

NSE Clearing Limited

(Formerly known as National Securities Clearing Corporation Limited)

Segment : Debt Segment

Download Ref No: NCL/CMPT/ 43114

Date : January 03, 2020

Circular Ref. No: 0004/2020

All Participants/Custodians,

Sub. : Collection of Stamp Duty on CBRICS Platform

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).

Pursuant to the above and as per the authorization received from various Stock Exchanges/ Clearing Corporation of India Ltd. (CCIL), NSE Clearing Ltd. effective January 09, 2020 will 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 CBRICS platform is as under:

Type of Security	Applicable Stamp Duty Rate	Applicable on
Transfer of Corporate Bonds	0.0001%	Buyer
Transfer of Securitized Debt	0.0001%	Buyer
Transfer of Commercial Papers	0.0001%	Buyer
Transfer of Certificate of Deposits	0.0001%	Buyer
Repo transaction	0.00001%	Borrower (Buyer of forward leg)

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

1. Stamp duty will be collected on transactions reported for settlement on CBRICS / Clearing Corporation of India Ltd. (CCIL) and as specified in circulars issued from time to time.
2. Stamp duty will be determined for each deal at the time of reporting on CBRICS and will be added to the consideration.
3. For transactions reported on CCIL, Stamp duty levied will be added to the consideration in CBRICS.
4. In case of repo transactions, stamp duty will be levied on the Interest paid by the borrower on reverse leg of repo transaction.
5. Stamp duty calculation in Corporate Debt instruments will be done as per methodology specified in **Annexure 1**. In case of change in methodology, the same will be specified by way of circular.
6. Stamp duty will be levied on the registered or unregistered buyer.
7. Participants/Custodians may note that the applicable State/Union Territory shall be determined with respect to the transaction executed based on the details maintained in CBRICS platform under 'Participant Details' tab. In case of any change in domicile state, the same needs to be

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- updated on CBRICS by the participant. In case of FPI's the State/Union Territory of the custodian through whom the transaction is settled will be considered.
8. Participants will not be able to report/settle transaction on CBRICS unless a valid State/Union Territory is maintained.
 9. Registered participants while reporting deal for unregistered counterparty will be prompted to enter valid State/Union Territory of unregistered counterparty, if the same is not maintained in the CBRICS database.

Information to Participants/Custodians in CBRICS:

Clear & Settle view on CBRICS platform will display total consideration amount inclusive of stamp duty for every transaction. A new report will be available for Participants/Custodians displaying consideration and stamp duty levied for every transaction and the same shall be available for download. The report details are available in **Annexure 2**.

Pay-in of funds:

Participants/Custodians will be required to pay the stamp duty, as part of and along with the consideration amount for every transaction settled on CBRICS platform.

Failure to pay stamp duty:

Non-payment of Stamp duty will be treated as fund shortage and the transaction will be cancelled and shall not be considered for settlement. Further the securities / funds received towards the pay-in obligation will be returned to the respective participants / custodians.

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

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

**Warren D'souza
Chief Manager**

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

1. Stamp duty will be computed on the consideration amount for each of the transaction.
*<Consideration amount> * Stamp Duty %*
2. In case of repo transactions, stamp duty will be levied on the Interest paid by the borrower on reverse leg of repo transaction.
*<Interest paid by the borrower> * Stamp Duty %*
3. The stamp duty amount so calculated will be 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 will be ignored.

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Annexure 2: Information to the Participants/Custodians**Reports:**

Participants/Custodians registered on CBRICS platform shall be able to view and download the below mentioned reports containing information on stamp duty levied:

1. Settle tab – Stamp Duty Download
2. Reports tab – New Trade Transaction