



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

CIR/MIRSD/ 2/2015

August 26, 2015

To,

All Intermediaries registered with SEBI

Dear Sir/Madam,

Sub: Implementation of the Multilateral Competent Authority Agreement and Foreign Account Tax Compliance Act

1. It is brought to the attention of all the intermediaries that India has joined the Multilateral Competent Authority Agreement (MCAA) on Automatic Exchange of Financial Account Information on June 3, 2015. In terms of the MCAA, all countries which are a signatory to the MCAA, are obliged to exchange a wide range of financial information after collecting the same from financial institutions in their country/jurisdiction.
2. Further, on July 9, 2015, the Governments of India and United States of America (USA) have signed an agreement to improve international tax compliance and to implement the Foreign Account Tax Compliance Act (FATCA) in India. The USA has enacted FATCA in 2010 to obtain information on accounts held by U.S. taxpayers in other countries. As per the aforesaid agreement, foreign financial institutions (FFIs) in India will be required to report tax information about U.S. account holders/taxpayers directly to the Indian Government which will, in turn, relay that information to the U.S. Internal Revenue Service (IRS).
3. For implementation of the MCAA and agreement with USA, the Government of India has made necessary legislative changes to Section 285BA of the Income-tax Act, 1961. Further, the Government of India has notified Rules 114F to 114H (herein after referred as "the Rules") under the Income Tax Rules, 1962 and form No. 61B for furnishing of statement of reportable account as specified in the Rules. The Rule is available at <http://www.incometaxindia.gov.in/communications/notification/notification%20no.%2062%20dated%2007-08-2015.pdf>.
4. All registered intermediaries are advised to take necessary steps to ensure compliance with the requirements specified in the aforesaid Rules after carrying out necessary due diligence.



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5. The Stock Exchanges and Depositories are directed to bring the contents of this circular to the notice of the Stock Brokers and Depository Participants respectively and also disseminate the same on their websites.
6. 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).
7. This Circular is available on the SEBI website (www.sebi.gov.in) under the section **SEBI Home > Legal Framework > Circulars**.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Debashis Bandyopadhyay', written in a cursive style.

Debashis Bandyopadhyay
Deputy General Manager

- (a) entity or other non-profit organization, or escheat to the Government of the entity's country or territory of residence or any political sub-division thereof.

Explanation.- For the purpose of this sub-clause, the following shall be treated as fulfilling the criteria provided in the said sub-clause, namely:-

- (I) an Investor Protection Fund referred to in clause (23EA);
 - (II) a Credit Guarantee Fund Trust for Small Industries referred to in clause 23EB; and
 - (III) an Investor Protection Fund referred to in clause (23EC), of section 10 of the Act;
- (B) “controlling person” means the natural person who exercises control over an entity and includes a beneficial owner as determined under sub-rule (3) of rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005.

