



Ministry of Finance



## Clarification regarding applicability of Tax Collection at Source to small Debit/Credit Transactions under LRS

Posted On: 19 MAY 2023 7:11PM by PIB Delhi

Concerns have been raised about the applicability of Tax Collection at Source (TCS) to small transactions under the Liberalized Remittance Scheme (LRS) from July 1, 2023. To avoid any procedural ambiguity, it has been decided that any payments by an individual using their international Debit or Credit cards upto Rs 7 lakh per financial year will be excluded from the LRS limits and hence, will not attract any TCS.

Existing beneficial TCS treatment for education and health payments will also continue.

The necessary changes to the Rules (Foreign Exchange Management (Current Account Transactions Rules), 2000) will be issued separately.

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**PPG/KMN**

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