

# OpenVoiceNews Pakistan

Transparent. Unbiased. Yours.

## Taxpayers and Real Estate Experts Raise Alarm Over FBR's New Property Valuation Rule

July 16, 2025


– Categories: Real Estate



ISLAMABAD – The Federal Board of Revenue (FBR) has introduced a controversial requirement obliging taxpayers to declare the *Fair Market Value* (FMV) of property when filing income tax returns involving real estate, starting July 1, 2025. While the move is aimed at increasing transparency in property transactions, experts have

warned it could backfire by creating confusion, discouraging first-time filers, and undermining investor confidence in Pakistan's already burdened real estate sector.

Real estate analyst Muhammad Ahsan Malik expressed serious concern over the rule, arguing that taxpayers already declare property purchase prices in their returns. “This extra step seems unnecessary and will only confuse honest filers who are trying to stay compliant,” Malik said. More troubling, he noted, is the policy’s failure to distinguish between established taxpayers and fresh filers who are now being treated on par with late filers when it comes to higher tax rates on property purchases. Malik urged the FBR to promote, rather than punish, formal entry into the tax net.

Overseas Pakistanis, a group vital to real estate investment, also appear to be on the losing end of the new policies. Malik noted that despite sending billions in remittances annually, expatriates received no meaningful relief in the 2025–26 federal budget. In fact, to verify their non-resident status for tax exemption, they must now obtain a certificate from the Commissioner Inland Revenue, a process he described as “cumbersome, bureaucratic, susceptible to corruption.” This red tape, he warned, could drive away overseas investors already wary of Pakistan’s complex documentation processes. 

As debate heats up, many in the tax and property sectors are urging the FBR to reconsider or revise the FMV rule. The push for transparency must not come at the cost of alienating genuine investors and taxpayers who fuel Pakistan’s housing and construction economy. What’s needed is a streamlined, fair, and technology-driven approach to property declarations that rewards compliance rather than punishes it. At a time when investor sentiment is already fragile, FBR’s policies must be crafted with a practical understanding of market dynamics, not just bureaucratic optics. The road to reform must be paved with trust, not more paperwork.