

Info Capsule

ADVISORY TO COMPANIES TO FURNISH STATEMENT OF FINANCIAL TRANSACTIONS (SFT) TO THE INCOME TAX DEPARTMENT¹

As per Rule 114E of the Income Tax Rules 1962, for and from 2016-17, all companies have to furnish SFT in respect of certain specified transactions as tabulated below:

S.NO.	NATURE AND VALUE OF TRANSACTIONS	REPORTING COMPANIES
1.	Receipt from any person of an amount aggregating to ten lakh rupees or more in a financial year for acquiring bonds or debentures issued by the company or institution (other than the amount received on account of renewal of the bond or debenture issued by that company)	A company or institution issuing bonds or debenture.
2.	Receipt from any person of an amount aggregating to ten lakh rupees or more in a financial year for acquiring shares (including share application money) issued by the company	A company issuing shares
3.	Buy back of shares from any person (other than the shares bought in the open market) for an amount or value aggregating to ten lakh rupees or more in a financial year	A company listed on a recognised stock exchange purchasing its own securities under section 68 of the Companies Act, 2013 (18 of 2013)

- Respective heads of companies are required to furnish the statement online in respect of the aforesaid transactions in Form 61A to the Income-Tax Department on or before 31st May, 2017. The transactions listed above are in addition to other transactions specified in Rule 114E which may be reportable by eligible companies.
- This advisory is issued to companies as prior information, on the request of DGIT(I&CI), New Delhi vide letter dated 21.11.2016.

¹ Available at :<http://www.mca.gov.in/Ministry/pdf/ACFSFTtoIncomeTaxDepartment.pdf>

CENTRAL GOVERNMENT SEEKS TO AMEND NOTIFICATION NO 25/2012- SERVICE TAX, DATED 20.6.2012²

The Central Government makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.25/2012- Service Tax, dated the 20th June, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 467 (E), dated the 20th June, 2012, namely:-

The opening paragraph, entry 9 is read as follows:

“9. Services provided,-

- (a) by an educational institution to its students, faculty and staff;
- (b) to an educational institution, by way of,-
 - (i) transportation of students, faculty and staff;
 - (ii) catering, including any mid-day meals scheme sponsored by the Government;
 - (iii) security or cleaning or house-keeping services performed in such educational institution;
 - (iv) services relating to admission to, or conduct of examination by, such institution;”

In the opening paragraph, in entry 9, in clause (b), after sub-clause (iv), the following proviso shall be inserted, namely:-

“Provided that nothing contained in clause (b) of this entry shall apply to an educational institution other than an institution providing services by way of pre-school education and education up to higher secondary school or equivalent.”

This notification shall come into force on the 1st day of April, 2017.

SECURITIES AND EXCHANGE BOARD OF INDIA (PAYMENT OF FEES AND MODE OF PAYMENT) (AMENDMENT) REGULATIONS, 2017³

SEBI issued a notification dated 6th March, 2017 for making amendments to the Securities and Exchange Board of India (Payment of Fees and Mode of Payment) Regulations.

1. Amendments to the Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992

In the Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992, -

- i. in Schedule III, in clause III,—
 - a. After the words “payable” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted;
 - b. the word “Bombay” shall be substituted with the word “Mumbai;
- ii. In Schedule V, in Part B,—
 - a. In clause 3, in sub-clause (1), Table 1 and Table 2 shall be substituted.
 - b. In clause 4B, after the word “applicant” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

² Available at :<http://www.cbec.gov.in/resources/htdocs-servicetax/st-notifications/st-notifications-2017/st10-2017.pdf>

³ Available at: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1488970004632.pdf

2. Amendments to the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

In the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, in Schedule II, in clause 4, after the word “merchant banker” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

3. Amendments to the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993

In the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, in Schedule II, in clause 4, after the words “regional office”, before the symbol “.”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI” shall be inserted.

4. Amendments to the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

In the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, in Schedule II, in clause 3, after the words “Share Transfer Agent” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

5. Amendments to the Securities and Exchange Board of India (Underwriters) Regulations, 1993

In the Securities and Exchange Board of India (Underwriters) Regulations, 1993, in Schedule II, in clause 4, after the word “Underwriter” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

6. Amendments to the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993

In the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, in Schedule II, in clause 4, after the words “Debenture Trustees” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

7. Amendments to the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994

In the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, in Schedule II, in clause 4, after the words “bankers to an issue” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

8. Amendments to the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996

In the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, in Second Schedule, in Part B, -

- i. in the manner of payment by Sponsor or depository, the words “By way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or “shall be substituted in place of the letter “A”;
- ii. in the manner of payment by Participant, for the word “with”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or by” shall be substituted.

9. Amendments to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

In the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, in the Second Schedule, in clause II, after the word “paid” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

10. Amendments to the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996

In the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996, in the Second Schedule, in Part B, in clause 1, after the word “payable” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

11. Amendments to the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

In the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, in Schedule IV, -

- i. in clause 1, the table shall be substituted.
- ii. in clause (2), in sub-clause (b), after the word “payable” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

12. Amendments to the Securities and Exchange Board of India (Collective Investment Scheme) Regulations, 1999

In the Securities and Exchange Board of India (Collective Investment Scheme) Regulations, 1999, in the Second Schedule, in clause 3, after the word “paid” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

13. Amendments to the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999

In the Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999, in the Second Schedule, in Part B, in clause 4, after the word “paid” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

14. Amendments to the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000

In the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, in the Second Schedule, in Part B, in clause I, after the word “payable” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

15. Amendments to the Securities and Exchange Board of India (Self Regulatory Organizations) Regulations, 2004

In the Securities and Exchange Board of India (Self Regulatory Organizations) Regulations, 2004, -

- i. in the First Schedule, in Form A, in clause 5, before the words “Demand Draft”, the words and symbol “The fees has been remitted through electronic payment mode as per details below/” shall be inserted;
- ii. in the Second Schedule, in Part B, after the word “paid” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

16. Amendments to the Securities and Exchange Board of India (Regulatory Fee on Stock Exchanges) Regulations, 2006

In the Securities and Exchange Board of India (Regulatory Fee on Stock Exchanges) Regulations, 2006, in regulation 5, the existing sub-regulation (1) shall be substituted with the following, -

The fee mentioned in regulation 4 shall be paid by a recognised stock exchange by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or by means of a demand draft drawn in favour of “Securities and Exchange Board of India”, payable at Mumbai and the intimation of remittance or the demand draft, as applicable, shall be forwarded along with the statement of computation of the fee.

17. Amendments to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

In the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, in Schedule V, -

- i. in clause 2, after the word “paid” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted;

- ii. in clause 4, after the words “subsequent month” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

18. Amendments to the Securities and Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008

In the Securities and Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008, in Schedule II, in clause 2, after the word “paid” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

19. Amendments to the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

In the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, in sub-regulation (3) of regulation 25A, after the words and symbol “rupees fifty thousand,” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

20. Amendments to the Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009

In the Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009, in regulation 4, -

- i. the existing regulation shall be renumbered as sub-regulation (1);
- ii. the following new sub-regulation shall be inserted thereafter, namely,-
“(2) For the purposes of sub-regulation (1) above, the amounts shall be credited to the Fund through NEFT/RTGS/IMPS or any other mode allowed by RBI or by way of a demand draft in favour of the Board payable in Mumbai.”.

1. Amendments to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

In the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, -

- I. in regulation 113, -
 - a. the existing regulation shall be numbered as sub-regulation (1);
 - b. the following new sub-regulations shall be inserted thereafter, namely,-
- 2. For seeking relaxation under sub-regulation (1), an application, giving details and the grounds on which such relaxation has been sought, shall be filed with the Board.

3. The application referred to under sub-regulation (2) shall be accompanied by a non-refundable fee of rupees one lakh payable by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or by way of a demand draft in favour of the Board payable in Mumbai.

II. in Schedule IV, in clause 2, after the word “paid” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

21. Amendments to the Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011

In the Securities and Exchange Board of India {KYC (Know Your Client) Registration Agency} Regulations, 2011, in Schedule II, in Part B, in Manner of Payment, in the first clause, the words “The fees shall be paid by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or by” shall be substituted in place of the letter ‘A’.

22. Amendments to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

In the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, -

- i. in sub-regulation 7 of regulation 10, after the words “one lakh fifty thousand” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted;
- ii. in sub-regulation 4 of regulation 11, -
 - a. the words “three lakh” shall be substituted with the words “five lakh”;
 - b. after the symbol “,” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.
- iii. in sub-regulation 1 of regulation 16, after the word and symbol “scale,” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

23. Amendments to the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012

In the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, in the Second Schedule, in Part B, after the words “payable” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

24. Amendments to the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012

In the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, in Schedule – I, in Form A, in clause 5, -

- i. the words and symbol “Proof of remittance through electronic payment mode/” shall be inserted before the words “Demand Draft”;

ii. after the symbols “” and before the word “towards”, the symbol “,” shall be inserted.

25. Amendments to the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013

In the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, in Schedule III, -

- I. in clause 2, after the word “paid” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted;
- II. in clause 4, after the words “subsequent month” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

26. Amendments to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

In the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, -

- I. in clause (g). of sub-regulation 15 of regulation 3, after the word “application” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted;
- II. in sub-regulation (2) of regulation 29, after the words “rupees one lakh” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

27. Amendments to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014

In the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, in the Second Schedule, in Part B,—

- I. in clause (2),—
 - a. the symbol “INR” shall be substituted with the symbol .
 - b. after the word and symbol “application,” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.
- II. in clause (3),—
 - a. the symbol “INR” shall be substituted with the symbol .
 - b. after the figure “5,00,000/-” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

28. Amendments to the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014

In the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, in Schedule II, in clause 5, after the words “applicant/REIT” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

29. Amendments to the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014

In the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, in Schedule II, in clause 5, after the word “InvIT” and before the word “by”, the words “by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or” shall be inserted.

30. Amendments to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,—

- I. in regulation 37, in sub-regulation (1), after the words and symbol “whichever applicable,”, before the word “with”, the words and symbol “along with a non-refundable fee as specified in Schedule XI,” shall be inserted;
- II. after Schedule X, a new Schedule shall be inserted, namely,—

“Schedule XI - Fee in respect of draft scheme of arrangement [see regulations 37 and 94]

1. The listed entity shall, along with the draft scheme of arrangement, remit fee at the rate of 0.1% of the paid-up share capital of the listed/transferee/resulting company, whichever is higher, post sanction of the scheme, subject to a cap of `5,00,000/-.
2. The fee specified in clause 1 shall be paid by way of direct credit to the bank account of the Board through NEFT/RTGS/IMPS or any other mode allowed by RBI or by means of a demand draft in favour of “Securities and Exchange Board of India” payable at Mumbai.”

Team ICSI

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