

Benami Act: FBR to place summary before Cabinet

The Federal Board of Revenue (FBR) is in the process of placing before the federal Cabinet a summary along with rules of Benami Transaction (Prohibition) Act, 2017 for approval. The law after the approval from Standing Committees on Finance of both the Houses - the National Assembly and the Senate - was also approved from the Upper and Lower Houses of the Parliament. However, rules and operational matters are still to be approved.

Sources said that draft rules under the Benami Transactions (Prohibition) Act, 2017 were forwarded to the Law Division for vetting before their notification. The Law Division has vetted the draft rules along with the observation that as per section 61 of the Benami Transaction (Prohibition) Act, 2017, only the federal government, as enunciated by the apex court, is empowered to make rules for carrying out the provisions of this Act.

Therefore, approval of the federal government is required before issuing notification and as per Supreme Court's interpretation in 2016 PLD 808, the federal government consists of cabinet comprising the prime minister and federal ministers.

The amendments made by Law Division have been incorporated in the draft rules under Benami Transactions (Prohibition) Act, 2017. However, various operational matters also require approval of the cabinet.

The submission of summary for cabinet is under process. National Assembly has approved the law in February 2017 and subsequently Benami Transactions (Prohibition) Act, 2017 was placed on National Assembly's website. However, the rules and operational matters are now to be placed before the federal cabinet to fulfill the last stage.

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