



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

*Strategy, Development and External Relations Department*

*Press Release*

## Senior FBR official visits NCCPL

**KARACHI, February 14:** A senior official of the Federal Board of Revenue visited the National Clearing Company of Pakistan Limited (NCCPL) to study NCCPL's systems and mechanism being deployed for computing and deducting the capital gains tax (CGT). The visit has been a consequent step to the Finance Minister's approval to the SECP proposal on revamping CGT that was submitted to the FBR last month.

In terms of the proposal to provide ease of calculation and documentation to individual investors, the NCCPL will act as a withholding agent to deduct and deposit the CGT from investors' transactions. The NCCPL, SECP, FBR and other relevant capital market service providers are working out the exact details so that necessary legal and operational changes are made by the target date of April 1, 2012.

The NCCPL during its presentation briefed FBR on its operational and legal infrastructure and capabilities to undertake the envisaged role. The NCCPL's I.T.-intensive set-up will allow system based computation of CGT without human involvement. Under the proposed mechanism, the NCCPL will compute and deduct CGT for every investor by constructing an inventory portfolio based on its unique identification number. Both market-based transactions executed through stock exchanges and in the Central Depository System will be used for computation of CGT liability in accordance with the Income Tax Ordinance and Rules. It is expected that during the coming week the NCCPL will forward to FBR its proposal in relation to required regulatory amendments to give effect to the overall CGT scheme.

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