

Circular No.: NSDL/POLICY/2020/0085

June 26, 2020

Subject: Detailed procedure / guidelines for collection of stamp duty.

Attention of Participants is invited to NSDL circular no. NSDL/POLICY/2020/0002 dated January 6, 2020 (copy enclosed) on detailed procedure / guidelines for collection of stamp duty and NSDL/POLICY/2020/0039 dated March 30, 2020 on Government of India notification regarding the Indian Stamp (Collection of Stamp-Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019.

Please note following changes has been made in the detailed procedure / guidelines for collection of stamp duty informed vide our aforementioned circulars:

Sr. No.	Reference Point no. of circular NSDL/POLICY/2020/0002 dated January 6, 2020 (copy enclosed)	Details of changes, if any
A)	1 to 10	No change except the effective date to be read as July 1, 2020 instead of January 9, 2020
B)	11	The procedure for payment of stamp duty has been revised and the new detailed procedure applicable for payment of stamp duty by participants and clients is enclosed at Annexure A & B respectively.
C)	12-14	To enable collection of stamp duty on off-market transfers in accordance with the Indian Stamp Act, effective from July 1, 2020, <ol style="list-style-type: none"> NSDL system has been enhanced to mandatorily capture 'Consideration Amount' for all types of off-market transfers and pledge invocation requests from July 1, 2020. The stamp duty will be collected on the basis of 'consideration amount' entered in the NSDL system. In cases where no consideration is involved in off-market transfers, an option is given to select the flag 'Without Consideration', this option will not be available for reason codes 'Sale' and 'Commercial Paper Issuance'.
D)	15	NSDL system has been enhanced to capture stamp duty payment indicator for payment of stamp duty either by client itself or by DP on behalf of client from July 1, 2020 onwards. <p>In the NSDL system, amount remitted towards stamp duty shall be utilized as per the indicator selected while executing the transaction in the system i.e.</p> <ul style="list-style-type: none"> If client indicator is selected, then balance available at the time of execution against the 'DPIDClientID' will be utilized on FIFO basis; If DP indicator is selected, then balance available against the 'DPID' will be utilized on FIFO basis.

Further, Participants are requested to take note as under:

1. Transactions pending for receipt of stamp duty, will be placed in the new status called "Stamp duty Payment Overdue" and in case of non-receipt/partial receipt of stamp duty till EOD of the execution date (from July 1, 2020 onwards), transactions lying in the aforesaid status will be rejected.
2. The stamp duty amount will be blocked for the instructions pending in 'Overdue status – Quantity not being there' of the respective entity (DP/client) till EOD of the execution date of the pending instructions. In instances, where instruction is not executed till EOD of the execution date after blocking of the stamp duty, blocked amount would be reversed to the respective entity ledger (DP/Client) maintained with NSDL, which can be utilized for future transactions eligible for payment of stamp duty. Amount blocked will not be available for use against other instructions till the time block is reversed.
3. In case of off market transactions, through SPEEDe / SPICE platform, option would be provided to users for making payment of stamp duty upfront.
4. Rate of stamp duty specified in schedule I of the Indian Stamp Act, 1899 is given as **Annexure C**.
5. Participants should take additional care that consideration amount as mentioned in the DIS or annexure is correctly captured in the NSDL system.
6. Participants are requested to inform their client(s) about applicability of stamp duty on all off-market transfers involving consideration including pledge invocations and the procedure to be followed, if clients directly want to make payment of stamp duty to NSDL.
7. Stamp duty calculator - For simplicity and convenience of clients, a stamp duty calculator will be made available on NSDL website.

Participants are requested to take note of the above and ensure compliance.

For and on behalf of
National Securities Depository Limited

Chirag Shah
Senior Manager

Enclosed: Four

FORTHCOMING COMPLIANCE			
Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10 th of the following month.	Through e-PASS	Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015
Internal/ Concurrent Audit Report (October 2019 – March 2020)	June 30 th 2020	Through e-PASS	1. Circular No. NSDL/POLICY/2020/0045 dated April 7, 2020 2. Circular No. NSDL/ POLICY/2020/0056 dated April 29, 2020 3. Circular No. NSDL/ POLICY/2020/0062 dated May 7, 2020. 4. Circular No. NSDL/ POLICY/2020/0083 dated June 16, 2020
Compliance Certificate (January - June)	July 31st every year	Through e-PASS	1. Circular No. NSDL/POLICY/2010/0017 dated February 22, 2010 2. Circular No. NSDL/POLICY/2018/0028 dated May 21, 2018. 3. Circular No. NSDL/POLICY/2019/0088 dated December 17, 2019.