

Computation of Service Tax on Sale / Purchase of Foreign Exchange Transaction w.e.f. 22nd June, 2017: Government of India Guidelines

- Sale and purchase of Foreign Currency
- Import and Export transactions
- Inward and outward Remittances
- Transfer funds from EEFC /FCNR/RFC account to INR
- Issuance / cancellation of foreign currency drafts / Cheques / TCs etc
- Utilization / cancellation / rebooking of Forward Contract

The Sub-rule (7B) of Rule 6 of Service Tax Rules, 1994 and rule 32(2) sub-rule (b) of central goods and services tax Rules, 2012 , Part-A (Rules) notified vide latest Notification No. 60/2020-Central Tax (Dated 30.07.2020). Bank has exercised the option of recovering Service Tax on sale and purchase of Foreign Currency as per amended Notification. Service Tax will be computed and recovered as per the following grid:

- (a) 0.18 percent of the gross amount of currency exchanged for an amount up to rupees 100,000 subject to the minimum amount of rupees 45 and
- (b) Rupees 180 and 0.09 percent of the gross amount of currency exchanged for an amount of rupees exceeding rupees 100,000 and upto rupees 10,000,000; and
- (c) Rupees 990 and 0.018 per cent of the gross amount of currency exchanged for an amount of rupees exceeding 10,00,000, subject to maximum amount of rupees 10800

FOR ANY CLARIFICATION PLEASE CONTACT THE RELATIONSHIP MANAGER OR VISIT THE NEAREST BRANCH