

## NATIONAL COMMODITY CLEARING LIMITED

### Frequently Asked Questions (FAQs) - Collection of Stamp Duty by Clearing Corporation

Version 2.0

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## FAQs on Collection of Stamp Duty by Clearing Corporation

### 1. Who would be Collecting Agent for NCDEX?

NCDEX has authorized NCCL to act as a 'Collecting Agent' under the Stamp Duty Rules 2019 for the purpose of collection and remittance of stamp duty on trades executed on NCDEX.

### 2. What does "Collecting Agent" mean?

"Collecting Agent" means a stock exchange or clearing corporation authorised by it or a depository which is empowered to collect stamp-duty on securities on behalf of the State Government in accordance with the provisions of the Act and these rules.

### 3. What is the date from which this is effective?

According to Gazette notification no. F. No. S-33013/3/2019-ST-I, DOR-Part 3 dated January 08, 2020, notifying that the Indian Stamp (Collection of Stamp Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019 shall come into force with effect from **July 01, 2020**.

Refer Circular No. NCCL/FINANCE-003/2020 dated March 31, 2020 for further details.

### 4. On what basis will the Clearing Corporation take liability to pay stamp duty?

In provisions of the Act and Indian Stamp (Collection of Stamp- Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019, the Exchange or Clearing Corporation are authorized to collect stamp duty on securities on behalf of the State Government.

### 5. On whom would Stamp duty be levied?

Stamp duty would be levied on the **buyer** on transactions of sale of commodity derivative in Futures and sale of an Option on Commodity Derivative contracts.

**6. What is the rate at which stamp duty will be levied on Futures transaction?**

0.002% i.e. Rs. 2 per lakh of Future turnover.

**7. What is the rate at which stamp duty will be levied on Options transaction?**

0.003% i.e. Rs. 3 per lakh of Premium turnover.

**8. What is the value on which stamp duty would be calculated?**

For Futures -- Price at which Commodity Derivative is traded.

For Options -- value of option premium.

The value of stamp duty shall be rounded off to the nearest rupee.

**9. Does % rate of stamp duty vary according to different states in India?**

No. The % of stamp duty remains constant throughout India.

**10. Which state would be considered for payment of stamp duty?**

Permanent address details of the clients updated by the Members in the Unique Client Code (UCC), shall be considered for determining the domicile state of the buyer for that trade day for the purpose of stamp duty. As per stamp duty rules, in case the clients' details are not updated in UCC by the members, then the registered address of the members will be considered for determination of state for payment of stamp duty. Therefore, members are requested to update the permanent address of all their clients to avoid any inconvenience in future.

**11. What is Domicile State?**

State of the buyer as it appears in the "permanent address" in India on the settlement day, and in case the same is not available, as it appears in the "correspondence address" in India, as per the

records of stock exchange or clearing corporation or depository or in case the State of buyer is not available in the “permanent address” or “correspondence address” in India, the State having the registered office of the member, through whom the trade or transfer was executed, and in case the same is not available, the State having the registered office of the participant or custodian through whom the trade was effected would be considered as Domicile state.

**12. When would the Clearing Corporation collect stamp duty from their members?**

The stamp duty amount for a trade date shall be collected from the clearing members on T+1 basis as per the stipulated timelines and process currently followed for daily funds settlement. The stamp duty amount shall form part of the daily obligation report made available/exported to the member/s.

**13. How would members be notified about the amount for collection of stamp duty?**

A report shall be provided to the members at the end of each trading day. This report shall contain information on the total stamp duty liability, trading member wise stamp duty liability, client wise stamp duty liability and the detailed computations for determining the client wise stamp duty liability.

**14. What are the stamp duty report names?**

NCDEX\_SD01\_DDMMYYYY.CSV gives details of Stamp duty details for **Trading members** for Stamp Duty.

NCDEX\_SD02\_DDMMYYYY.CSV gives details of Stamp duty details for **Clearing members** for Stamp Duty.

**15. Which are the files to be referred by Clearing members for stamp duty collection?**

TCM & STCM have to refer to both SD01 & SD02 files. PCM needs to refer to only SD02.

**16. What if member doesn't pay stamp duty?**

Non-payment of stamp duty shall be treated as failure to meet settlement obligation for the purpose of all consequential actions against the member.

**17. What are the file formats for stamp duty?**

File formats are available in the Annexure of Circular No. NCCL/FINANCE-001/2020 dated January 01, 2020. Sample files can be provided on mail based on request to [contactus@nccl.co.in](mailto:contactus@nccl.co.in).

**Circular reference**

Circular No. NCCL/FINANCE-003/2020 dated March 31, 2020

Circular No. NCCL/FINANCE-001/2020 dated January 01, 2020

Circular No. NCCL/LEGAL-001/2020 dated January 09, 2020

Circular No. NCDEX/Finance & Accounts-001/2019 dated December 16, 2019