

Master Circular 2023  
Finance and Accounts Department

**BSE Limited**  
Finance and Accounts Department

---

**CONTENTS**

<b>I. Master Circular on Direct Tax Matters .....</b>	<b>3</b>
1. Modification of Circular No.1 of 2014 in view of substitution of Service Tax by Goods and Services Tax (GST). .....	3
2. Amendment of Income Tax Rule 6DDA with respect to transactions on Stock Exchange. 4	4
3. Notification of BSE as a recognized Stock Exchange under clause (d) of the proviso to clause (5) of Section 43 of the Income Tax.....	5
4. Amendment of Income Tax Rule 6DDC with respect to transactions on Stock Exchange . 5	5
5. Notification of BSE as a recognized association under clause (e) of the proviso to sub-section (5) of Section 43 of the Income Tax read with sub-rule (4) of Rule 6DDD of the Income Tax Rules, 1962.....	6
6. Circular for members regarding uploading the TDS certificates on BSE Electronic filing system (“BEFS”) Portal. ....	7
7. Circular to trading members to upload the Bank details on BSE Electronic Filing System (“BEFS”) Portal.....	10
<b>II. Master Circular for Securities Transaction Tax (“STT”) and Commodities transaction tax (“CTT”) .....</b>	<b>13</b>
1. Securities Transaction Tax (STT) Rates .....	13
2. STT on Institutional Transactions .....	15
3. Securities Transaction Tax (STT) – Physical Settlement of Stock Derivatives.....	15
4. Applicability of Securities Transaction Tax (STT) post implementation of Interoperability among Clearing Corporations .....	17
5. Securities Transaction Tax (STT) - Equity & Derivatives Segment .....	19
6. Notice on applicability of Securities Transaction Tax (STT) on trading of Rights Entitlement.....	20
7. Securities Transaction Tax (STT) - Equity Warrants .....	20
8. Commodities Transaction Tax (CTT) Rates.....	21
9. Applicability of Commodities Transaction Tax (‘CTT’) on Option in commodities contracts on underlying Gold and silver in Commodity Derivatives Segment.....	23
10. Excess Securities Transaction Tax (STT) Retained – BSE.....	24

**BSE Limited**  
Finance and Accounts Department

---

**I. MASTER CIRCULAR ON DIRECT TAX MATTERS**

**1. Modification of Circular No.1 of 2014 in view of substitution of Service Tax by Goods and Services Tax (GST).**

The Central Board of Direct Taxes (the Board) had earlier issued Circular No. 1/2014 dated January 13, 2014 clarifying that wherever in terms of the agreement or contract between the payer and the payee, the Service Tax component comprised in the amount payable to a resident is indicated separately, tax shall be deducted at source under Chapter XVII-B of the Income-tax Act, 1961 (the Act) on the amount paid or payable without including such Service Tax component.

References have been received in the Board seeking clarification as to what treatment would be required to be given to the component of Goods and Services Tax (GST) on services, which has been introduced by the Government with effect from July 1, 2017, and into which the erstwhile Service Tax has been subsumed.

The matter has been examined. It is noted that the Government has brought in force a new Goods and Services Tax regime with effect from July 1, 2017, replacing, amongst others, the Service Tax which was being charged prior to this date as per the provisions of Finance Act, 1994. Therefore, there is a need to harmonize; the content of Circular No. 1/2014 of the Board with the new system for taxation of services under the GST regime.

In the light of the fact that even under the new GST regime, the rationale of excluding the tax component from the purview of TDS remains valid, the Board hereby clarifies that wherever in terms of the agreement or contract between the payer and the payee, the component of 'GST on services' comprised in the amount payable to a resident is indicated separately, tax shall be deducted at source under Chapter XVII-B of the Act on the amount paid or payable without including such 'GST on services'

# BSE Limited

## Finance and Accounts Department

---

component. GST for these purposes shall include Integrated Goods and Services Tax, Central Goods and Services Tax, State Goods and Services Tax and Union Territory Goods and Services Tax.

For the purposes of this Circular, any reference to 'service tax' in an existing agreement or contract which was entered prior to July 1, 2017, shall be treated as 'GST on services' with respect to the period from July 1, 2017, onward till the expiry of such agreement or contract.

### **2. Amendment of Income Tax Rule 6DDA with respect to transactions on Stock Exchange**

CBDT Notification No. 14/2011 dated March 9, 2011/F.No.142/25/2008-SO (TPL) has amended Income-tax Rule 6DDA effective from April 1, 2011, as follows -

- “1. The Stock Exchange shall ensure that transactions (in respect of cash and derivative market) once registered in the system are not erased; and
2. The Stock Exchange shall ensure that the transactions (in respect of cash and derivative market) once registered in the system are modified only in cases of genuine error and maintain data regarding all transactions (in respect of cash and derivative market) registered in the system which have been modified and submit a monthly statement in Form No. 3BB to the Director General of Income-tax (Intelligence), New Delhi within fifteen days from the last day of each month to which such statement relates to.
3. In compliance to the email dated February 28, 2022, from [delhi.itotech3.ici@incometax.gov.in](mailto:delhi.itotech3.ici@incometax.gov.in), the data pertaining to the above-mentioned Form 3BB shall be uploaded in the SFTP portal of CBDT instead of physical submission.”

# BSE Limited

## Finance and Accounts Department

---

### **3. Notification of BSE as a recognized Stock Exchange under clause (d) of the proviso to clause (5) of Section 43 of the Income Tax**

Bombay Stock Exchange Limited (BSE) is notified as a recognised Stock Exchange for the purpose of clause (d) of proviso to clause (5) of Section 43 of the Income Tax Act, 1961 w.e.f. January 25, 2006. Accordingly, Derivative trades carried out on the Exchange trading platform will not be deemed to be speculative transaction till such time the recognition granted to the Exchange is not withdrawn.

### **4. Amendment of Income Tax Rule 6DDC with respect to transactions on Stock Exchange**

CBDT Notification No. 8/2019 dated January 31, 2019/F.No.225/344/2018-ITA-II has amended Income-tax Rule 6DDC effective from October 1, 2018 (the date of commencement of trading in commodity derivative segment) as follows

- i. the recognised association shall have the approval of the Forward Markets Commission established under the Forward Contracts (Regulation) Act, 1952 (74 of 1952) in respect of trading in derivatives and shall function in accordance with the guidelines or conditions laid down by the Forward Markets Commission.
- ii. the recognised association shall ensure that the particulars of the client (including unique client identity number and PAN) are duly recorded and stored in its databases.
- iii. the recognised association shall maintain a complete audit trail of all transactions (in respect of derivative market) for a period of seven years on its system.
- iv. the recognised association shall ensure that transactions (in respect of derivative market) once registered in the system are not erased.
- v. the recognised association shall ensure that the transactions (in respect of derivative market) once registered in the system are modified only in cases of genuine error

# BSE Limited

## Finance and Accounts Department

---

and maintain data regarding all transactions (in respect of derivative market) registered in the system which have been modified and submit a monthly statement in Form No. 3BC to the Director General of Income-tax (Intelligence and Criminal Investigation), New Delhi within fifteen days from the last day of each month to which such statement relates.

vi. In compliance to the email dated February 28, 2022, from [delhi.itotech3.ici@incometax.gov.in](mailto:delhi.itotech3.ici@incometax.gov.in), the data pertaining to the above-mentioned Form 3BC shall be uploaded in the SFTP portal of CBDT instead of physical submission.”

**5. Notification of BSE as a recognized association under clause (e) of the proviso to sub-section (5) of Section 43 of the Income Tax read with sub-rule (4) of Rule 6DDD of the Income Tax Rules, 1962.**

BSE is notified as a recognised association for the purpose of clause (e) of proviso to sub-section (5) of Section 43 of the Income Tax Act, 1961 w.e.f. October 1, 2018. Accordingly, Commodities Derivative trades carried out on the Exchange trading platform will not be deemed to be speculative transaction till such time the recognition granted to the Exchange is not withdrawn.

# BSE Limited

## Finance and Accounts Department

### 6. Circular for members regarding uploading the TDS certificates on BSE Electronic filing system (“BEFS”) Portal.

This is to bring to your kind notice that w.e.f from April 10,2021 all members are requested to upload the TDS certificates on BSE Electronic filing system(“BEFS”) Portal to claim TDS refund in the respective years. There will be no requirement to send the certificates physically or via mail. Refund will be processed monthly based on certificates uploaded on the BEFS Portal and will be credited to the settlement account maximum by 10<sup>th</sup> of subsequent month.

In case any additional clarification is required you may mail your queries at [bse.tdsrefund@bseindia.com](mailto:bse.tdsrefund@bseindia.com) or contact the following personnel

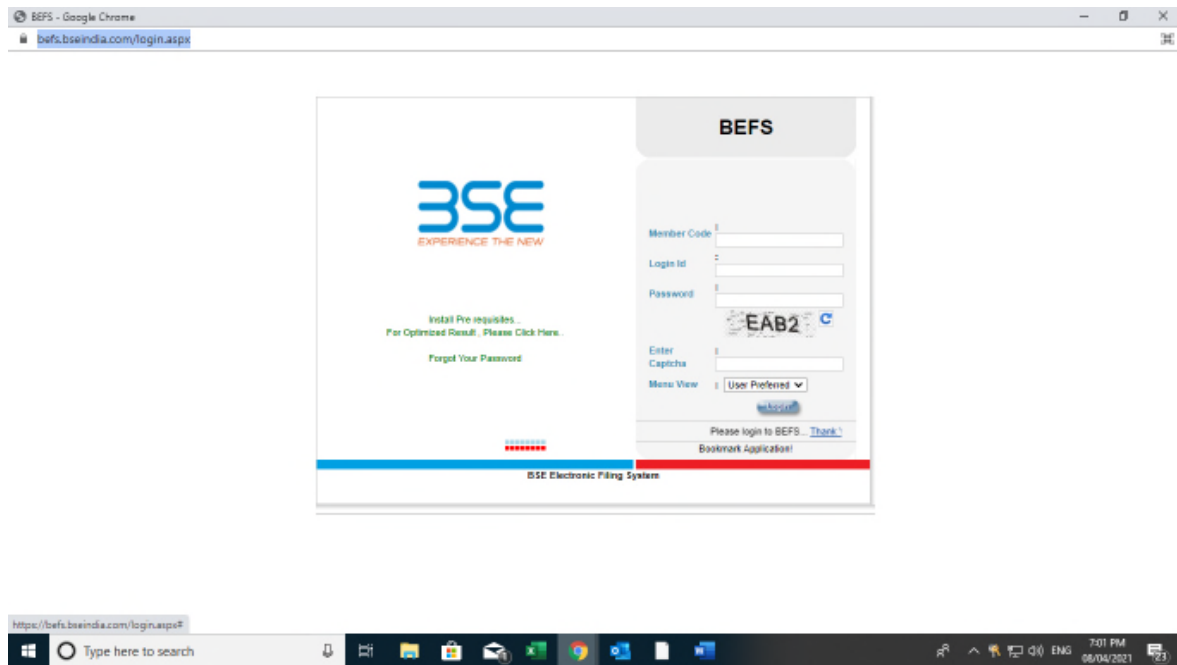
Shri Mahesh Shivtare – 22728594

Shri Rushabh Mehta – 22728647

Shri Harihara Subramanian - 22728522

**The steps to upload the TDS Certificate on the BEFS Portal is as follows:**

1. Click on the link <https://befs.bseindia.com/login.aspx>

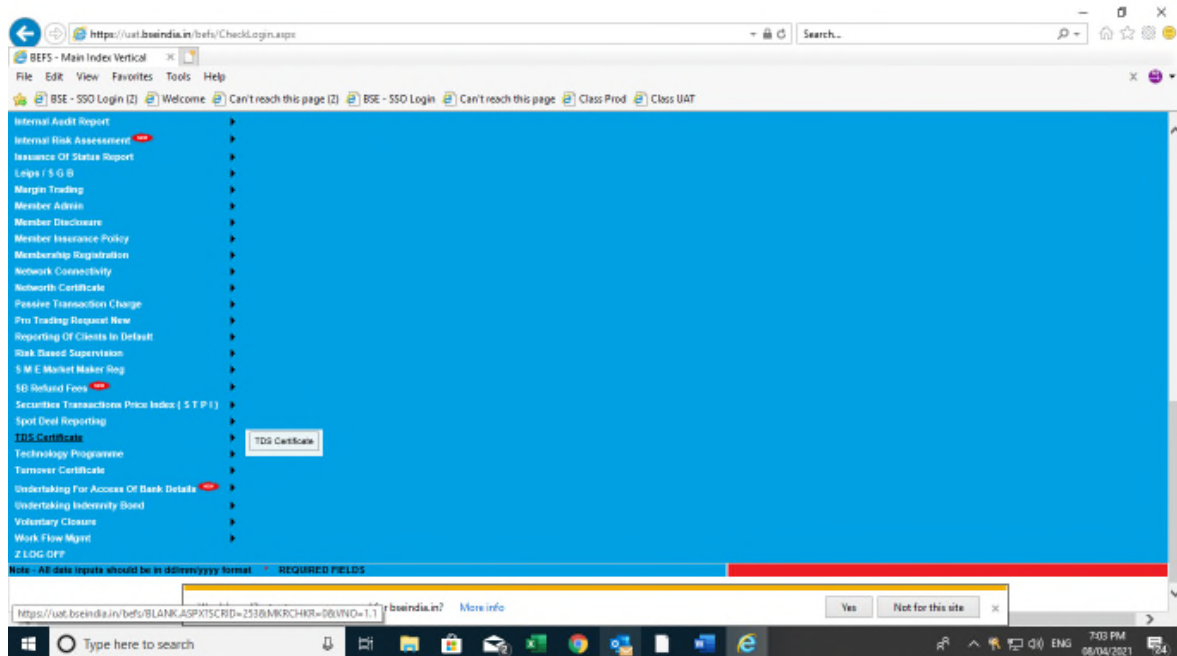


2. Enter the login credentials.

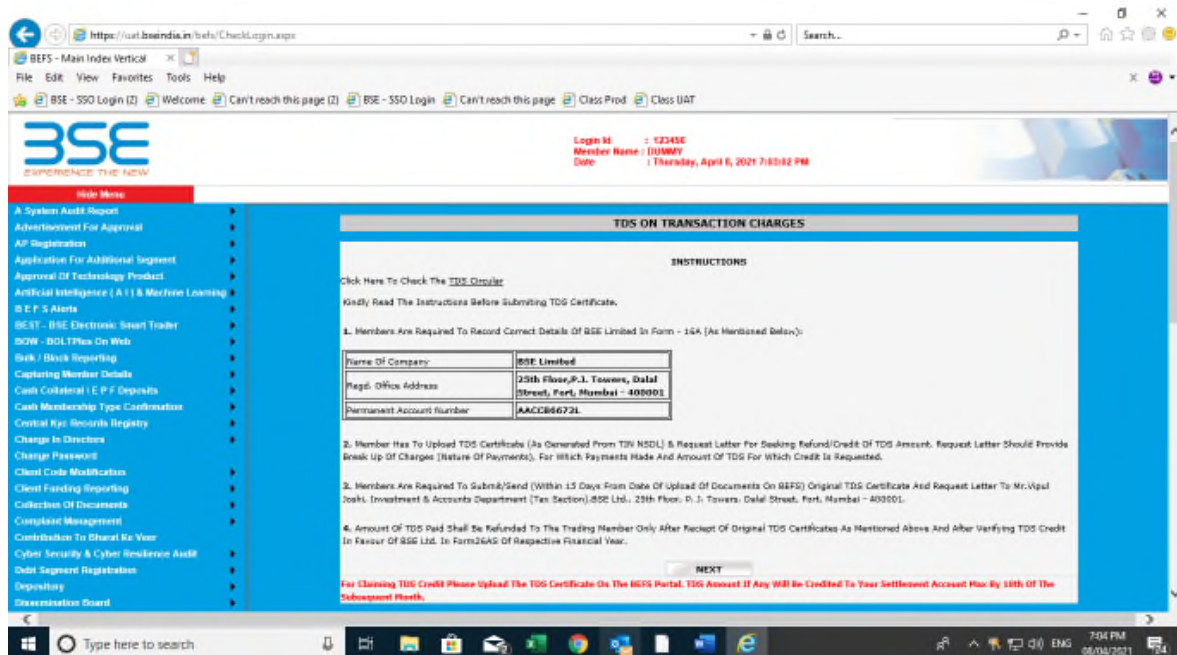
# BSE Limited

## Finance and Accounts Department

3. On the left side of the screen click on the option “TDS Certificate”.



4. Then click on “NEXT”.



5. If u want to update your basic information, then enter the new details and click on “UPDATE” and if not then click on “NEXT”.



# BSE Limited

## Finance and Accounts Department

The screenshot shows a web browser window with the URL <https://uat.bseindia.in/bse/CheckLogin.aspx>. The page header includes the BSE logo and user login information: Login Id: 123456, Member Name: DUMMY, Date: Thursday, April 8, 2021 7:00:02 PM. A sidebar menu on the left lists various services. The main content area is titled 'BASIC INFORMATION' and contains the following fields:

Clearing No.	123456
Member Name	DUMMY
TAN Number *	AGDF12366N
PNH Number *	AGDF12366N
Contact Details Of Member For TDS Matter :	
Name Of Person *	TGST2222
Email Id. *	TGST@123.IN
Telephone / Mobile No. *	960559275

At the bottom of the form, there are buttons for 'BACK', 'SAVE', 'UPDATE', and 'NEXT'.

6. Enter all the details and upload the TDS Certificate and TDS Request letter and click on "SAVE".

The screenshot shows the 'TDS Certificate Upload' form on the BSE website. The form includes the following fields and sections:

Member No.	123456	Member Name	DUMMY		
Select Financial Year *	SELECT	Assessment Year *			
Quarter *	SELECT	TDS Certificate No. *			
Amount Credited (As Per TDS Certificate) *		TDS Amount (As Per TDS Certificate) *			
TDS Amount Relanded By BSE : *					
TDS Amount Section :					
TYRES	Sub Type	Invoice No. *	Invoice Amount (In Rs.) *	TDS Amount (In Rs.) *	Action
SELECT	SELECT				ADD
Total Amount:					
Upload TDS Certificate *	Browse... [File Naming Convention : Form1A_Fy_Digit.pdf]				
Upload TDS Request Letter *	Browse... [File Naming Convention : TDSCreditRequest.letter_Fy_Digit.pdf]				
Amount Paid/Credited *					
Nature Of Payment /TDS Section *					
Challen Numbers *					

At the bottom of the form, there are buttons for 'BACK' and 'SAVE'.

# BSE Limited

## Finance and Accounts Department

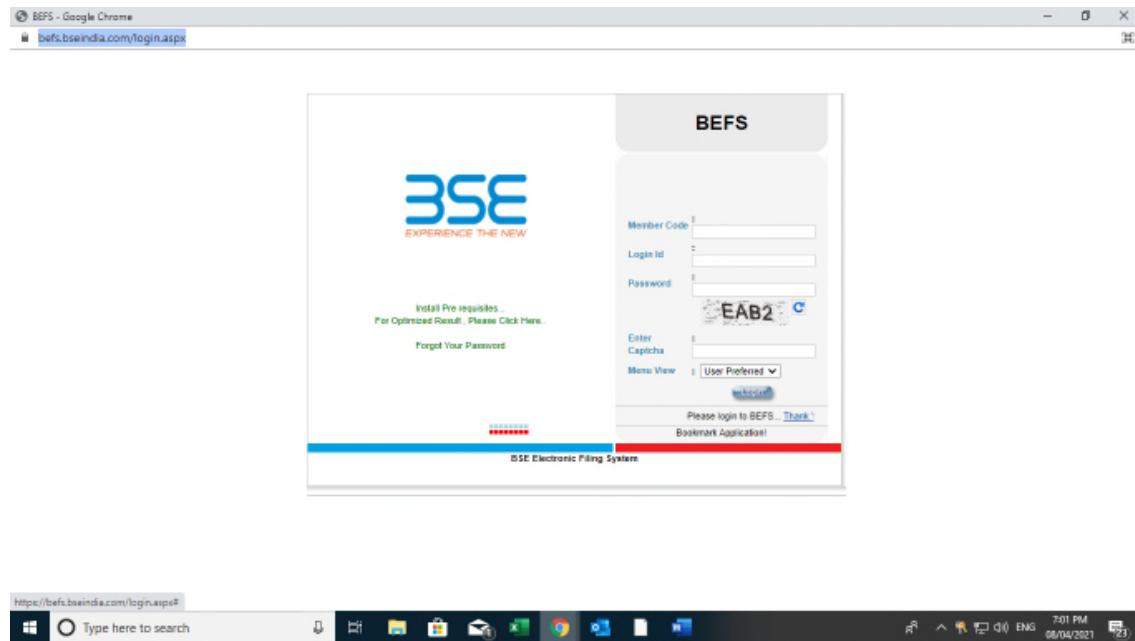
---

### 7. Circular to trading members to upload the Bank details on BSE Electronic Filing System (“BEFS”) Portal.

Further to the notice no 20220323-22 released on March 23, 2022, regarding direct collection of Exchange dues by BSE from trading members, this is to bring to your kind notice that since BSE is collecting gross amount without reducing the amount of TDS, the TDS deducted on the general charges bills shall be directly paid to the trading members to their designated bank accounts. In this regard, it is requested to the trading members to provide their bank account details in the BSE Electronic filing system (“BEFS”) Portal. The screen shots showing the process of entering the bank details is mentioned below.

**The steps to upload the Bank details on the BEFS Portal is as follows:**

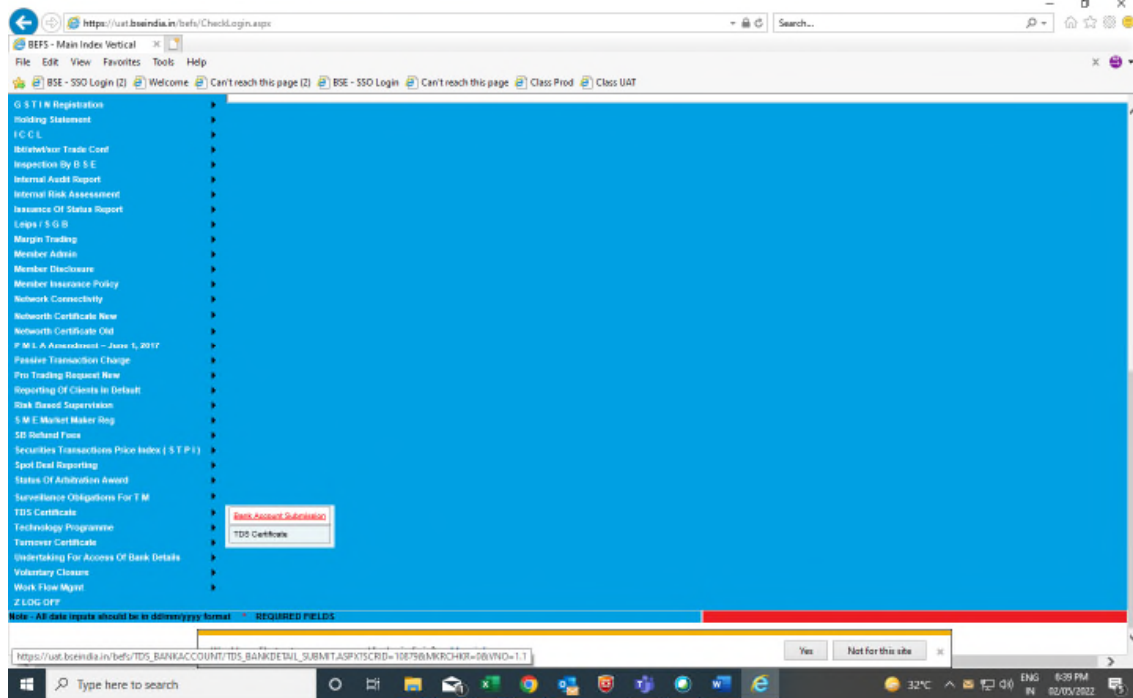
1. Click on the link <https://befs.bseindia.com/login.aspx>



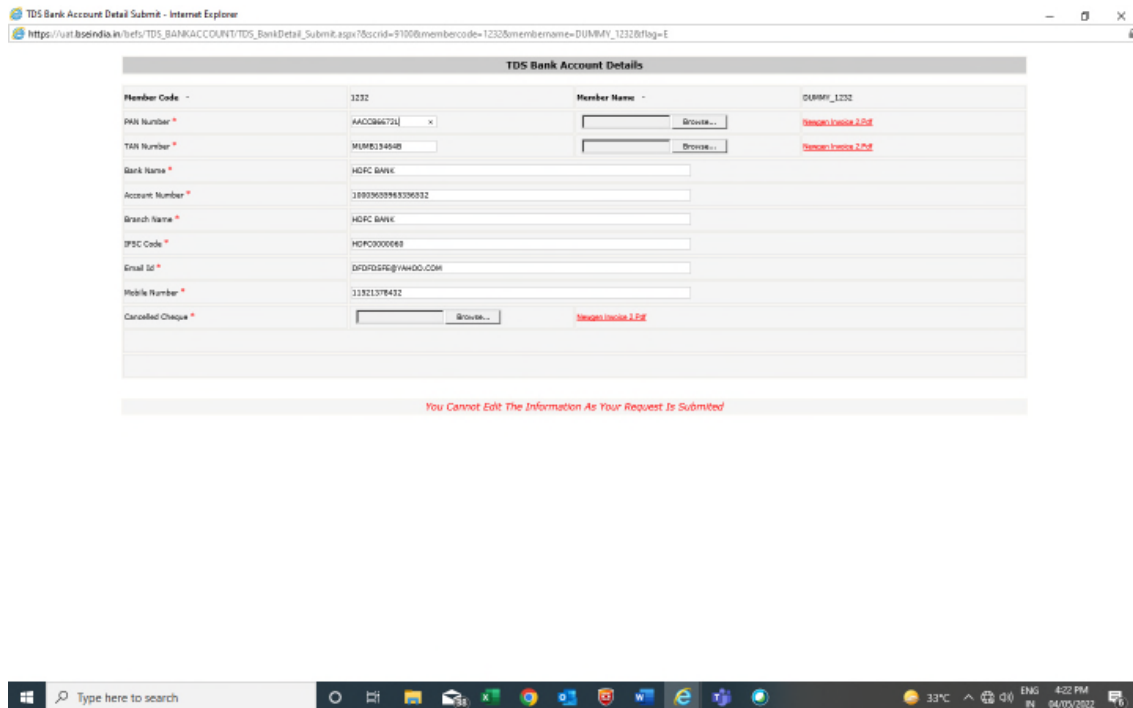
2. Enter the login credentials.
3. On the left side of the screen click on the option “TDS Certificate” then “Bank account Submission”.

# BSE Limited

## Finance and Accounts Department



4. Enter all the details and upload the documents as required. Then save, update and submit to exchange. Once details are submitted it cannot be edited.



**BSE Limited**  
**Finance and Accounts Department**

---

In case any additional clarification is required you may mail your queries at [bse.tdsrefund@bseindia.com](mailto:bse.tdsrefund@bseindia.com) or contact the following personnel:

Ms Akshata Zhagade - 22725830

Shri Rushabh Mehta – 22728647

Shri Mahesh Shivtare – 22728594

Shri Harihara Subramanian - 22728522

**BSE Limited**  
Finance and Accounts Department

**II. MASTER CIRCULAR FOR SECURITIES TRANSACTION TAX (“STT”) AND  
COMMODITIES TRANSACTION TAX (“CTT”)**

**1. Securities Transaction Tax (STT) Rates**

Securities Transaction Tax (STT) was introduced in Chapter VII of the Finance (No. 2) Act 2004. The Finance Bill 2023 containing various budget proposals and amendments related to taxation was passed by Lok Sabha on March 24, 2023. One of the amendments was pertaining to increase in the rate of STT on sale of Option contracts and Future contracts. The revised rates of STT for taxable securities transactions as amended by Finance Bill 2023 is given below -

Sr. No.	Taxable Securities Transactions	Effective till 31.03.23	Effective from 01.04.23	Payable by
1.	Purchase of an equity share in a company, where – (a) the transaction of such purchase is entered into in a recognised stock exchange; and (b) the contract for the purchase of such share is settled by the actual delivery or transfer of such share.	0.1%	0.1%	Purchaser
1.A	Purchase of an unit of an equity oriented fund, where - (a) the transaction of such purchase is entered into in a recognised stock exchange; and (b) the contract for the purchase of such unit is settled by the actual delivery or transfer of such unit.	NIL	NIL	-
2.	Sale of an equity share in a company, where - (a) the transaction of such sale is entered into in recognised stock exchange; and	0.1%	0.1%	Seller

**BSE Limited**  
Finance and Accounts Department

Sr. No.	Taxable Securities Transactions	Effective till 31.03.23	Effective from 01.04.23	Payable by
	(b) the contract for the sale of such share is settled by the actual delivery or transfer of such share.			
2A.	Sale of an unit of an equity-oriented fund, where -  (a) the transaction of such sale is entered into in a recognised stock exchange; and  (b) the contract for the sale of such unit is settled by the actual delivery or transfer of such unit.	0.001%	0.001%	Seller
3.	Sale of an equity share in a company or a unit of an equity-oriented fund, where --  (a) the transaction of such sale is entered into in a recognised stock exchange; and  (b) the contract for the sale of such share or unit is settled otherwise than by the actual delivery or transfer of such share or unit.	0.025%	0.025%	Seller
4.	(a) Sale of an option in securities.  (b) Sale of an option in securities where option is exercised.  (c) Sale of a futures in securities.	<b>0.050%</b>  0.125%  <b>0.01%</b>	<b>0.0625%</b>  0.125%  <b>0.0125%</b>	Seller  Purchaser  Seller

**Note:** Please note that till the date of issue of this circular, the Finance Bill 2023 as passed by Lok Sabha on March 24, 2023, is subject to the assent of the Honorable President of India.

Shri Rushabh Mehta – 22728647

Shri Mahesh Shivtare - 22728594

Shri Harihara Subramanian - 22728522

# BSE Limited

## Finance and Accounts Department

---

### 2. STT on Institutional Transactions

All institutional Buy and Sell transactions are treated separately for the calculation of STT and all these transactions are treated as delivery-based transactions. No netting of institutional transactions is allowed for the calculation of STT and the STT applicable on delivery-based transactions is being levied on such transactions.

### 3. Securities Transaction Tax (STT) – Physical Settlement of Stock Derivatives

This is with reference to the SEBI circular no. SEBI/HO/MRD/DP/CIR/P/2018/67 dated April 11, 2018, regarding mandatory physical settlement of the specified stock derivatives.

Pursuant to the above circular and in view of the shift from the existing cash settlement to the settlement by way of physical delivery, members have been seeking various clarifications / advisory on the applicability of STT, if any, on the settlement / exercise of the Futures and Option in these specified stocks.

CBDT instruction number 272/M-40/2018-IT-J dated August 27, 2018, submitted to Hon'ble Bombay High Court in this matter inter -alia states that

*“The only distinctions that STT framework recognised are (a) Whether the securities are equity shares or derivatives i.e., option and futures and (b) Whether the contract for sale of the securities is settled by actual delivery or transfer of shares or otherwise.”*

The CBDT instruction also state as follows

*“(iv) Serial no. 1 and 2 of the table in Section 98 of Finance (No.2) Act, 2004 prescribe that purchase/sale of an equity share of a company where the transaction is entered into a recognised stock exchange and the contract for purchase/sale of such share is settled by the actual delivery or transfer of such is a taxable securities transaction. In such situations also where, in order to settle the obligation under the derivative contract the parties to a derivative contract purchase or sell equity shares through*

# BSE Limited

## Finance and Accounts Department

---

*recognised stock exchange and delivery of the shares take place, these provisions shall be attracted, and such a transaction shall be subject to STT. In other words, since the levy of STT is not dependent upon the purpose for which the transaction in an equity is being undertaken, there is no distinction permissible under the statute for a purchase or a sale transaction in an equity to settle an option or futures contract under the amended settlement mechanism implemented by the capital market regulator (SEBI).*

.....

*4. In a nutshell, CBDT is of the view that where a derivative contract is being settled by physical delivery of shares, the transaction would not be any different from transaction in equity share where the contract is settled by actual delivery or transfer of shares and the rates of STT as applicable to such delivery-based transactions shall be **also applicable to such derivative transaction.**" (Emphasis supplied)*

In view of the above CBDT instruction and on basis of opinion by tax consultants, it has been decided to levy Securities Transaction Tax (STT) as follows with respect to transactions in equity derivative segment of BSE.

Sr. No	Taxable Transaction	Securities	Sr. No of Taxable Securities Transaction mentioned in Section 98 of Finance (No.2) Act, 2004	Rate Applicable till March 31, 2023 *	Rate Applicable from April 1, 2023 *	Payable by
1	Sale of an <b>OPTION</b> in securities		4 (a)	0.05%	0.0625%	Seller
2	Sale of an <b>OPTION</b> in securities where option is exercised		4(b)	0.125%	0.125%	Purchaser
3	Sale of <b>FUTURE</b> in securities		4(c)	0.01%	0.0125%	Seller
4	Purchase of an equity share arising out of physical settlement of transaction in <b>FUTURE</b> in securities		1 (Based on CBDT instructions)	0.1%	0.1%	Purchaser



# BSE Limited

## Finance and Accounts Department

Sr. No	Taxable Transaction	Securities	Sr. No of Taxable Securities Transaction mentioned in Section 98 of Finance (No.2) Act, 2004	Rate Applicable till March 31, 2023 *	Rate Applicable from April 1, 2023 *	Payable by
5	Sale of an equity share arising out of physical settlement of transaction in <b>FUTURE</b> in securities		2 (Based on CBDT instructions)	0.1%	0.1%	Seller
6	Purchase of an equity share arising out of physical settlement of transaction due to exercise of <b>OPTION</b> in securities		1 (Based on CBDT instructions)	0.1%	0.1%	Purchaser
7	Sale of an equity share arising out of physical settlement of transaction due to exercise of <b>OPTION</b> in securities		2 (Based on CBDT instructions)	0.1%	0.1%	Seller

This is for the information and due compliance of the Members and also for onward transmission to the constituents.

In case of any clarification, trading members may contact the following official on the telephone number and email id given below.

Mr. Harihara Subramanian	022-22728522	harihara.subramanian@bseindia.com
--------------------------	--------------	-----------------------------------

#### 4. Applicability of Securities Transaction Tax (STT) post implementation of Interoperability among Clearing Corporations

This is with reference to the interoperability among Clearing Corporations pursuant to the SEBI Circular No. CIR/MRD/DRMNP/CIR/P/2018/145 dated November 27, 2018.

In this regard, clarification was sought with respect to the applicability of STT on trades done on the multiple stock exchanges which are settled under interoperability

# BSE Limited

## Finance and Accounts Department

---

framework including the applicability of STT on trades which are settled otherwise than by actual delivery across multiple stock exchanges / clearing corporations.

The Central Board of Direct Taxes vide their letter dated June 6, 2019, has issued the following clarification:

**Quote**

*Under the provisions of STT, it is not material to the charge and levy of STT as to whether the settlement of trade takes place within the same stock exchange / clearing corporation or across multiple stock exchanges / clearing corporations. Accordingly, interoperability of clearing corporations shall have no impact on the incidence of STT on securities and STT at a lower rate shall continue to apply for trades / transactions settled otherwise than by delivery of shares even under the interoperable framework.*

**Unquote**

In view of the above, the trading members may kindly note that the STT on trades done on the multiple stock exchanges which are settled under interoperability framework shall continue to be levied as at present rates as applicable for delivery trades and non-delivery trades respectively, as per the provisions of section 98 of the Finance (No. 2) Act, 2004.

It thus stands clarified that the STT on trades done on multiple stock exchanges which are settled under interoperability framework and are settled otherwise than by actual delivery shall be levied at the rate of 0.025 per cent, payable by the Seller, as per Sr. No. 3 of the table under section 98 of the Finance (No. 2) Act, 2004.

Trading Members are requested to take note of the above

In case of any clarification, trading members may contact the following official on the telephone number and email id given below.

Mr. Harihara Subramanian	022-22728522	<a href="mailto:harihara.subramanian@bseindia.com">harihara.subramanian@bseindia.com</a>
--------------------------	--------------	--

**BSE Limited**  
**Finance and Accounts Department**

---

**5. Securities Transaction Tax (STT) - Equity & Derivatives Segment**

Further to Exchange Notice No. 20170103-10 dated January 3, 2017, we would like to inform you that as per the Finance (No 2) Act, 2019, although the rates of levy of Securities Transaction Tax (“STT”) on transactions entered into in a recognised stock exchange have been kept same, apart from the changes highlighted in Point no 1 of section II of this circular, there has been some amendment in the value of taxable securities transaction in relation to serial no. 4(b) of the table under section 98 of the Finance (No.2) Act, 2004 pertaining to “sale of an option in securities, where option is exercised”.

The amendment in clause (a)(ii) of section 99 of the Finance (No. 2) Act, 2004 relating to the value of taxable securities transaction is as below:

With effect from September 1, 2019, in case where Option is exercised, the value on which STT is levied shall be taken as “Intrinsic Value” instead of “Settlement Price”. Intrinsic value as defined by clause (a)(ii) of section 99 of the Finance (No. 2) Act, 2019 shall be the difference between Settlement price and Strike Price.

All trading members are hereby informed that there are no changes in the rate of Securities Transaction Tax (STT) apart from the changes highlighted in Point no 1 of section II of this circular and the existing procedures for calculation, levy and collection of STT by the Exchange shall continue.

For further clarifications on the subject matter, you may kindly contact the following officials –

<b>Type of Query</b>	<b>Contact Person</b>	<b>Department</b>	<b>Direct Line</b>
STT Rate	Rushabh Mehta	Finance	022-22728647
STT Rate	Mahesh Shिवtare	Finance	022-22728594
STT Rate	Harihara Subramanian	Finance	022-22728522
STT Calculation & end-of day files	Sameer Vaze	Trading Operations	022-22728543

**BSE Limited**  
**Finance and Accounts Department**

---

**6. Notice on applicability of Securities Transaction Tax (STT) on trading of Rights Entitlement**

Further to Exchange Notice No. 20190823-28 dated August 23, 2019, we would like to inform you that, although the rates of levy of Securities Transaction Tax (“STT”) on transactions entered into in a recognised stock exchange have not changed, apart from the changes highlighted in Point no 1 of section II of this circular, it is proposed to include trades in Rights Entitlement (“RE”) under serial no. 4(a) of the table under section 98 of the Finance (No.2) Act, 2004 pertaining to “sale of an option in securities. Accordingly, STT shall be payable by the seller at the rate of **0.0625%** of the value at which such RE’s are traded.

All trading members are hereby informed that there is no change in the rate of Securities Transaction Tax (STT) apart from the changes highlighted in Point no 1 of section II of this circular and the existing procedures for calculation, levy and collection of STT by the Exchange shall continue.

For further clarifications on the subject matter, you may kindly contact the following officials –

<b>Type of Query</b>	<b>Contact Person</b>	<b>Department</b>	<b>Direct Line</b>
STT Rate	Rushabh Mehta	Finance	022-22728647
STT Rate	Mahesh Shिवtare	Finance	022-22728594
STT Rate	Harihara Subramanian	Finance	022-22728522
STT Calculation & end-of day files	Sameer Vaze	Trading Operations	022-22728543

**7. Securities Transaction Tax (STT) - Equity Warrants**

Further to Exchange Notice No. 20200811-37 dated August 11, 2020, we would like to inform you that, although the rates of levy of Securities Transaction Tax (“STT”) on transactions entered into in a recognised stock exchange have not changed, apart from the changes highlighted in Point no 1 of section II of this circular, it is proposed to include trades in Equity Warrants under serial no. 4(a) of the table under section 98 of the Finance (No.2) Act, 2004 pertaining to “sale of an option in securities.

# BSE Limited

## Finance and Accounts Department

---

Accordingly, STT shall be payable by the seller at the rate of **0.0625%** of the value at which such Equity Warrants are traded.

All trading members are hereby informed that there is no change in the rate of Securities Transaction Tax (STT) apart from the changes highlighted in Point no 1 of section II of this circular and the existing procedures for calculation, levy and collection of STT by the Exchange shall continue.

For further clarifications on the subject matter, you may kindly contact the following officials –

Type of Query	Contact Person	Department	Direct Line
STT Rate	Rushabh Mehta	Finance	022-22728647
STT Rate	Mahesh Shिवtare	Finance	022-22728594
STT Rate	Harihara Subramanian	Finance	022-22728522
STT Calculation & end-of day files	Sameer Vaze	Trading Operations	022-22728543

### 8. Commodities Transaction Tax (CTT) Rates

In the Finance Bill of 2018, following amendments were made in Finance Act 2013 pertaining to Commodities Transaction Tax (CTT) as per email sent to business operations on February 15, 2018. You are requested to take note of the same.

- i. Definition of Taxable commodities transaction as per sec 116 of Finance Act, 2013:

Till March 31, 2018	With effect from April 1, 2018
Taxable commodities transaction means a transaction of sale of commodity derivatives in respect of commodities, other than agricultural commodities traded in recognised associations.	Taxable commodities transaction means a transaction of sale of commodity derivatives <u>or option on commodity derivatives</u> in respect of commodities, other than agricultural commodities traded in recognised associations.

# BSE Limited

## Finance and Accounts Department

- ii. Change in rate of Commodities Transaction Tax (CTT) as per Sec 117 of Finance Act, 2013

Sr. No	Taxable Commodity Transaction	Till March 31, 2018		With effect from April 1, 2018	
		Rate	Payable by	Rate	Payable by
1	Sale of a commodity derivative	0.01%	Seller	0.01%	Seller
2	Sale of an option on commodity derivative	NA	NA	0.05%	Seller
3	Sale of an option on commodity derivative, where option is exercised	NA	NA	0.0001%	Purchaser

**Note:** In case of contracts settled by cash, no additional CTT shall be levied. In case of contracts settled physically no CTT applicable but GST would be applicable, and the place of supply will be delivery centre.

- iii. Value of Commodities Transaction tax as per Sec 118 of Finance Act, 2013

Till March 31, 2018	With effect from April 1, 2018
(a) in the case of a taxable commodities transaction relating to a commodity derivative, shall be the price at which the commodity derivative is traded;	(a) in the case of a taxable commodities transaction relating to a commodity derivative, shall be the price at which the commodity derivative is traded;
NA	(b) in the case of a taxable commodities transaction relating to an option on commodity derivative, shall be— (i) the option premium, in respect of transaction at serial number 2 of the above table in section 117. (ii) the settlement price, in respect of transaction at serial number 3 of the above table in section 117.

This is for the information and due compliance of the Members and also for onward transmission to the constituents.

In case of any clarification, trading members may contact the following official on the telephone number and email id given below.

Mr. Harihara Subramanian	022-22728522	harihara.subramanian@bseindia.com
--------------------------	--------------	-----------------------------------

# BSE Limited

## Finance and Accounts Department

### 9. Applicability of Commodities Transaction Tax ('CTT') on Option in commodities contracts on underlying Gold and silver in Commodity Derivatives Segment

This is with reference to the circular issued by BSE regarding the trading of Option in commodities contracts on underlying Gold and Silver, vide circular no 20200523-1 dated May 23,2020.

In this regard, the trading members may kindly note that CTT is applicable on trading of Option in commodities contracts on underlying Gold and Silver on the Exchange at the rates specified in Sl. no. 4, 6 and 7 of the CTT table provided under Section 117 of Chapter VII of Finance Act, 2013.

Sr. No	Taxable Commodity Transaction	Rate	Payable by	Taxable Value
1	Sale of an option in Goods	0.05%	Seller	Option Premium
2	Sale of an option in Goods, where option is exercised, resulting in actual delivery of goods	0.0001%	Purchaser	Settlement Price
3	Sale of an option in Goods, where option is exercised, resulting in settlement otherwise than by the actual delivery of goods	0.125%	Purchaser	Difference between Settlement Price and Strike Price.

All trading members are hereby requested to take note of the above changes in the rates of CTT.

For further clarifications on the subject matter, you may kindly contact the following officials –

Type of Query	Contact Person	Department	Direct Line
CTT Rate	Rushabh Mehta	Finance	022-22728647
CTT Rate	Mahesh Shitvare	Finance	022-22728524
CTT Rate	Harihara Subramanian	Finance	022-22728522

.....

**BSE Limited**  
**Finance and Accounts Department**

---

**10. Excess Securities Transaction Tax (STT) Retained – BSE**

This has reference to notice no ITBA/COM/F/17/2022-23/1049064594(1) dated January 24, 2023, issued by Commissioner of Income Tax, Range – 7(1), Mumbai. This notice was issued to draw attention towards excess STT collected by some brokers/sub-brokers, which is not being remitted to the Government account.

Hence, as per the instructions of the income tax department, a circular is hereby issued to the member brokers, requesting to furnish details of excess STT collected and retained with them for FY 2020-21 and for preceding years as on 31.03.20 directly to BSE Limited with intimation to the below mentioned address

Office of The Commissioner of Income Tax,  
Range 7(1),  
Room No 144D, 1<sup>st</sup> Floor,  
Aayakar Bhavan, M.K. Road,  
Mumbai – 400020  
E-Mail: MUMBAI.ADDLCIT7.1@INCOMETAX.GOV.IN,  
Phone No: 02222120136

The letters may be captioned as '**Excess STT Retained – BSE**'. The member brokers are directed to comply with the circular within 7 days from the date of issue of this circular. Also, the brokers/ sub brokers shall remit such excess STT collected along with interest @ 1% for every month's delay to BSE Limited under the intimation to the above-mentioned office and, BSE Limited shall deposit the same to Government Account immediately.

**Jayesh Shah**  
**Financial Controller**  
**BSE Limited**