

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (ii)]

Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes

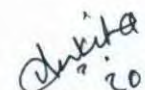
New Delhi, the 30<sup>th</sup> of October, 2017

NOTIFICATION

In exercise of the powers conferred by clause (iii) in the Explanation of clause (e) of the proviso to sub-section (5) of Section 43 of the Income-tax Act, 1961 (43 of 1961) read with sub-rule (4) of Rule 6DDD of the Income-tax Rules, 1962, the Central Government hereby notifies **Indian commodity Exchange Limited (PAN:AABCI9479D)** as a 'recognised association' for the purpose of said clause with effect from the date of publication of this notification in the Official Gazette.

2. The Central Government shall withdraw the recognition granted to Indian Commodity Exchange Limited, if it
- (i) ceases to have the approval of the Forward Markets Commission established under the Forward Contracts (Regulation) Act, 1952 (74 of 1952) (merged with Securities and Exchange Board Of India vide Gazette Notification No.S.O.2630(E) dated 24.09.2015) in respect of trading in derivatives and shall function in accordance with the guidelines or conditions laid down by it; or
  - (ii) fails to ensure that the particulars of the client (including unique client identity number and PAN) are duly recorded and stored in its databases; or
  - (iii) fails to maintain a complete audit trail of all transactions (in respect of derivative market) for a period of seven years on its system; or
  - (iv) fails to ensure that transactions (in respect of derivative market) once registered in the system are not erased; or
  - (v) fails to ensure that the transactions (in respect of derivative market) once registered in the system are modified only in cases of genuine error (as mentioned in Circular of SEBI dated 19.08.2016 in SEBI/HO/CDMRD/DMP/CIR/P/2016/73) and maintain data regarding all transactions (in respect of derivative market) registered in the system which have been modified and submit a monthly statement in Form No. 3BC to the Director General of Income-tax (Intelligence and Criminal Investigation), New Delhi within fifteen days from the last day of each month to which such statement relates.
3. This notification shall remain in force-
- a. until the approval granted by the Securities and Exchange Board of India is withdrawn or expires; or
  - b. if any of the conditions stipulated in para 2 above, are violated; or
  - c. under exercise of powers vested in Central Government under sub-rule (5) of rule 6DDD of the Income-tax Rules, 1962, this notification shall stand rescinded on **31.10.2018** with liberty to the applicant to file a fresh application for approval under clause (e) of the proviso to sub-section (5) of section 43 of the Act for the subsequent period.

whichever is earlier.

  
(Ankita Pandey)  
30.10.17  
Under Secretary (ITA-II), CBDT

The Explanatory Memorandum as appended in Annexure

Notification No. 91/2017  
(F. No. 225/216/2017-ITA-II)

To

The Manager,  
Government of India Press,  
Mayapuri, New Delhi

Copy forwarded to: -

1. PPS to FM/Dir(FMO)/OSD to MoS(R)/PPS to RS/PPS to Chairman, CBDT and all Members, CBDT.
2. The applicant, Indian Commodity Exchange Limited, Mumbai.
3. All Pr. CCsIT/DGsIT for kind information.
4. ITCC, CBDT (4 copies)
5. O/o Pr. DGIT (Systems), New Delhi, for placing on the website: incometaxindia.gov.in.
6. Addl. CIT, Data Base Cell for uploading on Departmental Website.
7. Guard File.

*Ankita*  
20.10.17

(Ankita Pandey)  
Under Secretary (ITA-II), CBDT

**Annexure**

**\*Explanatory Memorandum in respect of Notification S.O. ....dated.....**

An 'eligible transaction' in respect of trading in derivatives carried out on Indian Commodity Exchange Limited (PAN Number: AABC19479D) with effect from ..... shall not be deemed to be speculative transaction. The expression 'eligible transaction' is defined in clause (ii) of the Explanation of clause (e) of the proviso to subsection (5) of section 43 of the Income-tax Act, 1961.

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