1. **Exemption threshold limit of 7 lacs** per financial year per individual shall apply to remittance under liberalized remittance scheme (LRS). No threshold exemption for overseas tour packages.

2. **TCS Rates for LRS**: On amount exceeding Rs. 7 lacs, TCS shall be collected:-
   - i. @ 0.5% on remittance for *education financed by loan* taken from financial institution
   - ii. @ 5% on remittance for *education not financed* by financial institution.

   **Note**:
   Remittance for *education shall include* tickets for study abroad, tuition fee and other fee to educational institute and other day to day expenses under *codes S0305 or under S1107*.

   - iii. @ 5% on remittance for *medical treatment* (including ticket of patient and his attendant and medical expenses and day to day expenses for medical treatment) made under *Code S0304 and Code S 1108*.

   - iv. @ 20% on *any other purpose* for remittance under liberalized remittance scheme.

3. **Liberalized Remittance Scheme**: Remittances by individuals up to 250000 USD for following purposes are covered under liberalized remittance scheme attracting TCS on remittance exceeding Rs. 7 lacs :-
   - (i) Private visits to any country (except Nepal and Bhutan)
   - (ii) Gift or donation.
   - (iii) Going abroad for employment
   - (iv) Emigration
   - (v) Maintenance of close relatives abroad
   - (vi) Travel for business, or attending a conference or specialised training or for meeting expenses for meeting medical expenses, or check-up abroad, or for accompanying as attendant to a patient going abroad for medical treatment / check-up.
   - (vii) Expenses in connection with medical treatment abroad
   - (viii) Studies Abroad
   - (ix) Any other Current account transaction

4. **Current account transactions** means transaction other than capital account transactions and include :-
   - i.- payments due in connection with foreign trade, other current business, services, and short-term banking and credit facilities in the ordinary course of business
   - ii.- payments due as interest on loans and as net income from investments,
   - iii.- remittances for living expenses of parents, spouse and children residing abroad, and
iv.- expenses in connection with foreign travel, education and medical care of parents, spouse and children.

5. **TCS on expenditure through *international credit card*** while being overseas though has also been brought under liberalized remittance scheme by omissions of Rule 7 of Foreign Exchange Management (Current Account Transactions) Rules, 2000 but TCS has been suspended till further orders by guidelines issued under Circular 10/2023 dated 30-06-2023. TCS on expenditure through *international debit card/ATM* is covered by LRS and shall attract TCS.

6. **Expenses of *business visit of employee*** are borne by entity. Such expenses shall be treated outside LRS and may be permitted without limit and shall not attract TCS.

7. **TCS @ 5% shall apply on *overseas tour packages*** up to Rs. 7 lacs and TCS @ 20% shall apply on overseas tour packages above Rs. 7 lacs. Overseas tour package should expenditure on any two of followings _

   -i.- International travel ticket
   -ii.- hotel accommodation (with or without food)/boarding/lodging
   -iii. any other expenditure of similar nature or in relation thereto.

8. **Applicability of limit of 7 lacs**:

   i. Limit of 7 lacs shall apply *in aggregate to all types of remittances under LRS* for education or medical treatment or any other purpose and not to applied to every purpose individually. *However for overseas tour packages limit of 7 lacs shall not be clubbed with LRS remittances.*

   ii. Limit of 7 lacs for LRS shall apply for *complete FY 2023-24* and not only period post 01-07-23 or 01-10-2023.

   iii. Limit of Rs. 7 lacs is *qua every remitter and not qua authorized dealer*. *Undertaking in this regard may be obtained from remitter* by authorized dealer for remittances through other dealers, till RBI develops system. Remitter shall be responsible for false undertaking, if any.

9. Where **purchase of overseas tour package** is covered by LRS also, TCS shall apply treating the same as overseas tour package and not remittance under LRS.

10. **TCS on foreign remittance shall not apply** to non resident who does not have establishment in India*.

11. **TCS on foreign remittance shall not apply** where TDS is applicable*.