

Ref: 06-07/ISS/36022/VV

June 13, 2006

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All Registered Intermediaries of ISS

Administrators/ Executive Director of Participating Exchanges, Co-ordination Officers at Participating Exchanges/Regional Administrative Offices

Dear Sir / Madam,

Ref: NSE Circular reference no. NSE/MEM/7545 dated June 5, 2006

Sub: Non-payment of Service Tax by Sub-brokers

We are in receipt of above-referred circular from National Stock Exchange of India Ltd. dated June 5, 2006 with respect to payment of service tax by sub-brokers of all trading members, the contents of which is reproduced below:

QUOTE

The Exchange is in receipt of a letter dated March 21, 2006 (Ref no : F.No.V/STC/DN.I/ GR-I/MISC/2006) from the Office of The Assistant Commissioner of Service Tax, Mumbai Div I, the contents of which are reproduced below:

Quote

Sub: Non payment of service Tax by Sub-brokers- Regarding

“As you are aware that in terms of provision of section 65 (101) of Finance Act 1994, read with Section 67 ibid, sub-brokers are liable to pay Service Tax with effect from 10 September 2004 ; on the Gross amount charged by them for such service rendered by them.

It is noticed that, most of the sub-brokers have not yet obtained registration as required under Rule 4 of Service Tax Rules 1994 & are not paying the Service Tax despite providing the taxable services. Failure to obtain service tax registration and non-payment of Service Tax attracts penalty and interest under Section 75, 76 and 77 of the Finance Act 1994.

You are therefore requested to apprise to get sub-brokers registered immediately & pay the Service Tax along with interest, without fail.

An early action in the matter will be highly appreciated”

Unquote

Trading members are hereby requested to bring the above to the notice of their sub-brokers, for their necessary compliance of the above requirement.

UNQUOTE

Hence all the registered intermediaries are advised to obtain registration as required under Rule 4 of Service Tax Rules, 1994 (as directed through our Circular Reference No. 06-07/ISS/35872/GC dated June 8, 2006) and pay the service tax along with interest if any without fail.

Thanking you,

Yours faithfully

For ISE SECURITIES & SERVICES LIMITED

V. VASUMATHY
Company Secretary