

Computation of Service Tax on Sale / Purchase of Foreign Exchange Transaction w.e.f. 01st April, 2012: 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 has been amended vide Notification No. 3/2012-ST dated 17th March, 2012. Therefore, in line with the guidelines, Bank has exercised the option of recovering Service Tax on sale and purchase of Foreign Currency as per amended Notification No. 3/2012-ST dated 17th March, 2012 of Rule 6 (7B) of Service Tax rule 1994, Service Tax will be computed and recovered as per the following grid:

- (a) 0.12 percent (0.1 per cent before 1st April, 2012) of the gross amount of currency exchanged for an amount up to rupees 100,000 subject to the minimum amount of rupees 30 (Rs. 25/- before 1st April, 2012); and
- (b) Rupees 120 (Rs. 100/- before 1st April, 2012) and 0.06 (0.05 per cent before 1st April, 2012) 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 660 (Rs. 550/- before 1st April, 2012) and 0.012 (0.01 per cent before 1st April, 2012) per cent of the gross amount of currency exchanged for an amount of rupees exceeding 10, 00,000, subject to maximum amount of rupees 6000

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