

New 20% TCS rule on international spends



From 1st Oct 2023, **foreign remittances** will be subject to higher TCS after crossing the threshold limit of **Rs 7 lakhs** in a **financial year**

Foreign remittances towards **education** and **medical purposes** would not be subject to **higher TCS**



Nature of payment	Pre finance Act 2023	Rates from 1st Oct 2023
For education, financed by a loan from a financial institution	0% up to Rs 7 lakhs, 0.5% above Rs 7 lakhs	No change
For medical treatment/ education, financed by means other than a loan	0% up to Rs 7 lakhs, 5% above Rs 7 lakhs	No change
For other purposes	0% up to Rs 7 lakhs, 5% above Rs 7 lakhs	0% up to Rs 7 lakhs, 20% above Rs 7 lakhs
Purchase of overseas tour package	5% without threshold	5% up to Rs 7 lakhs, 20% thereafter