

**13 OCT, 2022**

**ARTICLE No. 09**

**AVAILABLE OPTIONS FOR OVERSEAS INVESTMENT: -**

If you wish to take exposure in stocks of companies that are not available in India. It is possible know if the price of these shares you feel are very high it is now possible to buy even fraction of shares also. You can also buy units of [mutual fund schemes](https://www.moneycontrol.com/news/business/personal-finance/explained-why-re-opening-of-international-mutual-funds-may-benefit-only-a-few-investors-8719711.html) that offer exposure to specific themes or geographies.

**LIMITATION OF AMOUNT FOR OVERSEAS INVESTMENT: -**

In a financial year, an Indian resident can invest up to $2.5 lakh overseas under the Liberalised Remittance Scheme (LRS). Investments made in Indian mutual fund schemes that invest overseas are not accounted for while computing your remittances under LRS. Though there is no minimum investment amount while investing overseas. You need to check your risk profile before taking such exposure.

**TAX IMPLICATION ON RETURNS/INCOME GENERATED FROM MY ON OVERSEAS INVESTMENT: -**

Gains on sale of foreign stocks held for more than 24 months attract a long-term capital gains tax of 20% plus cess and surcharge wherever applicable. Profits from sale of short-term holdings (held for less than 24 months) will be taxed at the slab rates applicable to you. You have to report your foreign assets in your income tax return (ITR) form (Schedule FA).

The tax department requires such taxpayers to furnish details like country where these assets are held, income generated by the asset, nature of ownership, and so on. You also have to report foreign assets in the I-T return forms’ Assets and Liabilities Schedule if your income for the financial year is over Rs 50 lakh, failing which you might have to cough up penalties.

**In case of investment in mutual funds which invest in overseas stocks no such disclosure is required.**