

Circular No.: PMEX/MKT, BD&CSS/2016/31

July 04, 2016

**COLLECTION OF TAX BY PAKISTAN MERCANTILE EXCHANGE LIMITED (PMEX)
UNDER SECTION 37A OF THE INCOME TAX ORDINANCE, 2001**

All brokers are hereby informed that as per amendments made in the Income Tax Ordinance (ITO) 2001 through Finance Act, 2016, the advance adjustable income tax under section 236T of the ITO has been abolished, and Capital Gain Tax (CGT) of 5 percent has been introduced under 37A which has become effective from July 01, 2016. Under the law, National Clearing Company of Pakistan Limited (NCCPL) is responsible for CGT on trading in PMEX.

The Exchange will compute profit/loss on cumulative daily basis from July 01, 2016 and collect CGT on net cumulative gains only from margin account on T+1 basis. On month end, the Exchange shall submit a monthly report to NCCPL on the basis of which tax will be deposited. For each subsequent month, the cumulative gains/losses up to last month will be adjusted which will continue till June 30, 2017. We would like to highlight that traders maintaining multiple trading accounts may get refund of tax deduction in any of the trading accounts.

For further information and assistance, please feel free to contact our Customer Support Services by phone on 021-111-623-623, 0300-8213-324 and 0321-8756-623 or by email at support@pmex.com.pk.

Best regards,



Nauman Lakhani
Head of Marketing, Business Development
& Customer Support Services