TAX REFORM IN THE CAPITAL MARKET – A WELCOME DEVELOPMENT[1]

By Abiola Sanni, FCTI,
Senior Lecturer, Faculty of Law,
University of Lagos.

1.0. INTRODUCTION

I must confess that I was a bit confused by the above assigned topic when I received the invitation to this Workshop. First, since the invitation was at the instance of the Ogun State Internal Revenue Service, I was wondering what a State tax authority has to do with a reform in the capital market which is mainly within the jurisdiction of the Federal Government. Second, the topic is couched in a manner that suggests that there is an ongoing tax reform targeted at the Capital Market. Against this background, I humbly assumed that such a development could have possibly (though unlikely) escaped my attention. I, therefore, set out to find out about what the tax reform in the capital market is all about; after all, the thrust of my job as a tax teacher is to carry out a careful study of a subject in order to discover new facts.

But alas, my research has revealed that there is no such specific tax reform in the capital market. My third confusion stems from the fact

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[1] **Abiola Sanni,** FCTI, Senior Lecturer, Faculty of Law, University of Lagos <08033958020, 08029919999. being a paper delivered at a Seminar organised by the Ogun State Board of Internal Revenue in Abeokuta on August 2nd 2007.

that my letter of invitation made references to "the recent reintroduction" of capital gains on gains from disposal of shares and stocks. Again, as far as I know, such gains are expressly exempted under section 31 of the Capital Gains Tax Act. Furthermore, to my knowledge, the Capital Gains Tax is not one of the taxes which form the basis of the current tax reform.

Things however became clear when I saw the publication by the OSIRS on p.21 of the Punch of July 30, 2007 declaring the aims of the workshop. The publication clearly indicated that this Workshop is a forum to brainstorm on the possible "formulation of policy implications of the widening of the tax base to include the capital market" and encourage the stakeholders and the general public to support the gradual re-introduction of taxation in the capital market as done in other developed economies". The array of participants actually reveals that the Workshop is a collaboration between the OSGIRS and the FIRS and other stakeholders. Against this background, I wish to commend the leadership of OSIRS under Mrs Morenike Babington-Ashaye for this agenda setting initiative. Tax female administrators, these days have shown that, given the chance, they will do almost twice as their average male counterparts. As a matter of fact, the Chairperson of OGSBIR is someone that one could liken to "Okunrin meta".

1.1. Federal Government reform & capital market operations

The reforms of the Federal Government as encapsulated in the Nigerian Economic Empowerment Development Strategy (NEEDS) document have undoubtedly had a positive impact on the Nigerian capital market. The capital market in Nigeria has recorded tremendous growth in the past few years as a result of reform policies in banking and financial sector, pension, privatisation exercise and payment of local contractors, *inter alia*. These developments have deepened the Nigerian capital market in the following ways:

- Increase number of new listings;
- Increase liquidity in terms of potentials to finance big transactions. The NSE market capitalisation as at May 11, 2007 stands at N6.73 trillion;
- increase public awareness about capital market, especially among population, investors and issuers. For example, banking reforms have created well over a million new shareholders for some banks in Nigeria.
- Re-emergence of a growing bond market,
- Increase foreign participation in the capital market,
- Significant improvement by the Securities and Exchange Commission (SEC) in the performance of its regulatory roles in line with the provisions of the Investment and Securities Act (ISA) and the SEC Rules and Regulations.

All these have increased confidence in the Nigerian capital market and contributed immensely to boosting both local and foreign investments in the Nigerian capital market. The tremendous growth in the capital market should translate to increase in the tax revenue for government. To what extent is this so? This question can only be authoritatively answered by the FIRS and the various State Boards of Internal Revenue. Meanwhile, it is instructive to note that the Nigerian capital market is still at a relatively developing stage compared to the capital markets of other developed and developing countries such as United States of America and South Africa.

1.2 Definition and broad issues about Taxation

- Tax is a "compulsory levy imposed on a subject or upon his property by the government having authority over him;
- Tax is a universal contrivance;
- There are only two certainties – death and taxes;
- Tax is the price of social security between the government and the governed;
- Tax is the oxygen of every nation, a pre-condition for its prosperity; and
- Tax is an instrument of social engineering – can be used to stimulate general or sectoral economic growth. This is particularly true of capital market operations in Nigeria. Market economies require private savings to provide capital to establish new ventures and to expand existing new enterprises. The question whether tax rules should favour a particular sector is part of the larger question whether tax incentive should be used to encourage the strategic growth of that sector.

- The Personal Income Tax administration in Nigeria is skewed against those in employment compared to businessmen and investors.

2.0. UNDERSTANDING CAPITAL MARKET OPERATIONS

For any discussion of the taxation of capital market operations to be meaningful, it is important to explain what is meant by capital market and how the market works.

2.1. What is capital market?

Capital market can be defined as platform for the sale and purchase (trading) of long-term financial instruments. Unlike the money market which functions basically to provide short term funds, the Capital Market provides funds to companies and governments to meet their long-term capital requirements, such as capital expansion, acquisition of new technology, financing of fixed investments such as buildings, plants, bridges, etc.

2.2. Capital market products

Products traded in the capital market include:

- Equities - Ordinary shares and preference shares
- Debts instruments - Government bonds (Federal, States and Local Governments)
- Industrial loans/debenture stocks and bonds

2.3. The Structure of the Nigerian Capital Market

The Nigerian Capital Market can be broadly classified into two viz:

- Primary market and
- Secondary market

2.3.1. Primary Market

This is a market where **new** securities are issued. The mode of offer for the securities traded in this market includes offer for subscription, right issues, offer for sales and private placement. A good example is where a newly listed company is doing an Initial Public Offer (IPO).

2.3.2. Secondary Market

This is the market for trading in existing securities. It consists of exchange and over-the-counter market where securities are bought and sold after their issuance in the primary market.

2.4. Major Participants in the Nigerian Capital Market

The Capital Market is constituted by certain major operators and institutions which facilitate the issuance and secondary trading of financial instruments. These can be divided into four main categories viz: (i) fund providers/investors (ii) user of funds and (iii) intermediaries and (iv) regulators.

2.4.1. Fund Providers

The fund providers are basically seeking appropriate portfolios to invest and have good returns on their investments based on their respective investment objectives – whether short term or long term. The fund providers include:

- Individuals
- Unit Trusts/mutual fund holders
- Pension Funds
- Insurance Companies,
- Other institutional investors.

2.4.2. Users of Funds

The fund users seek to obtain long-term capital to meet their various needs such as capital expansion, acquisition of new technology financing of fixed investments such as buildings, plants, bridges, etc. The users of funds in the capital markets are usually

- Companies and
- Governments

2.4.3. Intermediaries

There are intermediaries that offer range of services in the capital market in order to ensure that trading is consummated.

- Issuing Houses

- Underwriters
- Stockbrokers
- Trustees.
- Registrars, etc.
- Solicitors
- Reporting Accountants
- Auditors

2.4.4. Regulators

The basic functions of the regulators are to provide a legal framework within which the various activities in the market are conducted and enforce the rules. The regulators are:

- Securities and Exchange commission
- The Nigerian stock Exchange
- Central Bank of Nigeria
- Federal Ministry of Finance

2.5. How the users of fund could access the Nigerian Capital Market

When a company or government wants to use the Capital Market to raise long-term funds, it must consult an issuing house or stockbroker. These specialists provide the company/government with financial advisory services. It is their duty to study the company's performance over the years in order to determine its financial needs. More so, they do not only advise on the best option, they undertake total financial restructuring of the company before introducing the facility to the company.

The issuing house and the stockbroker liaise with the other professionals – Registrars, Trustees, Auditors, Reporting Accountants, and Solicitors etc. to produce a marketing document known as the prospectus. The Prospectus is the document the public relies on for making investment decision. Necessary approval from SEC and other bodies are obtained. If the financial option involves listing on the Stock Exchange, the issuing house or brokers to the issues ensures that all necessary approval with the Exchange are also obtained since only stockbrokers can introduce issues to the Exchange.

On the completion of the offer, the proceeds of the issue are handed over to the company for executing the proposed business programme and the securities is listed on the daily official list of the Exchange.

Individuals who wish to invest in the Capital Market in form of buying and selling of shares must mandatory go through a stock broking firm and register with the firm, except for the purchase of IPOs.

3.0. RECENT MEASURES TO FURTHER DEVELOP THE MARKET

Some measures were recently introduced by SEC ostensibly to further develop the capital market operations in Nigeria. The policy underpinning of the measures is geared towards achieving the following objectives:

- Improving investor's security,
- Increasing the volume of trade and
- Reducing transaction costs

- Prepare the operators for the challenges of global competition and attract both local and foreign investments into the country

The measures include

- Increasing the minimum paid up capital base of operators
  - underwriters – from N100 million to N2 billion;
  - Issuing Houses - from N150 million to N2 billion;
  - Broker Dealers - from N70 million N1 billion;
  - Clearing and Settlement Agencies - from N500 million to N1 billion;
  - Registrars - from N50 million to N500 million.
  - Fund/Portfolio Manager - from N20 million to N500 million, and
  - Corporate Sub-brokers - from N5 million to N50 million.
- Some operators are exempted from the review. These include Stock/Commodities Exchanges, Capital Trade Points, Commodities Brokers, Venture Capital Managers and Individual Investment Advisers. Others are Consultants (Individual and Corporate), Rating Agencies, Corporate Investment Advisers and Trustees. This is to encourage a smooth take off and growth of these relatively new areas of capital market operations in Nigeria.
- The operators have been given up to December 31, 2008 to comply with the new capital requirement either through capital increase or mergers/acquisitions with a stern warning that there will be no extension.

- 40 percent reduction in all capital market fees. It has been observed that Nigeria has one of the highest fee structure in the world. By this approval, average equities transaction cost in the primary market, which was initially at 6.92 percent has been reduced to 4.32 per cent, while transaction cost on bonds has been reduced from 7.03 per cent to 4.79 per cent. For the secondary market, total transaction costs on equities have also been reduced. Specifically, equities transaction cost on the buy side has been reduced from 4.07 per cent to 2.36 per cent, while the sell side is now 2.65 per cent from the earlier cost of 4.12 per cent. The new fee regime is effective from April 24, 2007.
- All offers must henceforth be 80 percent underwritten. This is with a view to reducing incidence of under subscription and ensuring that the issuing houses and stockbrokers have higher stakes in the issues they bring to the market. This measure, according to SEC will also stem price manipulation just before public offers are made by companies.
- Introduction of a Code of Conduct for Shareholders' Associations in Nigeria. The introduction of the code aims as curbing certain observed unacceptable practices by some members of shareholders' associations especially at companies' Annual General Meetings, and the attendant negative impact on the market.

It is instructive to note that the reduction of transactional cost will lead to a reduction of tax revenue, especially VAT but may perhaps lead to an increase on the level of return on investment. Tax authorities must then strive to bring more taxable activities within the tax net.

4.0 CAPITAL MARKET OPERATIONS AND TAXATION

It is instructive to start by underscoring the fact that there is no special tax legislation for the capital market operations. By this statement, we are not in any way querying why none existed or positing that one should be devised. Rather, the statement is meant to note that the intersection between the capital market operations in Nigeria and taxation can only be determined by examining how each tax law impacts on the market operations.

4.1. Companies Income Tax (CITA)

(a) Filing of returns

Section 57 CITA mandates companies operating in the Nigerian Stock Exchange to file monthly returns with the Federal Board of Inland Revenue not later than 7 days after the end of each calendar month of its transactions during the preceding calendar month. A company is expected to state the following in a prescribed form:-

(a) the type of offer;

(b) the services rendered;

(c) the amount of tax deducted at source; and

(d) amount of VAT payable.

This filing requirement is a critical aspect of the regulation of activities in the capital market from taxation perspective. If the requirement is strictly complied with, it would provide an audit trail for the tax authority to trace, identify and raise assessment in respect of taxable income where such is not voluntarily declared.

(b) Withholding tax

Withholding tax is not a separate tax but a convenient method of collecting income tax in advance. Thus, it is an advance payment of income tax which ordinarily is collected on preceding year basis. Credit is given for tax withheld (on application) when filing tax returns. Therefore, the tax withheld is used to offset tax liability either wholly or partly.

Sections 78-81 Companies Income Tax Act, Cap C21, LFN 2004 impose obligations on companies, including those operating in the capital market to withhold tax from certain payments made by them (for goods and services) at the applicable rate depending on whether the payee is a company or an individual viz:

Transactions/ payments	CITA rates	PITA rates
Royalty	15%	15%
Rents	10%	10%
Dividends	10%	10%
Interests	10%	10%
Commission	10%	5%
Consultancy fees	10%	5%

Technical fees	10%	5%
Management fees	10%	5%
Directors fees	10%	5%
Building construction	10%	5%
Contract supplies	10%	5%

Exempted payments/transactions

The following payments /transactions are exempted from Withholding tax:

- Reimbursable,
- Purchases across the counter. That is, without LPO or formal documentation.

Accounting to the tax authority

In accounting to the FIRS/SBIR, the person making the payment is expected to state the following on the WHT remittance form:

- the gross amount of the payment
- the nature of the services rendered
- the name and address of the recipient
- the rate of the WHT and the
- the WHT due
- period covered – a month
- Cheque no and date.

Payment for registered companies is made to FIRS while payment for individuals is made to SBIR. In practice, payment is made to designated banks within the area of operation of the company or individual with a schedule of all the transactions containing the requisite information while. It is the responsibility of the taxpayer to follow up the credit notes.

Who bears the burden of withholding tax?

It is important to point out that the burden of withholding tax falls on the payee and not the company withholding the tax. The payee, here, depending on the circumstances may be:

- the investors (when receiving dividends),
- the various intermediaries (when being paid for their services by the fund users of funds)

Since a company is answerable to the tax authority to ensure that appropriate taxes are withheld and duly remitted, a company that fails to do the right thing may bear the tax burden with interest and penalties.

Penalty

Failure to deduct or remit tax due on interest or other source of income liable to WTH tax shall **on conviction** attract a fine of 200% of the tax not withheld or remitted plus interest at the prevailing commercial rate. There is a proposal to reduce the penalty to 10% per annum under the Companies Income Tax (Amendment) Bill.

Based on the foregoing, each of the intermediaries in the capital market operations is expected to withhold tax from payments made by them to another. For instance, the issuing house is expected to withhold tax from payment made to all other professionals involved; the stockbroker is expected to withhold tax from payment made to investors. Where the investor is an individual, the stockbroker is under obligations to remit the tax withheld to the State Board of Internal Revenue of where the investor is resident. The determination of the state of residence should not be difficult since this is one of the information required when purchasing shares. The rules for the determination of residence of individual taxpayers are contained in the First Schedule to PITA. However, there is practical difficulty for each SBIR to audit the accounts of each stockbroker to ensure that appropriate tax has been withheld and remitted especially where the stockbroker is located outside the jurisdiction of each State. In this regard, the State(s) where the head offices of these stockbrokers are located (such as Lagos, Kano, Kaduna, Rivers, etc) are in vantage positions. However, it is doubtful if this opportunity is being optimally utilised in practice. I believe that the FIRS is in a position to partner with the States to ensure that taxes due to the States are collected and remitted promptly subject of course to the rights of the FIRS to charge appropriate fees for its services. Therefore, there is the need to ensure cooperation between the FIRS and the SBIR in ensuring that this requirement is faithfully implemented.

Capital market operation and charge of double taxation

The operators in the capital market have been complaining of double taxation and multiplicity of fees. By double taxation, they meant that tax is levied on the income of the company in its hands (in its corporate name) and thereafter the dividends and other distributions made to shareholders out of the profits are again subjected to tax in the shareholders' hands as their personal income tax. This is what happens where the taxation of the income of companies is based on the Classical Theory of taxation

Technically speaking, the above scenario does not amount to double taxation. Double taxation is a well established concept in the international taxation. Double taxation at the intra national level occurs where the same income or piece of property is subject to tax twice or more in the hands of the same taxpayer by the same tax authority. Therefore, since a company is a distinct and separate person from its shareholders, the taxation of income of a company cannot be said to be the same with taxation of the income of the shareholders. The Classical Theory of taxation of companies views Company's income tax as part of the price paid for the privileges of incorporation. An investor who desires to avoid paying companies income tax has a choice of carrying on business either as a sole proprietor or partnership.

The Imputation Theory however though taxes the profits of a company in its hand but allows, on distribution, a portion of the companies income tax already paid to be imputed to the income tax liability of the shareholder. In this circumstance, a shareholder will be given credit for the tax already deducted under the companies income tax. The imputation system is popular in the European Union.[2] White has commended the system in the following glowing terms:

> "It attracts investors and broaden the base of capital markets which is at the heart of a good 'communitaiure'"[3]

In view of the relative advantage of the imputation model, it may be worthwhile for the operators in the capital market to advocate for the imputation model instead of seeking to direct eliminate either taxation of company or dividends. But the implications of such reform, especially, on the earning of the government(s) and inter government fiscal relations must be carefully examined.

4. 2. Value Added Tax

The Value Added Tax (VAT) is charged and payable on the supply of all goods and services other than those exempted and listed in Schedule 1 of the VAT Act. VAT is a consumption tax on all taxable goods and services payable by any consumer including companies, firms and individuals. Thus, in the primary market, all the intermediaries providing one services or the other for the user of funds are under obligation to register for VAT and charge VAT at the rate of 5 percent. Therefore, 5% of the total transactional cost is expected to be paid to the FIRS as VAT. For instance, by now, the FIRS should have received 5% of the about 4.32 per cent of the N100b of the First Bank of Nigeria Plc recent offer.

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[2] See generally, B.B. Kanyip, "Companies Income Tax" CITN Nigerian Tax Guide, op.cit. 176-8
[3] Ibid p.353.

VAT is chargeable by every person including government institutions providing services or supplying goods. Hence, VAT is payable on the SEC Fees, NSE fees, the fees of each of the intermediaries. Each of this company/organisation is under obligations to remit the VAT due on their fees to the FIRS not later than 20 days (It was formerly 30 days until it was reduced by the VAT Amendment Bill).

VAT, being a consumption tax, the burden of the tax is, therefore, borne by the consumers of various services that make the capital market operation who invariably is the users of funds (companies and government). Therefore, an increase in VAT rate will undoubtedly increase the cost of accessing long term capital and reduce return on investment (profit).

4. 3. Capital Gains Tax

As the name connotes, the capital gains tax is levied on the on "gains" arising from the 'disposal' of "any asset" that is not exempted. The meaning of asset under CGTA is radically different from the restricted meaning of the word in a plain language. Asset is defined widely in section 3 as "all forms of property, except those expressly excluded, under the Act". Chargeable assets under the CGTA include the following specific examples:

(a) options, debt and incorporeal properties generally;

(b) any currency other than Nigerian currency, and

(c) any form of property created by the person disposing of it or otherwise coming to be owned without being acquired.[4]

Originally[5], stocks and shares were excluded from the list of chargeable assets possibly to encourage investment in these types of assets. Realising the potential revenue derivable from the implementation of the Nigerian Enterprises Promotion Decree 1972, "stocks and share of every description" were included in the chargeable assets list. This yielded some fruitful results for instance in 1972/3, 73/74, 74/75, collections from CGT were N0.4 million, N2.2million, and N2.1 million respectively as against N0.1 million in 1971/2 and N0.03 million in 1970/71.[6] Since the indigenisation exercise was concluded, the revenue accruing from the CGT on the gains from the sale of stock and shares have virtually become nil because Nigerians mostly buy stocks and shares and keep.[7] In response to the clamour[8] to exempt stock and shares in order to encourage investment in that sector, section 31 CGTA now exempts gains from sales of stocks and shares from taxation thus:

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[4] See section 3 CGTA

[5] See CGT Decree 44 of 1967

[6] Quoted from A.K Ibigbami, op. cit. p.217.

[7] Ibid.

[8] Ibigbami suggested in his paper that stocks and shares should be exempted in order to encourage investment in stocks and shares and enhance mobility of fund within the capital market. See Ibid, 217

> 31(1). Gains accruing to a person from a disposal by him of Nigerian Government Securities, stocks and shares shall not be chargeable gains under the Act.
>
> (2) In this section, "Nigerian Government Securities" include Nigerian Treasury bonds, savings certificates and premium bonds issued under the Savings Bonds and Certificate Act".[9]

The question is whether this in line with best practices in other part of the world. A good tax system must aim at achieving equity not only in the quantum of the income being demanded but also ensures that incomes from different sources are treated equally. For example in the United States of America, "capital gain" is taxed under Income Tax. This position rests partly on grounds of market efficiency – that economic resources should be allocated on the basis of market factors that determine the highest return, not on the basis of tax consideration. It also rests on minimum transaction and tax planning costs. Investors should not spend their resources trying to devise schemes to minimize taxes. To the extent that all investments are taxed similarly, there will be no incentive to try to come within the scope of tax-favoured treatment.

It will be recalled that while income tax had existed in Britain since 1799, capital gains tax was introduced in 1965 mainly as an anti avoidance measure to discourage taxpayers devises of turning what was really taxable income into free capital gains. Before then, propertied taxpayers

[9] See section 31 CGTA.

were able to earn tax-free income as capital gains while ordinary taxpayers had their earnings taxed as income. However, the Capital Gains Tax was introduced in Nigeria in 1967 at a time when the finance of the Federal Government was under severe pressure due to civil war; hence the revenue objective could have been paramount in the mind of the Federal Government. However, the poor administration of this tax since inception has made many writers to suggest that it should be abolished.[10]

Against this background, it is arguable that to tax gains from disposal of shares and stocks at the rate of 10% compared to a marginal rate of 25% under the Personal Income Tax Act should be considered good enough for an average investor. A complete exemption of such gains from tax is, to our mind, inefficient and a generosity overdone!

4.4. STAMP DUTIES

Stamp Duties are taxes imposed on instruments such as deeds of assignment, powers of attorney, insurance policies, bills of sale, bills of exchange, charter party agreements, bonds, option notes, letters of guarantees and other types of documents listed in the Schedule to the Stamp Duties Act. Stamp Duties can be either *ad valorem* or specific. Although stamp duty is a federal tax, its administration is shared between the Federal and State Government. Where the instrument or document relates to a corporate person, stamp duties is payable to the

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[10] See C.S. Ola, "Suggested Obituary of the Capital Gains Tax Law in Nigeria", (1989) 2GRBPL No. 5 p.81., A.K. Ibigbami, "An Assessment of Capital Taxation in Nigeria", O. Akanle, ed. Op. cit. p.205

Federal Government while those relating to individuals are payable to the relevant tax authority of a State.

A shareholder's equity in a company is evidenced by share certificate. A certificate is issued upon the purchase of share while the certificate is transferred upon the sale of the part of the whole shares. It is noteworthy that an electronic depository called Central Securities Clearing System (CSCS) has now been introduced to obviate the need for paper share certificate where it is desired. Through CSCS, an investor's shareholding can be stored and traded electronically.

Transfer of shares is specifically exempted from stamp duties while contracts relating to shares attract duty at the rate of N2.00 for every N200.00. In this regard, the contract (of either purchase or sale) is between the stockbroker and his client. By regulation, a stockbroker is under an obligation to issue a contract note to his client. The contract note can be used as evidence in the law court if the need arises. In practice, the stamp duties is usually remitted by stockbrokers to the Federal Stamp Duties Office on monthly basis.

5.0. CONCLUSION

From the above, we can see that the tax issues on capital market operation are more relevant to the FIRS than SBIR. This is because most of the operators in the market are corporate bodies. However, the withholding tax from the dividends payable to individuals is supposed to be remitted to the SBIR where the investor is resident. There is practical difficulty for the SBIR to audit the accounts of each company to ensure that appropriate tax has been withheld and remitted in respect of individuals who are resident within each State. Therefore, there is the need to ensure cooperation between the FIRS and the SBIR in ensuring that this requirement is faithfully implemented. May I use this forum to call on the Joint Tax Board to pick the gauntlet in this regard and develop the framework for such cooperation.

Furthermore, the taxation of capital gains from shares and stocks has gone through a chequered history. However, in view of the recent deepening of the capital market, there is the possibility that the exemption of securities from CGT may be reviewed in future in line with practices in other jurisdictions. Although, the capital market operators and investors will be opposed to such proposal. This is natural bearing in mind that no one pays tax with smile. It is doubtful, in our view, if the imposition would be a significant disincentive for investment in the capital market. If someone buys share at the rate of N20/unit and sells at N50/unit, the investor's reluctance to pay CGT at the rate of 10% of the gains can hardly be justified. It will be noted that a taxpayer is better of paying CGT on the gains at the rate of 10% compared to 25% under the Personal Income Tax Act.

While I recognise that capital market is still developing and requires some encouragement, I am of the firm view that we have reached a stage where there should be adjustment in the capital gains tax treatment of the capital market operations. However, this should not be approached presumptuously. It is advocated that an inter-disciplinary study should be conducted before taking any decision. We should demonstrate and communicate the implications of the policy shift to members of the public. In my view, taxation of gains from sale of share and stocks can only be regarded as a welcome development if the re introduction is nevertheless based on empirical research.

Just as there is an increase public awareness about capital market, the taxman must update its own knowledge of how capital market works and devise ways and means of capturing all the taxable activities. They must understand very well the legal and administrative framework for the operation and regulation of the capital market such as Investment and Securities Act (ISA) and the SEC Rules and Regulations. They must be one step ahead in order to identify and plug existing leakages.

Thank you for your audience.