



Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/POLCY/2017/301

June 16, 2017

SEBI CIRCULAR - INTEREST AND DIVIDEND INFORMATION REPORTING IN CASE OF CUSTODIAL ACCOUNTS-RULE 114G(1)(E) OF THE INCOME TAX RULES, 1962

DPs are advised to refer to SEBI Circular no. **CIR/HO/MIRSD/MIRSD2/CIR/P/2017/59** dated June 15, 2017 wherein SEBI has informed regarding the **Interest and Dividend information reporting in case of Custodial Accounts-Rule 114G(1)(e) of the Income Tax Rules, 1962** [refer **Annexure**].

DPs are advised to note that the format of the report with information about corporate action with reference to Interest/Dividend information in rupee terms per unit of security will be informed separately.

DPs are advised to take note of the same and ensure compliance.

Queries regarding this communiqué may be addressed to:

CDSL – Helpdesk on (022) 2272-8642, 2272-8427, 2272-8624, 2272-8693, 2272-8639, 2272-8625, 2272-1261 or 2272-8663. Emails may be sent to: helpdesk@cdslindia.com.

sd/-

Nayana Ovalekar
Chief Operating Officer



CIRCULAR

CIR/HO/MIRSD/MIRSD2/CIR/P/2017/59

June 15, 2017

To,

- 1. All Recognized Depositories**
- 2. Depositories Participants (DPs) through Depositories**
- 3. Registrars to an Issue and Share transfer agents (RTAs)**

Dear Sir/Madam,

**Sub: Interest and Dividend information reporting in case of Custodial Accounts-
Rule 114G(1)(e) of the Income Tax Rules, 1962**

1. This has reference to SEBI Circular No. CIR/MIRSD/2/2015 dated August 26, 2015 on implementation of the Multilateral Competent Authority Agreement and Foreign Account Tax Compliance Act.
2. In terms of Rule 114G(1)(e)(i) of Income Tax Rules, 1962 issued under Section 285BA of Income Tax Act, 1961 following information is required to be reported by reporting financial institution in the case of reportable custodial account:-
(i) the total gross amount of interest, the total gross amount of dividends, and the total gross amount of other income generated with respect to the assets held in the account, in each case paid or credited to the account (or with respect to the account) during the calendar year;
3. In respect of the above it has been decided in consultation with Central Board of Direct Taxes, Department of Revenue, Ministry of Finance that:-
 - a) Depositories shall provide additional field in the depository system to the RTAs by July 15, 2017 whereby the RTAs can incorporate the details of corporate action viz. dividend/interest in rupee terms per unit of the security at the time of setting up of corporate action. Depositories shall make available such information to DPs to enable them to do necessary reporting.
 - b) The reporting with respect to dividend / interest is to be done by DPs on 'entitlement' basis and not on the basis of actual payment received by the demat account holder.



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Securities and Exchange Board of India

- c) If a demat account is identified as a 'reportable account' during a calendar year by the DP, the reporting under Rule 114G (1) (e) is to be done for the dividend / interest entitlements during the entire calendar year i.e. including the period of the calendar year before identification of such account as a 'reportable account' by the DP.
4. You are advised to take necessary steps to ensure compliance with the above.
 5. The Depositories are directed to bring the contents of this circular to the notice of the Depository Participants, Registrar to an Issue and transfer agents/Issuers of the securities and also disseminate the same on their websites.
 6. This Circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Rule 114G(11)(a) of the Income Tax Rules, 1962.
 7. This Circular is available on the SEBI website (www.sebi.gov.in) under the section **SEBI Home > Legal Framework > Circulars**.

Yours faithfully,

Debashis Bandyopadhyay
General Manager