

SOF Newsletter

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Editors Desk

We are delighted to present the inaugural issue of SOFP-Newsletter. The Last few months have been quite hectic as we had our hands full planning events, launching our website, expanding our reach. Well it was all an effort well spent and there were many hands which contributed to it.

Your organization SOFP has now grown to represent 115 members (at the time of writing this) and continues to grow. For the past few months lot of time was spent on getting things organized , planning new activities, and completing various legal formalities.

This news-letter aims to communicate the developments taking place in the financial planning world, Other developments as well as to keep you informed about developments taking place within SOFP.

This is our maiden issue and many of you would be having their suggestions about the layout , topics which you would like us to cover or new sections which can be introduced. Please feel free to revert back with your suggestions and feedback as this is just the beginning of a long journey and our newsletter will continuously evolve during this journey.

We would also ask our readers to contribute in the form of articles, experiences which will aid in the development of our profession as well as enable to grow individually. You can send in your feedback at the following email address editor@sfp.org.in

Happy Reading

Nelson

Quote correct PAN or else....

The Finance Bill 2009-10 says “ The deductee (person from whose income tax is deducted), shall mandatorily furnish his pan to the deductor failing which the deductor shall deduct tax at source (TDS) at higher rates”.

The above provision will apply to incomes other salary, i.e. Rent, Interest Income, etc. even Non residents will fall under the ambit of the above provision.

Now the responsibility of providing the correct PAN number falls upon the deductee, unlike earlier where companies were chasing their suppliers, contractors for the PAN Number.

Rate of Tax

The finance bill states that the deductor will have to deduct tax at a rate higher than the prevailing rate or 20%, whichever is higher.

Applicability

This act will be applicable to all deductees, i.e. Companies, firms, Individuals, etc. Even those



Cont.....

Who have earnings from interest income or any income from any other source but is not taxable need to fill a form (15 G), In case of senior citizens /Pensioners (form 15H) quoting their PAN number if they would like their income not to be taxed.

Even non residents are not spared from this provision.

So to sum it up , All those who intend to enter into financial transactions need to furnish correct PAN Number .

Zero entry Load

From August 1 2009 and entry loads on Mutual funds will be a thing of past. SEBI has come out with a circular notifying that w.e.f 01/08/2009 there will not be any entry load on mutual funds. What this means is that investors would have to give an upfront commission to the distributor. At the same time the distributor would have also have to disclose his commissions and trail commissions.

SEBI has also instructed the AMC's to carry a suitable disclosure on the application forms stating that the commissions would have to be paid by the investor to the distributor directly based on the assessment of various factors like quality of service, type of advice etc.

As regards Exit Load SEBI has directed that a maximum of 1% needs to be maintained in a separate account by the Mutual fund Companies. Proceeds from this fund has to be used to for making payments of commission to the various distributors.

Events

SOFP Held it's first of the Tri Series event on Financial Planning. This event was held on 20th June 2009 at M C Ghia Hall located at Kala Ghoda, Fort Mumbai. The event was held between 3.30 to 6.30 pm.

This event was conducted by Mr. Kairav Shah CFP and Vice President (Personal Finance), Apna Paisa Pvt Ltd. It was well attended by CFP's both from the industry as well as Practicing CFP's

Photos and write-up on the event will be posted on the website <http://sofp.org.in/> soon.

The 2nd part of this event will be held on 1st August 2009 at the same place i.e. M.C.Ghia hall, Kala Ghoda, Fort. The Registration fees for the event are Rs 300/- for SOFP members and Rs. 500/- for Non-Members.

If you have any queries about the event , you can address them to Mr. Jayant Vidwans, Mr. Sandeep Vasa or Mr. Yogendra Joshi on email ID enquiry@sofp.org.in.

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