

National Stock Exchange Of India Limited**Department : FINANCE & ACCOUNTS**

Download Ref No: NSE/FATAX/41919

Date : August 20, 2019

Circular Ref. No: 2/2019

To,

All the Trading Members of the Exchange.

Sub: Changes in relation to Securities Transaction Tax.

This has reference to our earlier Circular No. 1/2019 dated June 7, 2019 (download reference no. NSE/Tax/41263) and our Circular No. 2/2016 dated May 16, 2016 (download reference no. NSE/Tax/32385) in relation to applicability of STT on various taxable securities transactions executed on the Exchange.

In this regard, we would like to inform that the Finance (No.2) Act, 2019 which received the President assent on August 1, 2019, has amended the value of the taxable securities transaction in relation to serial no. 4(b) of the table under section 98 of the Finance (No.2) Act, 2004 pertaining to “sale of an option in securities, where option is exercised”.

With effect from September 1, 2019 where option is exercised, STT at the prescribed rate shall be levied on the “intrinsic value” instead of the settlement price as at present. Further, in this regard the intrinsic value has been defined as the difference between the settlement price and the strike price of the option.

This is for the information and due compliance by the trading members and also for onward transmission to the constituents.

In case of any clarifications you may write / contact the undersigned, Ms. Swati Murkya or Ms. Charmi Desai on taxation@nse.co.in or 022-66418100 / 26598100 Ext.23082 / Ext. 23059.

**For and on behalf of
National Stock Exchange of India Limited**

**Premal Shah
Associate Vice President**