

Revision in TCS on LRS Transactions from 1 October 2023

20% TCS to apply for all purposes under LRS, except Overseas Education & Medical

This is to inform you of the revised TCS rates (as per the Finance Act, 2023) on Forex draws/ remittances by Resident Individuals under Liberalised Remittance Scheme (LRS) effective from 1 October 2023, which is as under.

Sr. No	Type of Remittance Abroad	New TCS rate
		(w.e.f 1 October 2023)
1	For the purpose of education, if the amount being remitted is from a loan obtained from any specified institution	Threshold limit - NIL upto Rs. 7 lakh.
		0.5% of the amount or the
		aggregate amount over Rs. 7 lakh per financial year
2	For the purpose of education, other than (1) above (or) for the purpose of medical treatment.	Threshold limit - NIL upto Rs. 7 lakh
		5% of the amount or the aggregate amount over ₹7 lakh per financial year
3	Any other purpose under LRS	Threshold limit - NIL upto Rs. 7 lakh 20% of the amount or the aggregate amount over Rs. 7 lakh per financial year
4	Overseas tour packages	5% upto Rs. 7 lakh* 20% of the amount or the aggregate amount over Rs. 7 lakh* per financial year
5	Resident Individual falling under "Specified Person" category/Non-PAN case/ inoperative PAN case	Double the normal rate of TCS or 5%, whichever is higher. However, TCS rate shall not exceed 20%.

Note:

1. Threshold limit of Rs. 7 lakh per FY for LRS as mentioned in point no. (1), (2) & (3) is a combined limit on all categories of LRS payments, through all modes of payments, regardless of the purpose.
2. Threshold limits as mentioned in point no. (1), (2) & (3) are remittances/forex draws availed under LRS across all Authorised Dealers (ADs).
3. LRS remittance processed by the Bank as an Authorised Dealer towards air travel ticket booking or hotel booking by a resident individual customer would be subject to TCS as per the rate provided as mentioned in point no. (3) of the above table.
4. (*) Threshold limit for Rs. 7 lakh per FY for purchase of Overseas tour program package is independent of the threshold limit mentioned in point no. (1).

Definition of Specified Person:

“Specified Person” means a person who satisfies both the following conditions

1. He/She has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be

deducted/collected. The previous year to be counted is required to be the one whose return filing date under sub-section (1) of section 139 has expired.

2. The aggregate tax deducted at source and tax collected at source is Rupees Fifty thousand or more in that previous year.