

FBR to start issuing notices to 0.2 million "super rich"

RECORDER REPORT ISLAMABAD (January 05, 2013) : Federal Board of Revenue Chairman Ali Arshad Hakeem on Friday said the tax authorities will start issuing notices to 0.2 million 'super rich' people identified as potential tax individuals on the basis of their high consumption lifestyle. Arshad Hakeem stated this during the meeting of Senate Standing Committee on Finance convened to consider and approve the "Tax Law Amendment Bill 2012" which was subsequently approved by the committee. He said the schemes would generate 0.5 percent of the GDP, which is Rs 118 billion, during the current fiscal year in addition to development of database. He said that over Rs 200 billion revenue cases have been pending in the court. He said the persons who would declare the assets under the registration and investment schemes would not be used as evidence in cases under litigation. The immunity under the schemes would not be allowed to offences under Narcotics Substance Act 1977, Anti-Money Laundering Act 2010 and Anti Terrorist Act 1997. He sought powers from the committee to block the CNICs of 0.2 million potential tax individuals leading affluent life. The FBR Chairman was of the view that all of them would start paying their taxes if CNIC of one of them was blocked and his name put on exit control list. The FBR Chairman argued before the parliamentarians that they proposed this scheme for easy entry of non-filers as database of 2.9 million non-filers was really goldmine for tax authorities which would benefit now and in many coming years to the country. He said the FBR prepared tax profiles of 2.9 million non-filers out of which 200,000 were those having high consumption pattern and were really big names. "We will go against 200,000 big fish in a major way," he said. He said the economy was in deep recession and innovative solutions are required as is being done in neighbouring countries. Citing Dubai, he said, there was zero tax rate but they got full information and developed database that resulted in massive revenue generation. Arshad Hakeem said the remaining 2.7 million people are mostly shopkeepers of the urban areas. Hakeem expressed concern over the misuse of zero rating by yarn sector and complained that 1 per cent was the effective sales tax rate of 16 per cent tax on electricity. He stated that an hour before the start of the committee meeting, FBR officials forfeited 28 land cruisers from a warehouse in the federal capital. The FBR chairman also agreed to the proposal of Senator Ilyas Bilour that people who have been part of the government during the last five year should not be allowed to avail the facility. He said that the FBR has to go after potential tax individuals to ease the fiscal difficulties of the country and rescue the economy. Senator Ishaq Dar inquired whether any such move would not be knocked down by the judiciary on the basis of being discriminatory and added that when the FBR possessed information against big tax evaders why it failed to move against them. The FBR Chairman said that they would move against potential dodgers with an iron hand and argued that the Supreme Court had allowed moving against them as a class. "We don't expect that this scheme will be challenged in the judiciary on discriminatory grounds," he added. [Copyright Business Recorder, 2013](#)