



Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/POLCY/2020/8

January 3, 2020

INDIAN STAMP (COLLECTION OF STAMP DUTY THROUGH STOCK EXCHANGES, CLEARING CORPORATIONS AND DEPOSITORIES) RULES, 2019

DPs are advised to refer communique number CDSL/OPS/DP/POLCY/2019/643 dated December 24, 2019 regarding the Central Government notification dated December 10, 2019 notifying the Indian Stamp (Collection of stamp-duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019 to regulate the liability of instruments of transaction in stock exchanges and depositories to duty. The said rules shall come into force on **Thursday, January 09, 2020**.

DPs are requested to take note of following operational procedure / modalities for collection of stamp duty:

1. The stamp-duty leviable under clause (b) of sub-section (1) of section 9A of the Act is to be collected **before execution of off-market transfers** involving transfer of securities in the depository system. Hence, the stamp duty will be collected from the transferor / pledgee DPs before executing off-market / pledge invocation transactions in the depository system.
2. Stamp duty will be payable by the transferor on off-market market transfers within CDSL and inter-depository transfers. Off-market transfers for the purpose of stamp duty means transfer of securities other than a market transfer. A market transfer for this purpose means transfer of securities effected towards completion of a transaction carried out on a stock exchange or as reported to the stock exchange or clearing corporation on which either the stock exchange or clearing corporation collects the required stamp-duty.
3. The stamp duty will be calculated on the 'Consideration Amount' as captured in CDSL system based on the consideration details mentioned by the transferor on DIS (physical or electronic).
4. Stamp duty will be payable by the pledgee on transfer of securities pursuant to invocation of pledge. The stamp duty is required to be calculated on the market value of the securities. Hence, the pledgee DP will be required to ensure that the pledgee submits the 'Invocation Value' along with the instruction for invocation of pledge.



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Kindly refer **Annexure-A** for the file format changes pertaining to capturing of 'Pledge Invocation Value' during invocation setup through common upload. Pledgee DPs will also be given a facility to enter 'Pledge Invocation Value' in online setup.

5. The rate at which the stamp duty will be calculated will be governed by the provisions of Schedule I of the Principal Act. Currently as per the Indian Stamp Act, three categories have been defined for the securities i.e. 'Debenture', 'Government Securities' and 'Securities other than Debenture'. Stamp duty is not applicable on Government Securities.

6. Currently, for transaction reason code '2' (i.e. off-market sale / purchase) capturing of 'Consideration Amount' is mandatory and user is required to enter an amount greater than zero along with other details pertaining to the payment. The entry of consideration amount for other reason codes is optional.

To enable collection of stamp duty on off-market transfers in accordance with the Indian Stamp Act, effective from January 9, 2020, 'Consideration Amount' field would be mandatory for all types of off-market transfers. The stamp duty will be collected on the basis of 'consideration amount' entered in the CDSL system. But, an option will be given to enter the value of 'Consideration Amount' as zero for transaction reason codes other than '2'.

7. Effective from January 9, 2020, debit off-market transfers (where consideration amount is greater than zero) will be executed only if the stamp duty is paid to the Depository upfront i.e. prior to execution of transfer by the DP. The DPs will be required to pay the required amount to CDSL in advance before execution of the transaction or maintain sufficient balance towards stamp duty with CDSL.
8. Facility of a 'probable stamp duty calculator' will be provided in Easiest to calculate the probable stamp duty value payable for a particular transaction. A facility to view the available stamp duty balance with CDSL will also be provided to DPs / CMs / BOs.
9. Wherever stamp duty balance maintained with CDSL is not sufficient;
 - a) Uploaded transaction will be rejected with appropriate error message "Transaction failed due to insufficient stamp duty".
 - b) Online transaction will be rejected at checker stage with appropriate error message "Transaction failed due to insufficient stamp duty".



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10. Payment of Stamp Duty –

- a) The DPs and users entering transactions through easiest would be provided an option in CDAS and Easiest to pay stamp duty upfront.
- b) Please refer **Annexure-B** for detailed procedure towards payment of stamp duty in advance.

11. It may please be noted that the stamp duty balance maintained with CDSL will be utilized on FIFO basis. The stamp duty amount would be earmarked against the respective entity (DP / BO / CM) till execution of the transaction. Instances, where transaction is not executed till EOD of the execution date, amount would be reverse earmarked and can be adjusted for future transactions eligible for payment of stamp duty.

12. DPs are advised to inform their Easiest Users to download the response provided by the system to ensure that transactions including invocation of pledge are successfully processed.

13. DPs are advised to setup future dated off-market transactions where stamp duty is leviable and having execution date as January 9, 2020 or greater only after the said release.

All DPs are requested to take a note of the above, initiate suitable back-office changes, if any and inform their clients accordingly.

DPs are advised to note that the said facility is scheduled for release on January 08, 2020, applicable with effect from January 09, 2020.

Queries regarding this communiqué may be addressed to CDSL – Helpdesk on (022) 2305-8624, 2305-8639, 2305-8642, 2305-8663, 2305-8640, 2300-2041 or 2300-2033. Emails may be sent to: helpdesk@cdslindia.com .

Ashish Bhatt
Vice President – Operations

Features

- Multiple Upload Types can be entered in the same file.
- The fields can be in any order.
- The first tag should be <Tp> indicating the upload type.
- Quantity can be Maximum 12 digits before decimals and 3 digits after decimals. Decimal Point is required in the file for decimal quantities.
- Quantity field should indicate the exact quantity. For e.g. If Quantity is 100 then it should be written as <Qty>100</Qty>.
- In case of decimals, the decimal point should also be included. For e.g. If Quantity is 100.123 then it should be written as <Qty>100.123</Qty>.
- Format of Date field is DDMMYYYY.
- If a field is blank i.e. optional it can be entered as blank as <Ref></Ref> or the tag may not be present. Such a field will be ignored as an empty tag.

Upload ID : **18**

File Name : <Upload ID><Six Digit DP ID>.<Business Date>.<3, 4, and 5 digit running serial number>

Sample File Name:

For DP : 18021200.18042015.123

For CM /BO : 181304140000001234.18042015.123

Header Record

Input Type : **M**andatory [**M**] / **O**ptional [**O**]

Header record will contain:

Field Description	Field Type	Field Length	Input Type
DP ID	Number	6	M
Operator ID	Char	6	M
Total No. of Records	Number	6	M
File Extension	Number	3 / 4 / 5	M
Business Date	Date	8	M

Sample Record Format:

021200DPADM 00000112318042015

Detail Record : Confiscation Upload

Field Description	Field Type	Field Length	Input Type	Start XML Tag	End XML Tag
Transaction Type Code	Number	2	M [Value = 7]	<Tp>	</Tp>
Unique Serial Number	Number	8	O	<Usn>	</Usn>
Pledge Type	Char	1	M [Value = C]	<Pldgtp>	</Pldgtp>
Pledge Sub Type	Char	1	M • S – Setup • E – Reversal by Pledgee (In case of indirect transaction)	<Subtp>	</Subtp>
Pledge Sequence Number	Number	8	M	<Psn>	</Psn>
Pledgor BO ID	Char	16	M	<Bnfcr>	</Bnfcr>
Pledgee BO ID	Char	16	M	<Ctrpty>	</Ctrpty>
ISIN	Char	12	M	<ISIN>	</ISIN>
Pledgee Internal Reference	Char	16	O [Applicable if Pledge Sub Type is 'S' (direct transactions)]	<Ctrptyref>	</Ctrptyref>
Part Counter	Number	4	O [Not applicable in case of direct transaction]	<Cntr>	</Cntr>
Part Quantity	Number	16,3	O [Applicable if Pledge Sub Type is 'S' or 'E']	<Prtqty>	</Prtqty>
Remarks	Char	100	O [Applicable if Pledge Sub Type is 'S' (direct transactions)]	<Remk>	</Remk>
Execution Date	Date	8	O Will be valid for Pledge Type 'P' and Pledge Sub Type 'S'. In DDMMYYYY format	<Excdt>	</Excdt>
Request Received Date From BO	Date	14	M DDMMYYYY Or DDMMYYYYHH24MIS S	<Rcvdt>	</Rcvdt>
Pledge Invocation Amount	Number	16,3	M	<Invamt>	</Invamt>

Sample Record Format –**Confiscation Setup**

<Tp>7</Tp><Usn>1</Usn><Pldgt>C</Pldgt><Subtp>S</Subtp><Psn>601425</Psn><Bnfcry>1302120000149906</Bnfcry><CtrPty>1302120000150354</CtrPty><ISIN>INE786B01022</ISIN><Ctrptyref>CONFISCATE</Ctrptyref><Prtqty>10</Prtqty><Remk>REMARK</Remk><Rcvdt>15082015173000</Rcvdt><Invamt>100000</Invamt>

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Payment Instructions for DPs:

- 1) The stamp duty amount has to be paid by clients in the designated stamp duty account only and the advances/ credit balances lying in regular operational account can't be used for discharge of stamp duty payments.
- 2) The payment can be made only through NEFT/RTGS/Internet Banking/IMPS **(Cheque, Demand draft and Pay orders will not be accepted for stamp duty account)**.
- 3) For DPs, the Current Account Number [CAN] / Code will be **CDSDDP** followed by the **last five digits of your eight digit DP ID**, for adding CDSL as beneficiary in your Bank account. For example : CDSDDP56789

CDSL Bank Account details are as under:

Name	Central Depository Services (India) Limited
Current Account Number/Code	XXXXXXXXXXX [Refer point no.3 above]
Bank Name	ICICI Bank
Branch	Nariman Point, Mumbai
IFSC & RTGS / NEFT Code	ICIC0000104

- i) The DPs are informed that if they are processing the payment from their current account other than ICICI bank, they need to add account no according to point no.3 as beneficiary under **Add Beneficiary TAB** and process the payment through RTGS, NEFT and IMPS with the **IFSC code ICIC0000104**.
 - ii) If DP's are using ICICI bank internet banking then they can make payment through payment gateway.
 - iii) If DP's do not have internet banking facility for their account (other banks or ICICI bank), they will have to give physical request to respective bank for RTGS & NEFT.
- 4) **The unique numeric reference no. generated on CDSL portal has to be mentioned in remarks accurately while doing RTGS and NEFT transactions (online or physical request). This field is mandatory and the transaction will be rejected in case of any mismatch.**
 - 5) **If DP is processing the payment from its ICICI Bank account through payment gateway then the unique numeric reference code will get captured automatically.**
 - 6) If the transaction is getting rejected due to mismatch in remarks column the funds will be auto reversed by CDSL Bank on next bank working day.

Payment Instructions for BO:

- 1) The payment can be made only through NEFT/RTGS/Internet Banking/IMPS (**Cheque, Demand draft and Pay orders will not be accepted for stamp duty account**).
- 2) For Beneficiary Owner [BO], the Current Account Number [CAN] / Code will be **CDS**D followed by the **sixteen digit BO ID**, for adding CDSL as beneficiary in your Bank account. For example : CDS0123456789123456

CDSL Bank Account details are as under:

Name	Central Depository Services (India) Limited
Current Account Number/Code	XXXXXXXXXXXX [Refer point no.3 above]
Bank Name	ICICI Bank
Branch	Nariman Point, Mumbai
IFSC & RTGS / NEFT Code	ICIC0000104

- iv) The BOs are informed that if they are processing the payment from their current account other than ICICI bank, they need to add account no according to point no.3 as beneficiary under **Add Beneficiary TAB** and process the payment through RTGS, NEFT and IMPS with the **IFSC code ICIC0000104**.
 - v) If BO's are using ICICI bank internet banking then they can make payment through payment gateway link provided by CDSL.
 - vi) If BO's do not have internet banking facility for their account (other banks or ICICI bank) they will have to give physical request to respective bank for RTGS & NEFT.
- 3) **The unique numeric reference no. generated on CDSL portal has to be mentioned in remarks accurately while doing RTGS and NEFT transactions (online or physical request). This field is mandatory and the transaction will be rejected in case of any mismatch.**
 - 4) **If BO is processing the payment from its ICICI Bank account through payment gateway link provided by CDSL then the unique numeric reference code will get captured automatically.**
 - 5) If the transaction is getting rejected due to mismatch in remarks column the funds will be auto reversed by CDSL Bank on next bank working day.