

**THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED****KSE/N-3187****NOTICE****June 03, 2011**

Reproduced hereunder letter No. **KSE/Govt-3479** dated June 02, 2011 regarding our Budget Proposal for FY-2011-2012 sent to Dr. Abdul Hafeez Shaikh, Federal Minister for Finance, Revenue, Economic Affairs by the Exchange, for information of all concerned.  
(Copy of the same is also available on our Website [www.kse.com.pk](http://www.kse.com.pk))



**THE KARACHI  
STOCK EXCHANGE  
(GUARANTEE) LIMITED**

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Ref. No. **KSE/ Govt-3479**

June 2, 2011

Dr. Abdul Hafeez Sheikh  
Federal Minister for  
Finance, Revenue, Economic Affairs & Statistics  
and Standing Committee on Finance (National Assembly)  
Ministry of Finance  
Govt. of Pakistan  
Block-Q, Pak Secretariat  
Islamabad.

**SUB: BUDGET PROPOSAL FOR FY 2011-2012**

Respected Minister,

Your Excellency, subsequent to our meeting with FBR, we are honoured to submit specific proposals regarding taxation on individuals related to investment in shares of listed companies, as under:

**37A. Capital gain on disposal of securities.**— (1) The capital gain arising on or after the first day of July 2010, from disposal of securities held for a period of less than a year, shall be chargeable to tax at the rates specified in Division VII of Part I of the First Schedule:

Provided that this section shall not apply if the securities are held for a period of more than a year:

Provided further that this section shall not apply to *an individual investor*, a banking company and an insurance company:

(2) The holding period of a security, for the purposes of this section, shall be reckoned from the date of acquisition (whether before, on or after the thirtieth day of June, 2010) to the date of disposal of such security falling after the thirtieth day of June, 2010.

(3) For the purposes of this section —security means share of a public company, voucher of Pakistan Telecommunication Corporation, Modaraba Certificate, an instrument of redeemable capital and derivative products.

(4) Gain under this section shall be treated as a separate block of income.

(5) Notwithstanding anything contained in this Ordinance, where a person sustains a loss on disposal of securities in a tax year, the loss shall be set off only against the gain of the person from any other securities chargeable to tax under this section and no loss shall be carried forward to the subsequent tax year.