

**GOVERNMENT OF PAKISTAN HAS LAUNCHED TAX AMNESTY FOR UNDECLARED  
DOMESTIC ASSETS AND INCOME AND FOREIGN ASSETS**

1. Government of Pakistan has announced two tax amnesty schemes, namely, Voluntary Declaration of Domestic Assets Act, 2018 for undisclosed income and domestic assets and Foreign Assets (Declaration and Repatriation) Act, 2018 for undisclosed foreign assets. The deadline for availing of this opportunity is June 30<sup>th</sup>, 2018.
2. There is a growing cooperation among the international community for checking tax evasion. It includes bilateral and multilateral exchange of information about tax residents of one country who have assets and income in another country. After signing the OECD Multilateral Convention, FBR will have access to information about offshore financial accounts of Pakistani residents.
3. Due to enhanced capacity of the FBR for going after tax evaders, government is of the view that the environment is most conducive for a voluntary disclosure scheme for Pakistani citizens to declare and repatriate their assets held abroad.
4. The amnesty scheme for foreign assets applies to both liquid and immovable assets such as bank accounts, shares and mortgaged properties. Tax rates range from 2% to 5%, depending on the type of asset. Special tax rate of 2% is applicable to liquid assets which are repatriated into Pakistan.

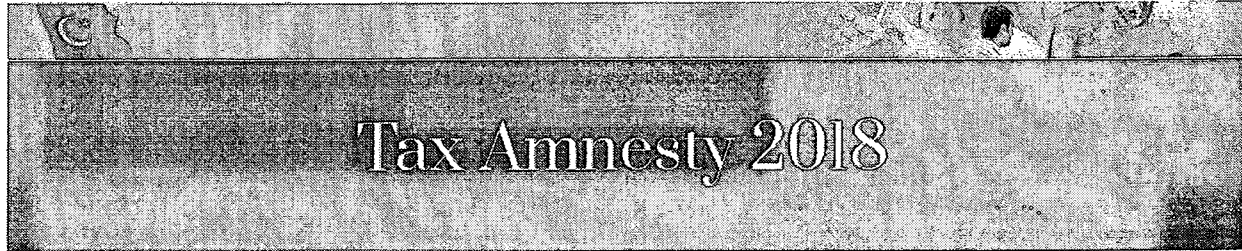
The amnesty scheme for domestic assets covers all types of assets and income, with tax rates of 2% and 5%.

5. To protect declarants from harassment, both schemes ensure complete confidentiality of declarant's information. Moreover, such information will not be used as evidence against declarants under any other law.
6. FBR has developed an online system for filing declarations which obviates the need for physical presence. FBR has set-up helplines which operate 24/7 with dedicated telephone lines and e-mails for quickly responding to queries. FAQs, online user guide and all relevant documents have been published on FBR's website ([www.fbr.gov.pk](http://www.fbr.gov.pk)). For payment of tax on foreign assets, State Bank of Pakistan has devised a procedure whereby tax will be deposited into SBP's account through wire transfer.
7. Public response to the schemes has been very encouraging so far. It is expected that the revenues from the schemes will increase significantly by the closing date of June 30<sup>th</sup>, 2018.




**Federal Board of Revenue**  
 Revenue Division – Government of Pakistan

(<http://www.fbr.gov.pk>)



**Establishment of Facilitation Cell for Tax Amnesty Scheme 2018**

(<http://www.fbr.gov.pk/Downloads/Document/25500/1>) NEW

24/7 dedicatd Cell, Send your queries on  NEW :

foreignamnesty@fbr.gov.pk	Queries related to Foreign Declaration
	Queries related to

domesticamnesty@fbr.gov.pk	Domestic Declaration
immoveable_amnesty@fbr.gov.pk	Queries related to immoveable assets
amnestytaxpayment@fbr.gov.pk	Issues related to generation of PSIDs and making payment
taxamnesty2018@fbr.gov.pk	Any other query

**Telephonic Help:** 0092 51 9215105 (Twenty four hours)

0092 51 111772772 (8 AM to 11 PM)

Online Declarations are available at : Iris

(<https://iris.fbr.gov.pk/infosys/public/txplogin.xhtml>)

User Guide available here (<http://help.fbr.gov.pk/?cat=93>)

Frequently Asked Questions (FAQs)

(<http://www.fbr.gov.pk/Downloads/Document/25501/1>)

Voluntary Declaration of Domestic Assets Act, 2018

(<Downloads/Document/25497/1>)

Foreign Assets (Declaration and Repatriation) Act, 2018

(<Downloads/Document/25496/1>)

**State Bank Of Pakistan Related Documents**

SBP FAQs (<Downloads/Document/25505/1>)

Procedure for Repatriation of liquid assets and Deposit of Tax  
(Downloads/Document/25504/1)

Addendum -Procedure for Repatriation of liquid assets and  
Deposit of Tax (Downloads/Document/25503/1)

Transfer of Book-entry Securities as Free Delivery

Transaction owing to the Declarations made under the Govt.

Tax Amnesty Scheme (Downloads/Document/25507/1)

TV Program on Tax Amnesty

TV D

Express News

## **TAX AMNESTY SCHEME-2018**

### **FEATURES AND COMPLIANCE GUIDELINES**

Presently, there is a general perception in Pakistan that the odds of tracing of foreign assets is increasing as FBR will have access to more and better information about bank accounts and other assets held abroad especially through OECD Multilateral Convention. Further it is also important to note that foreign jurisdictions are now more willing and ready to share information on bilateral basis. The people in Pakistan are also realizing that authorities are now serious in pursuing the hidden wealth of Pakistani citizens abroad.

As Pakistan and foreign jurisdictions, strengthen their capacities for going after the tax evaders, government was of the view that the environment is most conducive for a voluntary disclosure scheme for Pakistani citizens to declare and repatriate their assets held abroad. However, it was understood and acknowledged that any amnesty for the tax evaders acts as a discouragement for compliant taxpayers and can be construed as legitimizing delinquent behavior. But it has to be kept in mind that a purist approach may not yield the desired outcome in this case. Practical realities and constraints sometimes compel adoption of pragmatic policies and trade-offs. An all-

out and uncompromising drive to retrieve the untaxed funds stashed abroad may create a panic

out and uncompromising drive to retrieve the untaxed funds stashed abroad may create a panic and compromise the economic recovery.

Moreover, a voluntary disclosure scheme can be useful as it provides a way to broadening of tax base and collecting revenues without incurring high administrative costs for detecting and prosecuting tax evaders. It is also useful since enforcement machinery is not very strong to detect offshore income and assets. Evidence from jurisdictions like Germany has shown that these administrative costs are significant. Without voluntary disclosure schemes, governments have to trade off a higher detection probability versus the administrative costs of detecting offshore accounts/assets and enforcement/assessment of the taxable income of former evaders. A voluntary disclosure scheme alleviates this tradeoff. In recent years as many as 50 jurisdictions including developed as well as developing countries, including United States, Germany, Indonesia, India, Brazil etc. have incentivized their taxpayers to disclose and repatriate foreign assets by introducing voluntary disclosure schemes which offer lower tax rates and waiver of penalties in respect of disclosure and repatriation of foreign assets. The rates of tax/penalty,



however, has varied from as low as 1% to as high as more than 50%. The reason for such variance includes the enforcement level of the tax authority, effective automatic exchange of information network of the jurisdiction and the detection probability of foreign assets of the taxpayers.

The success of the voluntary disclosure schemes has been primarily attributable to higher detection probabilities for tax evaders in view of better and efficient information exchange with tax havens under the Multilateral Convention and multilateral exchange of information agreements. Therefore, this factor alone has played a significant role for the success. Therefore, under the present environment, a voluntary disclosure scheme is attractive for the government, as it can increase its revenues without overburdening its tax administration with cost as well as enforcement measures. Further arguments concerning voluntary disclosure schemes include offering a good way to come clean for taxpayers who have made unintentional errors when filing their tax returns, or inherited offshore accounts.

In a nutshell, the rationale for voluntary disclosure scheme is determined by the fact that it:

- a) helps in broadening the tax base;

b) provides a way for taxpayers to come clean to their tax authorities and disclose their

- b) provide taxpayers an opportunity to regularize their tax affairs and disclose their concealed incomes and assets and thus promoting taxpayers to become compliant;
- c) provide a way to collect revenues without incurring high administrative costs for detecting and prosecuting tax evaders; and
- d) shifts black money from informal sector into formal sector and increases revenue in the long run.

### **DATE OF COMMENCEMENT AND DURATION**

The proposed date of commencement is 10<sup>th</sup> April, 2018 till 30<sup>th</sup> June, 2018.

### **FOREIGN ASSETS DECLARATION AND REPATRIATION SCHEME**

- (i) All Pakistani citizens, except holders of public office in the last ten years and their spouses and dependent children, are eligible to avail the scheme in respect of their

foreign assets and tax thereon. A person having dual nationality is also treated as citizen of Pakistan;

- (i) Assets acquired before 10<sup>th</sup> April, 2018 can be declared;
- (ii) For the purposes of the scheme, tax residence which is determined under the Income Tax Ordinance, 2001 is not relevant. All citizens of Pakistan irrespective of their residential status are eligible to avail this scheme.
- (iii) The rates of tax be 2%, 3% and 5% for the liquid assets to be repatriated, illiquid assets and liquid assets not repatriated respectively;
- (iv) The term liquid assets has been defined in the Act to include:
  1. Cash or asset that can be converted into cash with a minimal impact on asset value;
  2. Bank notes;
  3. Marketable securities;
  4. Stocks;
  5. Promissory notes;
  6. Government Bonds;
  7. Deposit certificates; and

8. Other similar instruments.

(v) The scheme is applicable on foreign assets of all kinds including any movable or immovable assets held outside Pakistan. However, following kinds of assets have specifically been included in the term 'foreign assets' under the Act.

1. Real estate without any mortgage;
  2. Mortgaged real estates, the term 'cost of acquisition of mortgaged asset' has been defined in the Act as being the sum of mortgaged payments and other mortgaged cost of acquisition. In other words it includes the owner's own contribution in the acquisition of mortgaged assets;
  3. Stock and shares;
  4. Bank accounts;
  5. Bullion;
  6. Cash;
  7. Jewels;
-

8. Paintings;

9. Accounts and Loan Receivables; and

10. Beneficial ownership or beneficial interests or contribution in offshore entities and trusts.

- (vi) The value declared by the persons availing the scheme, shall be the value as declared by the person, but it cannot be below the cost of acquiring the asset. The value as determined and declared by the declarant is not subject to any enquiry, examination, questioning or verification by any authority. The value declared by the declarant has been sanctified in the eyes of law to provide safeguard to the declarant;
- (vii) The Foreign Assets Declaration And Repatriation Scheme excludes proceeds or assets that are involved in or derived from the commission of a criminal offence.
- (viii) The immunity is not available to foreign assets for which proceedings in any court of law are pending in respect of such foreign assets. The term 'court of law' has been defined in the Act to mean an appellate tribunal, a High Court or the Supreme Court of Pakistan. For example, if any matter relating to such assets is under investigation by the FBR authorities in audit or otherwise then the same being not a

matter pending before the court of law will not disentitle the taxpayer asset under the Act.

- (ix) Declarant can incorporate the assets at the value declared in the books of accounts, or the wealth statement to be filed under the Income Tax Ordinance, 2001.
- (x) The information provided by the declarant under the Scheme shall be kept confidential and not disclosed to any other authority. The person (including public servants) disclosing any such information shall be subject to imprisonment not exceeding one year in addition to fine of Rs. 1 million.

### **Manner of Filing the Declarations**

- (i) The declarations have to be filed electronically;
- (ii) There is no involvement of any FBR functionary or office in the filing of the declaration. However, Help desks and Helpline have been set up for assisting the declarants if required;

- (iii) Copy of the Tax Amnesty Schemes forms can be accessed and downloaded from FBR website at <http://www.fbr.gov.pk/TaxAmnesty2018.html>.
- (iv) FBR has prepared a detailed “User Guide” which, among other things, explains how to file declaration.
- (v) If a person is already registered with the FBR he is not required to register again. He can use his existing IRIS log-in user name and password for filing Amnesty Declaration. However, if he is not registered he has the option of normal registration process after which he will be able to file amnesty declaration along with doing other tasks such as filing tax return. However, if he likes to register only for filing amnesty declaration, there is a quick registration process after which he will be able to file amnesty declaration.
- (vi) if not already registered on IRIS portal, the declarant has to access the link “Registration for Tax Amnesty” shown on IRIS portal and get registered only for purpose of filing Amnesty Declarations
- (vii) After successful login, IRIS Dashboard Screen shall appear. The “Tax Amnesty” tab is to be selected from Mega Menu and declaration of Foreign Assets, can be selected under “Declaration and Repatriation of Assets and Income held outside Pakistan”

from menu options which will open the amnesty declaration form. The relevant information, can be entered in the declaration form, in input fields enabled for editing. Once the liability in Pakistani rupee is determined then the declarant will move to the next step relating to discharge of tax liability for which the following payment procedure will have to be undertaken.

- (viii) FBR Portal (<https://e.fbr.gov.pk>) will be accessed and “e-Payments” tab will be clicked. Thereafter “92033 – 5 – Payment of tax on Repatriation of assets & income under section 5” will have to be selected and the tax amount to be paid will be entered and the system shall automatically convert the entered amount in US Dollars. The mode of payment from available list (Cash, Cheque, and Pay Order) will be selected. On Pressing “Create” button, the system shall generate PSID. The declarant shall intimate his bank account outside Pakistan to arrange deposit of the tax liability in the designated account of the State Bank of Pakistan. The declarant after receipt of confirmation from his/her bank will intimate the SBP (through an email) for that



particular PSID. Once the credit is available SBP, will issue CPR (Computerized Payment Receipt) acknowledging the receipt of tax. The declaration can now be filed as under;

- (ix) Once CPR is received, FBR IRIS website will have to be logged-in again and “Payment” Tab will be accessed under the declaration form. Button provided at the right most corner will be accessed to attach CPR details. System shall display the CPR as received from Bank and the declarant will Verify and then submit the form.

### **Voluntary Declaration of Undisclosed Domestic Assets Scheme**

Voluntary Declaration of Domestic Assets Scheme provides a onetime opportunity to every company, association of persons and all citizens of Pakistan to declare undisclosed income or undisclosed domestic assets. As per the Scheme a tax rate of 5% is payable on all domestic assets except a rate of 2% payable if foreign currency held in a foreign currency account in Pakistan as on 31<sup>st</sup> March, 2018 is either encashed in equivalent rupees is invested in government securities upto 5 years in US dollar denominated bonds with six-monthly profit payment in equivalent rupees (rate of return 3%) and payable on maturity in equivalent rupees for which the rate would be 2%. Other provisions (scope,

period of applicability, Confidentiality, etc.) of the Scheme are similar to Foreign Assets Declaration and Repatriation Ordinance. However, as payment of tax in foreign currency is not involved, the amount of tax can be deposited in the SBP and designated branches of NBP as normal tax payments.

3.

4.

5.

6.

**B. IMMOVABLE PROPERTY(Jurisdiction, address and size)**

1.

2.

3.

4.

5.

6.

7.

**VERIFICATION**

I, the undersigned, solemnly declare that to the best of my knowledge and belief-

- (a) the information given in this declaration is correct and complete; and
- (b) the value of foreign assets has truly been declared.

I, further declare that I am competent to make this declaration and verify it in my own name.

Date \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

12. **Voluntary Declaration of Domestic Assets Act, 2018.**—There is hereby enacted Voluntary Declaration of Domestic Assets Act, 2018, in the manner as follows:-

**AN**

## ACT

*to provide for voluntary declaration of domestic assets in Pakistan*

WHEREAS there is a large scale non-reporting and under-reporting of assets held in Pakistan;

AND WHEREAS it is expedient to provide for declaration of such assets for the purposes hereinafter appearing;

It is hereby enacted as follows:—

**1. Short title and commencement.**—(1) This Act may be called the Voluntary Declaration of Domestic Assets Act, 2018.

(2) It shall come into force at once.

**2. Definitions.**— (1) In this Act, unless there is anything repugnant in the

subject or context,

- (a) "declarant" means a person making a declaration under section 5;
- (b) "court of law" means an Appellate Tribunal, a High Court or Supreme Court of Pakistan;
- (c) "domestic assets" means assets of every kind other than foreign assets under Foreign Assets (Declaration and Repatriation) Act, 2018;
- (d) "holder of public office" means a person who is or has been, during the preceding ten years,—
  - (i) the President of the Islamic Republic of Pakistan or the Governor of a Province;

(ii) the Prime Minister, Chairman Senate, Speaker of the National Assembly, Deputy Chairman Senate, Deputy Speaker National Assembly, Federal Minister, Minister of State, Attorney-General for Pakistan and other Law Officers appointed under the Central Law Officers Ordinance, 1970 (VII of 1970), Adviser or Consultant or Special Assistant to the Prime Minister and holds or has held a post or office with the rank or status of a Federal Minister or Minister of State, Federal Parliamentary Secretary, Member of Parliament, Auditor-General of Pakistan, Political Secretary;

(iii) the Chief Minister, Speaker Provincial Assembly, Deputy Speaker Provincial Assembly, Provincial Minister, Adviser or Consultant or Special Assistant to the Chief Minister and

who holds or has held a post or office with the rank or status of a Provincial Minister, Provincial Parliamentary Secretary, Member of the Provincial Assembly, Advocate-General for a Province including Additional Advocate-General and Assistant Advocate-General, Political Secretary;

- (iv) the Chief Justice or, as the case may be, a Judge of the Supreme Court, Federal Shariat Court, a High Court or a Judicial Officer whether exercising judicial or other functions or Chairman or member of a Law Commission, Chairman or Member of the Council of Islamic Ideology;



- (v) holding an office or post, in the service of Pakistan or any service in connection with the affairs of the Federation or of a Province or of a local council constituted under any Federal or Provincial law relating to the constitution of local councils, co-operative societies or in the management of corporations, banks, financial institutions, firms, concerns, undertakings or any other institution or organization established, controlled or administered by or under the Federal Government or a Provincial Government or a civilian employee of the Armed Forces of Pakistan:

Provided that a member of the Board, not

actively engaged in the business and day-today affairs of the said corporations, banks, financial institutions, firms, concerns, undertakings or any other institution or organization shall not be treated as holder of public office under this sub-clause;

- (vi) the Chairman or Mayor or Vice Chairman or Deputy Mayor of a *zila* council, a municipal committee, a municipal corporation or a metropolitan corporation constituted under any Federal or Provincial law relating to local councils;

***Explanation.***— For the purpose of this sub-clause the expressions "Chairman" and "Vice Chairman" shall

include "Mayor" and "Deputy Mayor" as the case may be, and the respective councilors therein; and

(vii) a District *Nazim* or District *NaibNazim*, Tehsil *Nazim* or Tehsil *NaibNazim* or Union *Nazim* or Union *NaibNazim*.

(e) "undisclosed asset" in relation to an immovable property includes an immovable property the value of which has been under-reported or understated;

(2) All other words and expressions used but not defined in the Act shall have the same meaning assigned to them under the Income Tax Ordinance, 2001 (XLIX of 2001) and the rules made thereunder.

**3. Act to override other laws.**—The provisions of this Act shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force.

**4. Application.—** (1) The provisions of this Act shall apply to—

(a) every company, association of persons and all citizens of Pakistan wherever they may be, except holders of public office, their spouses and dependent children; and

(b) undisclosed income and domestic assets held by the persons mentioned in clause (a) in Pakistan, except where proceedings are pending in any court of law in respect of the undisclosed income or domestic assets.

(2) The provisions of this Act shall not apply to any proceeds or assets that are involved in or derived from the commission of a criminal offence.

**5. Declaration of domestic assets in Pakistan.**—(1) Subject to the provisions of this Act, any person may make, to the Federal Board of Revenue by the due date specified in section 6, a declaration in respect of undisclosed income and domestic assets acquired before the tenth day of April, 2018.

(2) The value of a domestic asset shall be as specified in section 10.

(3) The description, value and tax paid in respect of the undisclosed income and domestic assets declared in sub-section (1) shall be in the manner as set out in Form A of the Schedule to this Act.

(4) The declaration of undisclosed income and domestic assets shall be made in the manner as set out in Form A of the Schedule to this Act, electronically on Federal Board of Revenue's web portal and shall be valid

only if it is accompanied by the evidence of payment of tax. The declarant may be required to provide additional item-wise details of such income and assets while filing declaration on Federal Board of Revenue's web portal.

**6. Period of applicability.**—The declaration under section 5 shall be made on or after the tenth day of April, 2018 but on or before the thirtieth day of June, 2018.

**7. Charge of tax.**— The domestic assets declared within the due date shall be chargeable to tax at the rates specified in the Table below on the value of assets as determined under section 10, namely:—

**TABLE**

S.No.	Assets	Rate. (as a percentage)
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		of the value of the asset)
(1)	(2)	(3)
1.	Foreign currency held in a foreign currency account in Pakistan as on the 31 <sup>st</sup> March, 2018 and encashed in equivalent Rupees.	
	Foreign currency held in a foreign currency account in Pakistan as on the 31 <sup>st</sup> March, 2018 which is invested in Government securities upto 5 years in US dollars denominated bonds with six-	2%

	<p>monthly profit payment in equivalent Rupees (rate of return 3%) and payable on maturity in equivalent Rupees.</p>	
2.	Other assets.	5%

**8. Payment of tax.—** (1) The due date for payment of the tax chargeable under section 7 shall be the date on which declaration is made under section 6.

(2) No tax shall be payable by the declarant under any law for the time being in force including the Income Tax Ordinance, 2001 (XLIX of 2001)



declared where tax has been paid under sub-section (1) in respect of the undisclosed income and domestic assets declared under section 5.

**9. Incorporation in books of account.—** (1) Where a declarant has paid tax under section 8 in respect of undisclosed income and domestic assets declared under section 5, the declarant shall be entitled to incorporate in his books of account such undisclosed income and domestic assets.

(2) For the purpose of the Income Tax Ordinance, 2001 (XLIX of 2001), the cost of acquisition of domestic assets and date of acquisition shall be deemed to be the value under sub-section (2) of section 5 and the date on which declaration has been made by the declarant, respectively.

10. **Valuation.**— For the purpose of this Act, the valuation of assets declared shall be made in the following manner, namely: —

S.No.	Undisclosed income and domestic assets	Value for the purpose of section 5(2)
(1)	(2)	(3)
1.	Undisclosed income.	As declared.
2.	Open plots and land.	Cost of acquisition or FBR rates, whichever is higher.
3.	Super structure.	Rs 400 per square feet.
4.	Apartments and flats.	Cost of acquisition or Provincial stamp duty rates, whichever is higher.

5.	Imported motor vehicles.	<p>A-B</p> <p>A= CIF value plus the amount of all charges, customs-duty, sales tax, levies, octroi, fees and other duties and taxes leviable thereon and the costs incurred till their registration.</p> <p>B= a sum equal to 10% of the said value for each successive year upto a maximum of five years.</p>
6.	<p>Motor vehicles</p> <p>purchased from a</p> <p>manufacturer or</p> <p>assembler or dealer in</p>	<p>A-B</p> <p>A= The price paid by the purchaser, including the amount of all charges, customs duty, sales tax and other</p>

	Pakistan.	<p>taxes, levies, octroi, fees and all other duties and taxes leviable thereon and the costs incurred till their registration.</p> <p>B= a sum equal to 10% of the said value for each successive year upto a maximum of five years.</p>
7.	Used motor vehicles purchased locally.	Value determined in the manner specified in S.N. 5 or 6, as the case may be, as reduced by an amount

		equal to 10% for every year following the year in which it was imported or purchased from a manufacturer.
8.	Securities and shares traded on stock exchange.	Day-end price of the share or security quoted on registered stock exchange as on the 9 <sup>th</sup> April, 2018 and where no day-end price of such share or security is quoted on stock exchange on the 9 <sup>th</sup> April, 2018 day-end price of the share or security

		quoted on a date nearest to the 9 <sup>th</sup> April, 2018.
9.	Securities and shares not traded on stock exchange.	Break-up value or face value, whichever is higher. Breakup value shall be the sum of paid-up capital, reserves and balance as per profit and loss account as reduced by the value of preference shares and divided by the amount of the paid up ordinary share capital.
10.	National saving schemes, postal	10. National saving

	certificates, bonds, securities and other similar investments in capital instruments not traded or quoted on stock exchange.	
11.	Gold.	Rupees 4000 per gram.
12.	Other precious stones and metals.	Market rate as on the 9 <sup>th</sup> April, 2018 or cost of acquisition, whichever is higher.
13.	Stock-in-trade.	Market rate as on the 9 <sup>th</sup> April, 2018.
14.	Plant and machinery.	Actual cost of acquisition with no depreciation.

15.	Accounts receivable.	Actual cost of acquisition.
16.	Other assets.	
17.	Prize bonds, cash and bank accounts including foreign currency accounts.	For bank accounts balance as on 9 <sup>th</sup> April, 2018 and face value for other assets.

**11. Confidentiality.—** (1) Notwithstanding the provisions of sub-section (3) of section 216 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Right of Access to Information Act, 2017 (XXXIV of 2017) and any other law for the time being in force, particulars of any person making a declaration under this Act or



any information received in any declaration made under this Act shall be confidential.

(2) A person who discloses any particulars in contravention of subsection (1) shall commit an offence punishable on conviction with a fine of not less than five hundred thousand Rupees but not exceeding one million Rupees or imprisonment for a term not exceeding one year or with both.

**12. Declaration not admissible in evidence.**— Notwithstanding anything contained in any other law for the time being in force, nothing contained in any declaration made under section 5 shall be admissible in evidence against the declarant for the purpose of any proceedings relating to imposition of penalty or

for the purposes of prosecution under any law including Income Tax Ordinance, 2001 (XLIX of 2001).

**13. Removal of difficulty.**—If any difficulty arises in giving effect to the provisions of this Act, the Federal Government may make such order in writing, as is not inconsistent with the provisions of this Act, for removal of such difficulty.

**14. Misrepresentation.**—Notwithstanding anything contained in this Act, where a declaration has been made by misrepresentation or suppression of facts, such declaration shall be void and shall be deemed never to have been made under this Act.

Schedule

Form A

DECLARATION UNDER SECTION 3

FULL NAME

CNIC

NTN (if available)

ADDRESS

TELEPHONE NUMBER:

Email:

**UNDISCLOSED INCOME AND DOMESTIC ASSETS**

S.No.	Undisclosed income and assets.	Value as per section 10.
1.	Undisclosed income.	
2.	Open plots and land.	
3.	Super structure	

3.	Super structure.	
4.	Apartments and flats.	
5.	Imported motor vehicles.	
6.	Motor vehicles purchased from a manufacturer or assembler or dealer in Pakistan.	
7.	Used motor vehicles purchased locally.	
8.	Securities and shares traded on stock exchange.	
9.	Securities and shares not traded on	

	stock exchange.	
10.	National saving schemes, postal certificates, bonds, securities and other similar investments in capital instruments not traded or quoted on stock exchange.	
11.	Gold.	
12.	Other precious stones and metals.	
13.	Stock-in-trade.	
14.	Plant and machinery.	
15.	Accounts receivable.	

16.	Other assets.	
17.	Cash, prize bonds and bank accounts	
18.	Government securities ( other than those at S.No. 1 in the Table under section 7)	
Total value in Rupees		
Tax @ 5% (A)		
19.	Government securities or rupee amount from encashment of foreign currency accounts (S.No. 1 in the	
	Table under section 7)	

Tax @ 2% (B)		
Total Tax (A+B)		
Whether evidence of payment of tax attached.	YES	NO

### VERIFICATION

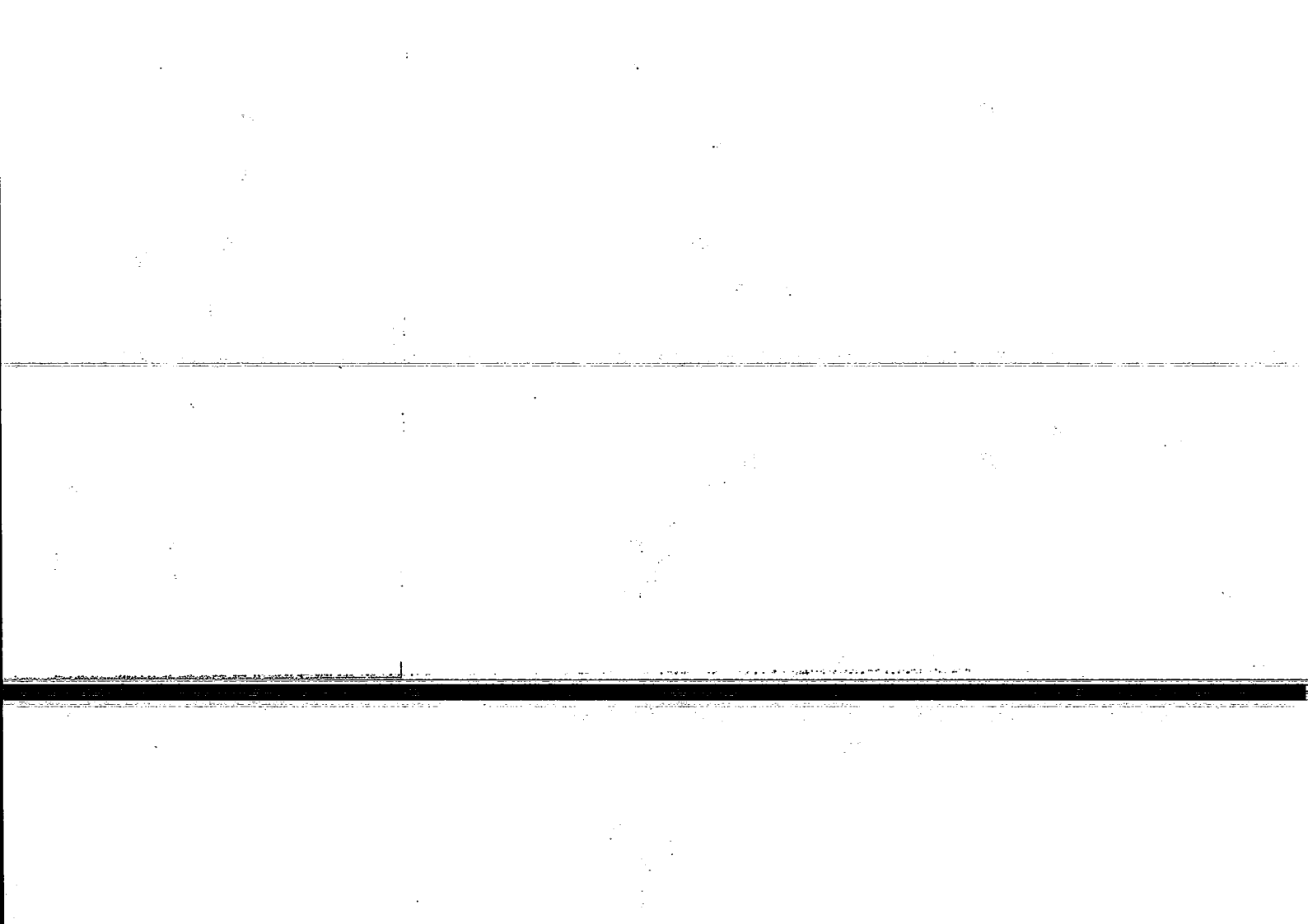
I, the undersigned, solemnly declare that to the best of my knowledge and belief-

- (a) the information given in this declaration is correct and complete; and
- (b) the value of domestic assets have truly been declared.

I, further declare that I am competent to make this declaration and verify it in my own name.

Date \_\_\_\_\_

Signature \_\_\_\_\_





## **FREQUENTLY ASKED QUESTIONS (FAQS)**

**(Voluntary Declaration of Domestic Assets, Act 2018  
&  
Foreign Assets (Declaration and Repatriation) Act, 2018)**

### **1. How can I get copy of the Tax Amnesty Schemes?**

**Answer:**

You can access and download copy of the Tax Amnesty Schemes from FBR website at <http://www.fbr.gov.pk/TaxAmnesty2018.html>.

### **2. How to file declaration for availing Tax Amnesty?**

**Answer:**

You will file declaration online at FBR site. For this purpose, FBR has prepared a detailed "User Guide" which, among other things, explains how to file declaration. User Guide is available

at <http://www.fbr.gov.pk/TaxAmnesty2018.html>.

### **3. Can I file amnesty declaration without registering with the FBR?**

**Answer:**

No. For filing amnesty declaration, you will register with the FBR's online portal. Please refer to the User Guide at <http://www.fbr.gov.pk/TaxAmnesty2018.html>.

### **4. Whether I have to register with the FBR for filing Tax Amnesty Declaration?**

**Answer:**

If you are already registered with the FBR you will not register again. You will use your existing IRIS log-in user name and password for filing Amnesty Declaration. However, if you are not registered please refer to **Question**

5 below and User Guide available online at  
<http://www.fbr.gov.pk/TaxAmnesty2018.html>.

**5. How to register for filing tax amnesty declaration?**

**Answer:**

If you are not registered with the FBR, you have the option of **normal registration process** after which you will be able to file amnesty declaration along with doing other tasks such as filing tax return. However, if you would like to **register only for filing amnesty declaration**, there is a **quick registration process** after which you will be able to **file amnesty declaration only**. However, you will not be able to perform other tasks such as filing returns. For details, please refer to "User Guide" available online at <http://www.fbr.gov.pk/TaxAmnesty2018.html>.

How to register for the Amnesty Declaration. Please guide?

**6. I have wrongly registered for the Amnesty Declaration. Please guide:**

**Answer:**

If you have wrongly registered with for filing Amnesty Declaration, please send e-mail at [tax.amnesty2018@fbr.gov.pk](mailto:tax.amnesty2018@fbr.gov.pk).

**7. How can I make payment of tax under the Tax Amnesty?**

**Answer:**

Please refer to "User Guide" which, among other things, explains in detail how to create and make payment, for domestic assets and Foreign Assets.

It is available online at <http://www.fbr.gov.pk/TaxAmnesty2018.html>.

**8. Can I submit online declaration form before making payment?**

**Answer:**

No. You will have to make payment first and then attach to the respective form at FBR portal, before submitting amnesty declaration. User Guide is available at <http://www.fbr.gov.pk/TaxAmnesty2018.html>.

**9. Can I file declaration for non-Customs paid vehicle under the Voluntary Declaration of Domestic Assets,Act 2018?**

**Answer:**

The Act covers undisclosed/concealed assets and is not for non-Customs paid vehicle.

**10. Whether I need to be physically present for filing amnesty declaration and making payment?**

**Answer:**

No. Physical presence is not required. You will file amnesty declaration online at FBR's portal and may make payment online, using FBR's online payment system. Please refer to detailed User Guide available at <http://www.fbr.gov.pk/TaxAmnesty2018.html>.

**11. Whether I can file more than one declaration for different years?**

**Answer:**

No. You will file only one declaration for assets pertaining to different years.

**12. I have filed amnesty declaration but forgot to declare some assets. Whether I can file additional declaration for such assets.**

**Answer:**

Yes, you can file additional declaration for such assets.

**13. Whether a company can file declaration of "Foreign Assets"?**

**Answer:**

No. It is available to individuals (**citizens**) only. Please refer to section 4 (a) of the Foreign Assets (Declaration and Repatriation) Act, 2018:

*“All Citizens of Pakistan wherever they may be...”*

**14. Whether a company or AOP can file amnesty declaration for undisclosed income and domestic assets?**

**Answer:**

Yes. Please refer to section 4(a) of the Voluntary Declaration of Domestic Assets Act, 2018:

*“Every Company, Association of Persons and all citizens of Pakistan wherever they may be...”*

**15. I am a retired government servant. May I file amnesty declaration?**

**Answer:**

**Answer:**

Please refer to Section 2(c) (v) of the Voluntary Declaration of Domestic Assets Act 2018 and section 2 (g)(v) of Foreign Assets (Declaration and Repatriation) Act 2018 for restrictions in your case. In order to access and download copy of Acts, please refer to Question 1.

**16. Can I file declaration for future income or assets?**

**Answer:**

No. According to section 5 of Voluntary Declaration of Domestic Assets Act 2018 and Foreign Assets (Declaration and Repatriation) Act 2018, only assets acquired before the commencement date of the Acts are covered.

**17. What is super structure?**

**Answer:**

It is the covered area of the immovable property.

**18. May I file manual paper based declaration?**



**Answer:**

No. The declaration needs to be filed online/ electronically.

**19. I would like to declare cash in my bank account under the Voluntary Declaration of Domestic Assets Act, 2018? Should I declare ending balance on the last date before the application of the Act or peak balance prior to it?**

**Answer:**

You may declare amount which is available in the bank account on the last date before the commencement of the Act.

**20. If I file declaration under the Amnesty Scheme, may I become a filer?**

**Answer:**

No. Please refer to eligibility for inclusion in the Active Taxpayers List set out in Rule 81B of the Income Tax Rules, 2002.

**21. Whether assets/ Income where proceedings are pending under the**

21. Whether assets/ income where proceedings are pending under the Income Tax Act 2001 on account of concealment can be declared under the Amnesty Scheme.

**Answer:**

Yes, such income/ assets can be declared under the amnesty schemes *except where proceedings are pending in any court of law.*

**22. Please clarify what is meant by “Court of Law” with reference to tax amnesty Schemes?**

**Answer:**

With reference to the amnesty schemes, “Court of Law” includes Appellate Tribunal, High Court and Supreme Court.

**23. What is the tax rate if I declare balance in foreign currency account under the Voluntary Declaration of Domestic Assets, Act 2018.**

Answer:

Tax rate on foreign currency account is 2% if it is encased in equivalent rupees or invested in Government securities as per S.No.1 of the table under section 7 of the Act; else tax rate is 5%.

**24. I want to declare cash in hand under the Domestic Amnesty Scheme, am I required to deposit it into my bank account?**

Answer:

No you are not required to deposit cash in hand into bank account for availing the amnesty.

**25. Who is a citizen of Pakistan for the purposes of Foreign and Domestic**

amnesty Acts.

Answer:

For the purposes of amnesty declaration, a citizen is as defined in The Pakistan Citizenship Act, 1951. It is clarified that dual nationals are eligible to file amnesty declarations.

**26.** Who is a holder of a public office for the purposes of the Tax Amnesty Acts?

Answer:

Holder of public office is defined in section 2(h) of the Foreign Assets (Declaration and Repatriation) Act, 2018 and section 2(d) of the Voluntary Declaration of Domestic Assets Act, 2018.

**27.** The definition of holder of public office imposes a time limit of ten years.

From which date does this limit start?

From which date does this limit start?

Answer:

This limit starts backwards from April 10<sup>th</sup>, 2018.

**28.** I am a doctor working for the government. I am also earning income from private practice for which I would like to file amnesty declaration under the domestic amnesty scheme. Whether, I can file declaration for the income derived from private practice?

**Answer:**

No, you being a public office holder are not eligible to avail the amnesty scheme.

**29.** What is the last date for filing amnesty declaration?

**Answer:**

Declarations can be submitted on or before June 30<sup>th</sup>, 2018.

**30.** I have prepared draft declaration which I would like to submit before payment of tax. Please advise.

**Answer:**

Answer:

Declaration cannot be submitted unless you have made payment of tax.

**31.** I would like to pay tax in instalments. Please advise.

Answer:

You cannot pay tax in instalments.

**32.** I hold shares in an offshore company which holds assets in Pakistan.

Whether I would file declaration under the foreign or domestic tax amnesty scheme.

Answer:

As per section 2(e) of the Foreign Assets (Declaration and Repatriation) Act, 2018, shares of an offshore company are foreign assets.

**33.** I hold shares in an offshore company which holds immovable property in a foreign country. Whether I would declare shares held by me or immovable property held by the offshore company?

**Answer:**

You will declare shares held by you in offshore company not the immovable property held by such company.

**34.** I hold share shares in an offshore company. Whether such shares are liquid assets for the purposes of Foreign Assets (Declaration and Repatriation) Act, 2018.

**Answer:**

As per section 2(g) of the Act, shares are included in the definition of

liquid assets.

**35.** I would like to file declaration for undisclosed foreign assets. Whether I can repatriate assets after closing date of June 30<sup>th</sup>, 2018.

Answer:

No, assets have to be repatriated before the closing date of June 30<sup>th</sup>, 2018 as per section 5(6) of the Foreign Assets (Declaration and Repatriation) Act, 2018.

**36.** I have under declared assets in my books of accounts. Whether I can declare such assets for the under-reported value.

Answer:

Yes, you can file declaration in respect of such assets for the under-reported value.

**37.** My case has been selected for audit on account of non-declaration of assets. Whether I can file declaration for such assets?



Answer:

Yes, you can file declaration for such assets which are subject of audit proceedings.

**38.** Taxation officer has amended my return for tax year 2016 on account of non-declaration of my shop in Model Town Lahore. Whether, I can file declaration in respect of my shop.

Answer:

Yes, you can file declaration for such asset, provided the proceedings are not pending in any court of law.

**39.** I would like to declare both my undisclosed domestic and foreign assets. Whether I have to file a single declaration or separate declarations for domestic and foreign assets each?

Answer:

You need to file separate declarations for domestic and foreign assets. FBR

online system provides for such situations.

**40.** I would like to file declarations both for my undisclosed domestic and foreign assets. Whether I will have to file both declarations at the same time?

Answer:

No. You may file both declarations at different dates but before the validity date of June 30<sup>th</sup>, 2018.

**41.** I would like to file declaration for undeclared shops which are on rent. Whether any future rental income from these shops will be exempt from Income Tax.

Answer:

No. such future rental income will have to be declared in the relevant income tax return on which tax needs to be paid, if applicable.

**42.** Whether I can pay tax on foreign assets which are eligible to be declared under the foreign amnesty scheme out of foreign currency account maintained with a bank in Pakistan.

**Note:** Answer to this question has been modified

**Answer:**

Yes. According to SBP addendum dated 21<sup>st</sup> June 2018:

*The balances in foreign currency accounts of the declarants or their immediate family members being maintained with banks in Pakistan as of 31st March 2018 or 20th June 2018, whichever is less, can also be used for the purpose of tax payment.*

No. Tax on foreign assets declared under the foreign amnesty Act needs to be remitted from outside Pakistan in accordance with the procedure prescribed by the SBP.

**43.** Whether a non-resident person can file declaration in respect of undeclared foreign assets?

Answer:

As per section 4 of the Foreign Assets (Declaration and Repatriation) Act, 2018, a citizen of Pakistan, whether resident or non-resident can declare such assets, provided he is eligible under the Act.

**44.** Whether a non-resident person can file declaration in respect of undeclared domestic assets?

Answer:

As per section 4 of the Voluntary Declaration of Domestic Assets Act, 2018, every company, association of persons and all citizens of Pakistan wherever

they may be can file declaration for such assets provided they are eligible under the Act.

**45.** Whether a resident individual who is not a citizen of Pakistan can file declaration in respect of undisclosed income and domestic assets.

**Answer:**

No. As per section 4 of the Act, only those individuals who are citizens of Pakistan can file declaration in respect of such assets.

**46.** What is the currency of payment of tax in respect of domestic assets declared under Voluntary Declaration of Domestic Assets Act, 2018.

**Answer:**

Tax on domestic assets will be paid in Pak rupee.

**47.** What is the currency of payment of tax in respect of foreign assets declared under the Foreign Assets (Declaration and Repatriation) Act

declared under the Foreign Assets (Declaration and Repatriation) Act, 2018.

**Answer:**

Tax on foreign assets is required to be paid in United States Dollar as per section 9 (2) of the Act.

**48.** I have a residential plot measuring 500 square yards which cost me Rs.5,000,000. As per FBR's rates, its value comes to Rs.2,500,000 while the current market value is Rs.10,000,000. What value will be declared in Form A under the Voluntary Declaration of Domestic Assets Act, 2018.

**Answer:**

As per section 10 of the Act, the value of open plots and land is the higher of cost of acquisition or FBR rates. In your case, the plot will be declared at Rs.5,000,000 in Form A.

49. Whether books of accounts include wealth statement.

Answer:

Yes, the books of accounts include wealth statement.

50. According to section 8(2) of the Voluntary Declaration of Domestic Assets Act, 2018, no tax is payable under any law in force including the Income tax Ordinance, 2001 where tax has been paid in respect of undisclosed income and domestic assets. Please clarify

Answer:

It is clarified that no tax including income tax, sales tax and FED shall be payable on the undisclosed income and assets declared under the Act.

51. I have undisclosed domestic and foreign assets. What are the possible consequences if don't file declaration for such undisclosed assets.

Answer:

- Due to OECD initiatives for promoting transparency and exchange of information on tax matters, offshore tax evasion and avoidance is higher likelihood of coming to the notice of tax administration. Pakistan is signatory to OECD Convention on Mutual Administrative Assistance in Tax Matters which has been signed by most of the countries around the globe. Pakistan is poised to receive information in the latter half of 2018 in respect of offshore financial accounts. The said information of bank accounts maintained by Pakistanis abroad shall be provided by those jurisdictions automatically. Against this backdrop, amnesty on foreign assets is an opportunity for Pakistanis to declare undisclosed foreign assets at very low rates without incurring any penalties.
- Time limitation to probe sources of foreign assets, investments and expenditures has been removed through Finance Act, 2018. As a result of this amendment, any foreign asset discovered in any year is liable to be taxed.



- Immunity from probe in respect of foreign remittances has been limited to Rs. 10 million per year through Finance Act, 2018. Any amount received beyond this threshold shall be liable to be probed and taxed.
- Through Finance Act, 2018, filing of foreign income and asset statement has been made mandatory and failure to file or disclose foreign assets in the statement shall be liable to penalty of 2% of the value of the asset or income for each year of default.
- Law of controlled foreign companies has been introduced, through Finance Act, 2018, and any income from investment in foreign entities has been made taxable. Therefore, any investment and income therefrom not disclosed shall be taxed.

**52.** I bought a house in DHA Lahore in the name of my brother. As it is my investment, whether I can file declaration under Voluntary Declaration of Domestic Assets Act 2018 or only my brother can file declaration?

**Answer:**

Yes, you can file declaration for the house which you purchased in the name of your brother.

**53.** Whether I can file declaration under the Voluntary Declaration of Domestic Assets, Act 2018 for the income which I have earned for the period from July 1<sup>st</sup>, 2017 to April 9<sup>th</sup>, 2018.

Answer:

No. You cannot file declaration for the income earned during the period from July 1<sup>st</sup>, 2017 till April 9<sup>th</sup>, 2018. It is because this income would fall in tax year 2018 and Income tax return for the tax year 2018 is not due by the commencement date of the Act or the last date of applicability of the scheme. Therefore there is no question of this income being undeclared or undisclosed.

54. I would like to file declaration for the undeclared stock in trade under the Voluntary Declaration of Domestic Assets, Act 2018. At what value would I declare the stock in trade?

Answer:

You will declare at the market rate as on April 9<sup>th</sup>, 2018 which is the net realizable value of the stock in trade.

55. On April 9<sup>th</sup>, 2018, balance in my bank account was Rs. 100,000 and I had Rs. 50,000 cash in hand which I deposited in the bank after April 9<sup>th</sup>, 2018. Whether I can declare Rs. 150,000 as cash at bank in the declaration.

Answer:

No, you can only declare Rs. 100,000 as cash at bank and Rs 50,000 as cash in hand as on 9<sup>th</sup> April, 2018 may be declared separately in the declaration.

In hand as on 9 April, 2018 may be declared separately in Form 187.

**56. Whether I can pay tax in currencies other than USD for the purposes of tax to be paid under Foreign Assets (Declaration and Repatriation) Act, 2018.**

**Answer:**

As per sub-section (2) of section 9, you can pay tax on foreign assets only in the USD in the bank account as is also mentioned by the SBP in its notification.

**57. Whether FBR's system is capable of handling large number of declarations expected to be filed near the closing date of tax amnesty.**

**Answer:**

Yes, FBR's IT system is robust enough to handle such situations.

**58. Whether I can declare foreign currency held in cash in Pakistan and**

**whether I am required to deposit this currency held in cash in a foreign bank or deposit this**

**currency account or invest in any instrument issued by the Government?**

**Note: The following answer to this question has been withdrawn.**

**Answer:**

Foreign currency held in Pakistan in cash form can be declared under the Voluntary Declaration of Domestic Assets, Act 2018 after payment of tax @ 5% and there is no requirement for deposit of this amount in foreign currency accounts. However, the declarant will have the option of purchasing US dollar bonds issued by the SBP or converting the amount in PKR or keeping the foreign currency in cash as such.

**59.** Please clarify whether domestic assets for the purposes of Voluntary Declaration of Domestic Assets, Act 2018 include undisclosed income.

**Answer:**

Yes, domestic assets include undisclosed income.

**60.** I purchased a constructed house in Bahria Rawalpindi for Rs. 50,00,000 for which I would like to file declaration under the Voluntary Declaration of Domestic Assets, Act 2018. Please advise as to determining the value

of Domestic Assets, Act 2018. Please advise us to determining the value of the house under section 10 of the Act.

**Answer:**

You will determine cost of land as per the FBR rates and superstructure by applying Rs. 400 per square feet and sum the two values. The value of the house for the purposes of the Act shall be higher of the sum so determined or the cost of acquisition which is Rs.50,000,000 in your case.

**61. Whether cost of acquisition is historical cost or current cost.**

**Answer:**

Cost of acquisition is the historical cost. If cost of acquisition of a property in UAE was 100,000 AED and its current cost is 1,50,000 AED, the cost of acquisition shall be 100,000 AED and not 1,50,000 AED. Therefore the

value for the purpose of making declaration under Foreign Assets (Declaration and Repatriation) Act, 2018, shall remain 100,000 AED.

**62.** What exchange rate to be applied while converting the value of foreign asset in foreign currency into Pak Rupee under s 9(1) of Foreign Assets (Declaration and Repatriation) Act, 2018.

**Answer:**

Historical cost in foreign currency is to be converted into Pak Rupees at the SBP's rate applying between the said currency and the Pak Rupee on the date declaration is made. It is because the value of foreign asset is the fair market value under section 5(2) of the Act and the fair market value as defined in section 2(d) is the price which at minimum is cost of acquisition. If the cost of acquisition is 100,000 AED, the minimum fair market value in Pak Rupees is the value of 100,000 AED at the exchange rate of the date on which declaration is filed.

which declaration is filed.  
**63.** For declaration under Voluntary Declaration of Domestic Assets, Act  
2018, whether cash includes cash in foreign currency.

**Answer:**

Yes, cash includes cash in foreign currency.



# FAQs

## ON

### The Procedure for Repatriation of liquid assets and Deposit of Tax under Foreign Assets (Declaration and Repatriation) Act, 2018

Q.1: Some of the prospective declarants of foreign assets don't have foreign currency accounts, can they pay the tax through Exchange Companies or through the accounts of their friends and relatives?

A.1: **No**, the tax payment **cannot** be made through Exchange Companies, Money Business Services etc. The tax payment can only be made through banking channels either from the declarants' own accounts or from the accounts of the declarants' immediate family members i.e. his/her parents, children, spouse and siblings (brothers and sisters). In case of payment through the immediate family members' accounts, the tax payer while sending the copies of PSID, Form 'A' etc. to SBP for generation of CPR, will also send satisfactory documentary evidence to establish the relationship.

Q.2: Can domestic foreign Currency Accounts be used for making the tax payment against declaration of foreign assets?

A.2: The balance in FCY deposits as of 31<sup>st</sup> March 2018 or 20<sup>th</sup> June 2018, whichever is less can be used for the purpose of tax payment. For instance if the balance in an FCY account is USD 10,000 and USD 5000 respectively on 31<sup>st</sup> March 2018 and 20<sup>th</sup> June 2018, the tax payment to the extent of USD 5000 can be made from this account.

Q.3: Can the payment be made through deposit of cheque in Pakistan in favor of SBP?

**A.3:** While it is highly desirable to remit funds through wire transfer from the banks where the declarants or their immediate family members are maintaining the bank accounts, the declarants having bank accounts outside Pakistan but presently residing in Pakistan can also pay the tax in USD by depositing the USD cheques with the authorized branches of National Bank of Pakistan in Pakistan for collecting the proceeds for the SBP account in NBP New York. This may however take 7 to 10 days in collection of the proceeds. The declarants using this payment option should be aware of possible delays in collection of the proceeds. The declarants using this payment option shall after deposit of the cheque with NBP shall electronically transmit the copy of the cheque, deposit slip, PSID, Form A etc to SBP for issuance of CPR. The SBP shall issue the CPR on realization of the cheque proceeds in the SBP account.

**Q.4:** Is it possible that the funds received in the SBP account are less than the funds remitted by the declarant's bank?

**A.4:** Yes it is possible due to deduction of bank charges by the remitting bank. The declarants thus should make sure that the funds being remitted to SBP are at least equivalent to the amount appearing in PSID. The CPR would only be issued if the funds appearing in the PSID have been received in the SBP account.

**Q.5:** As per the Foreign Assets Declaration Act 2018, the declarants are required to report the balances in their accounts abroad. If the declarant repatriates the whole balance in the account to Pakistan and also pay the applicable tax from that balance, would the whole amount declared and

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repatriated to Pakistan including the taxes paid would be considered under the amnesty scheme or the amount remitted net of taxes?

A.5: The whole amount repatriated to Pakistan and the tax paid on the amount being declared and repatriated, shall be covered under the amnesty scheme.

Q.6: if a declarant is repatriating liquid foreign assets to Pakistan under the Foreign Assets (Declaration and Repatriation) Act, 2018, is he/she required to send two separate SWIFT messages for payment of tax in USD and repatriation of liquid assets or can remit the total funds through one SWIFT message.

A.6: The declarant can make two separate wire transfers or one at his/her choice. In case of one SWIFT message (wire transfer), he/she will give the signed statement of application of funds including the amount to be paid as taxes and the amount to be converted into PKR etc.

Q.7 Is the PSID required to be generated the same day when the payment is to be remitted to SBP?

A.7: The funds can be remitted within three days of generation of the PSID. The remittance date means the date on which the declarant's bank sends the funds in SBP account in New York through wire transfer and gives a copy of the SWIFT message to the declarant.

Q.8: Can the date of remittance of funds by the declarant's bank and the date of realization of funds in SBP account in New York be different?

A.8: Yes it can be different due to difference in time zones and/or processing of remittance in New York.

Q.9: What if the exchange rate on the date of PSID creation and the date SBP realizes funds in its account changes. Would this variation in exchange rate have any impact on the tax liability of the declarant?

A.9: As the tax liability is in USD, the exchange rate variation will have no impact on the tax liability of the declarant. The CPR is issued for the same PKR and USD amounts as mentioned in the PSID. Thus the exchange rate for the purpose of tax payment is locked for the tax payer at time of generation of PSID. The liquid funds to be repatriated for conversion into PKR will however be converted and deposited in the declarants' PKR account at the rate prevailing on the date of realization of USD funds in the SBP account.

Q.10: How long it can take to receive Computerized Payment Receipt (CPR), once the amount is remitted to SBP?

A.10: The CPR is issued within 24 hours of the receipt of funds in SBP accounts and the relevant documents i.e. copies of PSID, Form A, CNIC, statement of application of funds etc as detailed in SBP notification of 16<sup>th</sup> April 2018.

Q.11: Who will be my contact person in SBP, if I do not receive any CPR?

~~A.11: The tax payer should send the reminder on the same email address~~  
([tax.foreignassets@sbp.org.pk](mailto:tax.foreignassets@sbp.org.pk)) at which he/she has sent the documents for creation of PSID. A team of 12 officials has been deputed to respond to the queries.

11. **Foreign Assets (Declaration and Repatriation) Act, 2018.**—There is hereby enacted Foreign Assets (Declaration and Repatriation) Act, 2018, in the manner as follows:-

**AN**

**ACT**

*to provide for declaration and repatriation of assets and income held outside Pakistan*

WHEREAS there is a large scale non-reporting and under-reporting of assets and income held outside Pakistan;

AND WHEREAS it is expedient to provide for declaration and repatriation of assets and income held outside Pakistan for the purposes hereinafter appearing;

It is hereby enacted as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Foreign Assets (Declaration and Repatriation) Act, 2018.

(2) It shall come into force at once.

2. **Definitions.**— (1) In this Act, unless there is anything repugnant in the subject or context,-

- (a) "cost of acquisition of the mortgaged asset" means the sum of mortgaged payments and other mortgaged cost of acquisition;
- (b) "court of law" means an Appellate Tribunal, a High Court or Supreme Court of Pakistan;
- (c) "declarant" means a person making a declaration under section 5;

- (d) "fair market value" means price of foreign asset determined and declared by a declarant himself, but in no case is less than the cost of acquisition of the foreign assets;
- (e) "foreign assets" means any movable or immovable assets held outside Pakistan and includes real estate, mortgaged assets, stock and shares, bank accounts, bullion, cash, jewels, paintings, accounts and loan receivables, beneficial ownership or beneficial interests or contribution in offshore entities and trusts;
- (f) "government security" means a bond, note or other debt instrument issued by the Federal Government with a promise of repayment upon maturity;

(g) "liquid assets" means cash or an asset that can be readily converted into cash with a minimal impact on the assets' value and includes bank notes, marketable securities, stocks, promissory notes, government bonds, deposit certificates and other similar instruments; and

(h) "holder of public office" means a person who is or has been, during the preceding ten years,—

(i) the President of the Islamic Republic of Pakistan or the Governor of a Province;

(ii) the Prime Minister, Chairman Senate, Speaker of the National Assembly, Deputy Chairman Senate, Deputy

Speaker National Assembly, Federal Minister, Minister of



State, Attorney-General for Pakistan and other Law Officers appointed under the Central Law Officers Ordinance, 1970 (VII of 1970), Adviser or Consultant or Special Assistant to the Prime Minister and holds or has held a post or office with the rank or status of a Federal Minister or Minister of State, Federal Parliamentary Secretary, Member of Parliament, Auditor-General of Pakistan, Political Secretary;

- (iii) the Chief Minister, Speaker Provincial Assembly, Deputy Speaker Provincial Assembly, Provincial Minister, Adviser or Consultant or Special Assistant to the Chief Minister and who holds or has held a post or office with the rank or status of a Provincial Minister, Provincial Parliamentary Secretary, Member of the Provincial Assembly, Advocate-General for a

Province including Additional Advocate-General and Assistant Advocate-General, Political Secretary;

- (iv) the Chief Justice or, as the case may be, a Judge of the Supreme Court, Federal Shariat Court, a High Court or a Judicial Officer whether exercising judicial or other functions or Chairman or member of a Law Commission, Chairman or Member of the Council of Islamic Ideology;
- (v) holding an office or post in the service of Pakistan or any service in connection with the affairs of the Federation or of a Province or of a local council constituted under any

Federal or Provincial law relating to the constitution of local councils, co-operative societies or in the management of corporations, banks, financial institutions, firms, concerns, undertakings or any other institution or organization established, controlled or administered by or under the Federal Government or a Provincial Government or a civilian employee of the Armed Forces of Pakistan:

Provided that a member of the Board, not actively engaged in the business and day-today affairs of the said corporations, banks, financial institutions, firms, concerns, undertakings or any other

institution or organization shall not be treated as holder of public office under this sub-clause;

- (vi) the Chairman or Mayor or Vice Chairman or Deputy Mayor of a *zila* council, a municipal committee, a municipal corporation or a metropolitan corporation constituted under any Federal or Provincial law relating to local councils;

***Explanation.***— For the purpose of this sub-clause the expressions "Chairman" and "Vice Chairman" shall include "Mayor" and "Deputy Mayor" as the case may be, and the respective councilors therein; and

- (vii) a District *Nazim* or District *NaibNazim*, Tehsil *Nazim* or Tehsil *NaibNazim* or Union *Nazim* or Union *NaibNazim*;

(2) All other words and expressions used but not defined in this Act shall have the same meaning assigned to them under the Income Tax Ordinance, 2001 (XLIX of 2001) and the rules made thereunder.

(3) **Act to override other laws.**—The provisions of this Act shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force.

**4. Application.**— (1) The provisions of this Act shall apply to—

(a) all citizens of Pakistan wherever they may be, except holders of public office, their spouses and dependent children; and

(b) all foreign assets held by the persons mentioned in clause (a) and tax paid on the value of such assets under section 8, except where proceedings are pending in any court of law in respect of the foreign assets.

(2) The provisions of this Act shall not apply to any proceeds or assets that are involved in or derived from the commission of a criminal offence.

**5. Declaration and repatriation of assets held outside Pakistan.**—(1) Subject to the provisions of this Act, any person may make to the Federal Board of Revenue, by the due date specified in section 6, a declaration in respect of foreign assets acquired before the tenth day of April, 2018.

(2) The value of a foreign asset shall be fair market value as defined in section 2.

(3) The declaration of value and tax paid in respect of the foreign assets shall be in the manner as set out in Form A of the Schedule to this Act.

(4) The description of the foreign assets declared under sub-section (1) and (3) shall be in the manner as set out in Form B of the Schedule to this Act.

(5) A person declaring foreign assets under sub-section (1), may by the due date as specified in section 6 also repatriate the said foreign assets in Pakistan.

(6) The declaration of foreign assets shall be made in the manner as set out in Form A of the Schedule to this Act, electronically on Federal

Board of Revenue's web portal and shall be valid only if it is accompanied by the evidence of payment of tax. The declarant may be required to provide additional item-wise details of such assets while filing declaration on Federal Board of Revenue's web portal.

**6. Period of applicability.**—The declaration and repatriation under section 5 shall be made on or after the tenth day of April, 2018 but on or before the thirtieth day of June, 2018.

**7. Charge of tax.**— The foreign assets declared and repatriated into Pakistan within the due date shall be chargeable to tax at the rates specified in the Table below, namely:—

TABLE

S.No.	Foreign assets	Rate (as a percentage)
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		of the value of foreign assets)
(1)	(2)	(3)
1.	Liquid assets not repatriated	5%
2.	Immovable assets outside Pakistan	3%
3.	Liquid assets repatriated and invested in Government securities upto 5 years in US dollars denominated bonds with six-monthly profit payment in equivalent Rupees (rate of return 3%) and payable on maturity in equivalent Rupees	2%

4.	Liquid assets repatriated	

**8. Payment of tax.—**(1) The due date for the payment of tax chargeable under section 7 shall be the date on which declaration is made under section 6.

(2) No tax shall be payable by the declarant under any law for the time being in force including the Income Tax Ordinance, 2001 (XLIX of 2001) where tax has been paid under sub-section (1) in respect of the foreign assets declared under section 5.

**9. Currency and rate of conversion.—**(1) The value of a foreign asset under sub-section (2) of section 5 shall be in Rupees.

(2) The tax payable under section 8 shall be paid in United States dollars as specified in Form A of the Schedule to this Act.

(3) The value in Rupees under sub-section (1) shall be converted into United States dollars at the State Bank of Pakistan's rate applying between the United States dollar and the Rupee on the date the declaration is made under section 6 and tax is paid under section 8.

**10. Mode and manner.**—The State Bank of Pakistan (SBP) shall notify the mode and manner of—

- (a) repatriation of liquid assets in Pakistan;
- (b) deposit of tax in US dollars in SBP; and
- (c) deposit of tax in Rupees in the income tax account of the Federal

Consolidated Fund.

**11. Incorporation in books of account.—** (1) Where a declarant has paid tax under section 8 in respect of foreign assets declared under section 5, the declarant shall be entitled to incorporate in his books of account such foreign assets.

(2) For the purpose of the Income Tax Ordinance, 2001 (XLIX of 2001), the cost of acquisition of foreign assets and date of acquisition shall be deemed to be the value declared by the declarant and the date on which declaration has been made by the declarant, respectively.

**12. Investment in Government securities.—**Investment in Government securities under S.No. 3 of the Table in section 7 shall be made in accordance with a scheme to be introduced by the Government of Pakistan

through the State Bank of Pakistan, by notification in the official Gazette, specifying periodic rate of return, the period for the rate of return and period of maturity.

**13. Confidentiality.—** (1) Notwithstanding the provisions of subsection (3) of section 216 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Right of Access to Information Act, 2017 (XXXIV of 2017) and any other law for the time being in force, particulars of any person making a declaration under this Act or any information received in any declaration made under this Act shall be confidential.

(2) A person who discloses any particulars in contravention of subsection (1) shall commit an offence punishable on conviction with a fine of not less than five hundred thousand Rupees but not exceeding one million Rupees or imprisonment for a term not exceeding one year or with

both.

**14. Declaration not admissible in evidence.**—Notwithstanding anything contained in any other law for the time being in force, nothing contained in any declaration made under section 5 shall be admissible in evidence against the declarant for the purpose of any proceedings relating to imposition of penalty or for the purposes of prosecution under any law including Income Tax Ordinance, 2001 (XLIX of 2001).

**15. Removal of difficulty.**—If any difficulty arises in giving effect to the provisions of this Act, the Federal Government may make such order in writing, as is not inconsistent with the provisions of this Act, for removal of such

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NTN (if available)

ADDRESS

TELEPHONE NUMBER:

Email:

FOREIGN ASSETS

S.No.	Nature of assets	Amount in Rupees	Tax Rate	Tax in Pak Rupees
1.	Liquid assets not repatriated		5%	
	immovable assets outside Pakistan		3%	



3.	Liquid assets repatriated and invested in Government securities		2%	
4.	Liquid assets repatriated		2%	
Total tax in Rupees(1+2+3+4)				
Total tax in US Dollars				
Whether evidence of payment of tax attached			YES	NO

\*CNIC includes NICOP or any other identification number issued by National Database and Registration Authority.

Form B

<p>DESCRIPTION OF ASSETS</p> <p>[see section 5(4)]</p>
--

A. Liquid assets not repatriated

Other liquid assets (see explanation)

1. Foreign currency

Bank account details	Bank name and bank A/c 1	
	Bank name and bank A/c 2	
	Bank name and bank A/c 3	
	Bank name and bank A/c 4	
	Bank name and bank A/c 5	

2. Other liquid assets (securities, stocks, promissory notes, Government bonds, deposit certificates and other similar instruments, etc.)

1.

2.

2  
1

- |    |
|----|
| 3. |
| 4. |
| 5. |
| 6. |

**B. IMMOVABLE PROPERTY(Jurisdiction, address and size)**

- |    |
|----|
| 1. |
| 2. |
| 3. |
| 4. |
| 5. |
| 6. |

7.

**VERIFICATION**

I, the undersigned, solemnly declare that to the best of my knowledge and belief-

- (a) the information given in this declaration is correct and complete; and
- (b) the value of foreign assets has truly been declared.

I, further declare that I am competent to make this declaration and verify it in my own name.

Date \_\_\_\_\_

Signature \_\_\_\_\_

Name \_\_\_\_\_

**12. Voluntary Declaration of Domestic Assets Act, 2018.**—There is hereby

~~enacted Voluntary Declaration of Domestic Assets Act, 2018, in the manner as follows: Domestic Assets~~

**AN**



STATE BANK OF PAKISTAN  
FINANCE DEPARTMENT  
I.I. Chundrigar Road  
KARACHI

No. FD/1704 /2011/ 2018

April 16, 2018

**NOTIFICATION**

**Procedure for Deposit of Tax on, and Repatriation of liquid assets under,  
Foreign Assets (Declaration and Repatriation) Ordinance, 2018**

In exercise of powers conferred by the section 10 of the Foreign Assets (Declaration and Repatriation) Ordinance, 2018, the State Bank of Pakistan is pleased to notify the Procedure for payment and Deposit of Tax in US Dollars, and Repatriation of liquid assets in Pakistan under, Foreign Assets (Declaration and Repatriation) Ordinance, 2018, for the information of general public.



(Saleemullah)  
Director

**Encl: Procedure for Deposit of Tax on, and Repatriation of liquid assets under, Foreign Assets  
(Declaration and Repatriation) Ordinance, 2018**

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Phone: 92-21-99221481

Fax: 92-21-99221482

Email: Saleem.ullah@sbp.org.pk

**Procedure for Deposit of Tax on, and Repatriation of liquid assets under,  
Foreign Assets (Declaration and Repatriation) Ordinance, 2018**

In pursuance of the section 10 of the Foreign Asset (Declaration & Repatriation) Ordinance, 2018 (hereinafter referred to as the "Ordinance"), State Bank of Pakistan (hereinafter abbreviated as SBP) is pleased to notify the procedure for repatriation of liquid assets and payment and deposit of tax:-

**2. Short title and commencement:**

- i. The Procedure may be called Repatriation and Deposit of Tax on Foreign Assets (Declaration and Repatriation) Procedure 2018; and
- ii. It shall be deemed to have come into force from 10<sup>th</sup> day of April 2018.

**3. Declaration of Assets and Generation of PSID**

The taxpayer shall electronically fill the Form 'A', set out in the schedule to the Ordinance, at the FBR portal and generate PSID for payment of tax due on the foreign assets declared in the Form 'A'. To generate the PSID, the tax payer will

open the link <https://paysys.fbr.gov.pk> and enter the tax liability in PKR as determined in Form 'A'; the system will convert the PKR into USD and give the amount of tax liability in both US Dollars and PKR as per the daily PKR/USD exchange rate notified by the SBP to FBR through a dedicated e-mail. The PSID shall be generated on the same day, the tax payment is to be made.

**4. Payment of tax by wire transfer to SBP Account**

- i. After declaration of assets and generation of PSID as described in para '3' above, the taxpayer shall arrange to remit the USD funds against the tax liability as reflected in the PSID and Form 'A' to SBP by wire transfer in the following SBP account:

Name of Payee:	STATE BANK OF PAKISTAN
Payee's Address:	11, CHUNDRIGAR ROAD, KARACHI, PAKISTAN
Payee's SWIFT Code:	SBPPPKKA
Bank Name:	NATIONAL BANK OF PAKISTAN
Bank Address:	NEW YORK, U.S.A
Payee's Account No:	55854560
Bank SWIFT Code:	NBPAUS33



- ii. After remitting the funds to SBP Account, the taxpayer shall electronically send following information and documents to SBP, Karachi, at the email ID @ [tax.foreignasset@sbp.org.pk](mailto:tax.foreignasset@sbp.org.pk):
  - A copy of wire transfer, or swift message, bearing necessary instructions including specification of the CNIC/NTN of the taxpayer in field 72 ;
  - Scanned copy of duly signed Form A and PSID
- iii. SBP shall, after verifying receipt of the money in its account, convert the USD funds into PKR and credit the same to the "Federal Government Account No. I" against the tax receipt.
- iv. For collecting the tax receipt in the "Federal Government Account No. I", SBP will generate CPR against the PSID received from the tax payer; the CPR (computerized payment receipt) is the formal evidence of payment of tax both for the tax payer and FBR.
- v. SBP shall electronically transmit a scanned copy of the CPR so generated to the taxpayer for its record.
- vi. The tax payer shall then link CPR no. received from SBP with the Form A at the FBR portal as the tax payment evidence to complete the assets declaration process.

## 5. Repatriation of liquid Assets in Pakistan

- i. The liquid assets declared to be repatriated into Pakistan in Form 'A' for investment in Federal Government bonds and/or for credit to the tax payer's PKR account, shall also be remitted to the SBP account given in 4 (i) above by wire transfer.
  
- ii. After remitting the funds to SBP Account, the taxpayer shall electronically send following information and documents to SBP, Karachi, at the email ID @ [tax.foreignasset@sbp.org.pk](mailto:tax.foreignasset@sbp.org.pk):
  - A copy of wire transfer, or swift message, bearing necessary instructions including specification of the CNIC/NTN of the taxpayer in field 72 ;
  - Scanned copy of a duly signed statement of application of funds remitted to SBP i.e. the amount of funds to be invested in Government bonds and the amount to be credited to PKR account of the tax payer.
  - A copy of the CNIC

- The details of PKR account (Bank and Branch Name, account title, IBAN) in which the tax payer would like to have credit of periodic profit payments on Government Securities to be purchased under the scheme; and/or PKR equivalent of liquid assets repatriated to Pakistan.
- iii. SBP shall, after verifying receipt of the money in its account, convert the USD funds into PKR at rate applicable on government receipts and give credit: i) to the "Federal Government Account No. I" for the amount to be invested in government Securities, and ii) to the PKR account of the tax payer for the amount of remittance to be converted into PKR.
  - iv. For the amount to be invested in Government Security, SBP shall create scrip less Government Security in its SGLA.
  - v. For the tax payer's information and record, SBP shall electronically send the confirmation of investment of the funds in government securities. Similarly the tax payer will get confirmation for the amount, if any, credited to his/her PKR account.

- vi. SBP shall maintain a register of taxpayers embodying details contained in Form A which will be shared with FBR periodically.

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**Pakistan Law Library Portal**  
**Direct Tax Law**  
**CURRENT**

**INCOME TAX ORD. 2001 - DEFINITIONS**  
**Thorough Study Section 2(51) - Effective Date 13/09/2001**  
**Referred sections**

CHP	PART	DIV.	SEC.	EFF_DATE	END_DATE	SUBJECT	SEC. 1979 ORD
V	I	II	82	01/07/2006		Resident individual	2(40) 2(30)

CHAPTER V

PROVISIONS GOVERNING PERSONS

PART I

CENTRAL CONCEPTS

Division II

Resident and Non-Resident Persons

82. Resident individual.- An individual shall be a resident individual for a tax year if the individual -

- (a) is present in Pakistan for a period of, or periods amounting in aggregate to, one hundred and eightythree days or more in the tax year; or

(b) .....

(c) is an employee or official of the Federal Government or a Provincial Government posted abroad in the tax year.

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{Note: In clause (a), for the word "eighty-two" the word "eightythree" was substituted vide Finance Act, 2006.}



STATE BANK OF PAKISTAN  
FINANCE DEPARTMENT  
I.I.CHUNDRIGAR ROAD  
Karachi

NO. FD/350/2011/2018

21<sup>st</sup> June 2018

**Addendum to the Notification**  
**Procedure for Repatriation of liquid assets and Deposit of Tax under Foreign Assets**  
**(Declaration and Repatriation) Act, 2018**

Reference the SBP Notification No. FD/1704/2011/2018 dated April 16, 2018 on the subject. In order to facilitate the prospective declarants in payment of the tax against declaration of foreign assets under Foreign Assets (Declaration and Repatriation) Act, 2018, following additions/amendments have been made in the payment procedure:

- I. The tax payment can be made through banking channels either from the declarants' own accounts or from the accounts of the declarants' immediate family members i.e. his/her parents, children, spouse and siblings (brothers and sisters). In case of payment through the immediate family members' accounts, the declarant while sending the copies of PSID, Form 'A' etc. to SBP for generation of CPR, shall also send satisfactory documentary evidence to establish the relationship.
- II. The balances in foreign currency accounts of the declarants or their immediate family members being maintained with banks in Pakistan as of 31<sup>st</sup> March 2018 or 20<sup>th</sup> June 2018, whichever is less, can also be used for the purpose of tax payment.

- III. The declarants having bank accounts outside Pakistan but presently residing in Pakistan can also pay the tax in US Dollar by depositing the US Dollar denominated cheques with the authorized branches of National Bank of Pakistan in Pakistan for collecting the proceeds for onward credit to SBP account in NBP New York. While NBP has been advised to make special arrangements for expeditious collection of the cheque proceeds, it may take 7-10 days in collection of the proceeds. The declarants using this payment option should be aware of possible delays in collection of the proceeds. The SBP shall issue the CPR on realization of funds in its account.
- IV. The tax payment can be made within three days of generation of PSID.
- V. The FBR's web link given in SBP Notification dated 16<sup>th</sup> April 2018 for generation of PSID has been replaced with <https://e.fbr.gov.pk>.

The rest of the mechanism as prescribed through the SBP Notification dated 16<sup>th</sup> April, 2018 will remain the same. The SBP has also issued FAQs on the payment procedure which have been placed at SBP website <http://www.sbp.org.pk>.

-Sd-  
(Saleem Ullah)  
Executive Director