



2

ASSET DECLARATION ORDINANCE, 2019

PRESENTED BY:

1. MR. KASHIF HAFEEZ, ADDITIONAL CIR
RANGE-C, ZONE-VI, C.R.T.O., KARACHI

ADO-2019 – REASON & OBJECTIVES

- **REASON:**

- Large scale non declaration of assets, sales and expenditure

- **OBJECTIVE:**

- To include the non documented economy's in the taxation system,
- Economic revival and growth through tax compliant economy

4

ADO-2019 – DEFINITION

1. Undisclosed Assets:

- ❖ Benami Transaction (Prohibition) Act, 2016
- ❖ Value of asset unreported, under reported or under stated

2. Undisclosed Expenditure:

- ❖ Unexplained and unaccounted expenditure under the provision of Income Tax Ord., 2001 up to tax year 2018
- ❖ Neither declared in return or for which no return has been filed or which is unaccounted for

3. Undisclosed Sale:

- ❖ Sales or supplies chargeable to Sales Tax or FED which are not declared or under declared.

5

ADO-2019 – ACQUISITION / DECLARATION

Nature	Acquired up to	Declared up to
Undisclosed Asset	30.06.2018	30.06.2019
Undisclosed Sale	30.06.2018	30.06.2019
Undisclosed Expenditure	30.06.2018	30.06.2019
Benami assets	On or before the date of declaration	30.06.2019

6

ADO-2019 – BENEFIT

1. Under Income Tax Ord., 2001:

- ❖ Immunity from proceedings initiated U/s 111 of the Ord., 2001

2. Under Sales Tax Act, 1990:

- ❖ Immunity from proceedings over undisclosed sales/supplies under the Sales Tax Act, 1990 and FED, 2005

7

ADO-2019 – VALUATION OF ASSET

Nature of asset	Value at FBR Rate	Value at DC Rate	Value If Constructed
Domestic Immoveable Property	Price not less than 150% of the FBR value notified under Sec. 68(4) of ITO-2001	Price not less than 150% of the DC value not covered under Sec. 68(4) of ITO-2001	Price not less than 150% of the DC where FBR values are not notified

8

ADO-2019 – VALUATION OF ASSET

Nature of asset	Value
All Other Assets	Fair Market Value U/s 68 of the Ord., 2001
Foreign Assets	Fair Market Value subject to exchange rate prevalent on the date of declaration

ADO-2019 – RATE OF TAX

S. No.	Undisclosed assets, sales or expenditure	Rate of Tax
(1)	(2)	(3)
01.	All assets except domestic immoveable property	4%
02.	Domestic immoveable property	1.5%
03.	Foreign liquid assets not repatriated	6%
04.	Un-disclosed expenditure	4%
05.	Un-disclosed sales	2%

ADO-2019 – VALUATION OF ASSET EXP.

1. In case an asset has already been declared under the ITO-2001 or the Voluntary Declaration of Domestic Assets Act, 2018 and the declarant wish to enhance the value of declared immoveable assets, the value will be adopted as per rates prescribed
2. In case a property has already been declared U/s 68 of the Ord., 2001 or the Voluntary Declaration of Domestic Assets Act, 2018 no further proceedings will be made against him.

11

ADO-2019 – TIME FOR PAYMNET OF TAX

Due Date

30.06.2019

ADO-2019 – TIME FOR PAYMENT OF TX

Sr. No.	Time for payment of tax	Rate of Default Surcharge
01-	If the tax is paid after the 30.06.2019 but on or before 30.09.2019	10% of the tax amount
02-	If the tax is paid after the 30.09.2019 but on or before 31.12.2019	20% of the tax amount
03-	If the tax is paid after the 31.12.2019 but on or before 31.03.2019	30% of the tax amount
04-	If the tax is paid after the 31.03.2019 but on or before 30.06.2020	40% of the tax amount

ADO-2001 – TIME FOR PAYMENT OF TAX

- The tax in respect of foreign currency/asset, held in Pakistan, shall be paid in foreign currency as per procedure prescribed by State Bank of Pakistan,
- If a person agrees to pay the outstanding amount of tax as per order passed by OIR and no default surcharge and penalty will be levied
- Incorporation in books of accounts

ADO-2001 – CONDITION FOR DECLARATION

Sr. No.	Nature	Remarks
01-	Cash	Deposit in bank account and is retained in such account up to 30.06.2019
02-	Foreign Currency	Deposit in foreign currency bank account of declarant and is retained in such account up to 30.06.2019
03-	Repatriated Foreign Liquid Assets	Deposited in Pak Rupee/ Foreign Currency Account OR invested in Pakistan <i>Banao</i> Certificate OR invested in Foreign Currency Denominated Bond issued by the Federal Govt.
04-	Foreign Liquid Assets	Not repatriated to Pakistan shall be deposited in declarant foreign bank account on or before 30.06.2019

15

RULES FOR ASSET DECLARATION

ORDINANCE-2018 ISSUED VIDE

S.R.O. 578(I)/2019 DT: 25.05.2019

16

RULES FOR ADO-2018 – CONDITIONS FOR MAKING DECLARATION

Condition	Procedure
Where Tax return has not been filed for tax year 2018	File tax return for tax year 2018 and in case of Individual file wealth statement/reconc. as on 30.06.2018
Where tax return has been filed for tax year 2018	Revise the return for tax year 2018 and in case of Individual file revise wealth statement/reconc. as on 30.06.2018

17

RULES FOR ADO-2018 – CONDITIONS FOR MAKING DECLARATION

Condition	Procedure
To incorporate un-disclosed sale/supplies as per vires of Sales Tax Act, 1990/FED, 2005 from July, 2014 to June, 2018	File sales tax return/ F.E. return immediately in tax period after the date of declaration

Exclusions from the Scheme

Holder of Public Office

*Any proceeds or assets
involving criminal
offence*

*Bearer Securities,
Shares, Certificates,
Bonds, or any other
Bearer assets*

*A public Company as
per Income Tax
Ordinance, 2001*

*Gold and Precious
Stones*

*Proceedings pending in
any High Court or
Supreme Court of
Pakistan*

19

THANK
YOU!

Q & A