

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

KSE/N- 2509

**N O T I C E**

May 11, 2012

Reproduced hereunder letter No. SMD/SE/2(20)2012 dated May 8, 2012 received from **SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN, Securities Market Division, Policy, Regulation and Development Department**, for information of all concerned

(Copy of the same is also available on our Website [www.kse.com.pk](http://www.kse.com.pk)).



**SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

Securities Market Division

Policy, Regulation and Development Department

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No. SMD/SE/2(20)2012

May 8, 2012

**Mr. Nadeem Naqvi**  
Managing Director,  
Karachi Stock Exchange (G) Limited  
Karachi

**Mr. Aftab Ahmed Ch.**  
Managing Director,  
Lahore Stock Exchange (G) Limited,  
Lahore

**Mian Ayyaz Afzal**  
Managing Director,  
Islamabad Stock Exchange(G) Limited,  
Islamabad.

**Subject: Amendments to Income Tax Ordinance, 2001 and Enforcement of Anti Money Laundering and KYC/CDD Regime**

Dear Sirs,

Pursuant to amendments in the Income Tax Ordinance, 2001 notified through the Finance (Amendment) Ordinance 2012 dated April 24, 2012 whereby provisions related to Capital Gain Tax (CGT) for the stock market investment have been implemented. The stock exchanges are advised to immediately circulate the following for compliance of the members/brokers:

- a) The said provisions shall only be applicable under the Income Tax Ordinance, 2001 (ITO) and does not bar asking source of income under any other law including Anti Money Laundering Act, 2010 (AMLA). Therefore, the exemption under these provisions is not available for income derived from a criminal activity under any other law for the time being in force.
- b) The requirements of AMLA and the rules and regulations made thereunder are not affected by these provisions of the ITO and no exemption, in whole or in part, is available for any AML/CFT preventative measures under the AMLA.

The KYC/CDD and Suspicious Transaction Report (STR) reporting required vide stock exchange regulations and guidelines dated February 1, 2012 shall continue regardless of the above amendments. Therefore, brokers shall take reasonable measures for establishing the source of wealth and source of funds for high risk customers and also to obtain sufficient information to determine the expected source of funding for the account.

1/2