



# Taxation Changes post Union Budget 2024

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Categories of Funds	Redeemed or transferred till July 22, 2024		From July 23, 2024 till March 31, 2025 (If units sold between this period)		Effective July 23, 2024			Applicability for Mirae Asset scheme
	STCG <sup>^</sup>	LTCG <sup>^</sup>	STCG <sup>^</sup>	LTCG <sup>^</sup>	STCG <sup>^</sup>	LTCG <sup>^</sup>	Holding period for LTCG <sup>^</sup>	
<b>Equity Oriented (&gt;65% in Equity assets)</b>	15%	10%	20%	12.5%	20%	12.5%	>1	All Domestic equity-oriented MF
<b>Debt Oriented (&gt; 65% Debt Assets)/FOF<sup>^^</sup> investing &gt; 65% in such debt-oriented fund</b>								
Units Acquired before 01.04.2023	Tax slab	20% (Indexation)			Tax Slab	12.5%	>2 (>1*)	All Domestic Debt-oriented MF
Units Acquired after 31.03.2023 and sold till 31.03.2025	Tax Slab	Tax Slab	Tax Slab	Tax Slab				
Units acquired after 31.03.2023 and sold after 31.03.2025	Tax Slab	Tax Slab			Tax Slab	Tax Slab	Irrelevant	
<b>Commodities ETF Listed on exchange/Foreign Equity ETF (India Domiciled) Listed on Exchange</b>								
Units Acquired before 01.04.2023	Tax Slab	20% (Indexation)			Tax Slab	12.5%	>1	Commodities & Foreign ETF listed in India
Units Acquired after 31.03.2023 and sold till 31.03.2025	Tax Slab	Tax Slab	Tax Slab	Tax Slab				
Units Acquired after 31.03.2023 and sold after 31.03.2025	Tax Slab	Tax Slab			Tax Slab	12.5%	>1	
<b>Domestic Equity ETF FOF<sup>^^</sup> (where &gt;90% is in Domestic Equity ETFs which are traded on a recognised stock exchange as per Explanation1 of Sec 112A)</b>								
Units Acquired before 01.04.2023	15%	10%			20%	12.5%	>1	All FoFs on Domestic Equity ETFs
Units Acquired after 31.03.2023 and sold till 31.03.2025	15%	15%	20%	20%				
Units Acquired after 31.03.2023 and sold after 31.03.2025	15%	15%			20%	12.5%	>1	
<b>Commodities FOF<sup>^^</sup>/Foreign FOF<sup>^^</sup> (investing in offshore Schemes)/Foreign FOF (investing in India listed offshore Schemes)/Foreign Equity Index Fund (India Domiciled)</b>								
Units Acquired before 01.04.2023	Tax Slab	20% (Indexation)			Tax Slab	12.5%	>2	FoF on Overseas ETFs and FoF on Foreign ETFs listed in India
Units Acquired after 31.03.2023 and sold till 31.03.2025	Tax Slab	Tax Slab	Tax Slab	Tax Slab				
- Units Acquired after 31.03.2023 and sold after 31.03.2025	Tax Slab	Tax Slab			Tax Slab	12.5%	>2	

\* In case of units of debt mutual funds/debt ETF/FMP listed on recognised stock exchange, long-term holding period shall be 12month instead of 24 months

## Important Sections pertaining to Mutual Funds & Taxation of Mutual Funds

Section	Description
50AA	<b>Specified Mutual Fund (Latest Description) –</b> '(ii) "Specified Mutual Fund" means,— (a) a Mutual Fund by whatever name called, which invests more than sixty-five per cent. of its total proceeds in debt and money market instruments; or (b) a fund which invests sixty-five per cent. or more of its total proceeds in units of a fund referred to in sub-clause (a):
111A	Short Term Capital Gains rate has been changed from 15% to 20% w.e.f July 23, 2024
112A	Exemption limit for Long Term Capital Gains has increased from INR 100, 000 to INR 125, 000 Long Term Capital Gains (LTCG) increased from 10% to 12.5%
Explanation 1 of Sec. 112A	"Equity-oriented fund" means a fund set up under a scheme of a mutual fund specified under clause (23D) of section 10 and, — (i) in a case where the fund invests in the units of another fund which is traded on a recognised stock exchange, — (A) a minimum of ninety per cent of the total proceeds of such fund is invested in the units of such other fund; and (B) such other fund also invests a minimum of ninety per cent of its total proceeds in the equity shares of domestic companies listed on a recognised stock exchange; and (ii) in any other case, a minimum of sixty-five per cent of the total proceeds of such fund is invested in the equity shares of domestic companies listed on a recognised stock exchange <b>Provided</b> that the percentage of equity shareholding or unit held in respect of the fund, as the case may be, shall be computed with reference to the annual average of the monthly averages of the opening and closing figures
Section 155	Securities Transaction Tax (STT) rates have been revised, which shall come in force from 01 Oct 2024 Options – 0.1% Futures – 0.02%
Section 2 (Clause 42A)	Short Term Capital Asset definition changed from 36 months to 24 months for all assets except Security listed in a recognized stock exchange in India or a unit of the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963) or a unit of an equity-oriented fund or a zero coupon bond or in case of a share of a company (not being a share listed in a recognised stock exchange)...

<sup>^</sup> STCG - Short Term Capital Gain | <sup>^</sup>LTCG - Long Term Capital Gain | <sup>^^</sup> FOF - Fund Of Fund | ETF - Exchange Traded Fund

### Disclaimers

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Document compiled on 24.Jul.2024. This document has been compiled with using the various sections and sub-sections from Income Tax Act 1961 and amendments made to Finance Bill 2024. (Source [https://www.indiabudget.gov.in/doc/Finance\\_Bill.pdf](https://www.indiabudget.gov.in/doc/Finance_Bill.pdf)) It would be prudent for investors to consult their tax advisors for further details, clarification and actions.

**Statutory Details:** Trustee: Mirae Asset Trustee Company Private Limited; Investment Manager: Mirae Asset Investment Managers (India) Private Limited (AMC); Sponsor: Mirae Asset Global Investments Company Limited.

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