

Government of Pakistan
Revenue Division
Federal Board of Revenue

Notification

Islamabad, the 26th January, 2023.

S.R.O. 76(I)/2023. – In exercise of the powers conferred by sub-section (1) of section 237 of Income Tax Ordinance, 2001, (XLIX of 2001), Federal Board of Revenue proposes to make following rules, the draft of which is hereby published for information of all persons likely to be affected thereby and, as required under sub-section (3) of the said section, notice is hereby given that objections or suggestions thereon, if any, may for the consideration of the Federal Board of Revenue be sent within five days of publication of the draft in the official Gazette. Any objection or suggestion which may be received in respect of the said draft rules, before the expiry of the aforesaid period, shall be considered by the Federal Board of Revenue, namely:

1. Short title and commencement. – (1) These rules shall be called the Sharing of Declaration of Assets of Civil Servants Rules, 2023.

(2) They shall come into force at once.

2. Definition. - In these rules, unless the context otherwise requires –

- (i) “Civil Servants” means an employee serving under Civil Servants Act, 1973 (LXXI of 1973);
- (ii) “CDD” means customers due diligence as defined under the Anti-Money Laundering Act, 2010 (VII of 2010); and
- (iii) “Ordinance” means the Income Tax Ordinance, 2001 (XLIX of 2001).

(2) All other words and expression used in these rules, but not defined herein, shall have the same meaning as are assigned thereto in the Ordinance.

3. Application. – (1) These rules shall apply for sharing of information with banking companies as defined under sub-section (7) of section 2 of the Ordinance.

(2) These rules shall apply for limited purpose of sharing of information in respect of civil servants in BS 17 - 22.

(3) The FBR shall share a simplified or abridged version of declaration, based on the fields agreed with the State Bank, made by a civil servant in his electronic declaration filed with FBR

4. Compliance Requirements. – (1) The bank shall use a pre-notified, secured and single authorized email address and the email account shall be under control and responsibility of the head of compliance of the bank in terms of its authorization, use and security of data being shared. The authorized email account shall be used for request or receipt of simplified declarations as envisaged under sub-rule (3) of rule 3.

(2) The bank shall communicate to the FBR the credentials of a maximum of four Focal Persons (officials) authorized to communicate with FBR through the authorized email. The following information shall be furnished by the bank in respect of focal persons –

- (i) Complete names;
- (ii) CNICs;
- (iii) designations;
- (iv) office address;
- (v) office phone numbers;
- (vi) mobile numbers;
- (vii) fax;
- (viii) authorized email address; and
- (ix) a two-factor authentication method to determine that the email has been sent by the designated officials of the bank.

(3) The authorized officials of the bank shall submit a declaration to the FBR that he shall maintain secrecy of the information that shall be provided to, and it shall not be divulged to any person.

(4) The bank shall promptly communicate any change of Focal Persons' credentials above and shall not allow to use the secured email until the credentials have been communicated to the FBR.

5. Procedure. – (1) Before generating request seeking information from the FBR for CDD, the banks shall take following steps –

- (a) the bank shall determine in writing the reasons for which CDD requires that the information from FBR is to be accessed (the decision of the bank);
- (b) the bank shall obtain an express written consent from the civil servant of whom the bank intends to access information from FBR; and
- (c) the bank shall obtain a certificate from the civil servant as per prescribed format annexed duly signed by the person declaring that he is a civil servant of BS-17 and above, with his complete name, designation, employee number and all other particulars that are prescribed in the format.

(2) The Focal Person of the bank shall send the authorized email to the FBR seeking provision of information and follow the procedure as under –

- (a) send a scanned copy of the decision of the bank as referred in clause (a) of sub-rule (1) of rule 5;
- (b) send a scanned copy of the express written consent as referred in clause (b) of sub-rule (1) of rule 5; and
- (c) send a scanned copy of certificate prescribed under clause (c) of sub-rule (1) of rule 5.

(3) The FBR shall provide simplified or abridged information, within five working days through the authorized email, or may refuse in case information is not available or cannot be provided due to any reason. In case of dispute, the decision of FBR shall prevail being custodian of information.

(4) The FBR shall have a dedicated Banks' CDD desk assigned to an authorized officer supported by designated officials to deal with the information requests from the banks.

(5) The FBR may use other secured electronic access and transmission methods as available from time to time like a dedicated portal page.

6. Responsibilities of the Bank. – (1) The bank shall abide by sub-section (7) of section 216 of the Ordinance in respect of information received from FBR.

(2) The bank shall provide bi-annual feedback on the use of information received by the bank as well as on the outcome of CDD in terms of success of new accounts opened and how the information helped the bank in establishing its client relationship. Case-wise feedback to be provided by 31st July and 31st of January of every year of preceding six months' information requests made by the bank.

(3) The bank shall retain the hard copies of documents as mentioned in sub-rule (1) of rule 5 and shall produce to the State Bank of Pakistan (SBP) for the purpose of compliance audit of the steps required under sub-rule (1) of rule 5.

(4) The compliance audit shall be undertaken by the SBP once a year unless specifically asked by FBR on case to case basis.

Prescribed Certificate under Rule 5 (1)(c)

Declaration

I declare that I am a serving civil servant in BS ___ with the following particulars:

Name:

CNIC:

Employee No:

Parent Department:

Present Department / Place of posting:

Signed:

Dated:

Countersigned

(Bank Officer)

Verified and signed before me

Dated:

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(Usman Asghar)

Secretary (Income Tax Policy)