

**Ref: 08-09/ISS/712/JS**

June 10, 2008

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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,

**Sub: Service Tax on Stock Exchange Services**

This has reference to the circulars of NSE & BSE regarding the service tax on stock exchange services. In this regard, we would like to inform you that the Finance Bill 2008 has proposed to levy Service Tax on Stock Exchange Services. Now, the Government of India, Ministry of Finance Vide notification no.18/2008 dated 10th May 2008 appoints the 16th May, 2008 as the date on which the provisions of the said Act shall come into force.

Accordingly, Service tax @ 12.36% will be applicable for **Transaction charges, Auction commission and Bad delivery auction commission** which are recoverable with effect from 16th May 2008 for all the segments viz., **Cash, F&O and Debt**. Please find attached the circulars of BSE & NSE for your information.

In case you require further clarification, you may contact the undersigned or your Relationship Manager.

Yours faithfully,  
For **ISE SECURITIES & SERVICES LTD.**,

**Jagdish Sonwalkar**  
**AGM – Customer Relations**  
**& Business Development**



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## Notices

Notice no :	20080514-24	Notice date :	Wednesday, May 14, 2008
Category :		Segment :	General
Subject :	Service Tax on Stock Exchange Services		
Content			
<p>Trading members of the Exchange hereby informed that the Finance Bill 2008 has proposed to levy Service Tax on Stock Exchange Services. Now, the Government of India, Ministry of Finance Vide notification no.18/2008 dated 10<sup>th</sup> May 2008 appoints the 16<sup>th</sup> May, 2008 as the date on which the provisions of the said Act shall come into force.</p> <p>Accordingly, Service tax @ 12.36% will be applicable for <b>Transaction charges, Auction commission and Bad delivery auction commission</b> which are recoverable with effect from 16<sup>th</sup> May 2008 for all the segments viz., Cash, F&amp;O and Debt. The necessary statements giving above details will be downloaded through the BOLT as usual. Further a consolidated invoice giving day wise details of above charges along with the service tax component will also be downloaded on fortnightly basis. The said invoice will also contain the Service Tax Registration no, Serial No., Description of services, Address, etc., to enable to CENVAT credit.</p> <p>Please note that the service tax relating to other Services, if any; would be recovered through the monthly Clearinghouse bill.</p> <p>In case of any clarification, trading members may contact Shri Raghurama K. on telephone no. 22721233/34, Ext 8546.</p> <p><b>S. S. Bolar</b> <b>Sr. General Manager</b> <b>Investment &amp; Accounts</b></p> <p>Wednesday, May 14, 2008.</p>			

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**NATIONAL SECURITIES CLEARING CORPORATION LIMITED  
FINANCE & ACCOUNTS DEPARTMENT  
CIRCULAR**

**To all Members**

Circular No. : NSCCL/F&A/10705

Date: May 15, 2008

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Dear Members,

**Sub : Applicability of Service Tax on “Processing and Clearing House Services”  
with effect from May 16, 2008**

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The Finance Bill, 2008 had proposed to introduce service tax on the services rendered by a processing and clearing house in relation to processing, clearing and settlement of transactions in securities, goods or forward contracts including any other matter incidental to, or connected with, such securities, goods and forward contracts, from the date to be notified.

The Central Government vide notification no.18/2008 – Service Tax dated May 10, 2008, has appointed the 16<sup>th</sup> day of May, 2008, as the date on which the provisions shall come into force.

Accordingly the Clearing Corporation shall be charging service tax as applicable, with effect from May 16, 2008. The same will be shown separately in the Invoice / Bill concerned.

For information and compliance of all the Members.

In case of any clarifications you may contact the undersigned or Mr. Lalit Bohara or Mr. Yogesh Mohite at 2659 8140 or 2659 8100 Ext.3081/2/3.

**For National Securities Clearing Corporation Limited**

**Amol Mahajan  
Manager – Taxation**