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## **SEC Successfully Persuades Government of Baluchistan to Bring Down Rates of Stamp Duty Levied on the Companies**

The Securities and Exchange Commission of Pakistan (SEC) in its efforts to develop the corporate sector of the economy has been pursuing actively to bring down the levy of stamp duty on the companies. After the province of Sindh, the Commission has successfully persuaded the Government of Baluchistan to bring down the rates significantly. According to the amendment, now the revised rates for the companies incorporated in the Province of Baluchistan range from Rs.125 to Rs.575 only which previously ranged from Rs.2000 to Rs.6000 depending on the capital size and kind of company. The new rates of stamp duty are applicable with immediate effect.

Negotiations are on with the government of Punjab to reduce the burden of stamp duty reasonably on the lines followed by Sindh and Balochistan. Their decision is likely to be announced in the new budget. As far as NWFP is concerned, the rates of stamp duty are already on the low side and no further downward revision is required.

It may be worthwhile to note that incorporation of new companies not only attracts investment by the general public in corporate sector but also creates employment opportunities which goes a long way for the development of economy. Further, conduct of business through companies causes documentation of economy which helps for introducing efficient taxation system. The decreased rates of stamp duty would definitely reduce incorporation costs and thus encourage the corporatization of businesses having healthy impact on the economic development of the country.