

GOVERNMENT INVITES COMMENTS OF STAKEHOLDERS AND GENERAL PUBLIC ON PROPOSED AMENDMENTS TO INCOME-TAX RULES, 1962 BY SEPTEMBER 4, 2018¹

Income-tax Rules, 1962 (I. T. Rules) prescribe Form No.13 for filing an application for seeking a certificate under Section 197 and/or under Section 206C (9) of the Income Tax Act, 1961 (the Act), for no deduction of tax or deduction/collection of tax at lower rate.

In order to rationalise and make the process of issuance of certificate for no deduction of tax or deduction/collection of tax at lower rate electronic, the existing Form No.13 and relevant I.T. Rules are required to be amended. This is vital for minimising the human interface and reducing the compliance burden on the applicant.

In view of the above, a Draft Notification proposing amendments in Form No. 13, and Rules 28, 28AA, 28AB, 37G and 37H of the IT Rules has been uploaded on the website of the Income Tax Department www.incometaxindia.gov.in for comments from stakeholders and general public.

Comments and suggestions on the Draft Notification may be sent by September 4, 2018 electronically at the email address ts.mapwal@nic.in.

STREAMLINING THE PROCESS OF PUBLIC ISSUE UNDER THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 (SEBI ILDS), SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES) REGULATIONS, 2013 (SEBI NCRPS), SEBI (PUBLIC OFFER AND LISTING OF SECURITISED DEBT INSTRUMENTS) REGULATIONS, 2008 (SEBI SDI) AND SEBI (ISSUE AND LISTING OF DEBT SECURITIES BY MUNICIPALITIES) REGULATIONS, 2015 (SEBI ILDM)²

1. In order to make the existing process of issuance of debt securities, NCRPS and SDI easier, simpler and cost effective for both issuers and investors under the SEBI ILDS, SEBI ILDM, SEBI NCRPS and SEBI SDI regulations respectively, it has been decided to reduce the time taken for listing after the closure of the issue to 6 working days as against the present requirement of 12 working days and details with respect to the same are specified in this circular.
2. **Submission of application form:**
 - 2.1. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. writing their bank account numbers and authorizing the banks to make payment in case of allotment by signing the application forms.

¹ Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1543376>

² Available at: https://www.sebi.gov.in/legal/circulars/aug-2018/streamlining-the-process-of-public-issue-under-the-sebi-issue-and-listing-of-debt-securities-regulations-2008-sebi-issue-and-listing-of-non-convertible-redeemable-preference-shares-regulations-_40004.html

- 2.2. An investor, intending to subscribe to a public issue, shall submit a completed bid-cum-application form to Self-Certified Syndicate Banks (SCSBs), with whom the bank account to be blocked is maintained or any of the following intermediaries:
- a) A syndicate member (or sub-syndicate member)
 - b) A stock broker registered with a recognised stock exchange
 - c) A depository participant ('DP')
 - d) A registrar to an issue and share transfer agent ('RTA')

Role of SCSBs and intermediaries:

- 3.1. The SCSBs or the above intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.
- 3.2. For applications submitted by investors to SCSB: After accepting the form, SCSB shall capture and upload details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking of funds available in the bank account specified in the form, to the extent of the application money specified.
- 3.3. For applications submitted by investors to other intermediaries: After accepting the application form, respective intermediary shall capture and upload details in the electronic bidding system as specified by the stock exchange(s).
- 3.4. The SCSBs or intermediaries shall provide guidance to their investors on making applications in public issues and are advised to take necessary steps to ensure compliance with this circular.

4. Role of Stock Exchanges:

- 4.1. Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID, Client ID and PAN, by the end of each bidding day and bring the inconsistencies to the notice of SCSBs or intermediaries concerned, for rectification and re-submission within the time specified by stock exchange(s).
- 4.2. Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code in the bid details already uploaded on a daily basis up to timeline as has been specified.
- 4.3. The stock exchanges shall develop the systems to facilitate the investors to view the status of their public issue applications on their websites and sending the details of applications and allotments through SMS and E-mail alerts to the investors.

5. Other requirements:

- 5.1. The character length for each of fields of the schedule to be forwarded by the intermediaries along with each application form to the designated branches of the respective SCSBs for blocking of funds shall be uniformly prescribed by the stock exchange(s) and the format of the schedule shall be as under:

Field Number	Details
1.	Symbol
2.	Bid Date
3.	Intermediary Code
4.	Intermediary name

5.	Bank code
6.	Bank name
7.	Location Code
8.	Application No.
9.	Category
10.	PAN
11.	DP ID
12.	Client ID
13.	Quantity
14.	Series
15.	Amount
16.	Stock Exchange

5.2. Timelines: The revised indicative timelines for various activities are specified in Annexure-A to this circular. Annexure A is available at https://www.sebi.gov.in/legal/circulars/aug-2018/streamlining-the-process-of-public-issue-under-the-sebi-issue-and-listing-of-debt-securities-regulations-2008-sebi-issue-and-listing-of-non-convertible-redeemable-preference-shares-regulations-_40004.html

The SCSBs, stock exchanges, depositories and intermediaries shall co-ordinate with one another to ensure completion of listing of debt securities, NCRPS, SDI and commencement of trading by T+6.

6. The responsibilities of SCSBs, stock exchanges, depositories and intermediaries and the indicative timelines prescribed shall stand modified to the extent stated in the SEBI circular CIR. /IMD/DF-1/20/2012 dated July 27, 2012.
7. This circular shall be applicable for all public issues of debt securities, NCRPS and SDI opening on or after October 01, 2018.
8. This circular is being issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
9. This Circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework".

Team ICSI

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