

Ref: MTL/CA/Members Circular-1/19
19-11-2019

Withholding Tax on Dividends

As per in the Income Tax Ordinance, 2001 different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies.

These tax rates are as under:

- (a) For filers of income tax returns: 15%
- (b) For non-filers of income tax returns: 30%

All the shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers are advised to make sure that their names are entered into ATL before the date for payment of the cash dividend otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

It is further informed that as per clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Joint Holder(s) based on their shareholding proportions, in case of joint accounts.

All shareholders who hold shares with joint shareholders, are requested to provide shareholding proportions of Principal shareholder and Joint Holder(s) in respect of shares held by them to our Share Registrar M/s. Hameed Majeed

Associates (Pvt.) Limited, 1st Floor, H.M House, 7- Bank Square, Lahore, in writing as follows:

Folio / CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

The required information must reach our Share Registrar before start of share transfer book closure for determination of entitlement for payment of dividend; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

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Muhammad Faisal Azeem
Company Secretary