



Amnesty pulls in Rs80bn tax amid massive response

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ISLAMABAD: With the curtain set to drop on the [amnesty scheme](#) by the end of the day (Saturday), nearly 5,000 people have filed returns declaring their foreign assets and deposited approximately Rs80 billion in taxes till June 28, Dawn has learnt through knowledgeable sources.

However, the final amount is going to be much higher, since the sources confirm that more funds are in the pipeline based on payment slips issued.

Multiple sources in the Federal Board of Revenue (FBR) revealed that the tax amnesty scheme announced by the Pakistan Muslim League-Nawaz government, which got off to a lacklustre start, saw a surge of interest since the last hearing in the case held in the Supreme Court's Lahore registry on June 11.

So far, two single largest declarants of foreign assets were from Karachi and Peshawar. A Karachi-based person has deposited Rs3.2 billion in tax on his foreign assets, while a woman hailing from Peshawar paid Rs1.2bn, also on her foreign assets.

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Another influential businessman from Karachi, who owns multiple businesses, paid an amount of Rs267 million on his undeclared foreign assets.

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The deadline of the scheme is June 30 (today) which, according to the law, is non-extendable. Pressure is mounting on the government from various sides to extend the deadline.

Finance Minister Shamshad Akhtar is scheduled to arrive from Paris on Saturday and is expected to take up the matter then.

The sources in the FBR and finance ministry said the total amount of tax paid on foreign assets declared under the scheme could go beyond Rs100bn by the final tally since substantial sums remain in the pipeline and more declarants are stepping forward.

The government has taken extraordinary precautions to keep information of declarants confidential. FBR chairman Tariq Pasha and his core team including member Policy Dr Muhammad Iqbal and Special Assistant to chairman Malik Amjad Zubail Tiwana are the only ones with access to the information submitted by declarants.

Chairman Pasha will leave the board on June 30 and assume his new office as secretary statistics division. No decision has been taken regarding the transfer of other two officers who were also in the good books of former finance minister Ishaq Dar.

FBR official spokesperson Dr Muhammad Iqbal was repeatedly asked for details but he was unwilling to share the information.

The sources said that people were still declaring their foreign assets through challans, but were facing some problems. People in the Middle East want to declare but have several problems like weekends on Friday and Saturday.

People in Europe and other western time zones, where Saturday and Sunday are off-days are also facing similar problems as the deadline falls on a Saturday (today).

The declaration on domestic assets has no such issues. The FBR has already made an arrangement with the banks for not only opening of branches on Saturday and Sunday but also extended the timing for receiving the taxes. No data is available on the number of declarants for domestic assets, or the amount collected in taxes through the scheme thus far.

The amnesty scheme allows people to voluntarily declare domestic as well as foreign assets that had till April 10 been held beyond the tax authorities' knowledge and reach. It offers varying rates that will be charged on

these assets, ranging from 2 per cent to 5pc, depending on whether it is a domestic or foreign asset, the asset class, and whether or not it is being repatriated to the country.

Several meetings have been held on the possibility of an extension in the deadline. According to one proposal, the scheme can be extended with higher rates. However, this amount will be counted for the tax year 2017. Another proposal suggested that asset declarations could be allowed now with attendant tax payments to be made later. The fate of both proposals is unknown.

In the 1958 amnesty scheme, an amount of Rs1.12bn was recovered from undeclared assets, followed by Rs920m in 1968, Rs1.5bn in 1976, Rs10bn in 2000 and Rs3.16bn in 2008. There are several other schemes which were also offered in 1985, 1991, 1998, 2012 and 2016.

However, the FBR did not disclose their revenue recovery or beneficiaries.

The scheme got off to a slow start as it awaited legislative action as well as a nod from the Supreme Court. Its conversion from an ordinance to an act of parliament was delayed due to opposition in the National Assembly and Senate, but was eventually passed as a separate act. The Supreme Court's nod took a while longer, coming eventually by mid-June. Interest in the scheme was lacklustre until then, but the response became brisk immediately after the Supreme Court announced it would not be taking any action to encumber the scheme. Since then, FBR and market sources confirm, the pace of the response gathered speed on a daily basis.

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