



**Central Depository Company
of Pakistan Limited**

Head Office: CDC House, 99-B,
Block 'B', S.M.C.H.S.,
Main Shahra-e-Faisal,
Karachi-74400

Ref. No. CDC/LC&R/10/2018

June 21, 2018

Circular No. 10 of 2018

**Sub: Transfer of Book-entry Securities as Free Delivery Transaction owing to the
Declarations made under the Govt. Tax Amnesty Scheme**

To,
The Chief Executive Officers of
all CDS Participants and Account Holders,

The Government of Pakistan introduced a Tax Amnesty Scheme through the Voluntary Declaration of Domestic Assets Act, 2018 and the Foreign Assets (Declaration and Repatriation) Act, 2018 (hereinafter the "**Amnesty Scheme**").

As per the said Amnesty Scheme, any person as eligible thereunder may declare his undisclosed income and assets to the Federal Board of Revenue by payment of tax at the rate as prescribed under the Amnesty Scheme. Such assets may include securities held in the Central Depository System ("**CDS**").

CDC has decided, as a matter of policy, to facilitate such transfers owing to declarations made under the Amnesty Scheme. In this regard, **a new ground has been prescribed under the CDC Regulations** with the approval of the Securities and Exchange Commission of Pakistan **for allowing direct transfer of Book-entry Securities as Free Delivery Transaction.** A new Reason Code has also been developed in the CDS.

As advised by SECP, the transfer of Book-entry Securities, as aforesaid, shall be subject to the following requirements and Procedures:

- a) Any person desiring to transfer securities under the aforesaid scheme, shall submit following documents to CDC:
 - (i) An Undertaking-cum-Indemnity duly signed by authorized signatories on a format prescribed by CDC (**to be placed on CDC website**) also containing the consent of the person from whose CDS account the securities are to be transferred along with details of such securities;
 - (ii) copy of Computerized Payment Receipt submitted with the Federal Board of Revenue as proof of declaration ;
 - (iii) in case of Sub-Account, cover letter of the relevant Participant with request to activate the Reason Code for transfer of securities;



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- (iv) In case of Investor Account, request for transfer of securities shall be made by the Investor Account Holder along with documents listed in (i) and (ii) above and the Transaction Order; and
 - (v) Any other relevant document as may be required by CDC.
- b) Upon receipt of documents, CDC, after carrying out scrutiny, activate the Reason Code for transfer of securities under intimation to the relevant Participant under controlled environment. Only available securities will be allowed to be transferred.
- c) CDC will provide details of securities transfers to NCCPL under the new Reason Code including date of acquisition as provided by the investor for further action at its end.
- d) For CGT purposes, NCCPL will consider the **value of securities** and **date of acquisition of securities** as per the Amnesty Scheme or as advised by Federal Board of Revenue.
- e) Transfer of Book-entry Securities under the new Reason Code will only be allowed till the end of 30th day from the last date of close of period of applicability of the Amnesty Scheme.

Regards,

Badiuddin Akber
Chief Compliance & Risk Officer

Copy for information to:

The Director/HOD (PRDD – SMD)
Securities and Exchange Commission of Pakistan
Islamabad

The Chief Executive Officer
Pakistan Stock Exchange Limited
Karachi

The Chief Executive Officer
National Clearing Company of Pakistan Limited
Karachi

CDC Website
www.cdcpakistan.com