PSX FEDERAL BUDGET PROPOSALS

FY2020-21

PAKISTAN
STOCK EXCHANGE
LIMITED

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INTRODUCTION

Pakistan's capital market saw robust growth over the years in terms of its market capitalization, which was around PKR 8 trillion on January 30, 2020 but as a result of global downturn of events due to Corona Virus pandemic that spiraled down the market capitalization to around PKR 5.7 trillion on April 01, 2020. This has led to uncertainty and pessimism surrounding Pakistan's national economic indicators. The first half of fiscal 2020 showed some clear signs of a path towards economic recovery, however, considering the existing situation, the journey towards sustainable long term growth is expected to take time, the turnaround efforts are well under way.

Globally, the Coronavirus has severely increased in reach, causing major disruptions to economic activity and it has been reported that the IMF has also significantly downgraded its global growth outlook for 2020 from 3.3 percent growth previously to below zero.

Keeping in mind the chronic macro-economic stability challenges, low savings and investment rates, underdeveloped rural economy, digitalization of financial transactions and the emerging connectivity with China and other neighboring economies, Pakistan has immense potential given implementation of strong structural reforms in the capital market.

The government's fiscal policies and reforms will continue to shape the path to encourage manufacturing, exports, and discourage unnecessary imports. Much work still needs to be done to enhance the ease of doing business, digitize the economy through innovation, and strengthen and diversify the export base.

We believe that in the coming years, Pakistan's capital market has immense potential for growth, and with the introduction of advanced products and our investment in world-class trading infrastructure, PSX remains committed to building the capacity and trust required for capital formation and financial inclusion.

As much as favorable tax treatment, investors need a stable and predictable tax environment. Government of Pakistan must consider adopting long term measures to promote savings and investment and development of the capital market.

In order to achieve its objectives, PSX wishes to present proposals for the Federal Government's Budget 2020. These proposals essentially focus on some impediments and disincentives that have crept into the development of the capital market, as well as the documented corporate sectors.

All the proposals outlined below are primarily designed to remove the disincentives, the incidence of double and at times multiple taxation that are penalizing capital formation, which is essential for our corporate sector to be able to compete effectively in the world. Most proposals are revenue neutral and in cases, likely to increase the government's revenue.

The core principle of our proposal is aimed at increasing the size and depth of the capital market by incentivizing listing of new capital without impacting government revenues. In view of the above, we are presenting the following proposals for the kind consideration of the Ministry of Finance and the Federal Board of Revenue.

EXECUTIVE SUMMARY

S. NO.	DESCRIPTION	PROPOSAL
1.	INTRODUCTION OF REGISTERED SAVINGS AND INVESTMENT ACCOUNTS	*It is proposed that the Government of Pakistan introduce a mechanism and regulatory structure for the launch of registered savings and investment accounts (RSIAs) to help channel savings towards productive investments.* *RSIAs will help bring capital from the large undocumented sector into the formal economy. Further, it is also crucial that firm guarantees be offered that contributions be subject to full amnesty – aside from AML and Terrorist Financing issues due diligence.*
2.	FUNDING THE FEDERAL GOVERNMENT EMPLOYEES PENSION SCHEME	*The government should start funding its pension liabilities to avert a future pension crisis and encourage capital formation in Pakistan. An adequately funded pension scheme would offer old age benefits to retired employees at public sector enterprises and government workers, without putting burden on the annual budget. Further, it is recommended that a certain percentage of the funded pension scheme be invested in the capital markets.*
3.1	ELIMINATE / REDUCE CGT FOR NEXT 24 MONTHS OR AT A MINIMUM ALIGN RATES OF CAPITAL GAINS TAX ON DISPOSAL OF SECURITIES WITH OTHER REGIONAL EXCHANGES AND OECD COUNTRIES OF THE WORLD	*Eliminate / reduce CGT for next 24 months or at a minimum align rates of capital gains tax on disposal of securities with other regional exchanges and OECD countries of the world (Annexure B).*
3.2	ALIGN THE RATES OF CAPITAL GAINS TAX ON DISPOSAL OF EQUITY SECURITES WITH RATES OF CGT ON DEBT SECURITIES FOR NON-RESIDENT COMPANIES	*Align the rates of capital gains tax on disposal of equity securities of non-residents with that of debt securities for non-resident companies having no permanent establishment in Pakistan.*
3.3	DEFINITION OF "SECURITY" SEC. 37A(3) I.T. ORDINANCE, 2001	*In order to nullify the Judgement of the Sindh High Court dated 04-03-2016 namely Khalid Mansoor Vs FBR and 3 others and in the interest of the capital markets, PSX proposes that shares of a company disposed of, in the tax year for which the company has the status of a Public Company, shall be deemed to be securities with effect from the date of acquisition, irrespective of the status of the Company at the time of acquisition of the said shares.*

3.4	SEC. 37A READ WITH SEC. 58 & 59	*It is proposed to allow carry forward of losses, for 6 years rather than for 3 years as stated in Proviso of sub section 5 of section 37A of the Income Tax Ordinance, 2001.*
4.	TAX TREATMENT ON CREATION OF UNITS OF EXCHANGE TRADED FUNDS	*It is proposed that in order to facilitate the market for Exchange Traded Funds, transfer of Portfolio (basket of securities) from Authorized Participants (AP) to ETF's Account should not be treated as disposal and therefore holding period of ETF constituents be carried forward to the ETF, upon conversion of Portfolio Deposit to ETF units, for the purpose of CGT calculation.*
5.	REDUCTION OF WITHHOLDING TAX ON INCOME FROM MARGIN FINANCING TRANSACTIONS	*It is proposed to reduce the rate of withholding tax on the gross income earned on MF transactions from 10% to 2.5%.*
6.	RATIONALISATION OF WITHHOLDING TAX ON DIVIDENDS	*Government should introduce a mechanism to remove the double taxation of company's profits - once in the hands of the company and once in the hands of shareholders as dividends - such that the effective tax rate on dividends is on par with profit on debt.* *Rationalize the current tax rate on dividends to make it equal to the tax rate on profit from debt.* *Provided that there should be no withholding tax on dividends up to Rs. 100,000 per annum.*
7.	BRING REIT DIVIDEND TAX IN LINE WITH OTHER MUTUAL FUNDS	*Applicable rate of tax on dividend by a REIT scheme should be levied as it is applicable for mutual funds.*
8.	TAX CREDIT FOR COMPANIES LISTED ON STOCK EXCHANGE	*The tax rate should be permanently lowered for listed companies, by giving tax credit of 20% of tax payable for those companies that meet the prescribed requirements including a minimum free float of 25% throughout.*
9.	ENHANCED TAX CREDIT FOR LISTED SMALL AND MEDIUM ENTERPRISES (SME)	*In order to encourage small and medium enterprises to get listed on the SME Board, it is proposed that the rate of tax for such listed SME companies be permanently lowered by giving tax credit of 50% of tax payable.*
10.	TREATMENT OF UNREALIZED GAIN ON SALE OF IMMOVABLE PROPERTY TO A REIT SCHEME	*The tax exemption on sale of immovable property to both types of REIT schemes (Development and Rental), which was available prior to Finance Act,*

		2015 should be restored and made available up to June 2025.
11.	DISPARITY IN FBR & SECP RULES RELATING TO SHARIAH COMPLIANCE	*The Shariah compliance criteria under the income tax laws be modified to make it practically possible to meet it. This will help the promotion and development of Islamic capital markets by encouraging new listings of companies on PSX through mobilizing resources towards faith-based investor savings.*
12.	PROVINCIAL SALES TAX ON SERVICES – JURISDICTION ISSUES TO BE SETTLED IN COUNCIL OF COMMON INTEREST	*The wordings of the laws enacted by the Sindh Revenue Board, Punjab Revenue Authority and Khyber Pakhtunkhwa Revenue Authority are overlapping. The matter being of equal relevance to all the provinces and affecting the entire Services Sector, may be placed on the agenda of the Council of Common Interests so that a sharing formula for each province can be devised.*
13.	REQUEST FOR CONSISTENT AND LONG TERM TAX POLICIES	*Government of Pakistan must move away from short term measures and frequent changes to tax treatment and adopt long term measures to promote savings and investment and development of the capital market.*

1. INTRODUCTION OF REGISTERED SAVINGS AND INVESTMENT ACCOUNTS (RSIAs)

Background

Saving and investment are crucial for playing an important role in the process of socio-economic development through capital accumulation. Pakistan, besides facing problems such as unemployment, rapid growth of population, slow economic growth in the country, has a saving rate that is meager and undesirable for sustainable national economic development. Low level of saving rates in any economy have been cited as one of the most serious constraints to sustainable economic growth. Higher savings and the related increase in capital formation can result in a permanent increase in economic growth rates.

RSIAs

Registered savings and investment accounts (RSIAs) are personal accounts that allow investors to accumulate savings towards life goals. Most RSIA-like schemes in other countries are aimed at retirement savings (e.g., Individual Retirement Accounts and Roth IRAs in the US, Registered Retirement Savings Plans and Tax Free Savings Accounts in Canada). Other variations on the theme promote savings toward other goals like children's education (Registered Education Savings Plans in Canada) or funding future needs of a disable individual (Registered Disability Savings Plan in Canada).

Although their design varies according to the schemes objective, they all have 2 features in common:

- Capital accumulates free of tax (on interest, dividend or capital gains) as long as it stays in the account;
- Eligible investments in the account are listed stocks and ETFs, tradable bonds and mutual funds

In the United States, Roth Individual Retirement Arrangement (Roth IRA) is similar to TFSA. The Roth IRA was established by the Taxpayer Relief Act of 1997. The total contributions allowed per year to all IRAs is the lesser of one's taxable compensation. The Packwood–Roth plan would have allowed individuals to invest up to $2,000 in an account with no immediate tax deductions, but the earnings could later be withdrawn tax-free at retirement.

A detailed structure of RSIAs specifically tailored to Pakistan is provided in **Annexure A.**

Proposal:

It is proposed that the Government of Pakistan introduce a mechanism and regulatory structure for the launch of registered savings and investment accounts (RSIAs) to help channel savings towards productive investments.

RSIAs will help bring capital from the large undocumented sector into the formal economy. Further, it is also crucial that firm guarantees be offered that contributions be subject to full amnesty – aside from AML and Terrorist Financing issues due diligence.

Rationale

Where they have been introduced, Registered savings and investment account (RSIAs) have been very successful in channeling savings to productive investments through capital markets and often constitute the main source of income in retirement. In Pakistan, they will bring the added benefit of driving the government's goal to document the informal sector.

RSIAs could become one of the driving forces in the transformation of Pakistan's economy. By some estimates, 40 million middle-class Pakistanis have an average accumulated wealth of over USD 10,000, for a total of over Rs. 50 trillion. Much of that wealth is currently invested in real estate, gold and other asset classes in Pakistan and offshore. If RSIAs can capture 10% of that wealth, it would be equivalent to more than half the current market capitalization of PSX listed companies or more than the outstanding amount of PIBs and Sukuks.

Proposed Amendment

Appropriate amendment to be made in the Income Tax Ordinance, 2001.

2. FUNDING THE FEDERAL GOVERNMENT EMPLOYEES PENSION SCHEME

At present, Pakistan's pension scheme for government employees is an un-funded, pay-as-you-go scheme. Government of Pakistan exclusively finances the pension expenditure by obtaining a provision in the annual budget for this purpose. This has all the making of an impending pension crisis in future, and places unfair burden on future generations.

In case of public sector enterprises too, much of the pension liability remains un- funded. The future monetary obligations are taken to be met from future taxation, which places undue fiscal burden and responsibility on future generations. Age analysis of population suggests growing state pension expenses given the expected increase in the older age group.

These conditions have led to increasingly stressed pension arrangements. Pension system reforms are focused on extending coverage to funded pension systems, which are professionally managed, extend to the informal sector, and facilitate switching from the existing employer schemes. While in the public sector, funds have been created at the provincial level to pre-fund the future liability.

Avoiding a looming pension crisis

Governments in various countries have actively worked to provide financial security for their aging populations by maintaining adequately-funded pension funds. These pension funds invest in a diversified range of global assets including equities, bonds, mutual funds, ETFs, and even real estate, infrastructure, and alternative assets.

In Canada, the CPPIB (Canada Pension Plan Investment Board) is the government's primary pension scheme, and has grown to become one the largest pension funds in the world. The CPPIB invests in the full stack of assets outlined above and returns are used to finance government's pension liabilities every year. This takes the burden of pensions away from the annual budget. The CPP fund now manages over $409.5 billion in assets, up from $128 billion in 2010.

An actively managed government pension fund in Pakistan will also help channel investment towards capital markets, since equities feature heavily at global pension funds. In Pakistan, the federal government could set up such an investment holding as a single-purpose asset management company with 100% control, and run by professional investment managers.

Proposal

The government should start funding its pension liabilities to avert a future pension crisis and encourage capital formation in Pakistan. An adequately funded pension scheme would offer old age benefits to retired employees at public sector enterprises and government workers, without putting burden on the annual budget. Further, it is recommended that a certain percentage of the funded pension scheme be invested in the capital markets.

Rationale

With Pakistan facing very high levels of poverty and the Government of Pakistan facing a rise in the old age population and having a scarcity of resources and funds to provide any

old age benefits. An adequately funded pension scheme is one of the resources which the Government of Pakistan could offer to facilitate retired public sector employees.

This would result in improvement in liability management of Federal Government Employees Pension Scheme.

<u>Proposed Amendment:</u>

Appropriate amendment to be made in the Income Tax Ordinance, 2001.

3.1 ELIMINATE / REDUCE CGT FOR NEXT 24 MONTHS OR AT A MINIMUM ALIGN RATES OF CAPITAL GAINS TAX ON DISPOSAL OF SECURITIES WITH OTHER REGIONAL EXCHANGES AND OECD COUNTRIES OF THE WORLD

Currently, carry forward of losses is only allowed upto a period of three years and that last year CGT collection was merely Rs. 1.3 billion. Moreover, with the falling market, tax collection will not be worthwhile at all. Therefore, it is suggested that CGT be eliminated for next 12-24 months. This will be a big headline change, with no revenue impact, and will encourage new domestic and international investors to come into the market.

Proposal:

i. ***To eliminate CGT for next 12-24 months, if that is not possible then:***
ii. ***Since the current rate of 15% is very high and that too is without any benefit of holding period, therefore it is proposed to reduce this rate in line with other regional and OECD countries such as Bahrain, Hong Kong, India, Malaysia, Mauritius, Qatar, UAE, New Zealand, Hungary, Norway etc. where there is no or very low capital gain tax as compared to Pakistan. (Annexure B)***
iii. ***When CGT was first introduced in the year 2011, to encourage and attract long term investments, the tax rates were as under:***

S.No	Holding Period	Rate of Tax
1	Less than six months	10%
2	More than six months but less than twelve months	7.5%
3	More than one year	0%

We therefore, propose the following CGT rates

S.No	Holding Period	Rate of Tax
1	Upto twelve months	10%
2	More than twelve months	0%

Rationale

Most countries specified in Annexure B such as India, Indonesia, Kyrgyzstan, Malaysia, Sri Lanka, Hungary etc. charge reduced rates of capital gains tax on disposal of securities compared to the existing rates of CGT in Pakistan. Reducing the CGT rates will enhance the volume of foreign investment inflow to the equity market and increase the tax base resulting in greater revenue collection of FBR.

There is no capital gains tax in countries such as Bahrain, Brunei Darussalam, Hong Kong, Oman, Saudi Arabia, UAE, New Zealand, Norway etc. In some countries there is exemption on capital gains tax with some conditions. If Pakistan has reduced rates competitive to the

region it can attract more foreign investment and also induce greater participation from local investors, which in turn will generate more tax revenue for the government.

__Proposed Amendment__

In Division VII, Part I of the First Schedule to the Income Tax Ordinance, 2001, the following new table shall be inserted in place of existing table:

S.No	Holding Period	Rate of Tax
1	Upto twelve months	10%
2	More than twelve months	0%

3.2 ALIGN THE RATES OF CAPITAL GAINS TAX ON DISPOSAL OF EQUITY SECURITIES WITH RATES OF CGT ON DEBT SECURITIES FOR NON-RESIDENT COMPANIES

In order to attract foreign investment in the capital market it is essential to provide a level playing field for such investors. At present the capital gains tax on equity securities is higher for non-residents than the capital gains tax in debt market for non-resident companies having no permanent establishment in Pakistan.

Proposal

Align the rates of capital gains tax on disposal of equity securities of non-residents with that of debt securities for non-resident companies having no permanent establishment in Pakistan.

Rationale

Revising the rates and mechanism of capital gains tax on disposal of equity securities in a similar manner to that of debt securities would enable a level playing field with the debt market resulting in greater investment in equity market and revenue collection.

Proposed Amendment

Align the rates of capital gains tax on disposal of equity securities of non-residents with that of debt securities for non-resident companies having no permanent establishment in Pakistan where As per sub-section (1D) & (1E) to Section 152 and Clause (3A) in Division II of Part III of First Schedule of the ITO, 2001 every banking company which maintains a SCRA of non-resident company having no permanent establishment in Pakistan is required to deduct tax @ 10% from capital gain earned on disposal of debt instrument and government securities purchased through SCRA. The above tax collection by the Bank is treated as final tax on capital gain earned by such non-resident company. (Inserted through Tax Laws (Second Amendment) Ordinance, 2019).

3.3 DEFINITION OF "SECURITY" SEC. 37A(3) I.T. ORDINANCE, 2001

The capital market is in an unfavourable position due to the Judgement of the Sindh High Court dated 04-03-2016 namely Khalid Mansoor Vs FBR and 3 others. In the said Judgement the Court gave a ruling that share of a company acquired only after announcement of its listing shall be treated as security, while the shares acquired prior to listing shall continue to be shares. The Judgement adversely affects new listing as sponsors of the company would be taxed under section 37 instead of section 37A of the Ordinance.

Proposal

In order to nullify the Judgement of the Sindh High Court dated 04-03-2016 namely Khalid Mansoor Vs FBR and 3 others and in the interest of the capital markets PSX proposes that shares of a company disposed of, in the tax year for which the company has the status of a Public Company, shall be deemed to be securities with effect from the date of acquisition, irrespective of the status of the Company at the time of acquisition of the said shares.

Rationale

Adoption of the erroneous judgement by FBR, is against the established principles of I.T. Law & Corporate Law.

i) ***In the presence of this judgment once a company gets listed, its shares get split into two parts for rest of the life of the company i.e. shares acquired after announcement of listing are called "Securities" while shares acquired in IPO and in hand of the "issuer" continue to be "Share".***

ii) ***Distortion in the definition of the term "Security" has put new listing on a halt.***

The amendment would increase collection of FBR through automated system of NCCPL. Corporate Sector shall get revived, new Listing shall start taking place and shares of a listed company shall start getting one treatment under the tax law.

***Proposed* Amendment**

An explanation to section 37A to Income Tax Ordinance, 2001 may be introduced as below:

"Shares of a company disposed of, in the tax year for which the company has the status of a Public Company, shall be deemed to be securities with effect from the date of acquisition, irrespective of the status of the Company at the time of acquisition of the said shares."

3.4 SEC. 37A READ WITH SEC. 58 & 59

Capital losses under section 58 & 59 of the Ordinance are allowed to be carried forward for a period of six years while section 37A allows carried of losses for a period of three years. This depicts an inconsistency in carry forward of capital losses under different sections of the Ordinance.

Proposal

It is proposed to allow carry forward of losses, for 6 years rather than for 3 years as stated in Proviso of sub section 5 of section 37 A of the Income Tax Ordinance, 2001.

Rationale

This would encourage investment in Capital Market which in turn would expedite the process of industrialization. The amendment would also lead to greater business activity resulting in more the revenue for FBR.

Proposed Amendment

In the Proviso to sub section 5 of section 37A of the Income Tax Ordinance, 2001, the words "three tax years" should be substituted by the words "six tax years".

4. TAX TREATMENT ON CREATION OF UNITS OF EXCHANGE TRADED FUNDS

An Exchange Traded Fund (ETF) is a pooled investment vehicle, with shares which can be traded throughout the day on a stock exchange, at a price determined by the market. Similar to a traditional mutual fund, an ETF provides investors a proportionate share in a pool of underlying securities.

ETFs are one the fastest growing categories of passive fund investments. Globally ETFs are an integral part of product offerings in the capital markets. It is a product with significant presence in over 47 countries. Internationally, there are over 8,000 ETFs with aggregate Assets Under Management of about USD 6.5 trillion by the end of 2019 and estimated to grow to around USD 7.6 trillion by the end of 2020. ETFs typically track an underlying index; they can also be based on sectors and strategies. They hold immense potential for investors to gain exposure to various market themes, without paying excessive management fees for getting a diversified exposure or developing a portfolio.

PSX proudly announced on March 24, 2020, the successful listing and commencement of trading in Pakistan's first ever Exchange Traded Funds (ETF). Two ETFs, namely NIT Pakistan Gateway ETF and UBL Pakistan Enterprise ETF, were launched on March 24, 2020 by the National Investment Trust Limited and UBL Fund Managers Limited, respectively.

Given the current circumstances and in the interest of safety, a first of its kind virtual launch was organized by PSX for the landmark launch of the ETFs. This virtual launch is a step taken to make sure that the message of availability of ETFs in the Pakistani Capital Market goes across to all investors and market participants while ensuring their safety in the wake of the current threat of the potential spread of the Covid-19 virus.

Therefore, as PSX is working actively with all market participants and regulators, the tax structure for ETFs needs to be rationalized to incentivize prospective APs to deal in ETFs. As per current tax structure, a transfer of Portfolio (basket of securities) from AP to ETF's Account (both maintained with Trustee), would trigger Capital Gains Tax (CGT).

Internationally, the growth and attraction of ETFs has been driven by the essential requirement that creation of ETF units by authorized participants are not subject to capital gains. A fundamental feature of ETFs is that the creation of their units are made in-kind, and not in cash as in the case of a mutual fund, so it does not trigger capital gains tax. In almost every market where ETFs are traded, regulators have allowed the practice of in-kind transfer portfolio securities. Examples include Saudi Arabia, Canada, UK, and USA.

<u>Proposal</u>

It is proposed that in order to facilitate the market for Exchange Traded Funds, transfer of Portfolio (basket of securities) from Authorized Participant (AP) to ETF's Account should not be treated as disposal and therefore holding period of ETF constituents be carried forward to the ETF, upon conversion of Portfolio Deposit to ETF units, for the purpose of CGT calculation.

Rationale

Tax relief for ETF instruments will play a significant role in not only the benefit to existing ETFs recently launched but also in the successful launch of further ETFs in Pakistan, as the current structure would trigger capital gains in the creation of ETFs units. Moreover, a rationalized rate of tax on ETF investments, at par with the tax on other asset classes, would attract more investors towards ETFs.

Proposed Amendment

i) The following proviso should be inserted after sub-section 3 of section 37A to the Income Tax Ordinance, 2001;

"Transfer of Portfolio (basket of securities) from Authorized Participant(AP) to ETF's Account should not be treated as disposal and therefore holding period of ETF constituents be carried forward to the ETF, upon conversion of Portfolio Deposit to ETF units, for the purpose of CGT calculation."

ii) Appropriate amendment to be made in the Income Tax Rules, 2002.

5. REDUCTION OF WITHHOLDING TAX ON INCOME FROM MARGIN FINANCING TRANSACTIONS

Margin Financing (MF) facility is made available to all Members against net ready market purchases of their clients and proprietary positions. NCCPL provides a system to MF participants for recording and settlement of MF transactions, with financing terms and conditions pre-determined by the Margin Financee and Margin Financier. Margin financing facility is made available only in Eligible Securities notified by the SECP.

Presently, the rate of tax on gross income of the Financier is 10% without deduction of any expenditure to earn such income. Whereas, in most cases the funds are borrowed from financial institutions for such MF transactions.

The cost involved in Margin Financing includes financing cost payable to financial institution, trading, clearing and depository charges and other administrative cost which render that the amount deducted as advance tax could not be fully adjusted against the tax liability of most brokers leading toward claims for tax refunds that are not time bound.

Proposal

It is proposed to reduce the rate of withholding tax on the gross income earned on MF transactions from 10% to 2.5%.

Rationale

The proposed reduction in the rate of tax on MF transactions will help develop the market and increase tax collection by FBR because ten years back, the size of similar market for margin transactions was several times higher.

Proposed Amendment

Division IIB of Part IV, First Schedule to the Income Tax Ordinance, 2001 shall be amended as follows;

> ***"The rate of deduction under section 233AA shall be 2.5% of profit or mark-up or interest earned by the member, margin financier or securities lender".***

6. RATIONALISATION OF WITHHOLDING TAX ON DIVIDENDS

Withholding tax (WHT) on profit from debt instruments is currently charged a lower rate compared to the WHT charged on dividend from equity investments. The difference ranges between 2.5%-5% (as can be seen in the table below). This reduces the incentive to invest in the equity market.

Tax treatment on various asset classes should not be the primary driver of investment decisions. Profit on debt and dividends should receive the same tax treatment. At present, it is observed that corporate profits are first taxed at the company level, and subsequently, the resulting profits which are distributed as dividends are taxed at the individual level. This is essentially a form of double taxation, and result in the misallocation of capital in an economy by giving an upper hand to fixed income investments. To remove this discrepancy, the government should introduce a mechanism to eliminate the distortions on the tax charged on dividends, and make the effective tax rate equal to that on debt.

Tax Rate on investments	**Profit paid is more than rupees five hundred thousand**	**Profit paid is rupees five hundred thousand or less**
Profit on Debt U/S 151	15%	10%
Sukuk-holder (individual or an association of person), if the return on investment is more than one million U/S 150A	12.5%	
Sukuk-holder (individual and an association of person), if the return on investment is less than one million U/S 150A	10%	
Dividend U/S 150 & 236S	15%	

Proposal

i) ***Government should introduce a mechanism to remove the double taxation of company's profits - once in the hands of the company, and once in the hands of shareholders as dividends - such that the effective tax rate on dividends is on par with profit on debt.***

ii) ***Rationalize the current tax rate on dividends to make it equal to the tax rate on profit from debt.***

Provided that there should be no withholding tax on dividends up to Rs. 100,000 per annum.

Rationale

A similar tax treatment on dividends from equity investment and debt instruments will provide a level playing field to equities and attract higher inflows in the stock market. Further, it would lead to increase in number of UINs.

Proposed Amendment

i) The following proviso should be inserted in section 150 and section 236S to the Income Tax Ordinance, 2001;

"Provided that there should be no withholding of tax where amount does not exceed Rs.100, 000 per annum."

ii) Clause (b), Division –I, Part III, first schedule to the Income Tax Ordinance 2001, for the word "15%" shall be substituted by "10%".

7. BRING REIT DIVIDEND TAX IN LINE WITH OTHER MUTUAL FUNDS

Dividends received by Companies
DIVISION III OF PART I OF FIRST SCHEDULE
The rate of tax imposed under section 5 on dividend received from a company shall be-

(a) 7.5% in the case of dividends paid by Independent Power Purchasers where such dividend is a pass through item under an Implementation Agreement or Power Purchase Agreement or Energy Purchase Agreement and is required to be re-imbursed by Central Power Purchasing (CPPA-G) or its predecessor or successor entity.

(b) 15% in mutual funds and cases other than those mentioned in clauses (a) and (c).

(c) 25% in case of a person receiving dividend from a company where no tax payable by such company, due to exemption of income or carry forward of business losses under Part VIII of Chapter III or claim of tax credits under Part X of Chapter III.]

Proposal

Applicable rate of tax on dividend by a REIT scheme should be levied as it is applicable for mutual funds.

Rationale

To align tax cost of REIT versus conventional setup

To align tax on dividend with mutual funds

Mutual Funds and REITs are those notified entities which distribute majority of their income and are therefore exempt from taxation on entity level. Both REITs and Mutual funds are conduit or pass through to the investors for tax purposes. Most of the properties are held by companies/banks. In case these properties are brought under the REIT structure, shareholders of the company owning the REIT scheme are subjected to higher rate of tax on dividend this hinders growth of REIT Structure in Pakistan.

Proposed Amendment
It is requested that clause (b) of the Part I-Division III of the First Schedule ITO, 2001 be reworded as follows

The rate of tax imposed under section 5 on dividend received from a company shall be-

(b) 15% in mutual funds, **REIT Scheme** and cases other than those mentioned in clauses (a) and (c).

8. TAX CREDIT FOR COMPANIES LISTED ON STOCK EXCHANGE

In order to encourage new listings, the Finance Act, 2011 introduced Section 65C of the Income Tax Ordinance, 2001; whereby tax credit equal to twenty percent (20%) for the tax year in which a company opts for enlistment on the Stock Exchange was allowed.

Currently, the tax credit is given for four years from the date of listing, subject to the condition that for the first two tax years the tax credit shall be 20% of the tax payable and 10% for the last two tax years. This tax credit is very insignificant and not enough to attract new listings.

It is generally observed that when companies opt for a listing on a stock exchange, their profits enhance substantially due to effective corporate governance, better disclosures, and availability to additional funds from the market. Increased profitability ultimately leads to higher tax revenue for the government as the number of listed companies on PSX grows. Higher listings, coupled with regulations to increase trading activity will result in higher liquidity, and also lead to incremental government revenues from CGT.

The table below outlines the five-year summary of listings and de-listings on the Pakistan Stock Exchange:

Particulars	Number of Companies	Capital (Rs.)*
New Listings	24	62,607 Million
De-listings	42	12,971 Million
Delisted due to Merger	9	140,535 Million

*As of December 31, 2019

Proposal

The tax rate should be permanently lowered for listed companies, by giving tax credit of 20% of tax payable for those companies that meet the prescribed requirements including a minimum free float of 25% throughout.

Rationale

i) It is generally observed that publically-listed companies are able to improve profitability due to effective corporate governance, better corporate disclosure and availability of additional funds.

ii) The incremental benefits arising from the preferential tax structure for listed companies will foster a business environment that encourages new listings on the stock exchange, resulting in higher trading volumes and lead to:

   a) Higher tax revenue from listed companies' income as a result of higher corporate profits
   b) Higher revenues from tax on brokers activity on new listings
   c) Higher revenue from Capital Gains Tax on disposal of newly listed securities.

iii) *Furthermore, with the government's increased pace of privatization of its entities, the stock market will attract local and foreign investors and increase the market size. The average rate of tax in the Asian region is 21.32%; whereas, currently in Pakistan the corporate tax rate is 29%. As such it is imperative that the corporate tax rate after above tax credit is brought down reasonably to compete with the other regional and global countries. Following are the average worldwide corporate tax rates:*

LOCATION	2012	2013	2014	2015	2016	2017	2018	2019
Africa	29.0	28.3	27.9	27.9	27.5	28.73	28.81	**28.45**
Asia	22.9	22.1	21.9	22.6	21.9	20.05	20.65	**21.32**
Europe	20.4	20.6	19.7	20.1	20.5	18.35	18.38	**20.27**
Oceania	28.6	27.0	27.0	27.0	26.0	23.67	22.00	**23.75**
North America	33.0	33.0	33.3	33.3	33.3	23.08	23.01	**25.85**
OECD	25.2	25.3	24.1	24.9	24.8	24.18	23.93	**23.59**
Global	24.4	23.7	23.6	23.9	23.6	22.96	23.03	**24.18**

Proposed Amendment

In section 65C of Income Tax Ordinance, 2001,

(i) *The phrase "for the tax year in which the said company is enlisted and for the following three tax years" be substituted with the phrase "for those companies that meet the prescribed requirements including a minimum free float of 25% throughout and;*

(ii) *The following proviso should be omitted;*

"Provided that the tax credit for the last two years shall be ten percent of the tax payable."

9. ENHANCED TAX CREDIT FOR LISTED SMALL AND MEDIUM ENTERPRISES (SME)

Small and Medium Enterprises (SMEs) contribute immensely to Pakistan's employment, exports and GDP growth, and provide 80% of all employment in the country. A well-functioning SME segment at the Stock Exchange offers a range of benefits including greater access to growth capital for innovative SMEs, documentation, good governance, new jobs through entrepreneurship, more investment opportunity for domestic investors and local venture capitalists.

PSX has launched an SME board to attract smaller companies to get listed on the exchange. The aim is to facilitate SMEs with an alternative source of financing for their expansion projects, and equity financing would be a cheaper alternative for these companies as compared to debt financing.

Proposal

In order to encourage small and medium enterprises to get listed on the SME Board, it is proposed that the rate of tax for such listed SME companies be permanently lowered by giving tax credit of 50% of tax payable.

Rationale

i) The share of the manufacturing sector in the job market is only 14% which is very low because 80% of the manufacturing investments in large scale industries provide less than 20% of the manufacturing jobs. The rest over 80% jobs are provided by SMEs.

ii) There are significant fiscal tax credit benefits in Spain, Kenya, Brazil, Argentina and other parts of the world for SMEs.

Proposed Amendment

In clause (iii), Division II, Part I of the First Schedule to the Income Tax Ordinance, 2001 after a colon the following proviso shall be added, namely:

"Provided that where a tax payer is a small or medium sized company as defined under the Third Schedule of the Companies Act, 2017 and is also listed on the registered Stock Exchange in Pakistan, the tax credit @ 50% of the tax payable on the taxable income of such company, other than a banking company, shall be allowed for the tax year 2020 and onwards."

10. TREATMENT OF UNREALIZED GAIN ON SALE OF IMMOVABLE PROPERTY TO A REIT SCHEME

Real estate has been a very popular asset class among Pakistani investors, especially in the informal, undocumented sector. Real Estate Investment Trusts (REITs) can play a significant role in the economic development of a country. In Pakistan, they can help the Government achieve the objective of documenting the economy and real estate, generating appropriate tax revenue from the real estate sector.

Prior to 2015, profits and gains (unrealized) accruing to a person on sale of immovable property to both REIT Schemes (Development and Rental) were exempt from tax.

However, the Finance Act 2015, inserted a proviso, whereby, this exemption became restricted only to gains on immovable property to a Development REIT Scheme up to the June 30, 2020, which has resulted in no new REIT scheme being launched after the amendment. The current limited exemption cripples REIT's potential and further developments have been stagnant with no revenue generated from this avenue by the exchequer.

Proposal:

The tax exemption on sale of immovable property to both types of REIT schemes (Development and Rental), which was available prior to Finance Act, 2015 should be restored and made available up to June 2025.

Rationale

i) ***This will encourage documentation of real estate activity in the country.***

ii) ***New REITs will distribute mandatory dividends which will result in generation of new tax, thus enhancement of revenue under this head.***

Proposed Amendments

i) ***In Clause (99A), Part I, Second Schedule to the Income Tax Ordinance, 2001 for the word "2015" shall be substituted by "2025".***

ii) ***In Clause (99A), Part I, Second Schedule to the Income Tax Ordinance, 2001 the following provisos shall be omitted:***

"Provided that profit and gains on sale of immovable property to a Developmental REIT Scheme with the object of development and construction of residential buildings shall be exempt up to thirtieth day of June, 2020".

"Provided further that the profit and gains on sale of immovable property to a rental REIT scheme shall be exempt upto the 30th day of June, 2021."

11. DISPARITY IN FBR & SECP RULES RELATING TO SHARIAH COMPLIANCE

In 2016, the Federal Government through Finance Act 2016, had introduced certain amendments in the ITO which allowed 2% rebate in corporate income tax rate to companies which qualified the criteria for Shariah Compliance specified in Clause 18B of Part II of Second Schedule of ITO. Thereafter in January 2017, Rule 231H was inserted in Income Tax Rules, 2002 (Rules) which provided further guidance on the Shariah Compliance criterion mentioned in ITO.

The objective for this rebate, as explained by Securities and Exchange Commission of Pakistan (SECP) in its press release of July 11, 2016, was to incentivize listed manufacturing companies to become 'Shariah Compliant' and that this was introduced in the ITO as part of reforms, with collaboration of SECP, for promotion and development of Islamic Capital market. Thereafter, in November 2018, the corporate regulator introduced the landmark Shariah Governance Regulations 2018 (Regulations), which entailed a comprehensive jurisdictional framework to regulate and govern the corporate sector, including the capital markets, Islamic capital markets, Shariah-compliant securities and Islamic financial institutions. The framework was a major break-through to lay the foundation for a true Islamic financial and economic system. The Regulations encompass a number of elements of Shariah governance which are practical to adopt and implement, ensuring long-term sustainability. On the other hand, the requirements contained in the ITO, as introduced in 2016, are comparatively stringent and impractical for taxpayers to adopt in letter and spirit, which is ultimately defeating its underlying objective i.e. development of Islamic market in Pakistan.

Hence, a re-alignment of income tax requirements with the SECP Regulations is critical so as to enable more companies to obtain Shariah Compliant status and avail the accompanying tax benefits.

Under clause 18B of Part II of Second Schedule of the ITO, 2001, a reduction in corporate tax rate by 2% is allowed to a company who meets the criteria specified in the said clause and Rule 231H of the Income Tax Rules, 2002.

However, the existing compliance requirements are very impracticable and even stringent then the requirements mentioned by SECP in Shariah Governance Regulations, 2018, which makes it practically impossible for the taxpayers to fulfill the criteria and achieve the desired status.

Proposal

It is proposed that Shariah compliance criteria under the income tax laws be modified to make it practically possible to meet it. This will help the promotion and development of Islamic capital markets by encouraging new listings of companies on PSX through mobilizing resources towards faith-based investor savings.

Rationale

The conditions imposed through the ITO, 2001 are impractical to implement given the inadequate depth of Islamic markets of Pakistan, **constraining the taxpayers from achieving**

the Shariah Complaint status and therefore failing the reforms' underlying objective - (e.g. 100% income from manufacturing operations, financing through licensed Islamic financial institutions only, issuing dividends in last five consecutive years etc.)

Proposed Amendment

1) The following amendments are proposed under clause 18B of Part II of Second Schedule of the ITO, 2001:

"(a) ....

(b) derives income **"primarily"** from manufacturing activities only;

(c) has declared taxable income **in any three of the last five** ~~for the last three~~ consecutive tax years; and

(d) has issued dividend **in any three of the last five consecutive tax years or declared at-least 25% dividend in the last year** ~~for the last five consecutive tax years.~~"

2) The following amendments are proposed under Rule 231H of Income Tax Rules, 2002:

- "(ii) There should be Riba free financing on the balance sheet of the company, however the company may be leveraged through Islamic modes of financing ~~obtained from licensed Islamic financial institutions~~.
- In Rule 231H(iii), the conditions of investments in 100% Shariah compliant instruments / securities be removed and investment in interest bearing deposits should be allowed to the extent of 30% of market capitalization of Equity or total assets, which is in line with SECP Shariah Compliance Regulations 2018.

12. PROVINCIAL SALES TAX ON SERVICES – JURISDICTION ISSUES TO BE SETTLED IN COUNCIL OF COMMON INTEREST

Provincial Sales Tax is applicable on the management services including fund and assets management services. The wordings of the laws enacted by the Sindh Revenue Board, Punjab Revenue Authority and Khyber Pakhtunkhwa Revenue Authority are overlapping as the law governing Sindh Sales Tax enacted by Sindh Revenue Board states that sales tax is to be provided where business is registered while Punjab Sales Tax on Services Act, 2012 and Khyber Pakhtunkhwa Finance Act 2013 states that the province where taxable services are provided or rendered by the service provider is entitled to levy, charge and collect sales tax on such services.

We request that this issue, being of equal relevance to all the provinces and affecting the entire Services Sector, may be placed on the agenda of the Council of Common Interests so that a sharing formula for each province can be devised to resolve this matter.

13. REQUEST FOR CONSISTENT AND LONG TERM TAX POLICIES

As much as favorable tax treatment, investors need a stable and predictable tax environment. When making a long-term investment decision, they need to know what tax treatment their investment will receive over the term of their investment horizon. Otherwise, they may simply decide not to invest or adopt short term trading strategies (like most investors unfortunately tend to do).

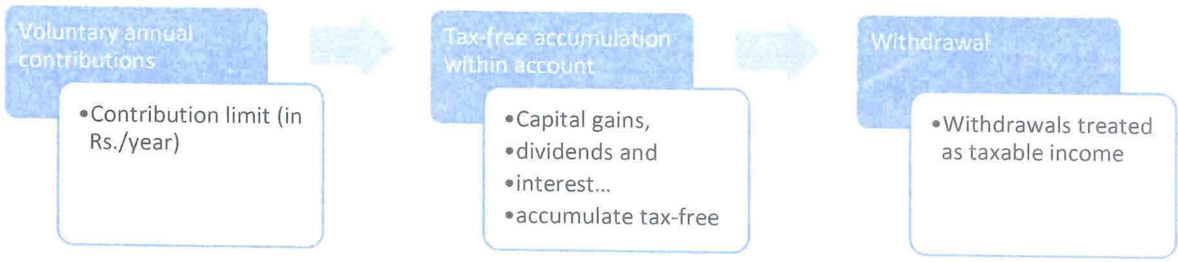
It should also be considered that the changes in policies should be prospective rather than retrospective in nature. One of such example is the amendment made in section 65B of the Income Tax Ordinance through Finance Act 2019 where tax credit for investment in plant & machinery for the purpose of balancing, modernization and replacement was reduced from 10% to 5% retrospectively of the amount invested. Therefore, the government is requested to rectify all such amendments which have retrospective effect so that all the amendments made have a prospective effect.

Government of Pakistan must move away from short term measures and frequent changes to tax treatment and adopt long term measures to promote savings and investment and development of the capital market.

ANNEXURE A

A made for Pakistan RSIA

As discussed in section 1. above, we propose that a RSIA scheme be structured to encourage transfer of capital from the informal sector – including repatriation of capital held abroad – to the formal sector though capital markets. Its main features would be as follows.



Contributions

Contributions are presumed to come from capital that would not otherwise be invested in the formal sector and generate tax revenue for GOP. Likewise, it is presumed that the capital comes from sources that have not been subject to income tax – otherwise, contribution to a VPS is a better alternative.

For these reasons, it is proposed that – at least initially – there should be no limit to the amount an investor can contribute to a RSIA. In this way, GOP would maximize the benefits of RSIAs described above, including tax revenue upon withdrawal. Furthermore, unlike VPSs, no tax credit should be given with regard to contributed amounts.

Tax-free accumulation and permissible investments

All income within the account (i.e. capital gains and dividend) should be tax-free, like VPSs. It is this feature and the opportunity to legally invest in capital market instruments that will attract capital from the informal sector.

Investments should be limited to listed equities, ETFs, tradable bonds and mutual funds. Principle-based prudential rules must be adopted to ensure protection of client assets and suitability of investments.

Withdrawals

Withdrawals should be treated as taxable income because contributions are presumed to have been made from sources that have not been taxed.

Unlike VPSs, investors should be allowed to withdraw capital from the account any time they want. That feature is key in attracting capital from wealthy individuals who may otherwise not want to lock up their capital.

Structure and administration

A proper structure and administrative framework are key to the success of the scheme. Protection of client assets and suitability of investment are paramount. As for VPSs, rules regarding tax-free capital accumulation and the treatment of withdrawals must be stable throughout the existence of the scheme. It is also crucial that firm guarantees be offered that contributions be subject to full amnesty – aside from AML and Terrorist Financing issues due diligence.

Providers

RSIAs should be offered by Asset Management Companies and eligible brokers that meet requirements set out by SECP.

Financial advice

Providers (AMCs and brokers) should provide financial advice to the account holder and have a fiduciary duty.

Allowable investments

Investments should be restricted to listed stocks, ETFs, tradable Government and investment grade corporate bonds and mutual funds. No leverage or short selling should be allowed.

Fees

In order to reduce possible conflicts of interest, RSIA holders should pay the provider an annual fee calculated as a % of assets in the account, either directly or through a mutual fund. No trading commissions should be allowed.

Administration

An administrator/trustee – who may be the provider or an affiliate if they meet the requirements – should oversee the accounts to ensure that all rules regarding contributions, eligible investments and withdrawals are complied with.

Other policy considerations

While establishing a RSIA scheme, GOP should be mindful of the following policy considerations.

Incentive to join formal sector and become tax-filers

Although a RSIA provides a conduit for capital to flow from the informal sector to the documented economy, it does not provide any incentive to actually join the formal sector. Indeed, for a RSIA scheme to be successful in attracting capital to the formal sector, measures must be implemented in parallel to close the door to investment in other vehicles without proper documentation, including real estate, NSS and offshore destinations.

For the same reasons, the scheme should be designed to allow GOP to adjust/reduce contribution limits – while leaving the other features unchanged – to align with evolving policy objectives.

Harmonization with VPS

As a RSIA scheme is designed, it may be necessary to harmonize some features of VPS in order to avoid possible fiscal or regulatory arbitrage as well as not burden providers with 2 different administrative structures.

ANNEXURE B

Capital Gains Tax International Applicability

Capital Gains Tax in Other Regional Exchanges of the world

S.No.	Country	CGT on Corporates	CGT on Individuals
1	Bahrain	Nil	Nil
2	Brunei Darussalam	Nil	Nil
3	Hong Kong	Nil	Nil
4	India	10% (Long term) Short term - 15% if listed shares and specified securities are subject to Securities Transaction Tax (STT)	10% (Long term) Short term - 15% if listed shares and specified securities are subject to Securities Transaction Tax (STT)
5	Indonesia	Capital gains on shares listed in Indonesia are taxed at 0.1% of gross sales consideration	Capital gains on shares listed in Indonesia are taxed at 0.1% of gross sales consideration
6	Kyrgyzstan	Capital gains are subject to ordinary income tax rate at 10%. There is an exemption available for interest income and capital gains from selling shares that are, on the date of a given sale, in the official lists of the stock exchange in the highest and the next to highest category of listing	Capital gains are subject to ordinary income tax rate at 10%. There is an exemption available for interest income and capital gains from selling shares that are, on the date of a given sale, in the official lists of the stock exchange in the highest and the next to highest category of listing
7	Malaysia	Nil	Fixed amount + 1% - 28% as per specified slabs
8	Mauritius	Nil 15% if holding period is less than 6 months	10% if income is less than MUR 650,000 15% if income is more than MUR 650,000
9	Oman	Nil	Nil
10	Philippines	0.6% based on the gross selling price, provided the listed corporation observes a minimum public ownership of at least 10% based on the company's issued and outstanding shares, exclusive of any treasury shares or such percentage as may be prescribed by the SEC or Philippine Stock Exchange (PSE), whichever is higher. Otherwise, the 5% / 10% capital gains tax shall apply if the seller is a foreign corporation, or 15% capital gains tax shall apply if the seller is a domestic corporation.	0.6% of the gross selling price for shares of stocks listed and traded in the stock exchange; 15% of the net capital gains for unlisted shares of stock, including shares of publicly listed companies that failed to comply with the minimum public ownership (MPO) requirement. Only 50% of the gain or loss is to be taken into account if the capital asset has been held for more than 12 months; otherwise, 100% of the gain or loss is to be considered.
11	Qatar	10%	Capital gains on the disposal of securities derived by the individual are exempt from taxation provided such securities are not part of the assets of a taxable activity.

12	Saudi Arabia	Capital gains realised from the disposal of shares in Saudi stock companies listed in the Saudi market are tax exempt, subject to certain conditions.	Nil
13	Sri Lanka	Gains made on realisation of shares quoted in any official list published by any stock exchange licensed by the Securities and Exchange Commission of Sri Lanka are exempt from income tax. Such gains are subject to the share transaction levy chargeable at 0.3% on the seller as well as the buyer on the transaction value.	The gains from the realisation of investment assets is taxed at the rate of 10%
14	Taiwan	Capital gains on disposal of Taiwanese marketable securities and futures by resident companies and non-resident companies with a Fixed Place of Business (FPOB) or business agent in Taiwan are exempt from Corporate Income Tax (CIT) assessment, but are liable for Income Basic Tax (IBT) of 12%, with an exemption amount of TWD 500,000.	CGT on securities has been abolished effective from 1 January 2016. Capital gains derived from sales of Taiwan-based securities prior to 1 January 2016 are still subject to CGT if certain conditions are met.
15	United Arab Emirates	Nil	Nil

Capital Gains Tax OECD Countries

S.No.	Country	CGT Rate
1	New Zealand	Nil
2	Korea	Same as corporate income tax rate 10%-25% progressive
3	Switzerland	Nil at federal level. Capital Gains on sale of assets are treated as ordinary income
4	Netherland	Capital Gain from sale of Participation is exempt if participation exemption applies. Other capital gain is applied at normal tax rates 19%-25%.
5	Hungary	9%
6	Sweden	Capital Gain from sale of shares in a resident company are tax exempt if shareholding is business related
7	Portugal	Under Portugal's participation regime capital gains realized by a resident company from a domestic or foreign shareholding is exempt from tax
8	Spain	Tax exemption available for capital gains derived from transfer of shares if certain requirements are met
9	Norway	Capital Gains derived by a Norwegian Limited Company on disposal of shares in another Norwegian or EEA resident limited company are exempt from tax
10	Latvia	Capital Gain on sale of shares exempt from tax subject to certain conditions

Capital Gains Tax on disposal of Securities

<table>
<tr><th rowspan="2">S.No</th><th rowspan="2">Period</th><th rowspan="2">Tax Year 2015</th><th rowspan="2">Tax Year 2016</th><th rowspan="2">Tax Year 2017</th><th colspan="2">Tax Years 2018, 2019 and 2020</th></tr>
<tr><th>Securities acquired before 01.07.2016</th><th>Securities acquired after 01.07.2016</th></tr>
<tr><td>(1)</td><td>(2)</td><td>(3)</td><td>(4)</td><td>(5)</td><td>(6)</td><td>(7)</td></tr>
<tr><td>1.</td><td>Where holding period of a security is less than twelve months</td><td>12.5%</td><td>15%</td><td>15%</td><td>15%</td><td rowspan="3">15%</td></tr>
<tr><td>2.</td><td>Where holding period of a security is twelve months or more but less than twenty-four months</td><td>10%</td><td>12.5%</td><td>12.5%</td><td>12.5%</td></tr>
<tr><td>3.</td><td>Where holding period of a security is twenty - four months or more but the security was acquired on or after 1st July, 2013</td><td>0%</td><td>7.5%</td><td>7.5%</td><td>7.5%</td></tr>
<tr><td>4.</td><td>Where the security was acquired before 1st July, 2013</td><td>0%</td><td>0%</td><td>0%</td><td>0%</td><td>0%</td></tr>
<tr><td>5.</td><td>Future commodity contracts entered into by members of Pakistan Mercantile Exchange</td><td>0%</td><td>0%</td><td>5%</td><td>5%</td><td>5%</td></tr>
</table>