

The below mentioned new tax rates are applicable for transfers made on or after 23<sup>rd</sup> July 2024, unless otherwise specified.

Mutual Funds/ Asset Class	Holding Period*/ Long-term Taxation		Short-term Taxation
<b>1. Equity Oriented MFs, Equity ETFs (&gt;=65% Indian Equity), Equity FOFs***</b>	>12 Months	12.50%	20.00%
<b>2. Debt Oriented MFs</b>			
Acquired prior to 1 <sup>st</sup> April 2023			
▪ Redeemed between 1 <sup>st</sup> April 2024 and 22 <sup>nd</sup> July 2024	>36 Months	20.00%	Slab Rate
▪ Redeemed on or after 23 <sup>rd</sup> July 2024	>24 Months (>12 Months for ETFs)	12.50%	Slab Rate
Specified MFs- old definition (<=35% Indian Equity)			
Acquired post 1 <sup>st</sup> April 2023 and redeemed up to 31 March 2025	Deemed short term	N.A.	Slab Rate
Specified MFs/ Debt Oriented MFs- new definition (>=65% SEBI Regulated Debt and Money Market)			
Acquired post 1 April 2023 and redeemed any time post 1 April 2025	Deemed short term	N.A.	Slab Rate
<b>3. Hybrid MFs (&gt;35% and &lt;65% Indian Equity)</b>			
▪ Redeemed between 1 <sup>st</sup> April 2024 and 22 <sup>nd</sup> July 2024	>36 Months	20.00%	Slab Rate
▪ Redeemed on or after 23 <sup>rd</sup> July 2024	>24 Months <sup>^</sup>	12.50%	Slab Rate
<b>4. #Other MFs (International Equity/ Gold/ Silver/ other funds/ FoFs****)</b>			
Acquired prior to 1 <sup>st</sup> April 2023			
▪ Redeemed between 1 <sup>st</sup> April 2024 and 22 <sup>nd</sup> July 2024	>36 Months	20.00%	Slab Rate
▪ Redeemed on or after 23 <sup>rd</sup> July 2024	>24 Months (>12 Months for ETFs)	12.50%	Slab Rate
Acquired post 1 <sup>st</sup> April 2023			
▪ Redeemed between 1 <sup>st</sup> April 2024 and 31 <sup>st</sup> March 2025	Deemed short term <sup>^^</sup>	N.A.	Slab Rate
▪ Redeemed on or after 1 <sup>st</sup> April 2025	>24 Months (>12 Months for ETFs)	12.50%	Slab Rate

\* Relevance of holding period - Transfer of capital asset within holding period treated as short term, otherwise, it is long term

[P.T.O]

\*\*\* Equity FOF means fund which invest 90% of its total proceeds in another fund listed in recognized stock exchange and such other fund also invest 90% of its total proceeds in equity shares of domestic company listed on a recognized stock exchange.

\*\*\*\* Other than equity oriented FOF as defined above.

<sup>#</sup> It is assumed that the debt allocation of these funds is below 65%. Funds investing more than 65% of their funds in debt and FoFs investing 65% or more of their total proceeds in a Specified MF would be classified as Specified MFs. Such funds would be deemed short term irrespective of holding period.

<sup>^^</sup> Since other MFs (International Equity/ Gold/ Silver/ other funds/ FoFs ) will be treated as SMF if redeemed on or before 31 March, 2025.

CCPS denotes Compulsorily Convertible Preference Shares, OFS denotes Offer for Sale, ZCBs denote Zero Coupon Bonds, MLDs denote Market Linked Debentures, REITs denotes Real Estate Investment Trusts, InvITs denote Infrastructure Investment Trusts, VCC denotes Variable Capital Company, MFs denotes Mutual Funds, FoFs denote Fund of Funds.

**Notes:** The above rates are exclusive of surcharge and cess. No change in surcharge and cess rates have been made in the Finance (No.2) Act, 2024. Further, there is no change in roll over benefits / capital gain exemptions (for example, section 54F). No indexation benefit is available on any transfer of the above-mentioned assets (except on transfer of real estate) on or after 23 July 2024.

Any transfer of capital asset on and after 1st April 2024 and before 23rd July 2024, the old tax rates will be applicable. Tax rates for non-residents is at par with residents. The definition of specified mutual fund has been amended starting 1st April 2025 and the same has been considered in the above table. Long term capital gains exemption of Rs. 1,00,000 on transfer of listed equity shares, equity oriented MFs u/s 112A has been increased to Rs. 1,25,000.

**Source:** Finance (No. 2) Act, 2024 read with Income Tax Act, 1961.

**Disclaimer:** This write up is for information purposes only and is not an offer to sell or a solicitation to buy any mutual fund units/securities. This information alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party. It should be noted that the data mentioned in the note are based on the Finance (No. 2) Act, 2024. The information contained in this document is not intended to be a complete disclosure of every material aspect of Income tax Laws. This is a summarized information of the relevant income tax provisions and should be read with the tax disclosure notes included as part of the offer document. For a detailed study, please refer to the Income Tax Act, 1961 read with the relevant Rules, Circulars and Notifications, which are also available on website - incometaxindia.gov.in. The data used in this material is obtained by Invesco Asset Management (India) Pvt. Ltd. from the sources which it considers reliable. While utmost care has been exercised while preparing this document, Invesco Asset Management (India) Pvt. Ltd. does not warrant the completeness or accuracy of the information and disclaims all liabilities, losses and damages arising out of the use of this information. The content of this note is confidential and intended solely for the use of the addressee. If you are not the addressee, or the person responsible for delivering it to the addressee, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it is prohibited and may be unlawful. The recipient(s) before acting on any information should make his/their own investigation and seek appropriate professional advice.

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

Other Investment Avenues	Holding Period*/ Long-term Taxation	Short-term Taxation	
<b>1. Listed Indian Securities (Excluding MFs)</b>			
▪ Equity Shares/ Securities (e.g. CCPS)	>12 Months	12.50%	20.00%
▪ Sale of Bonds/ Debentures/ ZCBs (excl. MLDs)	>12 Months	12.50%	Slab Rate
▪ MLDs	Deemed short term	N.A.	Slab Rate
▪ REITs/ InvITs	>12 Months	12.50%	20.00%
<b>2. Unlisted Indian Securities</b>			
▪ Equity Shares/ Securities (e.g. CCPS)	>24 Months	12.50%	Slab Rate
▪ OFS Equity Shares (for selling promoters)	>24 Months	12.50%	20.00%
▪ Transfer/ Maturity of Bonds/ Debentures/ ZCBs/ MLDs	Deemed short term	N.A.	Slab Rate
▪ REITs/ InvITs	>24 Months	12.50%	Slab Rate
<b>3. Other Assets</b>			
▪ Real Estate**, Gold, Art, Silver, all Foreign Assets incl. International Funds, VCCs	>24 Months	12.50%	Slab Rate

\* Relevance of holding period - Transfer of capital asset within holding period treated as short term, otherwise, it is long term

\*\* For transfer of properties by Individual / HUF which were acquired before 23 July 2024, an option is available to compute tax at 12.5% without indexation or at 20% with indexation (subject to conditions prescribed), whichever is more beneficial.

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**Notes:** The above rates are exclusive of surcharge and cess. No change in surcharge and cess rates have been made in the Finance (No.2) Act, 2024. Further, there is no change in roll over benefits / capital gain exemptions (for example, section 54F). No indexation benefit is available on any transfer of the above-mentioned assets (except on transfer of real estate) on or after 23 July 2024.

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