



MCB
BANK
LTD

Financial Control Group
Taxation & Branch Support Unit

Circular No. FCG - BS/2015- 41

December 31, 2015

To: **ALL BRANCHES**

CC: **GROUP HEADS/ HEAD NORTH/ HEAD SOUTH
BUSINESS HEADS
RBG /WBG/AREA OPERATION HEADS
GENERAL MANAGERS/ REGIONAL HEADS/OPERATIONS MANAGERS**

DECLARED RATES OF PROFIT ON LCY & FCY DEPOSITS
FOR THE PERIOD JUL-DEC 2015

This has reference to our earlier Circulars # FCG-BS/2015-16 dated June 30, 2015 & Circulars # FCG-BS/2015-25 dated September 30, 2015, wherein provisional profit rates relating to the period Jul-Dec 2015 were communicated.

The management has declared the rates of profit on PLS Deposits for the 2nd half of 2015.

A comprehensive chart/table of the declared rates related to Jul-Dec 2015, is attached as **Annex A**, for information, reference and necessary action, of all concerned.

While the profit payment process will mostly be taken care by the system, however, there may be some items which need manual interference for payment of profit. All concerned are requested to consider the following instructions along with their own routine processes and controls:

DEDUCTED OF TAX (Products Maintained Manually):

The details regarding tax deducted on profits along with other provisions of withholding have already been communicated separately and can be referred. How, a brief view on tax on profit is appended below for assistance:

Tax would be deducted from the gross amount of profit, **after deduction of the amount of zakat payable thereon, wherever applicable**. Following categories of recipient are exempt from deduction of withholding tax as per notification SRO No. 594 (1) dated June 30, 1991 and Income Tax Ordinance 2001:

1. Federal Government;
2. Provisional Government;
3. Local Authority;
4. A banking company receiving interest on inter-bank deposit from another banking company;
5. Any person who produces a certificate from Commissioner of Income Tax to the effect that the recipient's income during the income year is exempt from tax, under the Ordinance or any other law of the time being in force.