



# TRANSPARENCY INTERNATIONAL-PAKISTAN

24<sup>th</sup> December 2011

5-C, 2nd Floor, Khayaban-e-Ittehad, Phase VII,  
Defence Housing Authority, Karachi.  
Tel: (92-21)-35390408, 35390409, Fax: 35390410  
E-mail: ti.pakistan@gmail.com  
Website: www.transparency.org.pk  
**Advisory Committee**

Mr. Salman Siddique,  
Chairman,  
Federal Board of Revenue,  
Islamabad.

Subject: Income Tax notice to Mr Malik Riaz on admission of assets worth US \$ 3 Billion.

Dear Sir,

TI-Pakistan requested the Chairman Federal Board of Revenue vide its letter 04<sup>th</sup> September 2010 to provide the following information with regard to payment of government revenue on Rupees 225 Billion assets admitted to be owned by Mr. Malik Riaz, in his interview on CNN on 31<sup>st</sup> August 2010.

Following information were requested:

1. Provide information to TI-Pakistan on the total value of assets of Mr. Malik Riaz as assessed by FBR in accordance with Income Tax Ordinance 2001, and tax collected.
2. In case these assets of Rs. 225 Billion have not been declared to FBR in Mr. Malik Riaz'S tax returns of 2009-2010, FBR to take action according to law (to recover the government revenue and penalty if any for evasion of taxes.).

FBR did not respond to TI Pakistan's request for 08 months, and therefore on 29<sup>th</sup> April 2011, TI-Pakistan sent a complaint to Federal Tax Ombudsman against FBR, requesting the FTO to take action under the FTO Law.

Consequently a reply from FBR was received on 17<sup>th</sup> June 2011 vide letter No.C.No.7(20)S.Asst/2010, quoting TI Pakistan's letter dated 29<sup>th</sup> April 2010, informing as under:

*"This is to inform you that the information sought in respect of Malik Riaz Hussain of Bahria Town cannot be provided in view of Section 216 of the Income Tax Ordinance, 2011."*

TI-Pakistan does not understand why the FBR is reluctant to perform its mandatory duty, and avoiding to collect the due taxes on the declared assets of Mr. Malik Riaz of Bahria Town.

TI-Pakistan in its complaint dated 4/9/2010 raised two issues, first one was replied by FBR that under section 216 the tax figures of individuals cannot be provided. However the second request of TI Pakistan has not been responded that in case these assets of Rs. 225 Billion have not been declared to FBR in Mr. Malik Riaz'S tax returns of 2009-2010, FBR



to take action according to law, which means that FBR should recover the outstanding tax and penalty on willful concealment.

Pakistan is suffering because of evasion of government revenue by tax payers, and also due to lack of application of rules specially by FBR, and TI Pakistan again request the Chairman FBR to apply the law and recover the outstanding dues if any from the defaulter. .

We again request you to kindly confirm whether the Rs. 225 billion internationally declared to be owned by Mr. Malik Riaz, are included in the tax returns of 2009 – 2010 and FBR has collected the due taxes.

Regards,

Syed Adil Gilani  
Adviser

Copies forwarded for the information of:

1. Chairman, Public Accounts Committee, Islamabad.
2. Federal Tax Ombudsman, Islamabad
3. Chairman, NAB, Islamabad.
4. Registrar, Supreme Court.
5. Auditor General, Islamabad.



GOVERNMENT OF PAKISTAN  
REVENUE DIVISION  
FEDERAL BOARD OF REVENUE  
\*\*\*\*\*

C.No.7(20)S.Asst/2010

Islamabad, June 17, 2011


To

Syed Adil Gilani,  
Chairman,  
Transparency International Pakistan,  
5-C, 2<sup>nd</sup> Floor, Khayaban-e-Ittehad, Phase-VII,  
Defence Housing Authority,  
**Karachi.**

Subject: **ASSET DECLARATION AND TAX DEDUCTION INFORMATION.**

Please refer to your letter dated 29.04.2011 on the subject noted above. This is to inform you that the information sought in respect of Malik Riaz Hussain of Bahria Town cannot be provided in view of section 216 of the Income Tax Ordinance, 2001. Photocopy of relevant law is annexed for your kind perusal.

Encl: As above.

  
(Asif Rasool)  
Secretary (IR-G)