

Circular No.: PMEX/MKT, BD&CSS/2015/46

November 13, 2015

**Collection of Tax by Pakistan Mercantile Exchange Limited (PMEX) Under Section 236T of the
Income Tax Ordinance, 2001**

This is with reference to our Circular No.: PMEX/MKT, BD&CSS/2015/22 dated June 30, 2015 on the captioned subject. PMEX decided to collect advance adjustable income tax at the rate of 0.05% under Section 236T of the Income Tax Ordinance (ITO) 2001 on PMEX Trading Fee based on advice from our tax advisors.

During discussions, the Federal Board of Revenue (FBR) differed with the view of PMEX and agreed to apply the rate of 0.05% on the initial margins and clearing deposits required for trading. The formalization of this tax collection methodology is currently in process. However, PMEX has decided to start collection of the said tax from traders on above agreed basis to avoid problem of collection in future.

Accordingly, on start of business on Tuesday November 17, 2015, PMEX will deduct the aforementioned tax due from July 01, 2015 to November 17, 2015 (Session 1). Thereafter, PMEX will collect the said tax on daily basis as per this methodology.

Brokers are strongly advised to ensure enough liquidity in clients' margin accounts within banking hours of November 16, 2015 to cover the deduction of tax, mitigate the risk of auto liquidation and debit balances. In case there is shortage in clients' margin accounts, the tax liability will be deducted from the brokers clearing deposit.

Please note that the above mentioned tax will be applicable on opening new positions only.

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