GOVERNMENT OF PAKISTAN
Revenue Division
(Federal Board of Revenue)
*****

Islamabad, the 24th November, 2016.

NOTIFICATION

S.R.O. 1085(I)/2016.– In exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Income Tax Rules, 2002, the same having been previously published vide Notification No. S.R.O. 1022(I)/2016, dated the 31st October, 2016 as required by sub-section (3) of the said section, namely:-

In the aforesaid Rules, after rule 231F, the following new rule shall be added, namely:-

"231G. Determination of value of bonus shares issued by a company not quoted on the stock exchange, to the shareholders of the company.

(1) The value of bonus shares issued by a company, not quoted on the stock exchange, to its shareholders in terms of sub-section (6) of section 236N of the Ordinance shall be the face value, or the breakup value, as determined below, whichever is higher.

(2) The breakup value of the bonus share shall be determined in the following manner :-

(a) the total equity of the company divided by the total number of ordinary shares (after the issuance of bonus shares) , as of the last day of the period for which financial statements are prepared and approved by the Board of Directors for the purpose of issuance of bonus shares.

The total equity of the company shall be determined by adding paid up capital of the ordinary shares and the reserves; and

(b) for the purpose of sub-clause (a) above, the term "reserve" shall have the same meaning as defined under sub-section (3) of section 5A of the Ordinance.".

[F.No.4(139)IT-Budget/2016]

(Reema Masud)
Secretary (IT-Budget)