

Compliance Checklist - Allowable Deductions

Head of income: Capital Gains (Sections 37, 37A, 38, 59 and 76)

Income Tax Ordinance, 2001 (amended up to 30 June 2026) and Income Tax Rules, 2002 (amended up to 15 September 2026)

Taxpayer name

NTN / CNIC

Tax year

Prepared by / date

Reviewed by / date

How to fill: For each check point mark Yes (complied), No (not complied - claim at risk) or N/A (not applicable), and note the evidence reference. Any "No" should be resolved or the deduction reduced before filing the return.

No.	Check point	Yes	No	N/A	Evidence / remarks
WHAT CAN BE ADDED TO COST					
1. Purchase price and incidental costs (Sections 37(2), 37(4) and 76; Rule 31(3))					
Keep on file: Purchase deed, payment proof, receipts for incidental costs					
1.1	Is the purchase price supported by a sale deed / contract and payment proof?	☐	☐	☐	
1.2	Are incidental costs of acquisition and disposal supported by receipts?	☐	☐	☐	
1.3	Are improvement costs supported by bills?	☐	☐	☐	
1.4	Have amounts already deducted under another provision, or covered by section 21, been excluded from cost?	☐	☐	☐	
1.5	Have grants / subsidies relating to the asset been deducted from cost?	☐	☐	☐	
2. Inherited or gifted assets (Section 76(8A) and section 79)					
Keep on file: Succession certificate, FBR / DC valuation					
2.1	For inherited immovable property, has cost been taken at fair market value on transfer to the heir?	☐	☐	☐	
2.2	Is the succession / gift deed and valuation evidence on file?	☐	☐	☐	
CAPITAL LOSSES					
3. Loss on sale of a capital asset (Sections 38 and 59)					
Keep on file: Loss computation, prior returns					
3.1	Has the loss been set off only against capital gains?	☐	☐	☐	
3.2	Would a gain on this asset have been taxable (i.e. not exempt)?	☐	☐	☐	
3.3	Have losses on art, jewellery, manuscripts, stamps, coins and antiques been excluded?	☐	☐	☐	
3.4	Is the carry-forward within the 6-year limit, oldest loss first?	☐	☐	☐	

No.	Check point	Yes	No	N/A	Evidence / remarks
4. Gains and losses on listed securities (Section 37A; Rules 13A-13M)					
<i>Keep on file: NCCPL statement, broker bills and ledgers, CDC statements, bank proof</i>					
4.1	Has the NCCPL capital gains statement been obtained and reconciled?	☐	☐	☐	
4.2	Has the gain / loss been computed on FIFO basis, with special cost rules applied to right, bonus, inherited and IPO shares?	☐	☐	☐	
4.3	Have losses from wash sales, cross trades and tax-swap sales been excluded?	☐	☐	☐	
4.4	Have securities losses been set off only against securities gains?	☐	☐	☐	
4.5	Is any carried-forward securities loss within the 3-year limit?	☐	☐	☐	
4.6	Are broker bills, broker ledger statements, CDC statements and proof of bank payments kept as evidence of each purchase and sale (Rules 13A, 13B, 13I)?	☐	☐	☐	
4.7	(Non-individual investors) Were quarterly capital gains statements e-filed within 21 days of each quarter end?	☐	☐	☐	

Conclusion: all "No" answers resolved or the related deduction reduced? ☐ Yes ☐ No

Prepared by: _____ **Date:** _____ **Reviewed by:** _____ **Date:** _____

Disclaimer: This checklist is a helper tool only and does not constitute legal or tax advice. Verify each point against the Income Tax Ordinance, 2001, the Income Tax Rules, 2002 and FBR circulars, and consult your tax advisor before acting.