



PAKISTAN STOCK BROKERS ASSOCIATION

(A company setup under section 42 of the Companies Act 2017)

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Ref: PSBA/G1022-01

October 11, 2022

MR. USMAN ASGHAR
Secretary Rules & SROs
Federal Board of Revenue
Islamabad.

Subject: **PROPOSED AMENDMENTS TO INCOME TAX RULES, 2002
THROUGH S.R.O. 1768(I)/2022 DATED SEPTEMBER 27, 2022**

Dear Sir,

This refers to your subject notification whereby objections/suggestions have been invited with respect to the proposed amendments to the Income Tax Rules, 2002. In this regard we would like to submit as below:

Proposed Rule 13N sub-rule (5A):

A new proviso is proposed to be added by the Federal Board of Revenue (FBR) where the National Clearing Company of Pakistan Ltd (NCCPL) shall adjust the Capital Gain Tax (CGT) liability based on the status of the investor as filer or non-filer as per the Active Taxpayers' List (ATL) at the end of the tax year.

It has been observed that the NCCPL determines the CGT liability of an investor in accordance with his/her filer/non-filer status as per the ATL on the date of execution/settlement of the executed trade. As such it is requested that the sanctity of ATL issued by FBR itself may not be compromised, and any change in status may not be applied retrospectively.

Moreover, we believe that these proposed requirements pertain to the clients of stockbrokers who may or may not be in contact with the latter at the end of the tax year. We wish to apprise you that in NCCPL Regulations, 2015, the stockbroker is primarily responsible to deposit CGT on behalf of its client, and in case of failure, it attracts the penal provision of the said Regulations for the stockbrokers.

In view of the above, we humbly request the FBR that the status quo may please be maintained, or in any other case, this major change requires a consultation with the Pakistan Stock Brokers Association (representing the stockbrokers of PSX) jointly with NCCPL.

Please feel free to reach out in case of further discussion/deliberation.

Best Regards,

BILAL FAROOQ ZARDI
Secretary General
Cell# 0300 - 266 2516

Cc: **Mr. Asim Ahmed**, Chairman, Federal Board of Revenue.