



National Clearing Company of Pakistan Limited

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

NCCPL/CM/JUNE-24/08

June 26, 2024

WITHHOLDING OF TAX ON PROFIT ACCRUED ON GOVERNMENT DEBT SECURITIES (“GDS”)

Dear Clearing Members,

This is with reference to clearing and settlement of Government of Pakistan Ijarah Sukuk (“GIS”) to be traded at Pakistan Stock Exchange Limited.

In this respect, please note that NCCPL is acting as a paying agent on behalf of Pakistan Domestic Sukuk Company Limited. Accordingly, NCCPL will compute and withheld withholding tax on Profit accrued on GDS that are traded at the PSX in accordance with requirements prescribed under Income Tax Ordinance, 2001 (“Ordinance”) at investor level. This withholding of tax shall be carried out on disposal of GDS along with CGT computation. However, the withholding tax shall be deducted from the sale proceeds at the time of settlement. CGT for GDS shall be computed and collected as per the existing mechanism on monthly basis.

The applicable rates for withholding tax on GIS, as prescribed under Division IB of Part III of the First Schedule of Ordinance, are reproduced below:

- 25% in case the sukuk-holder is a company;
- 12.5% in case the sukuk-holder is an individual or an association of person, if the return on investment is more than one million; and
- 10% in case the sukuk-holder is an individual and an association of person, if the return on investment is less than one million.

All Clearing Members are therefore requested to submit any exemption / undertaking provided / available with respect to its customers or on proprietary basis at the earliest convenience to avoid withholding of tax.

It may please be noted that taxpayers holding specific exemption from withholding of tax under the Income Tax Ordinance, 2001, shall be required, to provide only specific provision of the Ordinance where exemption is mentioned.



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The information may be submitted by Clearing Members in the following format:

S. No.	UIN Number	UIN Name	Enclosed / Reference of Ordinance
XXX	XXX	XXX	Copy of evidence

The information prescribed above can be submitted at following address customercare@nccpl.com.pk

For any further queries or concerns, please feel free to contact the Customer Support Department at UAN 021-111-111-622 or visit our website www.nccpl.com.pk

You can approach our Customer Support Services through WhatsApp vide 021-111-111-622 or Click [here](#)

Regards,

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Adnan Akhtar
Senior Manager – CSS

CC:

1. Chief Executive Officer - Pakistan Stock Exchange Limited
2. Chief Executive Officer - Central Depository Company of Pakistan Limited
3. Chief Executive Officer - Mutual Funds Association of Pakistan
4. Chairman - Pakistan Banking Association
5. Pakistan Stock Brokers Association