



Senator Mohammad Ishaq Dar
 Minister for Finance, Revenue,
 Economic Affairs, Statistics and
 Privatization

ISLAMABAD

20th February, 2015

Dear Mr. Imran Khan,

السلام عليكم

I regret to note your statement issued yesterday that I had allegedly transferred US\$ 4 million to my son in Dubai to avoid taxes in Pakistan and that I am dragging my feet on signing Tax Avoidance Treaty with the Swiss Authorities to bring back the ill-gotten money to Pakistan. I must say your statement is totally fallacious, highly preposterous, nothing but a figment of your imagination and prima facie tainted with malafide.

Let me inform you that I have never transferred to my son even a single rupee from Pakistan to Dubai. On the contrary I have in fact till date received around 4 million US dollars from my sons in Dubai, a fact which you have twisted for political mileage.

I had gifted certain amount to my sons from out of my lawful earnings abroad, who are independent, adults, and started their professional careers in Dubai. I had also given them around US \$ 4 million as loan which has since been fully repaid (as referred above) by them through proper banking channel, meaning that the amount reached Pakistan, adding to the forex reserves of the country. Being a family transaction, with no nexus with any tax implication in Pakistan or Dubai, it is unfortunate that this transaction has been dragged in public domain to raise unsubstantiated allegations against me who pays his taxes regularly and faithfully

Further, being member of the Parliament, I have been regularly depositing my returns with the Tax Authorities and details of all my assets have been regularly reported in my annual returns of "statement of assets and liabilities" with the Election Commission of Pakistan. Your statement therefore is not only false

Imran Khan

and fabricated but also has no nexus whatsoever with verifiable facts and public record.

As far as the other allegation, let me enlighten you with some facts which you seem to have intentionally ignored despite heading a political party, PTI.

The present democratically elected Government is committed to get access to information from Switzerland and detail of deposits of Pakistanis in its Banks. The Government of Pakistan has a Tax Treaty with Switzerland and as per Article 25 of the said Treaty, information may be obtained from its government on case to case basis. However, Switzerland is not bound to provide information which is in possessions of their banks and financial institutions covered under their bank secrecy laws.

Feeling the need for developing instruments for better access to information, FBR on 11th October 2012 requested the then Finance Minister for approval to renegotiate the existing Tax Treaty. However, the required approval was not granted. On assumption of office by me as Finance Minister, I restarted the process, obtained Cabinet approval and the formalities for renegotiating the Treaty were completed. Thereafter, negotiations were started by FBR to revise the existing Treaty in August 2014. First round of negotiations has been completed and currently FBR's request for 2nd round is pending with Swiss authorities. As and when our proposed amendments are agreed to by the two countries, Switzerland will be obliged to provide information about banks and financial institutions irrespective of banks' secrecy laws on a case to case basis.

You may also like to know that our government is also pursuing full membership of "Global Forum on Transparency and Exchange of Information" for tax purposes. Due to our active participation in the process, we were able to complete 1st phase of Peer Review in October, 2014 and the 2nd phase will start in July-August, 2015. After completion of this process Pakistan would be eligible for full membership leading to Automatic Exchange of and Access to Information from more than 121 countries across the globe.

Furthermore, our Government is in the process of acceding to the Convention on Mutual Administrative Assistance in Tax Matters enabling Pakistan to obtain information on tax matters. Requisite documentation in this



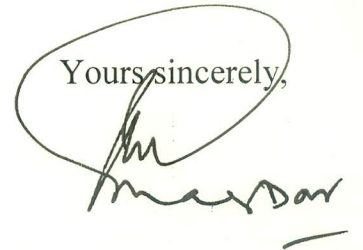
behalf has been filed with respective institutions. This will also facilitate getting information on tax evasion.

The aforesaid measures would lead to more transparency and access to such information which will arrest flight of capital and retrieval of ill-gotten and black money.

I hope this information will set the record straight and remove any misgivings in your mind that I am in any way hindering the signing of the Tax Avoidance Treaty. I am in fact faithfully pursuing with full vigour this case in national interest. Here again, I would say that you have misrepresented the facts yesterday which serve no national purpose. As head of a political party, you are expected to demonstrate responsibility and to verify the facts before making such public statement.

I reiterate that I would welcome any suggestion and assistance from you and your Party to facilitate and expedite the legal processes to retrieve the ill-gotten money, from any foreign bank, which actually belongs to the people of Pakistan.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. Yousaf', is written over the text 'Yours sincerely,'. The signature is enclosed within a hand-drawn oval.

Mr. Imran Khan,
Chairman, PTI,
Islamabad