

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Limited)

DEPARTMENT : FUTURES AND OPTIONS SEGMENT

Download Ref No: NCL/CMPT/43116

Date : January 03, 2020

Circular Ref. No: 0006/2020

All Members,

Sub. : Collection of Stamp Duty in Futures & Options Segment

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 our circular download reference no. NSE/CMPT/43079 dated January 01, 2020.

Pursuant to the above and as per the authorization received from various Stock Exchanges, 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 Futures and Options Segment is as under:

Type of Security	Applicable Stamp Duty Rate	Applicable on
Derivatives		
Equity Futures	0.002%	Buyer
Equity Options	0.003%	Buyer
Delivery Settlement		
Security other than debenture on delivery basis	0.015%	Receiver
Security other than debenture on non-delivery basis	0.003%	Receiver

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 transactions for both futures and option contracts executed on stock exchanges and received for clearing by NSE Clearing Ltd and as specified in circulars issued from time to time.
2. Stamp duty shall be determined at the end of each trading day.
3. Stamp duty calculation in Futures & Options Segment shall be done as per the methodology specified in **Annexure 1**. In case of change in methodology the same shall be specified by way of circular.

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4. All the transactions shall be identified based on the client code placed by the members at the time of order entry on the trading system of the Exchanges and as may be modified by the member using the client code modification facility provided by the Exchanges within the prescribed time viz. during trading hours and upto the trade modification close time on the respective trading day. In respect of proprietary transactions the member code shall be deemed to be the client code.
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 trade executed under a particular client code. Therefore, the Clearing Corporation shall only reckon the client code entered by the member while placing the order or as may be modified within the prescribed time. It is therefore imperative that members exercise extreme caution and diligence while entering the client code at the time of entering an order. If the State/UT of the client is not available then the State of the member through whom transaction was executed will be considered.
6. For the purpose of stamp duty, each futures trade shall be valued at the actual traded price and option trade shall be valued at premium.
7. For each client code, all the buy transactions for a trading day shall be aggregated at contract level.
8. Stamp duty at the rates as applicable to securities other than debenture on delivery basis and on non-delivery basis shall also be applicable to physically settled stock derivatives (both Futures and Options). The said stamp duty will be payable by the Purchaser (receiver) of the securities. For this purpose stamp duty shall be computed on final settlement price.

Information to members:

1. Reports named 'F_SD01_<MEMBER CODE>_DDMMYYYY.CSV' & 'F_SD03_<MEMBER CODE>_DDMMYYYY.CSV' shall be provided to trading members at the end of trading day mentioning "Stamp Duty file for trading member" and "Stamp Duty file delivery settlement for trading member" respectively.
2. Similarly reports named 'F_SD02_<MEMBER CODE>_DDMMYYYY.CSV' & 'F_SD04_<MEMBER CODE>_DDMMYYYY.CSV' shall be provided to clearing members at the end of trading day mentioning "Stamp Duty file for Clearing member" and "Stamp duty file delivery settlement for Clearing member" respectively.
3. Report named 'F_SD05_<MEMBER CODE>_DDMMYYYY.CSV' shall be provided to clearing members for stamp duty on securities traded in auction market for shortages in delivery settlement.
4. These reports shall contain information such as stamp duty liability, client wise stamp duty liability, trading member wise stamp duty liability, clearing 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**.

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Pay-in of funds:

Clearing members shall be required to pay the stamp duty on T+1 day, as part of and along with the pay-in obligation. Stamp duty on physically settled stock derivatives (both Futures and Options) shall be collected on Expiry + 2 day, as part of and along with the pay-in for delivery settlement of equity derivatives.

The stamp duty amount shall be collected as per the timelines stipulated for the funds pay-in. A separate transaction shall be created and 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.

Failure to pay funds:

Non-payment of stamp duty shall be treated as fund shortage for the purpose of all consequential actions against the member.

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

**For and on behalf of
NSE Clearing Limited**

**Onkar Phadnavis
Associate Vice President**

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Annexure 1: Calculation of Stamp Duty

1. Computation of stamp duty at contract client level:

1.1. Computation of stamp duty on equity futures:

a) Each futures buy trade shall be valued at the actual traded price:

- I. Total Buy Value (BVAL) - This is the sum of the trade value (Trade quantity * Trade price for each trade) of all buy trades for the client.

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

- I. Stamp Duty (BVALSTD) = BVAL* stamp duty rate on equity futures. The value so computed shall be rounded off to two decimals.

1.2. Computation of stamp duty on equity options:

a) Each option buy trade shall be valued at the premium paid:

- I. Total Buy Value (BVAL) - This is the sum of the trade value (Trade quantity * Trade premium for each trade) of all buy trades for the client

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

- I. Stamp Duty (BVALSTD) = BVAL* stamp duty rate on equity options. The value so computed shall be rounded off to two decimals.

1.3. Computation of stamp duty for equity futures & options delivery settlement:

a) For equity futures & options settled physically settled stamp duty will be applicable on delivery basis and non-delivery basis:

- I. Total Buy quantity (BQTY): This is the sum of the quantity of all buy (security receivable) positions of futures and options
- II. Total Sell quantity (SQTY): This is the sum of the quantity of all sell (security deliverable) positions of futures and options
- III. Total Buy Deliverable Quantity (BDQTY): This is the sum of the quantity of all buy (security receivable) positions for the client where $BDQTY = BQTY - SQTY$ if $BQTY > SQTY$
- IV. Total Buy Non-Deliverable Quantity (BNDQTY): This is the quantity which is lower of the two quantities namely total buy quantity (security receivable) and total sell quantity (security deliverable) for the client for a particular day.
- V. Total Buy Deliverable Value (BDVAL): This is the sum of the transaction value (BDQTY (as per III above) * Final Settlement Price) for the client
- VI. Total Buy Non-Deliverable Value (BNDVAL): This is the sum of the transaction value (BNDQTY (as per IV above) * Final Settlement Price) for the client

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

- Stamp Duty on Buy Non-Deliverable Value (SDBNDVAL) = BNDVAL * Stamp Duty Rate for securities other than debentures on non-delivery basis. The value so computed shall be rounded off to two decimals.
- Stamp Duty on Buy Deliverable Value (SDBDVAL) = BDVAL * Stamp Duty Rate for securities other than debentures on delivery basis. The value so computed shall be rounded off to two decimals.

2. Computation of stamp duty at client level:

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.

3. Computation of stamp duty at trading member level:

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

4. Computation of stamp duty at clearing member level:

The total stamp duty liability for a clearing member will be arrived at by summing up the total stamp duty for each trading member.

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Annexure 2: Information to Members

File for Trading Member:

File Name – F_SD01_<MEMBER CODE>_DDMMYYYY.CSV

Location: FAOFTP/F<MEMBER CODE>/REPORTS

Header Record (Trading Member level stamp duty information)
Record Type (10)
Stamp Duty Date
Trading Member Code
Total Stamp Duty
Detailed Record (Client level stamp duty information)
Record type (20)
Stamp Duty Date
Trading Member Code
Trading Client code
Total Stamp Duty
State Union Territory
Detailed Record (Client Contract level Stamp Duty information)
Record type (30)
Stamp Duty date
Trading Member code
Trading Client code
Instrument Type
Symbol
Expiry Date
Strike Price
Option Type
CA level
Buy quantity
Buy Value
Total Stamp Duty

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File for Clearing Member:

File Name – F_SD02_<MEMBER CODE>_DDMMYYYY.CSV

Location: FAOFTP/F<MEMBER CODE>/REPORTS

Header Record (Clearing Member level stamp duty information)
Record Type (10)
Stamp Duty date
Due date of payment
Clearing Member Code
Total Stamp Duty
Detailed Record (Trading Member level stamp duty information)
Record type (20)
Stamp Duty date
Trading Member code
Total Stamp Duty
Detailed Record (Client level stamp duty information)
Record type (30)
Stamp Duty date
Trading Member code
Trading Client code
Total Stamp Duty
State Union Territory
Detailed Record (Client contract level stamp duty information)
Record Type (40)
Stamp Duty Date
Trading Member Code
Trading Client code
Instrument Type
Symbol
Expiry Date
Strike Price
Option Type
CA level
Buy quantity
Buy Value
Total Stamp Duty

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File for Trading Member for Delivery Settlement:

File Name – F_SD03_<MEMBER CODE>_DDMMYYYY.CSV

Location: FAOFTP/F<MEMBER CODE>/REPORTS

Header Record (Trading Member level stamp duty information)
Record Type (10)
Stamp Duty date
Trading Member Code
Total Stamp Duty
Detailed Record (Client level stamp duty information)
Record type (20)
Stamp Duty date
Trading Member code
Trading Client code
Total Stamp Duty
State Union Territory
Detailed Record (Client Contract level stamp duty information for Delivery Settlement)
Record type (30)
Stamp Duty date
Trading Member code
Trading Client code
Symbol
Total Buy Quantity
Total Sell Quantity
Final Settlement Price
Purchase Quantity – delivery
Purchase value – delivery
Purchase Quantity – non delivery
Purchase value – non delivery
Stamp Duty purchase - delivery
Stamp Duty purchase - non delivery
Total Stamp Duty

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File for Clearing Member for Delivery Settlement:

File Name – F_SD04_<MEMBER CODE>_DDMMYYYY.CSV

Location: FAOFTP/F<MEMBER CODE>/REPORTS

Header Record (Clearing Member level Stamp Duty information)
Record Type (10)
Stamp Duty date
Due date of payment
Clearing Member Code
Total Stamp Duty
Detailed Record (Trading Member level Stamp Duty information)
Record type (20)
Stamp Duty date
Trading Member code
Total Stamp Duty
Detailed Record (Client level Stamp Duty information)
Record type (30)
Stamp Duty date
Trading Member code
Trading Client code
Total Stamp Duty
State Union Territory
Detailed Record (Client Contract level Stamp Duty information for Delivery Settlement)
Record Type (40)
Stamp Duty date
Trading Member Code
Trading Client code
Symbol
Total Buy Quantity
Total Sell Quantity
Final Settlement Price
Purchase Quantity – delivery
Purchase value – delivery
Purchase Quantity – non delivery
Purchase value – non delivery
Stamp Duty purchase - delivery
Stamp Duty purchase - non delivery
Total Stamp Duty

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File for Clearing Member for Securities Traded in Auction conducted for Delivery Settlement Shortages:

File Name – F_SD05_<MEMBER CODE>_DDMMYYYY.CSV

Location: FAOFTP/F<MEMBER CODE>/REPORTS

Header Record (Trading Member level stamp duty information)
Record Type (10)
Stamp Duty date
Trading Member Code
Total Stamp Duty
Detailed Record (Client level stamp duty information)
Record type (20)
Stamp Duty date
Trading Member code
Trading Client code
Total Stamp Duty
State Union Territory
Detailed Record (Client Contract level stamp duty information for Delivery Settlement)
Record type (30)
Stamp Duty date
Trading Member code
Settlement Type
Settlement Number
Symbol
Series
Total Buy Quantity
Total Buy Value
Volume Weighted Average Price
Total Stamp Duty