



## PRESS RELEASE

March 25, 2016

### **MR. HAROON AKHTAR KHAN, MINISTER OF STATE'S VISIT TO PAKISTAN STOCK EXCHANGE**

(Karachi, Friday, March 25, 2016): Mr. Haroon Akhtar Khan, Hon'ble Federal Minister of State & Special Assistant to Prime Minister of Pakistan for Revenue visited the Pakistan Stock Exchange ('PSX') today on the invitation of Mr. Muneer Kamal, Chairman of the PSX's Board. The Hon'ble Minister had a luncheon meeting with the senior members of the Exchange and the members of PSX's Board.

Mr. Muneer Kamal, while welcoming the Minister, regarded his visit as a special event for the Exchange. He apprised the Minister with the recent development at capital market whereby with the excellent support of Ministry of Finance a landmark was achieved and as a result of integration of three exchanges, the Pakistan Stock Exchange emerged as a single stock exchange at national level. He further stated that in next six months, the Exchange will be able to attract one or more large global exchanges to take over strategic stake. He further stated that the world has now started looking at Pakistan and with the improvement of qualitative and quantitative parameters, it is expected that Pakistan will be upgraded in MSCI Index.

Mr. Arif Habib, a veteran market participant thanked the Minister for accepting invitation and presented few slides reflecting the areas where the country lacks in performance and where great potential exist to compete with the regional countries by making aggressive efforts and the policy support from the Government. Mr. Habib highlighted the various areas from where Government may raise funds in next five years. While the listing of large state entities will broaden the investor base, he opined that the local investors needs to be encouraged in the projects under CPEC.

Keeping in view the above broader objectives, Mr. Arif Habib presented the proposals for Federal Budget 2016-17 as already submitted to the Government. He assured that by maintaining the long-term policy and accepting the PSX proposals in aggregate, the Government will not have any negative impact on its revenue targets. Mr. Habib briefed the PSX proposals one by one with relevant justification and rationale. These included withdrawal of tax on bonus shares; bringing the Capital Gain Tax regime to the original structure introduced in 2010, whereby tax was not payable on securities held for over 12 months, which had been agreed despite the fact that CGT is not charged in several regional countries; removal of anomaly by withdrawing the Capital Value Tax on capital market; tax credit on listing on stock exchange; exemption of tax on inter-company dividends; withdrawal of tax imposed on REIT schemes as introduced in 2015 and treating the investment in REIT Units as investment in a stock fund and avoiding the double taxation being charged in the form of FED on stock brokers' services simultaneously by Federal and Sindh Government.

The Minister thanked the representatives of PSX saying that it is a privilege for him to meet and address the leading capital market representatives. Being a businessman himself, he stated, having understood the issues highlighted and also assured that policy of the Government is to revive the economy and help business community so that Pakistan may emerge as an Asian Tiger.



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Mr. Akhtar counted the achievements of the Government at macro level, which is reflected by better position of current account, comfortable foreign exchange reserves, low interest rates coupled with low inflation trends. He mentioned that the country has a lot of potential and is on the right track towards progress. He at the same time urged for a change in the mindset of tax payers and advised that they should contribute in tax while making money. While citing the example of other global countries facing recession, the Minister highlighted the positive rating of Pakistan. With regard to PSX's budget proposals, the Minister stated that most of them have sense and assured that the Finance Ministry, FBR and all concerned will support the initiatives which are for the betterment of business and economy. He advised to submit any other proposal also to which they will be open to consider.

At this stage, Mr. Ejaz Ali Shah, CEO of Pakistan Mercantile Exchange also presented certain proposals for the improvement of commodity market in the country, which was appreciated by the Minister who advised him to have a personal meeting in this regard with them

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**Photograph on Page # 3**



# PAKISTAN STOCK EXCHANGE LIMITED

(FORMERLY KARACHI STOCK EXCHANGE)

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