



Central Depository Services (India) Limited

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COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/POLCY/4548

July 01, 2014

SEBI CIRCULAR – INTER-GOVERNMENTAL AGREEMENT WITH UNITED STATES OF AMERICA UNDER FOREIGN ACCOUNTS TAX COMPLIANCE ACT-REGISTRATION

DPs are advised to refer to SEBI circular no. **CIR/MIRSD/2/2014** dated June 30, 2014 regarding **Inter-Governmental Agreement with United States of America under Foreign Accounts Tax Compliance Act-Registration, [see Annexure-A]**.

DPs are advised to take note of the same and ensure compliance.

Queries regarding this communiqué may be addressed to:

CDSL – Helpdesk on (022) 2272-8642, 2272-8427, 2272-8624, 2272-8693, 2272-8639, 2272-1261 or 2272-2075. Emails may be sent to: helpdesk@cdslindia.com.

Nayana Ovalekar
Sr. Vice President – Operations



भारतीय प्रतिभूति और विनियम बोर्ड
Securities and Exchange Board of India

CIRCULAR

CIR/MIRSD/ 2/2014

June 30, 2014

To,

1. All Recognized Stock Exchanges
2. Stock Brokers through Recognized Stock Exchanges
3. All Depositories
4. Depository Participants through Depositories
5. Mutual Funds
6. Portfolio Managers
7. Alternative Investment Funds
8. Collective Investment Schemes
9. Custodians

Dear Sir/Madam,

Sub: Inter-Governmental Agreement with United States of America under Foreign Accounts Tax Compliance Act - Registration

1. The Government of India has advised that India and the United States of America (US) have reached an agreement in substance on the terms of an Inter-Governmental Agreement (IGA) to implement Foreign Accounts Tax Compliance Act (FATCA) and India is now treated as having an IGA in effect from April 11, 2014. However, the IGA may be signed in due course. Information on FATCA is available at: <http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA>.
2. As advised by the Government, the following points may be noted by all SEBI registered intermediaries:
 - a. Indian Financial Institutions would have time upto December 31, 2014 to register with US authorities and obtain a Global Intermediary Identification Number (GIIN). This time limit would also be applicable to Indian Financial Institutions having overseas branches in Model 1 jurisdictions, including those jurisdictions where an agreement under Model 1 has been reached in substance. Registration should be done only after the formal IGA is signed. Information in this regard will be communicated to you.



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- b. Overseas branches of Indian Financial Institutions in a jurisdiction having IGA 2 agreement or in a jurisdiction that does not have an IGA but permits financial institutions to register and agree to a Foreign Financial Institution (FFI) agreement, may register with US authorities within the stipulated time period and obtain a GIIN in accordance with the requirements to avoid potential withholding under FATCA.
 - c. Overseas branches of Indian Financial Institutions in a jurisdiction that does not have an IGA and does not permit financial institutions to register and agree to an FFI agreement may not register and their overseas branches would eventually be subject to withholding under FATCA.
 - d. The Government has further advised that if registration of the parent intermediary/ head office is a pre-requisite for a branch to register, such intermediaries may register as indicated at (a) and (b) above.
3. The Stock Exchanges and Depositories are advised to bring the contents of this Circular to the notice of the Stock Brokers, Depository Participants, as the case may be, and also disseminate the same on their websites.
 4. This Circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 (SEBI Act).

Yours faithfully,

Krishnanand Raghavan
General Manager
Email: krishnanandr@sebi.gov.in