



Central Depository Company
of Pakistan Limited

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

Ref. No. CDC/LC&R/07/2019

June 17, 2019

Circular No. 07 of 2019

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 has introduced Tax Amnesty Scheme through the Assets Declaration Ordinance, 2019 (hereinafter the "**Amnesty Scheme**").

As per the said Amnesty Scheme, any person as eligible thereunder may declare his undisclosed assets, sales and expenditure 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**").

In this respect, in order to facilitate such transfers owing to declarations made under the Amnesty Scheme **direct transfer of Book-entry Securities will be allowed as Free Delivery Transaction through a specific reason code.**

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 and Indemnity duly signed by authorized signatories on a format prescribed by CDC containing the detail of securities to be transferred, to be submitted jointly by the Declarant and Holder of 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 duly signed by the Authorized Signatory/(ies), with request to enable the reason code for transfer of securities in a control environment;
 - (iv) In case of Investor Account, request for transfer of securities duly signed by Authorized signatory/(ies) shall be made by the Investor Account Holder along with documents listed in (i) and (ii) above and the Transaction Order. Transfer of securities will be made in a control environment under the monitoring of CDC; and

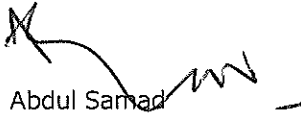


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- (v) Any other relevant document as may be required by CDC.
- b) In case foreign assets are shares of company incorporated in Pakistan held by declarant, whether beneficially or otherwise, on repatriable basis, holder of securities and declarant shall also comply with the Procedures /instructions notified/issued by the State Bank of Pakistan;
- c) 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 held or acquired up to the date as specified under Section 3 of the Asset Declaration Ordinance, 2019 will be allowed to be transferred.
- d) For CGT purposes, CDC will provide details of securities transferred to NCCPL. Accordingly NCCPL will determine and calculate the Capital Gain Tax in accordance with the Income Tax Ordinance, 2001 and underlying Rules and Procedures made thereunder.
- 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 said Amnesty Scheme.

Regards,


Abdul Samad
Chief Operating Officer

Copy for information to:

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

Acting Managing Director
Pakistan Stock Exchange Limited
Karachi

The Chief Executive Officer
National Clearing Company of Pakistan Limited
Karachi

CDC Website
www.cdcpakistan.com

[TO BE MADE ON A STAMP PAPER OF RS. 500/- (DULY NOTARIZED)]

THIS UNDERTAKING AND INDEMNITY is executed at [insert city] this [insert day] of June 2019.

BY

_____, s/d/w/o _____ aged ____ years, bearing CNIC/NICOP/POC/ Passport number _____ residing at _____, (hereinafter referred to as "**Declarant**") (making declaration under the Assets Declaration Ordinance, 2019), which expression shall mean and include his legal heirs, legal representatives, executors, administrators and assigns.

Or*

_____, having registration number _____ having its registered office at _____ (hereinafter referred to as the "**Declarant**") (making declaration under the Assets Declaration Ordinance, 2019, which expression shall, where the context so admits, include its successors, administrators, representative and permitted assigns).

(* as applicable)

And

_____, s/d/w/o _____ aged ____ years, bearing CNIC/NICOP/POC/ Passport number _____ residing at _____, (hereinafter referred to as "**Holder of Securities**", which expression shall mean and include his legal heirs, legal representatives, executors, administrators and assigns).

Or*

_____, having registration number _____ having its registered office at _____ (hereinafter referred to as the "**Holder of Securities**", which expression shall, where the context so admits, include its successors, administrators, representative and permitted assigns).

(* as applicable)

IN FAVOUR OF

The Central Depository Company of Pakistan Limited, having its registered office at CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400, (hereinafter referred to as "**CDC**") which expression shall, where the context so admits, include its successors in interest and permitted assigns).

WHEREAS

1. CDC has received request from Holder of Securities through its Participant to allow direct transfer of Securities identified in the Schedule attached hereto pursuant to a declaration made by the Declarant under the Assets Declaration Ordinance, 2019 (the “**Amnesty Scheme 2019**”) from Sub-Account No. _____ bearing title _____ to the IAS Account/ Sub-Account No. _____ bearing title _____ of the Declarant .

Or*

CDC has received request from the Holder of Securities to allow direct transfer of Securities identified in the Schedule attached hereto pursuant to a declaration made by the Declarant under the Assets Declaration Ordinance, 2019 (the “**Amnesty Scheme 2019**”) from IAS Account No. _____ bearing title _____ to the IAS Account/ Sub-Account No. _____ bearing title _____ of the Declarant.

(* as applicable)

NOW, THEREFORE, THIS UNDERTAKING AND INDEMNITY WITNESSETH AS FOLLOWS:

- I. The Holder of Securities and the Declarant warrant and undertake that:
 - a) The Recitals stated above shall form an integral part of this Undertaking and Indemnity.
 - b) The Declarant is an eligible person under the Amnesty Scheme 2019 and that he/she/they has/have made declaration [Dated] to the Federal Board of Revenue (“**FBR**”) under the Amnesty Scheme 2019 in respect of undisclosed assets which includes CDS eligible securities.
 - c) The Declarant has confirmed to CDC that he/she/they has/ have deposited the tax payment in the designated account of FBR on **[Date of Payment]** .

Or*

The Declarant has confirmed to CDC that he/she/they has/ have deposited the tax payment in the designated account of State Bank of Pakistan (“**SBP**”) in accordance with the Procedures for deposit of tax against Foreign Assets under the Assets Declaration Ordinance, 2019 notified by SBP on May 30, 2019

(* as applicable)

- d) In this respect, the Declarant has/ have also confirmed that Computerized Payment Receipt and the relevant Declaration have been submitted to the FBR on or before the due date as specified under the Amnesty Scheme 2019.
- e) The Holder of Securities does hereby unconditionally and irrevocably gives his/her/their consent to and authorize CDC to transfer the securities identified in the Schedule attached hereto, which is also disclosed and reported in the relevant Declaration submitted to Federal Board of Revenue dated _____, from his/her/their IAS/ Sub-Account to the IAS/ Sub-Account of Declarant.

- f) The Declarant and the Holder of Securities have assured CDC that the movement of securities as mentioned in Declaration are permissible, allowed, valid in the light of applicable legal framework and are free from any claim (including inheritance claim), lien, pledge, charge, dispute, or any other encumbrances of any kind. Without prejudice to the aforesaid, the Declarant and the Holder of Securities shall remain exclusively responsible for satisfaction all legal and other applicable requirements for the transfer of the aforesaid securities.
 - g) The Holder of Securities and Declarant undertake irrevocably and unconditionally to hold and keep CDC and its officers, members, directors and or employees (each an “Indemnified Person”) harmless and to indemnify each Indemnified Person forthwith upon such Indemnified Peron’s demand, against any legal action, dispute, legal proceedings, penalty, loss or damage, detriments claims, demands, liabilities, charges, expenses (including legal counsel fees), action or causes of action, whether ascertained or to be ascertained which may be asserted or brought against any of the Indemnified Persons, or direct or indirect, physical or monetary loss, that may be caused to any of the Indemnified Persons, including without limitation, any monies that are or become payable by CDC in the form of penalty or any other charges, as a result of or in connection with the transfer of aforementioned securities by way of Amnesty Scheme 2019.
- II. The Indemnity contained herein shall be in full force and remain in effect as a continuing Indemnity indefeasible by any future events.

IN WITNESS WHEREOF, this Undertaking-cum-Indemnity has been executed at the place and on the date aforementioned.

Signature of the Declarant
(Authorized Signatory/ies)

Signature of the Holder of Securities
(Authorized Signatory/ies)

WITNESSES:

1. Name: _____

2. Name: _____

CNIC #: _____

CNIC #: _____

Signature: _____

Signature: _____

Schedule of Securities to be Transferred

<u>S.No</u>	<u>Name of Book Entry Securities</u>	<u>Quantity</u>