

**Government of Pakistan**  
**Revenue Division**  
**Federal Board of Revenue**

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**Notification**

Islamabad, the 24<sup>th</sup> October, 2022.

**S.R.O. 1956(I)/2022.** - In exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Income Tax Rules, 2002, the same having been previously published *vide* Notification No. S.R.O.1768(I)/2022, dated the 27<sup>th</sup> day of September, 2022, as required by sub-section (3) of section 237 of the said Ordinance, namely: –

In the aforesaid Rules, –

- (1) in rule 13L, in sub-rule (1), in clause (d), –
  - (a) for sub-clause (i), the following shall be substituted, namely: –
    - “(i) in case of right share, means the discounted price at which the right shares are issued to a shareholder by the issuer including the cost of acquisition of letter of rights;”; and
    - (b) in sub-clause (iii), for paragraph (iii), the following shall be substituted, namely: –
      - “(iii) shall be zero, in any other case.”;
  - (2) in rule 13N, –
    - (a) in sub-rule (5A), for full stop at the end, a colon shall be substituted and thereafter the following new proviso shall be added, namely: –

“Provided that NCCPL shall adjust the capital gain tax liability based on status of investor as filer or non-filer as per Active Taxpayers’ List at the end of tax year.”; and

- (b) in sub-rules (15) and (16), for the word “thirty”, the words “forty-five” shall be substituted respectively;
- (3) in rule 13P,—
- (a) in clause (q), for sub-clauses (ii) and (iii), the following shall be substituted, namely:—

“(ii) **Tax Treatment.**—

**Bonus Share Entitlement prior to the 1<sup>st</sup> July, 2014 or from 1<sup>st</sup> July, 2018 onwards:—**

Where bonus share entitlement is prior to the first day of July, 2014 or from the first day of July, 2018 onwards, the cost of such shares shall be computed by spreading the cost of old shares over the old shares plus the bonus shares taken together. This cost of a share shall be the same for the old shares and the new shares. Subsequently, when such bonus shares are disposed of, such cost shall be taken for computation of capital gain and tax thereon. Similarly, the cost of old shares shall be taken the same as for bonus shares, and when the old shares are disposed of, such cost shall be taken for computation of capital gain and tax thereon, even if these are sold prior to the crediting of bonus shares in the shareholder’s account, but after the date of entitlement of bonus shares.

**Example.** – A, being a client of a broker, acquired 400 shares of company B in his account. He acquired these shares on 01-01-2019 at Rs. 30 per share. On the same day i.e. 01-01-2019, the company declared bonus shares @ 25%, and date of entitlement of the shares was declared as 1-04-2019 and the shares were to be credited in the account of A on 15-5-2019. He disposed off 300 shares on the 15-06-2019 at Rs. 35 per share.

NCCPL shall compute capital gains as per following example:-

Date	Purchases /Acquisitions			Disposal	
	No. of shares	Price	Cost	15-Jun-19	Total
1-Jan-19	400	30	12,000	300	300

1-Jan-19	Bonus shares issued @ 25%				
After entitlement					
1-Jan-19	400	24	9,600		
15-May-19 (Bonus)	100	24	2,400		
				300	300
Selling price per share				35	
Sale proceed				10,500	
Less: Cost				7,200	
Capital Gain				3,300	

**Bonus Share Entitlement during the 1<sup>st</sup> July, 2014 till the 30<sup>th</sup> June, 2018:-**

From the first day of July, 2014 till the thirtieth day of June, 2018 for computation of capital gain tax, the cost of bonus shares shall be the price prevailing on first day of book closure (ex-bonus price). Subsequently, when such bonus shares are disposed of, such cost shall be taken for computation of capital gain and tax thereon. Similarly, the cost of old shares shall remain same before and after bonus shares are issued, and when the old shares are disposed of, such cost shall be taken for computation of capital gain and tax thereon, even if these are sold prior to the crediting of bonus shares in the shareholder's account, but after the date of entitlement of bonus shares.

**Example.** – A, being a client of a broker, has 400 shares of company B in his account. He acquired these shares on the 1st January, 2015 at Rs.20 per share. On the same day i.e. 01-01-2015, the company declared bonus shares @ 50%, and date of entitlement of the shares was declared as 1-04-2015 and the shares were to be credited in the account of A on 15-5-2015. The market value (ex-bonus price) of these shares on 31-03-2015 is Rs.25 per share. He disposed of 500 shares on the May 20, 2015 at Rs.30 per share.

NCCPL shall compute capital gains as per following example:-

Purchases /Acquisitions				Disposal	
Date	No. of shares	Price	Cost	20-May-15	Total

