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## Islamabad Property Deals Restricted Under New Tax Rules

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In a move that significantly affects Pakistan's real estate market, the Federal Board of Revenue (FBR) has enforced new restrictions barring non-filers from purchasing or registering property, as part of its broader push to expand the country's tax net.

According to the FBR, the number of active taxpayers has now reached a record 7.5 million as of July 31, 2025. This surge follows the implementation of Section 114C of the Income Tax Ordinance under the 2025–26 federal budget, which imposes strict limitations on non-

compliant individuals. Among the major restrictions: non-filers can no longer buy or register real estate, luxury vehicles, or make large financial transactions.

Real estate agents and property developers report a noticeable shift in buyer behavior. Individuals who had previously remained outside the formal tax system are now registering with the FBR to

legally access the real estate market. The threat of exclusion from property investments is driving increased compliance, particularly among those involved in high-value land and housing deals.

The FBR's campaign ties financial privileges directly to tax status. Active Taxpayer List (ATL) members benefit from reduced withholding taxes and easier access to banking and investment services, which are now influencing decisions in the property sector.

While the broader goal of the policy is to formalize economic activity and improve revenue collection, its immediate impact is being felt in Pakistan's urban property markets, where non-filers are facing hurdles in completing transactions. The regulation is expected to reshape how property is bought, sold, and registered, especially in areas like Islamabad, Lahore, and Karachi, where investor activity is typically high.

FBR officials have indicated that enforcement will continue to intensify through automation and data integration, further tightening restrictions on non-filers. This marks a significant turning point for real estate access in Pakistan, making tax compliance an essential condition for property ownership.