



STAMP DUTY DEMYSTIFIED

By S. P. Toshniwal
 Founder and CEO
 ProStocks, a Sunlight Broking LLP Venture

Stamp Duty on Transaction at Stock exchange and transfer through Depositories

The Government of India amended the Indian Stamp Act, 1899 through Finance Bill 2019 presented in the Parliament on 1st February 2019. Amended provisions were to be effective from the date of notification, to be issued in the official Gazette of India.

The Government of India has published a notification in the Official Gazette of India on 10th December 2019 making the amended provisions effective from 01 July 2020.

“The Government of India has published a notification in the Official Gazette of India on 10th December 2019 making the amended provisions effective from 01 July 2020.”

What is chargeable:

Sr. No	Item Description	Chargeability after 01 July 2020	Chargeability prior to 01 July 2020
1	All transactions executed at, as well as reported to the recognised Stock and Commodity Exchanges generally known as Contract Note transaction	Chargeable	Chargeable
2	Any transfer of securities for consideration through Depository other than 1 above, like issuance of shares and securities by the company, off-market buy and sell etc.	Chargeable	Not Chargeable
3	Gifts, collaterals towards margin to stock-broker or to Banks or NBFC for borrowing, early pay-in shares etc (transfer for and return thereof) will not be liable for stamp duty	Not Chargeable	Not Chargeable
4	Bonus Shares, Split of shares etc without consideration	Not Chargeable	Not Chargeable
5	Government Securities	Not Chargeable	Chargeable

What rate and Who, whom and When is liable to pay:

Sr. No	Item Description	Rate of Stamp Duty	Who is liable to pay	Whom to Pay on behalf of state Govt	When is liable to pay	Old rates at Maharashtra
1	Equity Segment (Capital Market) Non delivery (intra-day) trades across Stock Exchanges except debentures and Govt Securities	0.00%	Buyer	Stock Exchange / CCs	On settlement	0.004% (0.002% each for buyer and seller)
2	Equity Segment (Capital Market) delivery trades across Stock Exchanges except for debentures and Govt Securities	0.02%	Buyer	Stock Exchange / CCs	On settlement as delivery and not closeout	0.02% (0.01% each for buyer and seller)
3	Equity and Commodity Futures	0.00%	Buyer	Stock Exchange / CCs	On settlement	0.004% (0.002% each for buyer and seller)

4	Equity and Commodity Options on premium value	0.00%	Buyer	Stock Exchange / CCs	On settlement	0.004% (0.002% each for buyer and seller)
5	Futures and Options on Currency and Interest rates	0.00%	Buyer	Stock Exchange / CCs	On settlement	0.004% (0.002% each for buyer and seller)
6	Government Securities	Nil	NA	NA	NA	0.001% (0.0005% each by buyer and Seller)
7	Issue of securities including debentures	0.01%	Issuer	Depository	At the time of credit to Depository	Nil
8	In case of Debenture reissue	0.00%	Issuer	Depository	At the time of credit to Depository	Nil
9	In case of transfer of Debenture against off-market trade or delivery trades	0.00%	Seller / Transferor	Depository	At the time of transfer	Nil
10	In case of transfer of Debenture pursuant to Trade at Stock Exchange (Delivery Trades)	0.00%	Buyer	Stock Exchange / CCs	At the time of settlement	0.00%
11	Open-offer, Buyback, Offer for Sell etc through Stock Exchange Platform	0.02%	Acquirer / Seller	Stock Exchange / CCs	On settlement as delivery and not closeout	0.02% (0.01% each for buyer and seller)
12	Transfer of any Equity and Equity related securities for consideration, made through depository, otherwise than on the basis of any transaction on Stock and Commodity Exchanges	0.02%	Seller / Transferor	Depository	At the time of transfer	Nil

S P Toshniwal, Chartered Accountant by qualification and passion for technology, founded ProStocks, India's one of the fastest growing online stock broking company. He was CEO of Mangal Keshav Securities Limited, India's first brokerage house to have foreign bank as partner, prior to starting Prostocks.com.