

RBI/2004/281

DGBA.GAD.No.H-1793-1826/42.01.001/2004-05

November 20, 2004

The Chief Executive Officer
All Agency Banks
(As per list)

Dear Sir,

New Major Head for Accounting 'Securities Transaction Tax'

We have been informed by the Office of the Principal Chief Controller of Accounts, Central Board of Direct Taxes, New Delhi that as per chapter VII of the Finance Act 2004-05, every recognised Stock Exchange shall collect the Securities Transaction Tax from every person, being a purchaser or a seller, who enters into a taxable security transaction in that Stock Exchange at the prescribed rates. The tax so collected shall be paid by every recognised Stock Exchange to the credit of Central Government by seventh day of the month immediately following the said calendar month. This levy came into force with effect from October 1, 2004.

2. In order to facilitate the accounting and recording of 'Securities Transaction Tax', the following codes are allotted to the Major Head and Minor Heads of Accounts:

- (a) Major Head - 0025 – Securities Transaction Tax
- (b) Minor Heads – 101 – Collection under Securities Transaction Tax*
 - 102 – Penalty
 - 103 – Interest

* *Minor Head will have the sub-heads (i) Tax Collection and (ii) Deduct- Refunds.*

3. We shall be glad if you will please issue suitable instructions to all your authorised branches immediately, so as to enable them to account for the collection under the appropriate Head of Account.

Yours faithfully,
Sd/-
(M.T.Varghese)
General Manager