

Capital asset

whether or not connected with a business

Property of any kind

excluding

Stock-in-trade, consumable stores or raw material

except

even if kept as stock are capital assets

Immoveable property

Securities

Property in respect of which, deduction is allowed for

Gain / loss is taxable as "Income from business"

Depreciation

Amortization

Gain is not taxable

Any moveable property for personal use by a person or his family member

excluding

Capital assets

painting

sculpture

deawing

jewellery

rare manuscript

folio

book

postage stamps

first day cover

coin

medallion

antique

Acq & chargeability

Acquisition

- transfer of ownership
- right to use
- application of personal asset to business use when the asset is so applied

"FMV at acq" as cost

- gift, bequest or will
- sucession, inheritance or devolution
- distribution of asset
 - on liquidation
 - company
 - AOP

Chargeable to tax in the tax year in which disposal takes place

- when the person parts with the ownership of the asset
 - sold
 - exchanged
 - transferred
 - distributed
 - cancelled
 - redeemed
 - relinquished
 - destroyed
 - lost
 - expired
 - surrendered

transmission of asset

- business asset
 - applied to personal use
 - discarded

disposal of part of an asset

Consideration (fair value) - cost

NTR u/s 37

Other assets (including shares of private companies)

Consideration - Cost

held for more than 1 year

3/4th gain taxable

1/4th gain exempt

set off

Capital gain

if gain is exempt

Capital gain is taxable but loss on disposal can not be adjusted

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no adjustment

Capital loss

can not be adjusted against

any other head of income

vice versa is allowed

can be carried forward

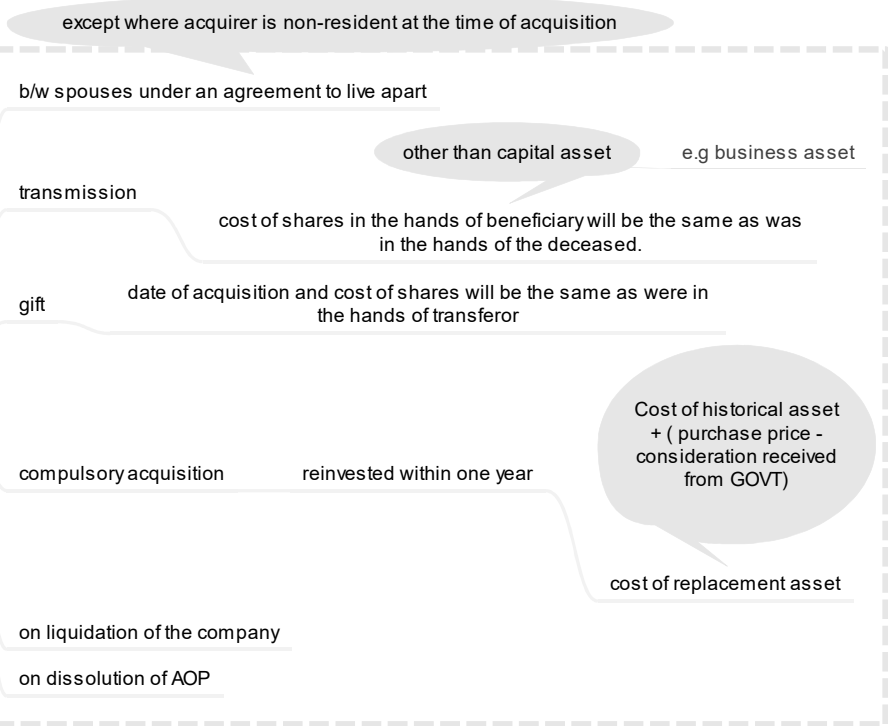
up to 6 tax years

loss of earliest tax year shall be set-off first

Exempt

Non-recognition rules (general)

no gain/loss on disposal of asset



Disposal of assets between wholly owned group companies through scheme of corporate arrangement and reconstruction

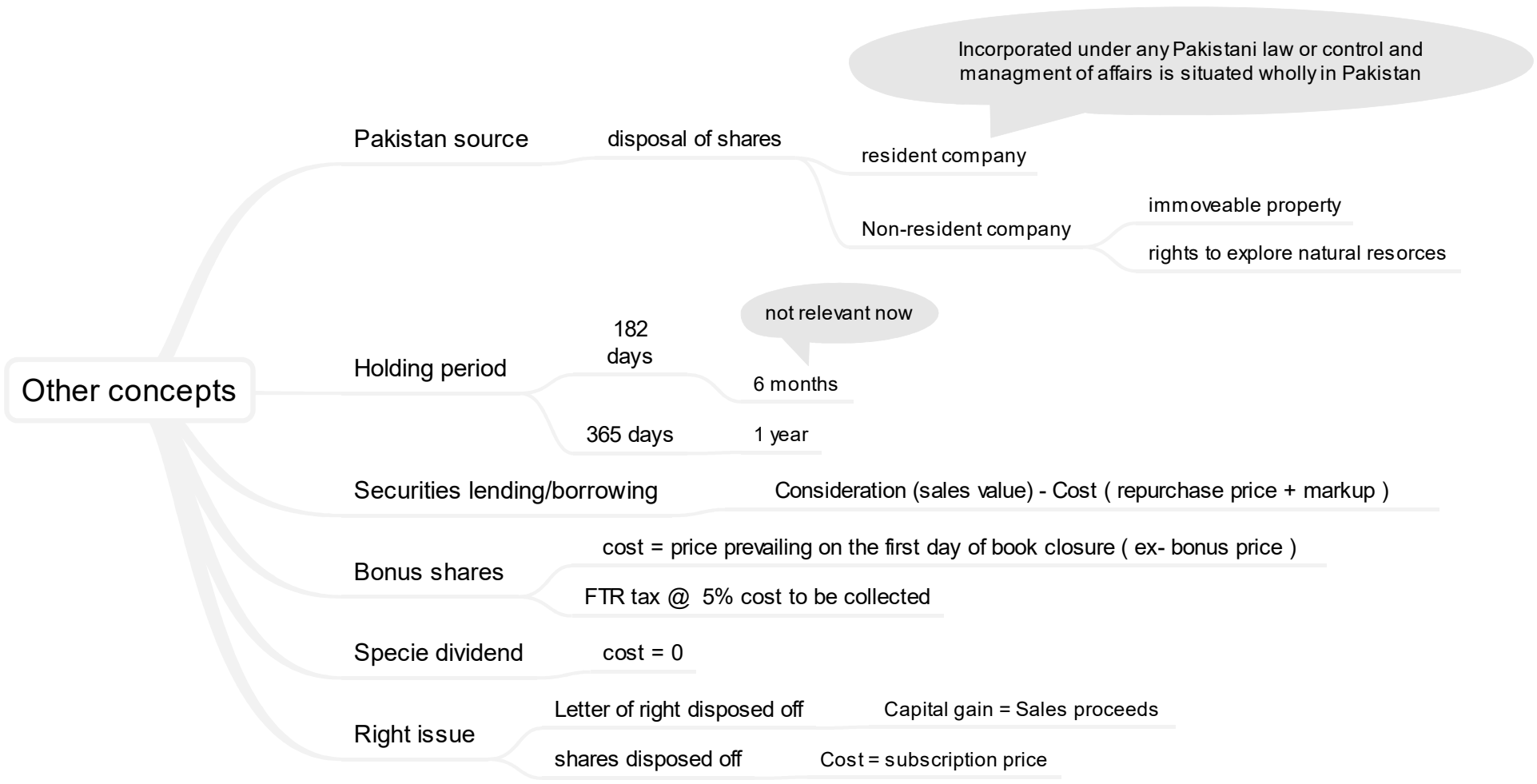
Transfer of assets between group companies for availing group relief

Dependents of shaheed of PAF, federal and provincial Govt

Original allottee by federal or provincial Govt Rate to be reduced by 50%

Sale to development REIT scheme

Privatization



Other concepts

Pakistan source

disposal of shares

resident company

Non-resident company

immoveable property

rights to explore natural resorces

Incorporated under any Pakistani law or control and management of affairs is situated wholly in Pakistan

Holding period

182 days

not relevant now

6 months

365 days

1 year

Securities lending/borrowing

Consideration (sales value) - Cost (repurchase price + markup)

Bonus shares

cost = price prevailing on the first day of book closure (ex- bonus price)

FTR tax @ 5% cost to be collected

Specie dividend

cost = 0

Right issue

Letter of right disposed off

Capital gain = Sales proceeds

shares disposed off

Cost = subscription price