



ASSETS DECLARATION ORDINANCE, 2019

Sr.	Particulars
1.	Short title, extent and commencement
2.	Definitions
3.	Ordinance to override other laws
4.	Application
5.	Declaration
6.	Charge of tax on undeclared assets
7.	Charge of tax on undeclared sales and excess input tax claimed
8.	Repatriation of foreign assets
9.	Incorporation in book of account
10.	Restriction on transfer of assets / deposit and conversion of bearer assets
11.	Confidentiality
12.	Declaration not admissible in evidence
13.	Removal of difficulty
14.	Misrepresentation
	First Schedule
	Second Schedule

ASSETS DECLARATION ORDINANCE, 2019

Sr.	Heading	Particulars
1.	APPLICATION	WHEREAS there is a reportedly large scale non-declaration of sales, income and assets
2.	REVIVAL OF COMPLIANT ECONOMY	AND WHEREAS to serve the purpose of economic revival and growth by encouraging a tax compliant economy it is expedient to make provisions for declaration of such sales, income and assets for the purposes hereinafter appearing
3.	AS THE SENATE AND THE NA WAS NOT IN SESSION	AND WHEREAS the Senate and the National Assembly are not in session and the President of the Islamic Republic of Pakistan is satisfied that circumstances exist which render it necessary to take immediate action
4.	EXERCISE OF POWERS UNDER ARTICLE 89(1) OF THE CONSTITUTION	NOW, THEREFORE, in exercise of the powers conferred by clause (1) of Article 89 of the Constitution of the Islamic Republic of Pakistan, the President of the Islamic Republic of Pakistan is pleased to make and promulgate the following Ordinance

1. Short title, extent and commencement

Sr.	Heading	Particulars
1.	Name of law	This Ordinance shall be called the Assets Declaration Ordinance, 2019.
2.	Extent	It shall extend to the whole of Pakistan.
3.	Applicability	It shall come into force at once.

2. Definitions

1) In this Ordinance, unless there is anything repugnant in the subject or context,—

Sr.	Name	Definition
(a)	Assets	means asset of any kind including all domestic and foreign assets
(b)	Court of Law	means a High Court or Supreme Court of Pakistan.
(c)	Declarant	means a person making a declaration under section 5.
(d)	Holder of Public Office	means a person as identified in First Schedule to this Ordinance;
(e)	Undeclared Asset	means any asset that has remained undeclared, under declared including any asset held in the name of the declarant or in the name of Benamidar as defined in Benami transaction (Prohibition) Act, 2017 held on June 30, 2018.
(f)	Undisclosed Income	means any income chargeable to income tax under any provision of the Income Tax Ordinance, 2001 that has remained undeclared / untaxed or under-declared/ untaxed for any period upto June 30, 2018 and is not represented by any undeclared asset.
(g)	Undisclosed Sales	means sales chargeable to sales tax or federal excise duty under the Sales Tax Act, 1990 or the Federal Excise Act, 2005 respectively, but were not declared up to the 30th June, 2018 and includes under-declared sales and also input tax excessively or unlawfully claimed under the respective laws

Sr.	Heading	Particulars
2.	All other words and expressions used but not defined in this Ordinance meaning	All other words and expressions used but not defined in this Ordinance shall have the same meaning assigned thereto under the Income Tax Ordinance, 2001 (XLIX of 2001), the Sales Tax Act, 1990 , the Federal Excise Act, 2005 , the Benami Transactions (Prohibition) Act, 2017 (V of 2017) and the rules made thereunder

3. Ordinance to override other laws

Sr.	Heading	Particulars
1.	Overriding effect to this Ordinance	The provisions of this Ordinance shall have effect notwithstanding anything to the contrary contained in any other law for the time being in force

4. Application

Sr.	Heading	Particulars
1.	Applicability	The provisions of this Ordinance shall apply to any undisclosed asset, undisclosed sales, undisclosed income of every person other than public company as defined in the Income Tax Ordinance, 2001
2.	Non-Applicability	<p>The provisions of this Ordinance shall not apply to—</p> <ul style="list-style-type: none"><li data-bbox="699 760 1971 1084">a) holders of public office, their spouses, children, sisters, brothers and parents if the children, sisters, brothers and parents are dependent on the holder of public office during the period of the person holding such public office;<li data-bbox="699 1084 1971 1247">b) any proceeds or assets that are involved in or derived from the commission of a criminal offence;<li data-bbox="699 1247 1971 1377">c) assets, incomes and sales in cases or proceedings pending before a court of law.

5. Declaration

Sr.	Heading	Particulars
1.	Who can make declaration	Subject to the provisions of this Ordinance, any person may make a declaration of the undeclared assets, undeclared income and undeclared sales to the Federal Government by the due date specified in section 6.
2.	Method of declaration	The declaration under sub- section (1) shall be made electronically on the web portal as specified by the Federal Government.
3.	Procedure of Filing of returns and wealth statement	The procedure of filing of returns and wealth statements with respect to the declaration is laid down in Second Schedule.

6. Charge of tax on undeclared assets

Sr.	Heading	Particulars
1.	Basis and valuation of undisclosed assets and income	The undisclosed assets within the due date shall be chargeable to tax at the rates specified in the Table below on the value of such assets and income as determined under section 10, namely

Class of assets / income	Declaration is filed on or before			Valuation
	June 30, 2019	September 30, 2019	December 31, 2019	
Undeclared assets (other than domestic real estate) / undisclosed income	5%	10%	20%	FMV or cost whichever is higher, as declared by the declarant
Domestic Real Estate	1%	2%	4%	FMV (not less than value prescribed by the FBR under section 68 of Income Tax Ordinance, 2001), as declared by the declarant.

The value of foreign assets to be declared under this Ordinance shall be converted into Pak Rupees by applying the Exchange Rate prevalent on the date of declaration.

7. Charge of tax on undeclared sales and excess input tax claimed

Sr.	Heading	Particulars
1.	Rate of tax on undisclosed sales	The undisclosed sales shall be chargeable to tax at the rate of three percent (3%) of such sales in lieu of sales tax and federal excise duty

8. Repatriation of foreign assets

Sr.	Heading	Particulars
1.	Manner of Declaration of moveable foreign assets	Any foreign asset declared under this Ordinance shall be required to be repatriated to Pakistan OR invested in Pakistan Banao Certificate before filing of declaration in the manner prescribed by the State Bank of Pakistan
2.	Non application on Foreign Real Assets	This condition shall not be applicable on such foreign asset which represents foreign real estate

9. Incorporation in books of account

Sr.	Heading	Particulars
1.	Incorporation of declaration	Where a declarant has made a declaration under section 5, he shall be entitled to incorporate such assets, income or sales in his books of accounts.
2.	Time Barred Assets	Any person shall be entitled to incorporate assets in the books acquired which have been barred by the time of limitation under the Income Tax Ordinance, 2001

10. Restriction on transfer of assets / deposit and conversion of bearer assets

Sr.	Heading	Particulars
1.	Transfer of Declared Assets	Notwithstanding anything contained in any other law for the time being in force, an asset declared under this Ordinance shall be prohibited to be transferred to any holder of public office as gift OR below the fair market value by any person. Where an asset declared under this Ordinance, is transferred in violation of the said condition, such declaration shall be void and shall be deemed to have been never made under this Ordinance.
2.	Cash in Hand declaration	Where any cash in hand has been declared, the same shall be deposited before the filing of declaration.
3.	Bearer Assets declaration	No bearer assets shall be allowed to be declared including bearer prize bonds.

11. Confidentiality

Sr.	Heading	Particulars
1.	Confidentiality of declaration	Notwithstanding the provisions of sub-section 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 Ordinance or any information received in any declaration made under this Ordinance shall be confidential .
2.	Punishment for Offense to disclose confidentiality under this Ordinance	A person who discloses any particulars in contravention of sub- section (1) shall commit an offence punishable on conviction with a fine of not less than Rs. 500,000 but not exceeding Rs. 1,000,000 or imprisonment for a term not exceeding one year or with both

12. Declaration not admissible in evidence

Sr.	Heading	Particulars
1.	Declaration not admissible in evidence against the declarant	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 the Income Tax Ordinance, 2001 (XLIX of 2001), the Sales Tax Act, 1990 , the Federal Excise Act, 2005 and the Benami Transactions (Prohibition) Act, 2017 (V of 2017).

13. Removal of difficulty

Sr.	Heading	Particulars
1.	Issue of notification by FG to remove difficulty	If any difficulty arises in giving effect to the provisions of this Ordinance, the Federal Government may, by notification in official Gazette , remove such difficulty as is not in consistent with the provisions of this Ordinance.
2.	Issue of circulars by FBR for guidance and clarify	In order to provide guidance and clarity with regards to the provisions of this Ordinance, the Federal Board of Revenue may issue circulars as may be required.

14. Misrepresentation

Sr.	Heading	Particulars
1.	Declaration shall be void if the same is due to misrepresentation or suppression of facts	Notwithstanding anything contained in this Ordinance, where a declaration has been made by misrepresentation or suppression of facts , such declaration shall be void and shall be deemed to have been never made under this Ordinance

FIRST SCHEDULE

[Section 2(1)(d)]

Holder of Public Office means a person who is or has been, at any time since the 1st day of January, 2000,–

Sr.	Particulars
1.	the President of the Islamic Republic of Pakistan or the Governor of a Province
2.	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;
3.	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;

Sr.	Particulars
4.	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
5.	Holding an office or post in the service of Pakistan 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 established, controlled or administered by or under the Federal Government or a Provincial Government.
6.	Persons actively engaged in the day to day 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. However, this disqualification shall not be applicable in respect of those assets acquired by such persons before becoming the holder of public office
7.	the Chairman or Mayor or Vice Chairman or Deputy Mayor of a <i>Zila</i> council, a municipal committee, a municipal corporation or a metropolitan corporation constituted under any Federal or Provincial law relating to local councils; and

Sr.	Heading	Particulars
8.	<i>Explanation.-</i>	<p>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;</p> <p>A District <i>Nazim</i> or District <i>Naib Nazim</i>, Tehsil <i>Nazim</i> or Tehsil <i>Naib Nazim</i> or Union <i>Nazim</i> or Union <i>Naib Nazim</i>.</p>

SECOND SCHEDULE

[Section 5(3)]

Procedure

(1) The procedure mentioned in section 5(3) shall be as under:-

Sr.	Heading	Particulars
1.	Where return has not been filed	<p>where return has not been filed, the declarant shall file his</p> <p>a) income tax return for tax year 2018 and pay tax on income other than that utilized in acquisition of undisclosed assets, income or sales offered for tax under section 7, at the rates specified in Divisions I or II of the First Schedule to the Income Tax Ordinance, 2001 (XLIX of 2001), notwithstanding the provisions of sub-section (6) of section 114, sections 205 and 182 and Part XI of Chapter X of the Income Tax Ordinance, 2001 (XLIX of 2001); and</p> <p>b) wealth statement as at June 30, 2018, if required to be filed under the Income Tax Ordinance, 2001, to incorporate assets declared under subsection (1)</p>

SECOND SCHEDULE

[Section 5(3)]

Procedure

Sr.	Heading	Particulars
2.	Where return for tax year 2018 has been filed	<p>where return for tax year 2018 has been filed under the provisions of the Income Tax Ordinance, 2001 (XLIX of 2001), the declarant shall revise his</p> <p>a) income tax return filed for tax year 2018 and pay tax on income other than that utilized in acquisition of undisclosed assets, income or sales offered for tax under section 7, at the rates specified in Divisions I or II of the First Schedule to the Income Tax Ordinance, 2001 (XLIX of 2001), notwithstanding the provisions of sub-section (6) of section 114, sections 205 and 182 and Part XI of Chapter X of the Income Tax Ordinance, 2001 (XLIX of 2001); and</p> <p>b) wealth statement as at June 30, 2018, if required to be filed under the Income Tax Ordinance, 2001 to incorporate assets declared under subsection (1)</p>

Sr.	Heading	Particulars
3.	Where the declarant is a registered person or liable to be registered for undisclosed sales	<p>where the declarant is a registered person or liable to be registered under the provisions of the Sales Tax Act, 1990 or the Federal Excise Act, 2005, he shall declare his undisclosed sales for the tax periods from the 1st July, 2013 till the 30th June, 2018 (both days inclusive) subject to tax under the Sales Tax Act, 1990 or the Federal Excise Act, 2005 and pay tax at the rate specified under sub-section (2) of section 7 and provisions of default surcharge and penalty shall not apply.</p> <p>Provided that the declarant shall not be entitled to claim or deduct any input tax against tax;</p> <p>Provided further that tax under section 113 of the Income Tax Ordinance, 2001 (XLIX of 2001) shall not be chargeable on such sales</p>

Sr.	Heading	Particulars
4.	Where the declarant is a registered person or liable to be registered for excessive or unlawful input tax claimed	where the declarant is a registered person or liable to be registered under the provisions of the Sales Tax Act, 1990 or the Federal Excise Act, 2005, he shall declare his excessive or unlawful input tax claimed for the tax periods from the 1 st July, 2013 till the 30th June, 2018 (both days inclusive) and pay tax at the rates specified under the Sales Tax Act, 1990 or the Federal Excise Act, 2005 and provisions of default surcharge and penalty shall not apply
5.	Time limit to complete the above procedure	The procedure referred above is required to be complied within three months of the date of filing of declaration.



THANK YOU