



INVESTMENT OF OWN FUNDS (EXCLUDING FUNDS LYING IN CORE SETTLEMENT GUARANTEE FUND) BY CLEARING CORPORATIONS IN INTERNATIONAL FINANCIAL SERVICES CENTRE (IFSC)¹

1. SEBI vide circular SEBI/HO/MRD/DRMNP/CIR/P/2016/54 dated May 04, 2016, has specified Investment policy of a clearing corporation.
2. Currently, the clearing corporations are permitted to invest their own funds as well as funds lying in Core Settlement Guarantee Fund in Fixed Deposits/ Central Government Securities and Liquid schemes of Debt Mutual Funds.
3. Upon review of investment instruments/avenues available for Clearing Corporations in IFSC and based on the feedback received, it has been decided to permit the Clearing Corporations in IFSC to invest their own funds in AAA rated Foreign Sovereign Securities. However, the investment in such AAA rated Foreign Sovereign Securities shall not exceed a limit of ten per cent of the total investible resources, excluding funds lying in Core Settlement Guarantee Fund of the Clearing Corporation.
4. This circular is being issued in exercise of 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 market.

ARREST MADE BY CENTRAL TAX, DELHI EAST COMMISSIONERATE INVOLVING GST EVASION OF RS. 28 CRORE²

Central Tax, GST Delhi East Commissionerate arrested a Shahdara based father son-duo on 22.05.2018 in case of fraudulent issuance of Input Tax Credit invoices involving evasion of approximately Rs. 28 Crores relating to Copper industry. It is the first case of arrest in Delhi, under the new tax regime that came into force on 1st July, 2017.

Searches were conducted at several places during which various incriminating documents and evidence were found. Investigation that followed revealed involvement of the father and son. Both were arrested under Section 69 (1) of CGST Act and Hon'ble CMM, Patiala House remanded them to judicial custody for 14 days.

As per Section 132 of the CGST Act, issuance of an invoice or bill without supply of goods and wrongful availment or utilization of input tax credit is a *cognizable and non-bailable* offence if the amount involved is over Rs 5 Crores.

Further investigations are underway and the quantum of evasion is likely to go up. Officers are not ruling out the possibility existence of several other fake firms as the investigation moves ahead.

Team ICSI

Disclaimer : The information in the Info Capsules is developed according to the information available in public domain and for academic purposes only. Any person wishing to act on the basis of this document should do so only after cross checking with the original source.

¹ Available at: https://www.sebi.gov.in/legal/circulars/may-2018/investment-of-own-funds-excluding-funds-lying-in-core-settlement-guarantee-fund-by-clearing-corporations-in-international-financial-services-centre-ifsc-_39009.html

² Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1533268>