

National Clearing Company of Pakistan Limited

8th Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi

NCCPL/CM/AUGUST-21/07

August 15, 2021

Issuance of Annual Certificates of Capital Gains in soft form for the year ended June 30, 2021

All Clearing Members (CMs)

Pakistan Mercantile Exchange Limited (PMEX)

All Asset Management Companies (AMCs)

This is with reference to the collection of amount of Capital Gain Tax (“CGT”) by the National Clearing Company of Pakistan Limited (“NCCPL”) for the period from July 01, 2020 to June 30, 2021 in accordance with the provisions stipulated in the Income Tax Ordinance, 2001 (“Ordinance”) and the Income Tax Rules, 2002 (“Rules”) relating to CGT.

In this respect, sub-rule (4) of rule 1 of the Eight Schedule to the Ordinance, inter-alia, states as follows:

“NCCPL shall issue an annual certificate to the taxpayer on the prescribed form in respect of capital gains subject to tax under the Eight Schedule for a financial year”.

NCCPL is providing Annual Certificates of Capital Gains in the soft form for the year ended June 30, 2021 for onward distribution to their Clients.

Since, NCCPL has no direct communication with Clients of CMs, therefore, provision of Annual Certificates in soft/hard form is the exclusive responsibility of CMs to their respective Clients.

In this regard, procedure for issuance of Annual Certificates of Capital Gains in soft form is as follows:

Annual Certificates of Capital Gains, as a combined PDF Report is available to CMs for all their Clients; CMs can download the Annual Certificate Report through NCCPL CGT System in PDF format for all Clients at once or by Individual Client separately using consolidated PDF file with PDF split tool.

- A.** CMs will issue the Annual Certificate to their Clients via e-mail or printed version, whichever is convenient to CMs.
- B.** Guidelines with respect to availability of Annual Certificates of Capital Gains in CGT System is as follows:
 - Reports ---- Reports ---- CGT-V ---- Annual Certificate
- C.** Soft copy of Annual Certificates of Capital Gains will be provided to PMEX and AMCs on Compact Disk (“CD”) for onward distribution to their Clients.

Annual Certificates of Capital Gains for the period from July 01, 2020 to June 30, 2021, showing computation of capital gains/losses and tax thereon have been made available by NCCPL as per details mentioned below:

1. For Clients trading at PSX and dealing with only one Broker Clearing Member (“BCM”), NCCPL has issued Certificates to the respective BCM. Such Clients are required to collect Certificates from their respective BCM.

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2. For Clients trading only at PMEX, NCCPL has issued Certificates to PMEX. Such Clients are required to collect their Certificates from PMEX.
3. For Clients dealing in units of open ended mutual funds with only one AMC, NCCPL has issued Certificates to the respective AMC. Such Clients are required to collect their Certificates from their respective AMC.
4. Clients who are involved in trading at PSX and dealing with multiple BCMs and capital gains/losses for said period is arising only through one BCM, those Clients are required to collect Certificates from their particular BCM. Similarly, Clients who are involved in dealing in units of open ended mutual funds with multiple AMCs and capital gains/losses for said period is arising only through one AMC, those Clients are required to collect Certificates from their particular AMC.
5. Clients who are involved in trading at PSX, PMEX and AMCs and capital gains/losses for said period is computed only through one BCM or PMEX or AMC, in such case, Clients are required to collect their Certificates from their respective BCM, PMEX or AMC.
6. Under the following scenarios, Clients are required to obtain their Certificates from NCCPL's offices located in Karachi, Lahore and Islamabad in person, through an authority letter duly signed by authorized signatory along with copy of CNIC and through email to their registered address, as applicable:
 - a. For disposal of Securities with multiple BCMs of PSX.
 - b. Redemption of units of open ended mutual funds with multiple AMCs.
 - c. Clients dealing in PSX, PMEX or AMC and having capital gains/losses simultaneously for the said period.

For any further queries or concerns, please feel free to contact the Customer Support Department at UAN 021-111-111-622.

Regards,

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Muhammad Asif
General Manager / HOD - OPS

CC:

1. Executive Director/HOD - Policy, Regulation and Development Department – SMD
Securities & Exchange Commission of Pakistan - Islamabad
2. Member Inland Revenue - Federal Board of Revenue
3. Chief Executive Officer - Pakistan Stock Exchange Limited
4. Chief Executive Officer - Central Depository Company of Pakistan Limited
5. Chief Executive Officer - Mutual Funds Association of Pakistan
6. Pakistan Stock Brokers Association