

Bombay Chartered Accountants' Society

Lecture Meeting on Taxation of Transactions in Securities

Transactions in securities have always received a differential tax treatment in the hands of an investor vis-à-vis the trader. In particular, from 1st October, 2004 to 31st March, 2018, capital gain has got substantial tax concessions as compared to business profits. This differential tax treatment has created a hot-bed of litigation and uncertainty which have been sought to be addressed through various legislative amendments. However, our experience shows that often, the remedy is worse than the disease. Things get even more complicated when one looks at different variations of securities and tax implications from the perspective of different stakeholders. Many questions emerge:

1. *What are the implications of the recently re-introduced long term capital gains tax on listed securities?*
2. *What is the latest position in respect of penny stocks (listed securities)? How does one substantiate the bonafide of the transaction and also defend against possible penalties?*
3. *What are the tax implications on ESOPs, especially cross border ESOPs?*
4. *How to differentiate between investing and trading, both from the domestic as well as international investor's perspective?*
5. *In the context of unlisted securities, how to defend the provisions pertaining to deemed gifts, both from the company's perspective as well as the investor's perspective?*
6. *How does a promoter infuse funds in a loss-making company considering the deemed gift and transfer pricing provisions?*
7. *To what extent are the objective valuation provisions for unlisted securities justified and is there a leeway in genuine cases?*
8. *To what extent would the GAAR provisions apply to transactions in securities - in particular for FPIs?*

To address these burning issues and also cover a few additional case studies, the Society has organized a lecture meeting by CA Pinakin Desai as per the details given hereunder:

Topic	"Taxation of Transactions in Securities"
Day, Date & Time	Wednesday, 11th July 2018, 6:15 p.m. onwards (Fellowship over a cup of tea at 6:00 p.m.)
Speaker	CA Pinakin D. Desai
Venue	Walchand Hirachand Hall, Indian Merchants' Chamber, Churchgate. Mumbai 400020

This lecture is free for all and open to anyone interested on the subject. Seats will be available on a first come first served basis.

We trust that you will attend this lecture meeting and benefit from the expert deliberations on the subject by the Learned Speaker.

Best regards,

CA Abhay Mehta / CA Mihir Sheth
Hon. Jt. Secretaries (Elect.)