



THE VOLUNTARY DECLARATION OF DOMESTIC ASSETS ACT, 2018



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THE VOLUNTARY DECLARATION OF DOMESTIC ASSETS ACT, 2018

ACT No. XXX of 2018

[22 May, 2018]

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-to-day 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 of the value of the asset)
(1)	(2)	(3)
1.	Foreign currency held in a foreign currency account in Pakistan as on the 31 st March, 2018 and encashed in equivalent Rupees.	2%
	Foreign currency held in a foreign currency account in Pakistan as on the 31 st March, 2018 which is 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.	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.	A-B 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. B= a sum equal to 10% of the said value for each successive year upto a maximum of five years.
6.	Motor vehicles purchased from a manufacturer or assembler or dealer in Pakistan.	A-B A= The price paid by the purchaser, including the amount of all charges, customs duty, sales tax and other taxes, levies, octroi, fees and all other duties and taxes leviable thereon and the costs incurred till their registration. B= a sum equal to 10% of the said value for each successive year upto a maximum of five years.
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 th April, 2018 and where no day-end price of such share or security is quoted on stock exchange on the 9 th April, 2018 day- end price of the share or security quoted on a date nearest to the 9 th 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 certificates, bonds, securities and other similar investments in capital instruments not traded or quoted on stock exchange.	Face value.
11.	Gold.	Rupees 4000 per gram.
12.	Other precious stones and metals.	Market rate as on the 9 th April, 2018 or cost of acquisition, whichever is higher.
13.	Stock-in-trade.	Market rate as on the 9 th 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 th 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 sub-section (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 5

FULL NAME														
CNIC														
NTN (if available)														
ADDRESS														
TELEPHONE NUMBER:														
Email:														
THE PAKISTAN CODE														
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.													
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)	
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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 _____

Name _____

THE PAKISTAN CODE