

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Limited)

DEPARTMENT : CAPITAL MARKET SEGMENT

Download Ref No: NCL/CMPT/43121

Date : January 03, 2020

Circular Ref. No: 0010/2020

All Members/Custodians/PCMs,

Sub. : Collection of Stamp Duty in Tender-Offers for Takeovers, Buy Back and Delisting of Securities

This is with reference to the Indian Stamp (Collection of Stamp Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019 notified by the Ministry of Finance (Department of Revenue) on December 10, 2019 (copy enclosed for reference), Indian Stamp Act, 1899 amended vide Finance Act, 2019 (No. 7 of 2019) and further to Exchange circular download reference no. NSE/CMTR/40958 dated May 09, 2019.

Pursuant to the above and as per the authorization received from Stock Exchange, NSE Clearing Ltd. effective January 09, 2020 shall compute and collect stamp duty at such rates and in such manner as specified in the Indian Stamp Act, 1899 and Indian Stamp Rules 2019.

As per the Indian Stamp Act, 1899, the applicable stamp duty on securities in the Capital Market Segment is as under:

Type of Security	Applicable Stamp Duty Rate	Applicable on
Transfer of Security other than debenture on delivery basis	0.015%	Offeror (Seller)

Members may note that the following procedure will be adopted by the NSE Clearing Ltd. in respect of the calculation and collection of stamp duty.

1. Stamp duty shall be collected on accepted quantity as informed by the Registrar and Transfer Agent (RTA) to the Clearing Corporation.
2. Stamp duty shall be determined on the obligation date mentioned in the settlement calendar issued from time to time by way of circular.
3. Stamp duty calculation shall be done as per methodology specified in **Annexure 1**. In case of change in methodology the same shall be specified by way of circular.
4. All the accepted orders shall be identified based on the client/proprietary details provided by the members at the time of order entry on the Exchange system.
5. Members may note that the value of taxable securities transaction and the applicable State/Union Territory (UT) shall be determined with respect to the client/proprietary details of the accepted orders. Therefore the Clearing Corporation shall only reckon the client/proprietary details entered by the member while placing the order. It is therefore imperative that members exercise extreme caution and diligence while entering the client/proprietary details at the time of entering an order. If the State/UT of the client is

NSE Clearing Limited

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not available then the state of member through whom transaction was executed will be considered.

Information to members:

1. A report named 'Memtype_memcode_offer_SD_symbol_stp type_stpno_ddmmyyyy.csv' shall be provided to members on the obligation date.
2. These reports shall contain information such as stamp duty liability, client wise stamp duty liability, member wise stamp duty liability and also the detailed computations for determining the client wise stamp duty liability.

File format is available in **Annexure 2**.

Pay-in of Stamp Duty:

Members shall be required to pay the stamp duty, as part of and along with the pay-in obligation. The stamp duty amount shall be collected as per the timelines stipulated by the Clearing Corporation from time to time. A separate transaction shall be created and the monies shall be collected from the settlement account of members through their clearing banks as per the process currently followed in respect of settlement obligations.

This circular shall be effective for all applicable transactions from the trade date January 09, 2020.

**For and on behalf of
NSE Clearing Limited
(Formerly known as National Securities Clearing Corporation Limited)**

**Onkar Phadnavis
Associate Vice President**

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Annexure 1: Calculation of Stamp Duty**1. Computation of stamp duty at client level:**

- a) Aggregate of all the a orders shall be taken to arrive at the following values:
- I. Total Sell Quantity (SQTY) – This is the sum of the quantity of accepted orders for the client
 - II. Total Sell Value (SVAL) - This is the sum of the accepted value (Accepted quantity * Accepted price)

b) Stamp Duty shall be calculated by applying the prescribed rate:

- I. Stamp Duty on Sell Value (SDSVAL) = SVAL * Applicable stamp duty rate.

The total stamp duty liability for a client will be arrived at by summing up the total stamp duty for each security in various settlements arrived at as above and rounded off to the nearest rupee i.e. value with 50 paise and above will be increased to one rupee and value less than 50 paise it shall be ignored.

2. Computation of stamp duty at member level:

The total stamp duty liability for a member is arrived at by summing up the total stamp duty for each client.

NSE Clearing Limited

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Annexure 2: Information to Members

File for Member:

File Name – Memtype_memcode_offer_SD_symbol_stp type_stpno_ddmmyyyy.csv

File Location- Members Folder/Reports

Header Record (Member level Stamp Duty information)
Record Type (10)
Stamp Duty date
Due date of payment
Member Type
Member Code
Total Stamp Duty
Detailed Record (Client level Stamp Duty information)
Record type (20)
Stamp Duty date
Trading Member code
Client code
Total Stamp Duty
State Union Territory
Detailed Record (Client Securities level Stamp Duty information)
Record Type (30)
Stamp Duty date
Trading Member Code
Trading Client code
Settlement Type
Settlement Number
Security Symbol
Security Series
Total Accepted Quantity
Total Accepted Value
Total Stamp Duty