed assets by using the amnesty scheme to their benefit.

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Speaking about the several benefits of the scheme, Pasha said that it was going to improve tax revenue, enhance foreign exchange reserves, reduce the current account deficit, improve the balance of payments, encourage foreign direct investment, and generate economic activity.

In addition to the numerous benefits, taxpayers will also be facilitated in filing their returns for the current financial year if they declare their hidden assets by June 30, 2018. He also assured that the FBR would cooperate with the business community in taking advantage of the amnesty scheme.

During his comments at the event, Sheikh Amir Waheed, president of the ICCI said that the business community welcomed the amnesty scheme. He said that the scheme was a positive development designed to benefit both the taxpayers and the government.

However, he noted that by the time the Supreme Court had reviewed and cleared the scheme, there were just a few days left until Eid holidays. Mr Waheed urged the authorities to extend the deadlines of the amnesty scheme by at least 30 days to facilitate possible beneficiaries.

Mr Waheed pointed out that a few political parties had criticised the scheme, claiming that they would review it if they won the upcoming general elections. The president of the ICCI said that the fear of retracting the scheme was a serious reservation among the business community, one which must be addressed.

Meanwhile, in a related development, the Association of Builders and Developers of Pakistan asked the caretaker government to announce an extension of the amnesty scheme for at least six months.

Arif Yousuf Jeewa, chairman of the association, in a statement said that Pakistan should adopt the Indonesian model of tax amnesty to encourage even more people to take advantage of it. He said that people want to help the economy grow and are willing to pay taxes, but many will not be able to avail the opportunity. He said that the deadline of June 30 announced on April 12, left an incredibly short amount of time to fulfil all requirements.

Jeewa said that Indonesia had successfully implemented a tax amnesty scheme, earning more than \$360 billion, besides adding thousands of new taxpayers in the system last year. “The Indonesian Government had given 9 months’ time to its citizens — local and overseas — and charged tax at low rates for first three month, gradually increasing the rate,” he said.

He added, that the caretaker government should follow the Indonesian model, but if not possible, it [the government] must extend the deadline by at least six months to help taxpayers.

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