



**STATE BANK OF PAKISTAN  
FINANCE DEPARTMENT  
I.I.CHUNDRIGAR ROAD,  
KARACHI**

No. FD/ 2566/2038/2019

May 30, 2019

**NOTIFICATION**

**PROCEDURE FOR DEPOSIT OF TAX AGAINST FOREIGN ASSETS  
UNDER ASSETS DECLARATION ORDINANCE 2019**

In partial modification of our notification no. FD/1704/2498/2019 dated May 25, 2019, Para 5(ii) of the Procedure under section (9) of the Asset Declaration Ordinance, 2019 has been amended whereby, on the suggestion of stakeholders to facilitate the taxpayers, correspondent bank in United Arab Emirates (UAE) notified earlier has been changed. The new correspondent bank in the U.A.E would be United Bank Limited, Dubai.

The amended procedure is enclosed herewith.

Yours sincerely,

-Sd-  
(Qader Bakhsh)  
Additional Director

**Encl: Procedure under Section (9) of the Asset Declaration Ordinance, 2019.**

**NOTIFICATION**  
**ON**  
**PROCEDURE UNDER SECTION (9) OF THE ASSET DECLARATION**  
**ORDINANCE, 2019**

In pursuance of the section 9 of the Asset Declaration Ordinance, 2019 (hereinafter referred to as the “Ordinance”), State Bank of Pakistan (hereinafter abbreviated as SBP) is pleased to notify the procedure for:

- a) Method of conversion of value of assets held outside Pakistan in Pak Rupees.
- b) Deposit of tax in foreign currency through State Bank of Pakistan; and
- c) Repatriation of assets to Pakistan.

**2. Short title and commencement:**

- i. The Procedure may be called as the Procedure under section (9) of the Ordinance; and
- ii. It shall be deemed to have come into force from 25<sup>th</sup> day of May 2019.

**3. Method of conversion of value of foreign denominated assets into Pak Rupees:**

- i. The asset held outside Pakistan and foreign currency held in Pakistan shall be converted into PKR at such exchange rates<sup>1</sup> as may be notified on daily basis by the SBP to Federal Board of Revenue (FBR) through dedicated email in respect of ten currencies i.e. AED, AUD, CAD, CHF, CNY, EUR, GBP, JPY, SAR, and USD.
- ii. If the foreign currency denominated assets are in a currency other than those specified in clause 3(i), the taxpayer shall convert the said currency into PKR by using the following formula:

Value of assets in PKR = A x B x C / D where,

A = Value of asset in currency other than currencies listed in 3(i) held outside Pakistan;

B = Number of USD per SDR to be taken from IMF website<sup>2</sup>;

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<sup>1</sup> The arithmetic mean of Weighted Average Customer Exchange Rates (Buying & Selling).

<sup>2</sup> Special Drawing Rights (SDR) rates (Currency Units per SDR) accessible from [https://www.imf.org/external/np/fin/data/param\\_rms\\_mth.aspx](https://www.imf.org/external/np/fin/data/param_rms_mth.aspx)

C = Exchange Rate of USD with PKR as notified by the SBP under clause 3(i);  
and

D = Number of currency units in the currency other than those listed in 3(i) per  
SDR

**Illustration:** The taxpayer has assets in Singapore Dollar amounting to 1,000 and files the declaration on May 16, 2019. The rates from the IMF Website of preceding working day would be available and applicable for conversion. Hence, the parities of USD, Singapore Dollar with SDR as of May 15, 2019 are 1.382330 and 1.891160 respectively.

$$\text{Value of asset in PKR} = \frac{1,000 \times 1.382330 \times 141.3445}{1.891160} = \text{PKR. 102,881.94}$$

#### 4. Declaration of foreign assets held outside Pakistan and deposit of tax thereon:

- i. The taxpayer shall declare the value of his/her assets held outside Pakistan on the FBR web portal i.e. <https://www.fbr.gov.pk> in respective foreign currency and equivalent PKR computed as per the procedure given in clause 3.
- ii. The system will generate tax liability of the taxpayer in PKR by applying the relevant tax rate for each category of disclosed assets.
- iii. The taxpayer will now visit the website: <https://e.fbr.gov.pk> to generate the PSID. The taxpayer has the option of discharging his/her liability either in USD or AED. After selection of tax payment currency, the system will compute the tax liability in both PKR and USD/ AED. The sequential number of PSID (PSID Number) will be recorded by the taxpayer in his/her own record, besides taking the print thereof.

#### 5. Payment of tax:

##### i. Payment of tax in US Dollars:

- a. After completing declaration of assets and generation of PSID as described in clause 4, the tax liability as determined in the PSID shall be remitted to the following account:

Beneficiary's Correspondent Bank:	NATIONAL BANK OF PAKISTAN
Beneficiary's Bank Address:	NEW YORK, U.S.A
Beneficiary's Bank SWIFT Code:	NBPAUS33
Beneficiary's Account Title:	SBP-NBP HO Collection Account
Beneficiary Customer's Account No:	5640-5090
Payment Instructions:	TRANSFER TO SBP COLLECTION A/C WITH NBP-KARACHI -A/C No. 4156252147

Taxpayer shall in the SWIFT message, bearing the necessary instructions above, include his/her PSID No, CNIC, Date of Birth (DOB), and Place of Birth (POB).

- b. The amount so received by NBP New York shall be credited to SBP-NBP HO account maintained with them.
- c. NBP-Karachi shall, after verifying receipt of the money in the above account and necessary screening, access the taxpayers detail from the FBR Portal by entering the PSID number as given in the SWIFT message. Thereafter, the concerned officer shall input the amount so received in the designated field. The system will match the amount received with the amount of PSID; eCPR will be generated if the amount received in USD matches with the PSID amount in USD. In case of short payment, the system will generate SMS/ email for the taxpayers regarding the short payment. The short payment can be deposited in cash with the designated NBP branches in major cities. In order to avoid the hassle; the taxpayer may consider remitting USD 50 over and above the tax liability so as to absorb correspondent bank charges. The excess amount, if any, shall be credited to a temporary account to be closed after the culmination of the scheme.
- d. NBP - Karachi will settle the foreign currency proceeds of the issued eCPRs into the Nostro account of SBP with NBP New York on a T+1 basis.
- e. NBP- Karachi will render summary of settlement of eCPRs in respect of which the settlement has been made in SBP Nostro Account. The summary inter-alia shall include the tax liability in PKR and USD as per eCPRs.
- f. SBP will credit the government account with the amount of PKR as accumulated through eCPRs and consequential exchange rate differential shall be on SBP account.

ii. **Payment of tax in UAE Dirham:**

- a) After completing declaration of assets and generation of PSID as described in Para '4' above, the taxpayer shall arrange to remit the AED funds against the tax liability as reflected in the PSID to SBP through official normal banking channels in the following account:

Beneficiary's Correspondent Bank:	UNITED BANK LIMITED
Receiving Bank Address:	DEIRA, DUBAI, UAE
Receiving Bank SWIFT Code:	UNILAEAD
Beneficiary Customer's Account Title	NATIONAL BANK OF PAKISTAN
Beneficiary Customer's Account No:	200548999
Payment Instructions:	TRANSFER TO SBP COLLECTION A/C WITH NBP-KARACHI-A/C No. 4156252174

Taxpayer shall in the SWIFT message, bearing the necessary instructions above, include his/her PSID No, CNIC, Date of Birth (DOB), and Place of Birth (POB).

- b. The amount so received by United Bank Limited, Dubai will be credited to National Bank of Pakistan Head Office, Karachi (NBP Karachi) account maintained with them.
- c. NBP-Karachi will, after verifying receipt of the money in its account and necessary screening, access the taxpayers detail from the FBR Portal by entering the PSID number as given in the SWIFT message. Thereafter, the concerned officer shall input the amount so received in the designated field. The system will match the amount received with the amount of PSID; eCPR will be generated if the amount received in AED matches with the PSID amount in AED. In case of short payment, the system will generate SMS/ email for the taxpayers regarding the short payment. The short payment of equivalent to up to USD. 100 can be deposited in cash with the designated NBP branches in major cities. In order to avoid the hassle; the taxpayer may consider remitting AED 200 over and above the tax liability so as to absorb correspondent bank charges. The excess amount, if any, shall be credited to a temporary account to be closed after the culmination of the scheme.
- d. NBP - Karachi will settle the foreign proceeds into the Nostro account of SBP with First Abu Dhabi Bank PJSC - Abu Dhabi on a T+1 basis.

- e. NBP- Karachi will render a summary of settlement of eCPRs in respect of which the settlement has been made in SBP Nostro Account. The summary shall inter-alia include the tax liability in PKR and AED as per eCPRs.
- f. SBP will credit the government account with the amount of PKR as accumulated through eCPRs and consequential exchange rate differential shall be on SBP account.

**6. Payment of tax on foreign currency held in Pakistan:**

- i. The following assets shall be included in the foreign currency held in Pakistan:
  - Cash held by the declarant which is deposited into a bank account in the manner prescribed by the section 8(a) of the Ordinance;
  - Foreign Currency held in declarants own foreign currency bank account and retained in the said account in accordance with the provisions of Section 8(b); and
  - Face Value of the amount invested in Pakistan Banao Certificates (PBCs).
- ii. The aforesaid assets shall be converted into Pak Rupee in accordance with the procedure given in Clause 3 above. The PKR value so computed shall be declared on FBR Web Portal along with Bank Name, Branch name and account number.
- iii. The taxpayer will then generate a PSID in PKR and USD through <https://e.fbr.gov.pk>; the sequential number (PSID Number) of which will be recorded by the taxpayer in his/her own record, besides taking the print thereof.
- iv. The payment of such tax shall be made locally through local USD Clearing accounts of the bank maintained with the State Bank of Pakistan for which purpose the taxpayer shall advise their banker to issue a debit authority in favor of Chief Manager SBPBSC-KO, authorizing to debit the account to the tune of the tax liability. Debit authority must specify the PSID of the taxpayer, so as to enable the generation of eCPR.

**7. Payment of tax after 30<sup>th</sup> June 2019:**

- i. A taxpayer declaring his/her assets held outside Pakistan and/ or foreign currency held in Pakistan, shall file his/ her declaration at FBR Portal and generate PSID indicating tax liability in Pak Rupee and foreign currency (either in USD or AED), on or before 30<sup>th</sup> June, 2019.

- ii. The tax liability in foreign currency as reflected in the aforesaid PSID shall be the amount on which surcharge at applicable rate will be levied, if the taxpayer discharges his/ her liability after 30<sup>th</sup> June, 2019. The PSID for payment of default surcharge will be created at the time of payment of the tax and the surcharge.

#### **8. Repatriation of assets to Pakistan:**

- i. Taxpayers intending to repatriate their assets held outside Pakistan shall remit the same to Pakistan through banking channels in declarants' own account, whether denominated in PKR or FCY in any bank in Pakistan.
- ii. Taxpayers may also repatriate their liquid assets by subscribing Pakistan Banao Certificates (PBCs) digitally through the web portal at <https://pakistanbanaocertificates.gov.pk>.
- iii. The Pakistani bank receiving the repatriated funds shall issue Asset Repatriation Certificate (ARC) which shall include the details such as Name of Remitter, Amount in FCY, and IBAN of taxpayer. Each ARC shall have a unique reference number, which the taxpayer shall use to report the same to FBR. The taxpayer shall also upload the ARC on the FBR Web-Portal.
- iv. The bank shall issue ARC under these rules only in respect of the assets repatriated on or after the date of issuance of the Ordinance.
- v. SBP may either as a part of its regular inspection or through a special inspection may examine the record of all such certificates issued by the bank so as to confirm their accuracy and conformity with underlying record and transaction trail.

#### **9. Removal of difficulties:**

- i. SBP may issue notifications/ circulars/ FAQs for removal of any difficulties in the payment/ remittance process from time to time.

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