

KPMG REG FATCA/CRS Alert

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India: Issued circular relating to Arrangement for Interest and Dividend information reporting in case of Custodial Accounts as per Rule 114G(1)(e) of the Income Tax Rules, 1962

On 15 June 2017, the Securities and Exchange Board of India ("SEBI"), in consultation with the Central Board Of Direct Taxes ("CBDT") issued a circular with a view to put in place an arrangement for FATCA and CRS related information reporting in relation to corporate actions (that is, dividend and interest payments).

The circular requires that by 15 July 2017, depositories should enable RTAs (registrar and share transfer agents) to incorporate in the depository system details of cash corporate actions, that is, dividend/ interest in rupees per unit of the security, while setting up the corporate action. Depositories shall make available such information to depository participants (DPs) (that maintain customers' DP/securities accounts) to enable them to do the FATCA and CRS reporting.

Further, it is clarified that reporting with respect to dividend/interest would be done by DPs on entitlement basis and not actual payment/receipt basis.

The circular states that once a DP account is identified as a 'reportable account' in any calendar year, the reporting is to be done for the dividend/interest entitlements during the entire calendar year (including the period before the account is identified as reportable).

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Reference: [Circular](#)

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