

Government of Pakistan
Revenue Division
Federal Board of Revenue

Islamabad, the 1st June, 2021.

NOTIFICATION
(Income Tax)

S. R. O. 639 (I)/2021.- The following draft of certain further amendments in the Income Tax Rules, 2002, which the Federal Board of Revenue proposes to make in exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), is hereby published for the information of all persons likely to be affected thereby and, as required under sub-section (3) of the said section, notice is hereby given that objections or suggestions thereon, if any, may for the consideration of the Federal Board of Revenue be sent within fifteen days of publication of the draft in the official Gazette. Any objection or suggestion which may be received in respect of the said draft, before the expiry of the aforesaid period, shall be considered by the Federal Board of Revenue, namely, -

DRAFT AMENDMENTS

In the aforesaid rules, the following further amendments shall be made, namely:-

(a) In rule 13D, for sub-rule (3), the following shall be substituted, namely:-

(3) Capital loss arising on disposal of listed securities in tax year 2019 and onwards that has not been set off against the gain of the person from disposal of listed securities chargeable to tax during the tax year shall be carried forward to the following tax year and set off only against the gain of the person from disposal of listed securities chargeable to tax but no such loss shall be carried forward to more than three tax years immediately succeeding the tax year for which the loss was first determined;

(b) In rule 13N,-

(i) for sub-rule (7), the following shall be substituted, namely:-

“(7) Capital loss arising on disposal of listed securities in tax year 2019 and onwards that has not been set off against the gain of the person from disposal of listed securities chargeable to tax during the tax year shall be carried forward to the following tax year and set off only against the gain of the person from disposal of listed securities chargeable to tax but no such loss shall be carried forward to more than three tax years immediately succeeding the tax year for which the loss was first determined.”;

- (ii) after sub-rule (7) the following new sub-rule shall be added, namely:-

“(7A) Capital loss arising on disposal of listed securities in tax year 2019 and onward shall be carried forward to a subsequent tax year for setting off, in the manner prescribed as follows:-

- (a) The setting off of eligible capital loss carried forward from previous tax year(s) shall be made by NCCPL under this Rule, only in respect of a taxpayer whose name appear or appeared in the Active Tax Payers List [ATL] pertaining to the tax year to which such loss pertains as witnessed by the Active Tax Payers List [ATL] available on FBR’s website after updation for the tax year to which such loss pertains;
- (b) adjustment of carried forward capital loss(es) shall be made on monthly basis by NCCPL from the first month of updation of ATL for that tax year and on first-in first-out (FIFO) basis;
- (c) NCCPL may requisition date wise position of Active Tax Payers List [ATL] in respect of particular taxpayer from Information Technology (IT) Wing of the Board as and when required;

(d) At the end of relevant tax year, NCCPL shall maintain tax year-wise balance of unexpired carried forward capital losses separately identifiable for computation of limitation period for each tax year; and

(e) The manner of adjustment of capital loss carried forward from previous tax years will be in accordance with illustration given in clause (zf) of Rule 13P.”;

(ii) In sub-rule (10), after the word “losses”, the expression “including adjustment of carried forward losses as per section 37A(5) and sub-rules (7) and (7A) above” shall be inserted;

(c) In rule 13O for Part I, following shall be substituted:-

“Part I

Format of annual certificates of capital gains to be issued by NCCPL to taxpayer under rule 1(4) of the Eighth Schedule to the Ordinance

Form A

[See rule 13N (15)]

| | |
|---|------------------------------|
| Original/Duplicate | Date of Issue _____ |
| Name of taxpayer | _____ |
| UIN/CNIC/NTN/Company Registration Number | _____ |
| Period | July 1, 20__ to June 30,20__ |
| Amount of net capital gain/(loss) on securities (Current Tax Year – Exempt) | Rupees _____ |
| Amount of net capital gains/(Loss) on securities (Current Tax Year) (Taxable) | Rupees _____ |
| Capital loss brought forward (if any) from previous years (Tax Year and amounts) Years Amounts Year 1 Year 2 Year 3 Total | Rupees _____ |
| Amount of net capital gains/(Loss) on securities (After adjustment of brought forward capital loss) | Rupees _____ |
| Amount of tax liability on capital gains | Rupees _____ |
| Amount of tax liability on capital gains collected | Rupees _____ |

