



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/IMD/DF6/CIR/P/2020/113

June 30, 2020

To,

**Alternative Investment Funds
Registrars to an Issue & Share Transfer Agents**

Dear Sir/ Madam,

Sub: Collection of stamp duty on issue, transfer and sale of units of AIFs

1. Government vide Gazette notification S.O.116(E) dated January 08, 2020 has notified the “Registrars to an Issue and/or Share Transfer Agents” (RTA) registered under the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as a “depository” for the limited purposes of acting as a “collecting agent” under the Indian Stamp Act, 1899 and the Rules made thereunder, only in case of instruments of transaction otherwise than through a recognised stock exchange or depository.
2. In this regard, you are directed to comply with the applicable provisions of the Indian Stamp Act, 1899 and the Rules made thereunder regarding collection of stamp duty on sale, transfer and issue of units of AIFs w.e.f. July 01, 2020.
3. RTA already appointed by AIFs shall collect the stamp duty on issue, transfer and sale of units of AIFs as stated in Para (1) and (2) above.
4. AIFs, where RTA have not been appointed so far, shall appoint RTA, at the earliest, but not later than July 15, 2020 to enable collection of applicable stamp duty on issue, transfer and sale of units of AIFs in compliance with the applicable provisions of the Indian Stamp Act, 1899 and the Rules made thereunder.
5. As the provisions of the amended Indian Stamp Act, 1899 and the Rules made thereunder are to be implemented and enforced w.e.f. July 01, 2020, till such time RTA are appointed, as an interim measure, AIFs shall keep the applicable stamp duty on issue, transfer and sale of units of AIFs in a designated bank account. AIFs shall transfer the said amount to RTA upon appointment for



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onward remittance to States / Union Territories as per the provisions of Indian Stamp Act, 1899 and the Rules made thereunder.

6. As regards transactions (issue, transfer and sale of units of AIFs in demat mode) through recognized Stock Exchange or Depository as defined under SCRA, 1956 and Depositories Act, 1996 respectively, the respective Stock Exchange/authorized Clearing Corporation or a Depository is already empowered to collect stamp duty as per the amended Indian Stamp Act, 1899 and the Rules made thereunder.
7. This circular is 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.
8. The circular is available on SEBI website at www.sebi.gov.in under the categories "Legal framework - Circulars" and "Info for - Alternative Investment Funds".

Yours faithfully,

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