

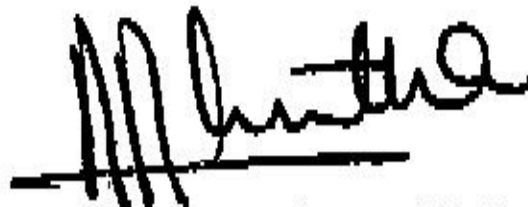
THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED**KSE/N-3841****NOTICE TO ALL MEMBERS****July 21, 2011**

Reproduced hereunder SRO 715(1)/2001 dated July 20, 2011 received from Revenue Division, Federal Board of Revenue, Government of Pakistan, regarding draft amendments made in S.R.O. 112(1)/2011 dated February 11, 2011 with respect to:

- Treatment of profit made on sale of borrowed shares under Margin Trading Scheme and Margin Financing Scheme
- Wash sales
- Extension in e-filing of statement of advance tax from seven days to 21 days
- Information regarding members, brokers, investors of stock exchanges.

This is for the information of the Members of the Karachi Stock Exchange and comments, if any.

(Copy of the same is also available on our Website www.kse.com.pk).



Ahmed A. Mitha
Chief Financial Officer

Government of Pakistan
(Revenue Division)
Federal Board of Revenue

Islamabad, the 20 July, 2011

NOTIFICATION
Income Tax

S.R.O. 715 (1)/2011. - The draft of following further amendments in the Income Tax Rules, 2002, which the Federal Board of Revenue proposes to make in exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance 2001 (XLIX of 2001), is hereby published, as required under sub-section (3) of the said section, for the information of all persons likely to be affected thereby and notice is hereby given that the draft will be taken into consideration after fifteen days of its publication in the official gazette.

2. Any suggestion or objection which may be received from any person, before the expiry of the aforesaid period, shall be considered by the Federal Board of Revenue.

DRAFT AMMENDMENTS

In the aforesaid Rules:-

(a) in rule 13E, after sub-rule(5), the following shall be added:-

“(6) Profit made on sale of borrowed shares shall be treated as capital gain when such shares are acquired for their return to Authorized Intermediary. Period intervening between acquisition and disposal of such borrowed shares shall determine the holding period in which the capital gain or loss falls. Specific Identification Method shall be used to determine the acquisition cost and consideration for disposal of such securities. The difference between cost of acquisition and consideration received against disposal (net off all borrowing costs) of such shares shall be treated as capital gain or loss. This rule shall be applicable to the securities borrowed in accordance with the Securities Lending and Borrowing Scheme approved by Securities and Exchange Commission of Pakistan.