



**FINANCIAL MONITORING UNIT (FMU)
GOVERNMENT OF PAKISTAN**

2ND FLOOR, SBP MAIN BUILDING, I.I. CHUNDRIGAR ROAD, KARACHI 74400

Guidelines for Financial Institutions on Tax Amnesty Scheme for Construction Sector

The Federal Government has announced a tax amnesty scheme for the construction sector through amendments in the Income Tax Ordinance, 2001 by promulgating “The Tax Laws (Amendment) Ordinance No.1 of 2020”. In order to address and mitigate potential abuse of the Scheme for the purpose of moving funds derived from criminal activities, following guidelines are being provided to ensure meticulous compliance of the legal requirements relating to Anti-Money Laundering (AML) and Countering Financing of Terrorism (CFT):

- a) The Tax Amnesty Scheme for construction sector as announced by the Government of Pakistan does not provide immunity from the application of Anti-Money Laundering Act, 2010. As such, no exemption, in whole or in part, from AML/CFT legal or regulatory measures under the said Act has been given under the Scheme.
- b) Effective implementation of AML/CFT measures is essential for addressing and mitigating money laundering and terrorist financing risks. Therefore, the obligations to take legal and regulatory measures including customer due diligence, reporting of suspicious transactions and currency transactions to Financial Monitoring Unit (FMU), along with all other AML/CFT measures should be followed in letter and spirit and without any exception.
- c) Wherever a suspicious activity is noticed as per section 7 of the Anti-Money Laundering Act, 2010, read with the regulations issued thereunder and Red Flag Indicators, financial institutions are required to promptly file Suspicious Transaction Report (STR) on the prescribed format with FMU in accordance with the applicable procedure.
