

## **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>.

#### **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:**

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 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?**

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:

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.

Answer:

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, 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 law for the time being 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.

**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 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 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.** I bought an apartment in UAE on January 13<sup>th</sup>, 2009. Now I am filing declaration under Foreign Assets (Declaration and Repatriation) Act, 2018 when the exchange rate has changed considerably. For the purpose of determining the Pak Rupee value of the apartment **whether I should use the exchange rate** of January 13<sup>th</sup>, 2009 or **the date I am going to file my declaration**. Please advise.

Answer:

According to section 9 of the Act, the SBP **exchange rate of the date of filing declaration** needs to be used for determining the Pak rupee value of the apartment.

**62.** I filed foreign asset declaration on June 12, 2018 in which I declared my apartment in UAE which I purchased on January 13<sup>th</sup>, 2009. The Pak

Rupee value of the apartment, which I have declared is Rs. 5million, was determined using exchange rate of January 13<sup>th</sup>, 2009. I have been advised by my consultant that I have under-declared the value as Pak Rupee value should be Rs. 6 million on the basis of exchange rate on June 12, 2018. I tried to amend by declaration on FBR system but it does not allow any change. Please advise.

**Answer:**

In this situation you cannot amend the declaration which you have already submitted. However, you can file **additional declaration** to the extent of the **under-declared value** of Rs.1 million.

**63.**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 AED 100,000 and its current cost is AED 1,50,000, the cost of acquisition shall be AED 100,000 and not AED 1,50,000. Therefore the value for the purpose of making declaration under Foreign Assets (Declaration and Repatriation) Act, 2018, shall remain AED 100,000.

**64.**What exchange rate to be applied while converting the value of foreign asset in foreign currency into Pak Rupee under section 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 AED 100,000 the minimum fair market value in



Pak Rupees is the value of AED 100,000 at the SBP's prevailing exchange rate.

**65.**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.

**66.**Whether undisclosed income in Pakistan as mentioned in section 4(b) of the Voluntary Declaration of Domestic Assets, Act 2018 includes only Pakistan-source income and not foreign source income of a resident person.

Answer:

For a resident person, income required to be disclosed in Pakistan includes, both, Pakistan-source as well as foreign-source incomes. Therefore, persons eligible to file declaration under the Act may include, both, Pakistan-source and foreign-source income.

**67.**I have passed payment instructions to my bank for remitting cash to the SBP account held in the NBP New York but amount is remitted into the account after the closing date of June 30th, 2018. Whether my declaration will be valid under the Foreign Assets (Declaration and Repatriation) Act, 2018.

Answer:

Yes, your declaration will be treated as valid under the Act, provided that you have created a draft declaration, created PSID and remitted the funds to SBP on or before the closing date of June 30th, 2018. The date on which the swift message etc was generated to remit the funds in the SBP account will be a sufficient evidence for the purpose. Please also see FAQ 13 and its response available on SBP website.

**68.** As per section 9 of the foreign amnesty, exchange rate of the date of filing declaration is to be used which is not possible due to the time lag in creating PSID and getting CPR from the SBP. Please advise.

Answer:

In cases where the delay is due to processing of payment by the SBP, exchange rate of the date of PSID as determined by the FBR system will be the date of filing of declaration.

**69.** Please explain the phrase “attained finality” as per explanation added to section 8(2) of the Voluntary Declaration of Domestic, Act, 2018 as amended by Voluntary Disclosure of Domestic Assets (Amendment) Ordinance, 2018.

Answer:

The proceedings under Income Tax Ordinance 2001 in respect of undisclosed assets and income attain finality for the purposes of Voluntary Declaration of Domestic, Act, 2018 as amended by Voluntary Disclosure of Domestic Assets (Amendment) Ordinance, 2018 if either:

- I. no appeal has been filed within the prescribed time for filing of appeal against such proceedings or order as a result of such proceedings; or
- II. as a result of appeal filed in any “Court of Law” the appeal is disposed of and no appeal is filed before any higher authority within the meaning of “Court of Law”

**70.** I filed declaration under the Foreign Assets Declaration and Repatriation, Act, 2018 in which I mistakenly declared an apartment in the UAE which is owned by my company, instead of declaring shares in the company. When I try to revise my declaration to correct this bonafide misclassification, the FBR system does not allow editing. Please advise.

Answer:

The FBR system is being configured to allow revision of declaration in this situation of misclassification. However, it may be noted that as per the Act, the revised value of the assets and tax payable should not be less than the value and tax declared in the original declaration.