



National Clearing Company of Pakistan Limited

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

NCCPL/CM/JANUARY-24/09

January 22, 2024

Collection of Amount of Capital Gain Tax ("CGT") from Clearing Members, Pakistan Mercantile Exchange and Mutual Funds

The Clearing Members

The Pakistan Mercantile Exchange Limited

The Mutual Funds

The aggregate amount of CGT arising on disposal of shares at Pakistan Stock Exchange for the period **December 01, 2023 to December 31, 2023, would be collected on Tuesday January 30, 2024** through respective settling banks of the Clearing Members. All Clearing Members are hereby requested to ensure requisite amount in their respective settling bank's account. Necessary details and reports for the said period have already been made available in the CGT System.

Further, the aggregate amount of CGT arising on trading of future commodity contracts at Pakistan Mercantile Exchange for the period **December 01, 2023 to December 31, 2023 would also be collected from the Pakistan Mercantile Exchange on Tuesday January 30, 2024**. Necessary details and reports for the said period have already been made available.

Moreover, the aggregate amount of CGT arising on redemption of units of open end mutual funds have also been finalized for the period **December 01, 2023 to December 31, 2023**. Necessary details and reports have already been made available in the CGT System.

Clearing Members and Pakistan Mercantile Exchange are hereby requested to verify the investor wise details of capital gain or loss and tax thereon, if any, through reports/downloads. Please note that, in case of none or partial collection of CGT, necessary action would be taken in accordance with the Rules and NCCPL Regulations.

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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Muhammad Asif

General Manager / HOD - Operations

CC:

1. Executive Director - Policy, Regulation and Development Department - SMD
Securities & Exchange Commission of Pakistan - Islamabad
2. Member Inland Revenue - Federal Board of Revenue
3. Chief Executive Officer - Pakistan Stock Exchange Limited
4. Chief Executive Officer - Central Depository Company of Pakistan Limited
5. Chief Executive Officer - Mutual Funds Association of Pakistan
6. Pakistan Stock Brokers Association



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28.10 Actions in the event of Non or Short payment of CGT by Clearing Members, asset management companies or PMEX to the Company

28.10.1 Where a Clearing Member fails to deposit an amount in respect of CGT of its own and its clients, as the case may be, such Clearing Member shall be required to identify the defaulted UIN(s) by next day of the date of default.

28.10.2 The Company shall immediately suspend such UIN(s) to take further Position in any Market and serve a notice at the day end to such Clearing Member so as to give an opportunity to deposit the required amount of CGT by the end of next working day and fulfill the requisite demand of CGT. In case Clearing Member is not able to deposit or collect an amount of CGT for its own behalf or from the defaulted client within the above mentioned stipulated time, such defaulting UIN(s) may be restricted from taking new Positions in all Markets till the recovery of amount of CGT. However, squaring-up of open Position(s) may be allowed for such restricted UIN(s).

28.10.3 The short collection or non-collection of CGT in any month during the financial year shall continue to appear in the CGT liability of coming month or months during the same financial year. After the end of the financial year the Company shall have right to refer the case to FBR with all relevant details.

28.10.4 The Company shall refer such matter to the FBR. However, the Company shall also take necessary action so as to reasonably ensure the compliance of the Ordinance and the CGT Rules made thereunder.

28.10.5 Relevant Clearing Member shall also be liable to pay penalty for such deposits in the following manner:

First default by the client or proprietary in a financial year	Penalty @ 2% of the defaulted amount of such UIN(s) including proprietary UIN.
second default by the same client or any other client or proprietary in a financial year	Penalty @ 4% of the defaulted amount of such UIN(s) including proprietary UIN
on any subsequent default by any UIN or proprietary	Penalty @ 10% of the defaulted amount of such UIN(s) including proprietary UIN.

NATIONAL CLEARING COMPANY
OF
PAKISTAN LIMITED
REGULATIONS

NCCPL Regulations updated on September 21, 2022

28.4. CGT Determination, Computation and Collection

- 28.4.1 The Company, through its CGT System, shall compute and determine capital gain or loss, as the case may be, on trades/transactions of Listed Securities, futures and derivative products/contracts, and units of funds or schemes as reported to or provided to or extracted from the systems or procedures in place with the Company, Exchange, CDC, asset management companies and PMEX. Accordingly, tax thereon shall be collected and deposited in accordance with the Ordinance and CGT Rules made there under. The amount of tax on capital gains from clients of Clearing Member, unit holders of funds or schemes and members of PMEX shall be collected by the Company from or through the respective Clearing Member, asset management company or PMEX.
- 28.4.2 For collection of tax on capital gains, arising on disposal of Listed Securities, futures and derivative products/contracts listed at Exchange, the Company shall provide an exclusive set of collection information to respective Settling Banks of Clearing Members by 7th Settlement Date of each month through NCSS Pay & Collect for the amount of tax determined for previous month or months. Provided that such 7th Settlement Date shall be considered from the date of which the net CGT amount for previous month or months has been computed in CGT System and client/investor level reports of CGT have been made available to Clearing Members.

Tax on capital gains arising on redemption of units of funds or schemes and on trading of commodity futures and derivative products/contracts at PMEX shall be deposited by asset management companies and PMEX respectively, within 10 working days of the month end as per the Rules to Company.

- 28.4.3 The Company shall provide necessary report or reports, from time to time, to Clearing Members, asset management companies and PMEX, so as to enable them to collect or withhold amount in advance from their clients.

- 28.4.4 The amount of tax on capital gains from Clearing Member's clients/investors shall be collected by the Company from or through the respective Clearing Members. However, in case a client/investor maintains multiple trading accounts/CDS accounts with different Clearing Members, the amount of tax on capital gains shall be collected in proportion to the trade/transactions executed through respective Clearing Members.

28.5. Clearing Member's, asset management company's and PMEX's Warranties and Indemnities

- 28.5.1. A Clearing Member, asset management company or PMEX supplying any information to the Company in pursuance of their obligation under these Regulations shall:
- (a) be deemed to have warranted to the Company that the information supplied is complete, true and correct and nothing has been cancelled or omitted which will make such information inaccurate, incorrect or misleading; and
 - (b) indemnify the Company from all types of losses, damages, costs or expenses (if any) suffered or incurred by the Company as a result of any inaccuracies or mistakes contained in the information, or omission from the information supplied by the Clearing Member, asset management company or PMEX or such information being misleading.

28.6 Functions of the Company

- 28.6.1 The Company, under the Ordinance, has been entrusted for the function of computation, determination, collection and payment of CGT into the Government treasury arising from the